

CAMEROON CREDIT UNION  
DEVELOPMENT PROJECT  
(USAID / Y 631-0044)

M I D - T E R M E V A L U A T I O N R E P O R T

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I. EXECUTIVE SUMMARY

OVERVIEW

USAID/Yaounde is the principal external supporter of credit union development in Cameroon. As such, this evaluation of assistance to the Cameroon Cooperative Credit Union League, Ltd. has offered a unique opportunity to assess efforts purporting to stimulate private sector institutional development, as well as its potential beneficiary multiplier effect.

This project continues to enjoy the success noted in the 1983 in-house assessment. This is principally due to the fact that the institution being developed is recognized as a private, voluntary, and social movement by its member users. As a crucial contributing element, credit union and League staff at all levels are dedicated to most efficiently meeting the financial and social needs of members. Of equal importance is the fact that donor inputs are fully integrated with the established operations of the League, as directed by its objectives, and thus, have not created potentially short-lived "sub-projects". Finally, the institutional network continues to enjoy such success because members really feel that it is their own and also recognize its immediate impact upon their daily lives; i.e., the real growth of savings per member has kept ahead of the inflation rate compounded over the last 14 years.

USAID's contribution to the credit union movement in Cameroon through the World Council of Credit Unions has been primarily in the areas of: systems development and implementation, staff training and membership education, planning, production credit, and service expansion/sophistication. The body of this report, of course, treats progress to date for each project component. Some of the indicators of achievements at this mid-point in the project period are:

- 7,862 person/days of training have been given;
- savings growth in the pilot production credit societies is 16% higher than in other rural non-pilot societies;
- the average value of agricultural loans in these pilot credit unions has increased 85%;
- savings per credit union member has increased 31.1%;
- 94.2% of accessible savings at the credit union level (i.e., not including deposits at the League, but including League loans) was lent to members in 1983.

Most crucially perhaps, not including assumed costs (e.g., the replacement of expatriate volunteers), the League's level of financial self-sufficiency has continued to increase, reaching a level of 97.4% at the end of 1983.

Even given this level of accomplishments, the evaluation team notes that with success comes a number of new challenges for the Cameroonian credit union movement.

In sum, the project's goal and purposes call for CamCCUL to become a technically and financially viable institution which can offer needed financial services to an increasing number of credit unions and their members, in order to improve their individual standards of living. This will remain the same for the foreseeable future.

However, in the short term, the League should examine and resolve the following principal issues:

1. How can a timely and adequate tracking of beneficiary needs and improvement in living standards be ensured?
2. Since the organization's primary income-generating source is that of financial investments made with mobilized savings, how can the growth of such savings be increased at a higher rate than recent years or at least a rate surpassing the projected rate of expenditure growth?
3. Financial self-sufficiency within the project period can only be achieved at the risk of sacrificing full services to member credit unions; i.e., not hiring all necessary field staff and/or not providing encouraging interest rates on affiliates deposits with the League. Should such sacrifices be made in the short term, and if so, what will be the probable longer term implications?

#### CONCLUSIONS

As noted above, thus far, this project can be deemed a success. It is reasonable to project that most, if not all, of the project's objectives will be achieved within the life of the project with neither an extension of the project's time frame nor an additional funding obligation from USAID necessitated. While CamCCUL, and the credit union movement as a whole, should be congratulated on its efforts thus far in the project period, it is also encouraged to continue such efforts and implement related recommendations in this report in a timely manner, in order that mutually agreed upon project objectives are achieved within the planned timeframe. Additionally, perpetual (and global) society issues, such as, loan delinquency, cash control, office management, membership education, and staff training should continue to be prioritized, in order to ensure the solid development of the movement's base.

Although beneficiary needs are addressed through the participatory decision making structure of the credit union, a periodic tracking of beneficiary status should also be ensured. This exercise was begun with the initial base-line data survey conducted in early 1983. a comparative survey should be undertaken in early 1986, at which time all League senior staff will have returned from overseas training and such data may be analyzed in time for this project's final evaluation.

The Small Farmer Production Credit pilot scheme has already shown evidence of its successful implementation, due mainly to its institutionalization by the League and the recognition of liaison efforts with existing extension services. Besides the fact that agricultural lending has increased and this coincides with both the GRC's and USAID/Y's priorities, this project component's longer range implications for the credit union movement's eventual viability are especially noted by the fact that average member savings have increased at a greater rate where such production credit is emphasized. Given that the League's ability to generate its earned income is directly related to the movement's capacity to mobilize members' savings, a special effort should be made to expand this program, to small farmers as well as potential users of non-agricultural productive loans. Although an important component of the movement's acceptance by its members is the fact that loan purposes are decided by members themselves (rather than being directed), this pilot activity has shown that such a sense of individual autonomy can still be maintained while loan counselling and member education may be focused towards income generating uses of credit.

Perhaps the key question asked throughout this project's period of implementation concerns the League's financial viability and when it might be attained. This report's financial analysis of CamCCUL's potential indicates that, given recent savings growth trends, the only means to attain a level of 100% financial self-sufficiency within the project period will be not to hire Cameroonian staff at the needed rate and/or not provide encouraging interest rates to affiliated credit unions on their fixed deposits with the League. A special effort to stimulate an increase in the movement's savings mobilization trend was noted in the previous paragraph. However, it would not be realistic to anticipate a dramatic effect upon the movement as a whole through such efforts within the project's present time frame. Thus, a decision must be reached as to whether full services will be risked in order to attain self-sufficiency in the near term.

The conclusion of the evaluation team is that if such a level of viability can be reached before the end of the project, the League's institutional credibility will greatly benefit. At such a point in time, donors would be encouraged by CamCCUL's strict economic measures and fiscal track record. They would subsequently be interested in assisting the League not only to provide full services to all affiliates, but also to upgrade and expand these services, as well as potentially expand CamCCUL's present area of operation. It is, of course, noted that such measures will also carry a variety of risks; such as some loss of credibility with affiliates and a lack of resources for future development needs by the League. However, these temporary constraints will also emphasize the fact that donor assistance is primarily necessary for developmental purposes, rather than recurrent costs. Therefore, if financial measures are implemented as projected in this evaluation, League staff (fieldworkers) will not be hired at the same rate as that of departing expatriate volunteers and interest on fixed deposits, will not increase during the project period.

A glance at Cameroon's map will reveal that, although there are over 50,000 members of credit unions serviced by CamCCUL, the present area of

operation is still comparatively small compared to the movement's potential throughout the country. In addition, some potentially important existing services still remain to be developed and others commenced, as per members expressed needs. Several of the areas for development which the evaluation noted are: the training and effective utilisation of education and supervisory committees, the loan protection and life savings program, credit union systems design and implementation, production credit, and savings mobilization.

Although it has been noted that project activities to date have been a success, given the above, it should be recognized that CamCCUL's success has effectively taken place within a "pilot zone". It would therefore be desirable for CamCCUL and the World Council of Credit Unions to investigate with USAID/Y the possibility of further funding to the Cameroonian credit union movement following the present project period, in order to eventually replicate the League's successes to date in presently non-affected areas of the country and extend increasingly sophisticated services to a growing number of beneficiaries.

#### Recommendations

1. More emphasis be placed on training Education and Supervisory Committee members.
2. CamCCUL should request technical assistance (e.g., training) from ACOECA, WOCCU, and CUNA Mutual in the area of risk management (loan protection and life savings insurance), in order to more effectively educate the officers of affiliated credit unions.
3. The contractual period for the WOCCU Education and Training Advisor should be extended nine months (from 18 months to 27 months).
4. Linkage between the League's SFPC program and appropriate extension and research services should be continued and further developed especially where pilot credit unions are located.
5. A feasibility study should be undertaken to examine possible non-agricultural areas of production credit for credit union members.
6. An assistant Production Credit Officer should be recruited and hired by the League by the end of 1984.
7. The SFPC loan application forms should be simplified as soon as possible.
8. The fieldworkers should, to the extent possible, utilize adult education techniques learned at staff seminars to give further guidance and advice to the credit unions' elected committees.

9. If the League's area of operation (i.e., number, location and size of credit unions) remains as it presently is, CamCCUL should adequately prepare for the replacement of expatriate fieldworkers with Cameroonians by 1987.
10. By October 1984, CamCCUL senior management and WCCU's Management Advisor should implement an action plan for society liquidation/merger and thereafter review such a plan on an annual basis.
11. CamCCUL's personnel manual and system should be fully approved and implemented by June, 1985.
12. During 1984 and the beginning of 1985, CamCCUL and the WCCU Management Advisor should give the development of the League's new 5-year plan the highest priority.
13. A personal computer should be installed in the League's headquarters (as recommended by the December 1983 report of the EDP consultant) by the end of 1984.
14. The follow-up base line data study should take place in early 1986 (preceeding the end-of-project evaluation).
15. In 1984 a policy dialogue between CamCCUL and the UCPY should result from their 1983 and 1984 exchange visits.
16. In 1985 the CamCCUL/UCPY policy dialogue should result in a policy paper for credit union development in Cameroon.
17. The paid managers (revolving fund) program should begin on a pilot basis in at least 5 credit unions by the end of 1984.
18. The pilot paid managers program should consider the use of service centers (e.g., shared staff).
19. CamCCUL's Accounting Manual should be translated into French by the end of 1984.
20. Line-item adjustments (not requiring additional obligations or a PACD extension) should be accordingly made as per the financial analysis in order that project objectives be achieved in the most efficient manner.
21. A Central Liquidity Facility investment study should be performed in early 1985.
22. CamCCUL and WCCU should investigate with USAID/Y the possibility of further funding to the Cameroonian credit union movement following the present project period, in order to eventually replicate the League's successes to date in presently non-affected areas of the country and extend increasingly sophisticated services to a growing number of beneficiaries.

## II. INTRODUCTION

The Credit Union Development Project (631-0044) is an Operational Program Grant (OPG) to the World Council of Credit Unions (WOCCU) through the Credit Union National Association (CUNA) of the U.S. The implementing institution is the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL), headquartered in Bamenda, North West Province, Cameroon. Project implementation commenced on July 20, 1981 when the technical advisors (two at that time) began their orientation activities in the U.S. The project activity completion date is September 30, 1986.

This five year OPG proposes to strengthen Cameroon's national and regional credit union structures (secondary societies) so that they become financially self-sufficient and technically able to provide essential services required by their affiliated credit unions. In addition to CamCCUL, WOCCU, USAID/Yaounde, and the GRC, other principal project participants are the Konrad Adenauer Foundation (KAF), the U.S. Peace Corps, the Organization of Netherlands Volunteers (ONV), and the Africa Cooperative Savings and Credit Association (ACOSCA).

An in-house assessment of progress towards the achievement of project objectives was undertaken in April 1983 by USAID/Y and WOCCU. This assessment concluded that the project purposes would likely be achieved within the originally projected time frame. In addition to this assessment, a formal mid-project evaluation was scheduled to occur at the beginning of the second quarter of 1984, in order to coincide with CamCCUL's Annual General Meeting of elected representatives from affiliated credit unions. (This would provide the evaluation team with a unique opportunity to observe the League's decision making process, as well as utilize reliable data gathered for the same meeting.)

The purpose of the evaluation is to measure project progress to date and specify objectives for the remainder of the project period. Progress towards achievement of the project's purposes has been measured quantitatively (i.e., using established indicators) and qualitatively (e.g., training results) by means of an examination of the causal effects of objective related activities on achievement of said purposes.

Inputs from all principal project participants were solicited prior to and during the evaluation exercise. Those who directly participated in the evaluation included:

Jonathan Fonchin, CamCCUL Acting Manager  
Dean Mahon, WOCCU/Madison, Wisconsin, Project Manager  
Samuel Scott, USAID/Y, Chief/PDE  
Marcel Ngue, USAID/Y, ARD, Project officer  
Kenneth Kerkhoff, WOCCU Chief of Party, CamCCUL  
Rudiger Hulsén, KAF Representative, Cameroon

Resources utilized in determining the project's status included: grantee reports for the project period to date. CamCCUL project related

documentation, and USAID/Yaounde project-related documentation. In addition, interviews were held with senior CamCCUL staff, the WOCCU technical assistance team, CamCCUL leadership, CamCCUL fieldworkers and a representative sampling of credit unions (14) and the project's intended beneficiaries (i.e., the credit union members) in urban and rural areas.

Appendix A of this report illustrates the questions used as a common framework for the credit union interviews. The elements which were considered in the selection of the sample included the following:

- (1) all provinces served by the League were visited (North West - 6, West - 1, South West - 5, Littoral - 2;
- (2) only registered societies affiliated were visited since these should receive all available services to CamCCUL intended for the beneficiary target group;
- (3) the four "types" of common bond were selected: rural - 3, urban - 4, rural/worker - 5, and urban/worker - 2;
- (4) varying degrees of membership levels were considered: less than 250-4, 250 to 500-4, 501 to 1000, 2, 1001 to 2000, 3, 2001 to 3000, 1;
- (5) six of the credit unions are participants in the Small Farmer Production Credit component of the project. Three were in the first group selected in 1982, 2 in the second group (1983), and one was approved by the CamCCUL Board for this component on April 14, 1984.

The evaluation exercise proceeded according to the following schedule:

- April 13: attendance/observation of CamCCUL Annual General Meeting, explanation of evaluation to AGM participants - Bafoussam, Western Province
- April 14: attendance/participation in CamCCUL Board meeting, discussion of project progress to date - Bafoussam
- April 16: discussion of evaluation purpose, methodology and schedule - CamCCUL headquarters, Bamenda, North West Province + interviews with overseas training participants
- April 17: interview with CamCCUL senior staff and WOCCU technical assistance team - CamCCUL headquarters, Bamenda
- April 18: credit union interviews, pretesting of methodology and questions - Azire and Bafut credit unions, North West
- April 19: finalization of methodology, project document research - CamCCUL headquarters, Bamenda

- April 20-21: credit union interviews: Bamunka, Nkar, Ngondzen, and CCAST/Bambili credit unions, North West
- April 23: final project document research and CamCCUL headquarters interviews - Bamenda
- April 24: interviews: UCCAO credit union, Bafoussam, West and Nkongsamba credit union, Littoral
- April 25: interviews: Kumba Town and Mukonje credit unions, South West
- April 26: interviews: Ekona Research and NPMB/Limbe credit unions, South West
- April 27: interviews: Tiko United credit union, South West and Douala Customs credit union, Littoral
- April 29: first drafts, Yaounde
- April 30: interviews, Yaounde: Department of Cooperation and Mutuality, Union des Caisses populaires de Yaounde, Societe de Developpement International Desjardins, Organization of Netherlands Volunteers, U.S. Peace Corps
- May 1-3: report drafting
- May 4: presentation of findings, USAID/Cameroon, Yaounde
- May-June: report revision
- Late June: report finalization
- Early July: PES to AID/W

### III. PROJECT BACKGROUND

#### A. The Credit Union Movement in Cameroon

The first credit union in Cameroon was formed in 1963 in Njinikom (located in the present North West Province). Credit union growth continued in that area, as well as around Nso resulting eventually in the creation of the Cameroon Cooperative Credit Union League in 1968. This organization grouped an initial 34 registered primary societies (credit unions) and took upon itself the initial responsibilities of assisting with the inspection, audit and control of its affiliates, as well as the promotion and organization of new societies. Assistance to the credit union movement during the ensuing formative years was offered through such organizations as: the U.S. Peace Corps, the Organization of Netherland Volunteers, the Konrad Adenauer Foundation, Oxfam, and Catholic Relief Services. League services to affiliates and non-registered or affiliated societies (termed "discussion groups") expanded during the initial years to include the sale of stationery and supplies to credit unions and, most importantly for eventual financial self-sufficiency, a Central Liquidity Facility (CLF). Affiliates were required to deposit 25% of their deposits with the League, which could in turn be lent back to those societies with temporary excess liquidity needs. This service offered a return to societies (6%) on otherwise idle funds and offered the credit union movement as a whole wider investment opportunities which would eventually finance a broader scope of services to member unions and individual savers and borrowers. Additionally, as employee credit unions in urban areas would in later years automatically generate savings levels which would exceed borrowing capacities, such a vehicle (CLF) would facilitate the channelling of urban deposits into the rural sector through the credit union network.

By 1975, there were 92 societies affiliated with the League and another 110 discussion groups serviced by it. In that year CamCCUL, with the assistance of CUNA/Global Projects and AID/W began a pilot project termed Direct Agricultural Production Credit (DAPC), later to be known as Small Farmer Production Credit (SFPC). This pilot project envisioned five pilot credit unions with the technical expertise to provide members with agricultural production credit and access to appropriate inputs by the end of the project period. The League's Risk Management Program was begun in the following year. This program, supported by the CUNA Mutual Insurance Society and ACOSCA, introduced loan protection and life savings insurance to participating credit unions. Such expanding services, along with an increasing number of credit unions and members, led CamCCUL to eventually perceive a need to develop a planned approach to its development and that of its member societies.

In April of 1979, at CamCCUL's Annual General Meeting, it was decided that a five-year development plan should be prepared for the period 1980-84. The eventual planning document identified primary problems to be resolved, development objectives to overcome existing weaknesses, resources necessary to achieve these objectives, and an implementation plan. In 1980 the following

organizations agreed to assist CamCCUL in the implementation of this plan: CUNA/GPO (later to be integrated with the World Council of Credit Unions), USAID/Yaounde, the Konrad Adenauer Foundation, the U.S. Peace Corps and the Organization of Netherlands Volunteers. Although the plan itself officially began in 1980, because the project agreement for assistance with the Cameroonian Government was not finalized until the following year, the five year period for assistance from these participants will continue into 1986.

B. Project Development

The project's objectives are those resulting from the League's pre-project planning exercise. These, as stated in CamCCUL's five year plan are:

- 1) Development of a Membership Education Program
- 2) Expansion of the Production Credit Program
- 3) Training of Fieldworkers in Central Services
- 4) Consolidation of Non-Viable Credit Unions
- 5) Personnel Management
- 6) Planning Capability
- 7) Development of National and Regional Structures
- 8) Shared Management Services
- 9) Preparation of Manuals

Concurrent with these objectives are the project's stated purposes:

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

By the end of the project, it was anticipated that CamCCUL would be financially and technically self-sufficient, semi-autonomous leagues would be established and functioning at the provincial level, and, more than 170 credit unions would be operating, with 75% of them having attained financial and technical self-sufficiency.

As previously noted, project implementation commenced during the third quarter of 1981 and will continue through September 30, 1986. The following section of the report treats project progress to date by objective and plans for the remainder of the project period.

IV PROJECT PROGRESS

The nine project objectives are outlined below. Refer to the project indicators for these objectives in appendix B for a quantitative status review.

A. OBJECTIVE I DEVELOPMENT OF A MEMBER EDUCATION PROGRAM

The project design essentially describes this as the training of credit unionists (i.e. primary society officers) in the adequate performance of a number of processes. These processes include:

- a. Book-keeping
- b. Preparation and use of operating budgets
- c. Credit policy and procedures
- d. Basic financial statement and statistical analysis
- e. Use of interest tables and formulae
- f. Membership and savings promotion
- g. Office management
- h. Risk management
- i. Loan monitoring and collection techniques
- j. Conducting of internal audits (by supervisory committees).

Emphasis was to be placed on training primary society officers in the specific technical skills necessary for the smooth operation of a credit union.

Thus far, during the project, this training has been accomplished primarily through League seminars. The League has held a total of 66 seminars (not including SFPC) since the inception of the project. At these seminars a total of 592 book-keepers and 1,026 committee members and presidents have been trained. This amounts to 7,862 person-days of training.

Training consisted of concentrating seminar materials on particular tasks performed by specific officers or committees. Examples of subjects taught are as follows:

<u>Trainees</u>	<u>Major Subjects Taught</u>
Credit Union Presidents	- The role of the Board of Directors - Risk Management - Budgeting and Planning - Loan granting and procedure - SFPC Principles - Credit Union Bye Laws
Credit Committee Chairmen	- The Role of the Credit Committee - Credit union loan policy - Risk Management - SFPC Principles - Credit Union Bye Laws
Supervisory Committee Chairmen	- The Role of the Supervisory Committee - Risk Management - Loan granting and procedure

- Credit union loan policy
  - Elementary Book-keeping
  - SFPC Principles
- Education Committee Chairmen
- The Role of the Education Committee
  - Risk Management
  - Membership responsibility and control
  - Credit union loan policy
  - League Services
  - Services offered by a credit union
  - Education Methods and Techniques
- Bookkeepers
- Bookkeeping (Levels I, II & III)
  - Credit union Management
  - Loan granting and procedure
  - Risk Management
  - Credit union By Laws

As part of a training needs assessment in early 1984 a detailed survey was conducted in 24 credit unions. This showed that the groups of primary society officers that were least able to perform their tasks in the credit union, both by their own ratings and those of the fieldworkers, were those groups which had attended the least number of seminars. Conversely, the group that was rated least in need of training (bookkeepers), was the group that in the past had received the most training. In general, there was a direct relationship between the number of seminars attended, and the self-confidence and factual knowledge of trainees. This speaks to the efficiency of past CamCCUL seminar training. This conclusion was also reflected during the credit union site visits and interviews undertaken by the evaluation team.

The training needs assessment identified certain areas of credit union operations which are not well understood by credit union officers. The evaluation team confirmed this during interviews with credit union officers. An often-cited example is the need for information on the Risk Management Program.

In addition to other training activities, the League has designed and made available to individual credit unions a variety of educational materials. During the project period to date 19 issues of the CamCCUL News & Views newsletter have been published, a slide-tape presentation on credit union controls has been developed and shown, 9 credit union information posters have been printed and disseminated, 500 copies of a three year calendar containing miniature prints of 18 CamCCUL education posters have been distributed, and a member education pamphlet has been designed.

Most of these efforts were made without direct technical assistance from the WOCU Education and Training Advisor who arrived in Cameroon relatively recently (October 15th, 1984). Training in 1981, 1982, and 1983 was planned and implemented primarily by CamCCUL's Education and Training Officer with major assistance from 12 Cameroonian League Staff members who have demonstrated ability to conduct training in CamCCUL seminars.

Volunteers from the U.S. Peace Corps and the Organization of Netherlands Volunteers played a somewhat lesser role in the seminars. Technical assistance was also provided by WOCU's Management Advisor who played an active role in the seminars, pending the arrival of the Education and Training Advisor.

The main technical assistance input from WOCU's Education and Training Advisor to date has been to help CamCCUL in formulating an overall plan to insure that training takes place in a systematic way.

The first step in this process was conducting the above mentioned training needs assessment, which was finished early in 1984. This assessment made the following specific recommendations: (1) trainees should be grouped according to ability in order to accommodate the wide disparity of knowledge; (2) more emphasis needs to be placed on training education and supervisory committees and less on bookkeepers; (3) differentiations need to be made between skills and attitudinal deficiencies; and (4) each trainee group has its own emphasized needs.

During the remainder of the project, training of primary society officers will continue to be done at CamCCUL seminars. These seminars will be run consistent with the principal of training the trainers. CamCCUL Field staff will be the trainers at these seminars. The Education Committee Chairmen trained at these seminars can then train general members of their own credit unions. This will stimulate a skill transfer from the top of the organization to the bottom.

CamCCUL's Education and Training Officer and WOCU's Education and Training Advisor will run a workshop in May, 1984 for all fieldworkers and senior office staff, training them in basic adult education skills.

There seems to be a universal agreement at all levels of CamCCUL, that major problems in the credit union movement, such as loan delinquency and inactive membership, cannot be solved without increased emphasis on educating the general membership. This is in addition to training primary society officers. This emphasis will be achieved through a three-pronged approach:

- 1) Up-grading the skills of the credit union education committees;
- 2) Training field staff to support member education efforts in individual credit unions;
- 3) Continuing to provide member education materials such as manuals, brochures, slide-tape presentations, posters, and radio programs. CamCCUL's Education and Training Officer, would ordinarily be the counterpart of the WOCU Advisor. However, he is currently serving as Acting CamCCUL Manager. His managerial duties are such that he cannot execute his education duties on a full-time basis. Thus the Education and Training Advisor will be working with other CamCCUL staff (i.e., field workers brought into the head office) on a regular basis in order to best ensure the

transfer of his skills to a maximum number of CamCCUL staff. Also an extension of the advisor's contract would provide several months of full-time collaboration between him and CamCCUL's Education and Training Office after the return of CamCCUL's Manager from Overseas training

The Konrad Adenauer Foundation (KAF) which has subsidized CamCCUL seminar training in the past, has reduced its assistance for 1984 and may eliminate it altogether in 1985. Although CamCCUL is willing to pick up some of the financial burden itself, the League could still face a situation in which it would have to choose that training which is essential and cut back or eliminate the rest. The League is currently renegotiating its program with KAF as well as investigating alternative sources of funding.

In addition, the Cooperative Development foundation (CDF) of Canada has agreed to assist CamCCUL with its education seminar program in 1984, and may possibly continue to assist in future years.

Recommendations:

- (1) More emphasis be placed on the training of Education and Supervisory Committee members.
- (2) CamCCUL should request technical assistance (e.g., training) from ACOSCA, WOCCU, and CUNA Mutual in the area of risk management (loan protection and life savings insurance), in order to more effectively educate the officers of affiliated credit unions.
- (3) The contractual period for the WOCCU Education and Training Advisor should be extended nine months (from 18 months to 27 months).

B. OBJECTIVE II: EXPANSION OF THE PRODUCTION CREDIT PROGRAM

The project design envisioned that by the end of the project period at least 28 credit unions will have demonstrated the capability to effectively place and collect League sponsored production credit loans, as well as promptly repay any loans, with interest, that may have been granted by CamCCUL to said credit unions. To date, production credit for credit union beneficiaries, as addressed by this project objective, has been targeted to agricultural credit for small farmers.

In examining the Small Farmer Production Credit (S.F.P.C.) component's benefits, measurement of outcome must in some degree be judgemental since such benefits as political, social, and psychological considerations have not been captured in quantitative measure.

It must also be mentioned that observations made during the implementation of the S.F.P.C. program do not seem to wholly support a set of key assumptions made in the design of the program. One such assumption being

that a shortage of capital was constraining farmers from adopting features of new, production-increasing technology.

An examination of saving and borrowing patterns of members in credit unions participating in the program suggests, however, that the rate of capital accumulated by farmers is sufficient to support the use of traditional technologies and the limited improved technologies available to them, and that they can (and have), over time, mobilized capital commensurate with their level of labor and land usage.

The implications of this are important, because they suggest that production credit is not the most important constraint to the farmer and his borrowing for productive purposes may thus be limited.

Discussions with farmers in S.F.P.C. Credit Unions have indicated that factors other than credit such as technical knowledge and extension, input supply, land holdings that constitute less than an "economic unit", lack of markets, as well as low prices for farm outputs may be a more critical set of constraints to the farmer. Attempts have been made to partially relieve some of these constraints through this project by the establishment of linkages with appropriate extension services.

The policy implication of this is that the S.F.P.C. program should only be introduced in those areas where there are numbers of farmers who can "productively" use additional capital, and are genuinely unable to finance their investment requirements through their own borrowing potential in their credit unions.

#### PROJECT IMPACT/ACHIEVEMENT

##### SHARE/SAVINGS:

One desired impact of the S.F.P.C. program is the raising of farmers net income. For those S.F.P.C. borrowers who are involved in farming activities from which shorter term income gains can be expected (seasonal food crops, for example) the evidence suggests that there has indeed been an increase in net income. This is evidenced in part by an increase in the level of savings that these farmers who have borrowed for productive purposes have generated. For those SFPC farmers who have allocated their credit funds in medium and longer term projects such as cattle raising or new farm development, income increases will only be measured in future periods.

Savings, then, can be used as proxy indicator for the net income impact of the SFPC project. SFPC Credit Union member savings growth for the project period to date is 16.9% higher than in non-participating rural credit unions (refer to appendix C). It must however be assumed that savings is only one alternative use of increased disposable income and that other farm income was used for increases in household consumption and/or other investments.

One result of the increased credit union capitalization brought about by increased savings has been the incrementation of funds available for further on-lending to other credit union members.

#### LENDING

Eleven of the fifteen SFPC credit unions have reliable data for the pre-project and present periods. In these societies, lending for agricultural purposes has increased from a 1980 pre-project level of 6,066,700 CFAP (U.S. \$15.167) to a value as of March 31, 1984 of 21,572,702 CFAP (\$53,932). Average agricultural loans, therefore, increased from 60,066 CFAP per borrower, to 111,199 CFAP, (85%), indicating that credit unions under the SFPC program have successfully demonstrated the capability to effectively place production credit loans.

Looking further at agricultural loans, in the year prior to the start of this project, loans for all purposes in SFPC credit unions totaled 60,528,560 CFA, agricultural loans comprising 10% of this amount. As of March 31, 1983, agricultural loans comprise 16.3% of total loans outstanding of 131,952,671 CFAP.

#### OTHER IMPACTS:

From an examination of available data, SFPC credit union performance for the period 1981-1983 has had a positive overall impact, although not as much as might have been ideally anticipated. The program has served as a stimulus to credit union institutional performance in terms of leadership development and in improving the financial integrity of the credit unions through growth in member share/savings. This is due in part on an initial failure of the program to orient SFPC members themselves in the principles of production credit use. The link between the SFPC program and technological adoption is only beginning to be forged. SFPC credit unions are not fully able to provide the level of technical supervision of the SFPC loan recipients that the adoption of new technologies requires. (Although technological adoption may not be a guide to expected performance, it should be recognized that a shift to the use of modern agricultural technologies is an important objective of the SFPC program.)

One opinion attributes the modest performance in this area of member loan patronage to the priority that credit union members give to non-agricultural uses of credit. Members, analysis tends to indicate, prefer to use their borrowing capacity for such provident purposes as school fees, medical expenses, and other social contingencies. Because these credit unions have a loan policy which states that a member may not have more than one loan currently outstanding, members choose not to "mortgage" this capacity to borrow by taking a loan for agriculture. Another observation that suggests a further reason for low patronage is the requirement that members who wish to borrow at levels greater than their share/savings must have co-makers. This has been a major constraint to borrowing and was brought-up several times during visits to credit unions by the evaluation team. But perhaps the key reason for low levels of borrowing for agricultural purposes specifically is

that judging from production cost data available, SFPC credit union farmers are able to finance current levels of technology "out-of-pocket" or from within their levels of share/savings balances in the credit union. Patronage levels have increased from a pre-project rate of 41.1% to a rate of 48% as of December 31, 1983. Still less than half of the membership in SFPC credit unions are borrowing, which suggests that there is large scope for improvement in this area.

POTENTIAL FOR THE PROGRAM:

As previously noted, it is suggested in the project proposal that by end of project there will be 28 credit unions operating within the production credit scheme. Based, however, on selection criteria for credit unions participating in the program, the actual number may be less. The objective of providing a selection criteria outline, is to enable a careful identification of those credit unions where the SFPC's project intervention will have the most impact and benefit to credit union members. From the beneficiary view point, the selection of a credit union to participate in the SFPC program depends on the capacity of farmers to undertake additional financial liability and the interest and willingness to borrow for productive purposes.

Given this, it would seem to be most desirable to emphasize efforts in achieving program growth in those credit unions already participating in the program rather than expanding the program too rapidly in new societies. It is also recommended that consideration be given to dropping from the S.F.P.C. program those credit unions previously selected, whose participation has been only marginal because they are plagued by chronic loan delinquency, poor management, or lack of member interest. It is not cost efficient to continue to try to promote the program in credit unions that are not in a position to undertake SFPC program activity effectively.

Thus far the production credit program has concentrated attention mainly on the deliverance of agricultural credit. Further to the expansion of the program in the last year of the project, it is recommended that it be broadened to take a more balanced view of production credit lending to include the financing of investment in small businesses. This will serve to increase the total number of participants in the program, increase total amounts of credit disbursed, and raise credit union income earned as interest on those loans, thus strengthening the overall financial position of the society. A feasibility study in these areas of production credit is presently projected to be undertaken at the end of 1984.

TRAINING/MANPOWER DEVELOPMENT:

In this area, the SFPC program has attained its major successes. To date 45 credit union officers have been trained in production credit policy and procedures. This training has enabled management to identify types of agricultural projects that will be profitable to the farmer through the construction of cost/return analysis, farm plan development, the preparation of cash flow and partial budgets analysis, and other measures of whole farm performance.

Another stated goal of the SFPC project is the training of credit union fieldworkers in areas that are critical to support of the program. This includes training in procedures that will help the Credit Unions under their jurisdiction implement specified production credit lending processes. Further to this goal, 9 CamCCUL fieldworkers have been subscribed in a correspondence training course offered by the African Institute for Economic and Social Development (INADES). This training has provided the nine staff members with knowledge and skills related to agriculture and will play a crucial role in assisting them to support the promotion and development of the League SFPC scheme.

Institutionalization:

The initial pilot project in production credit experienced several difficulties due, mainly, to the fact that it was not fully integrated with the League's ongoing activities. This project has attempted to avoid such difficulties by ensuring (1) that the counterpart to the technical advisor be an experienced League employee, (2) that CamCCUL's fieldworkers be trained in the basics of SFPC in order to properly disseminate information and monitor progress in the field, (3) that linkages be established with existing extension services in order not to over-burden technical demands made on the League, as well as avoiding a duplication of such efforts and (4) that staff and officers of selected societies be trained in SFPC in order to most effectively implement the program with beneficiaries.

Since the advisor was on medical leave in the U.S. for six months of 1983 the institutionalization of this component was "tested". During that period project implementation proceeded with little or no difficulty (as can be evidenced from the data cited above). However, the expansion of the affected credit unions from 15 to 28 by the end of 1984 and potential expansion into other areas of production credit portend a potential need for an assistant production credit officer, as well as possible short-term training for the present SFPC officer.

Recommendations:

1. Linkage between the League's SFPC program and appropriate extension and research services should be continued and further developed, especially where pilot credit unions are located.
2. A feasibility study should be undertaken to examine possible non-agricultural areas of production credit for credit union members.
3. An Assistant Production Credit Officer should be recruited and hired by the League by the end of 1984.
4. The SFPC loan application forms should be simplified as soon as possible.

C. OBJECTIVE III: TRAINING OF FIELDWORKERS IN CENTRAL SERVICES

By the end of the project, as a result of formal and on-the-job training by senior CamCCUL and WOCCU staff, CamCCUL Fieldworkers will be able to properly perform the following processes: periodic inspections, annual audits, evaluations of credit union performance, risk management program operations, and evaluations of loan applications from affiliates of CamCCUL.

Formal training for fieldworkers thus far has taken place at staff seminars. During the project's first year eighteen CamCCUL staff members attended a seminar which dealt with all the aforementioned subject areas, as well as others. A second seminar, with the same number of participants, was held in August 1982, and a third, with 23 participants, was held in April, 1983.

The 1982 and 1983 seminars stressed not only technical information but the fieldworker's role in credit union education as well. The fourth seminar is scheduled for May 1984 and will emphasize education skills and small farmer production credit. Additional formal training takes place at regular CamCCUL staff meetings usually held twice per year.

The project has also assisted with field visits by Head Office Staff to assist fieldworkers on-the-job. Through the end of 1983, 144 such visits have been made. During these visits senior CamCCUL staff and advisors instructed fieldworkers on solving specific problems and assisted them in preparing plans of action.

CamCCUL expects that the fieldworkers should be trained to be fully competent in all areas of credit union operation so that they may be the primary service link between CamCCUL and the member credit unions. If the fieldworker has any difficulty solving a problem at the credit union level, a senior head office staff member provides assistance and training.

To upgrade the skills of both the head office staff and fieldworkers, the project has sponsored overseas training for four of CamCCUL's Senior Staff. The Central Finance Officer and the Fieldworker Supervisor for the South West Province attended nine-month diploma courses in Cooperative Accountancy and Finance and Cooperative Development-and-Management Education respectively at Loughborough University in England. The League Education and Training Officer attended a four-month course at the University Center for Cooperatives at the University of Wisconsin/Madison, which included three weeks of practical field work with Credit unions and with the leagues in Iowa, Indiana, Illinois, Ohio and Quebec. The League Manager is currently studying for an M.B.A. at American University Washington, D.C. In addition, 3 CamCCUL Staff and one member of the Board of Directors have attended a total of six training programs in Nairobi, Kenya sponsored by ACOSCA (the Pan-African savings and credit cooperative association). See appendix D for details.

Although production of manuals is a separate objective, it is clearly related to training of fieldworkers in central services. These manuals use

cooperative laws and directives, league bye-laws and common practice to codify a given credit union operation. Staff seminars will be used as a means to instruct fieldworkers on each major League manual produced.

Both the WOCCU Management Advisor and the Agricultural Credit Advisor were actively involved in planning and implementing the staff seminars. They also made frequent visits to the field to provide on-the-job support and training for fieldworkers. Most of the field visits, however, were made by Cameroonian Senior Staff members.

During their visits to the sampled credit unions the evaluation team noted that most of the people interviewed had a reasonably good understanding of the duties of a fieldworker. They also indicated general satisfaction that these duties were being performed.

Recommendations:

1. The fieldworkers should, to the extent possible, utilize adult education techniques learned at staff seminars to give further guidance and advice to the credit union's elected committees;
2. If the League's area of operations (i.e., number, location and size of credit unions) remains as it presently is, CamCCUL should adequately prepare for the replacement of expatriate fieldworkers with Cameroonian fieldworkers by 1987.

D. OBJECTIVE IV: CONSOLIDATION OF NON-VIABLE C.U.'s

This objective pertains to CamCCUL's affiliated Credit Unions which are not viable. Viability, for this purpose, was defined in the project document as growth, measured in terms of total shares and savings. Minimally acceptable levels are to be attainable by the Credit Union within four years, based on a break-even analysis.

The project document anticipated that CamCCUL would define and document both the criteria and the procedures for liquidation or merger of non-viable credit unions. Those Credit Unions which did not meet the minimum standards at the beginning of the project were to be liquidated or merged during the first two years of the project.

During the first year of the project a procedure for measurement of Credit Unions was initiated. This procedure has been employed to record five areas of credit union performance for the years 1980, 1981 and 1982. These include ratio analysis and data on profitability, solvency, liquidity, lending and growth.

CamCCUL has liquidated and merged Credit Unions as the need arose prior to the beginning of this project; approximately 10 societies were merged or dissolved prior to 1981. With the assistance of the WOCCU Technical staff, however, criteria was documented and a procedure recommended. Since the beginning of the project eleven Credit Unions were identified as being non-viable and were liquidated. Eleven other Credit Unions were merged into five stronger and more viable societies. One credit union (Bamunka) visited by the evaluation team was the result of a 1981 merger between a discussion group and a viable society.

Through the assistance of CamCCUL's field staff, additional credit unions were identified as non-viable and procedures have been employed to work with their directors and membership.

Some of the constraints in achieving this objective are as follow:

1. Frequently, a dormant Credit Union (i.e., one which has not had activity in members' savings or loans for twelve months or more), will kindle a spark of interest when approached by CamCCUL and liquidation is suggested. It is the League's opinion that, as a service organization, assistance should be given if a society sincerely wants to be revived. Several Credit Unions have taken the initiative to activate their membership and have begun to improve their operation to a point of nearing self-sufficiency. Others have made small efforts but may not be able to become viable. These should again be considered for liquidation.
2. Although non-registered Credit Unions (discussion groups) can be liquidated with very little administrative procedures a registered society requires the appointment of a liquidator by the supervisory ministry, (represented by the Department of Cooperation and Mutuality) which created the society. CamCCUL's role is to advise the Department regarding the potential liquidation and to assist the appointed liquidator. During a meeting with a representative of the Department of Cooperation and Mutuality the evaluation team was informed that this procedure can be made more efficient if the League sends documentation to the Department and recommends a liquidator.
3. During the process of liquidation of a society the general membership must meet, and be in agreement. In addition, the Credit Union must collect its outstanding loans. It is often the outstanding loans, which are delinquent, which has caused the credit union to be non-viable. These delinquent members often slow-down this process of liquidation.
4. Credit Unions or discussion groups which are in close proximity would be logical candidates for merger. If a weak credit union can join a nearby stronger credit union both may benefit. This has been done in a number of cases. There are not, however, many more situations remaining where this can be done, and in most of those situations the viable society is reluctant to inherit the delinquent loans of the non-viable society, or there are differences in principle between the two societies and they will not agree to merge.

5. Cases exist where society which should be dissolved has lost all of its books and records. CamCCUL staff cannot prepare a final statement of accounts without the official records.

Involvement of the WOCCU technician has been in three areas: (1) assisting in documentation of the criteria for liquidation or merger, (2) preparation of a systematic procedure for measuring the critical indicators of credit union operations and (3) monitoring the progress toward achievement of this objective.

During 1982 a series of criteria were recommended for establishing acceptable levels of credit union activity and growth. These criteria considered whether a credit union was located in an urban or rural setting and whether it has a part of full-time bookkeeper.

The factors included as criteria were:

- the amount of savings
- savings and loan activity by members
- profit and loss for the past 3 years and projections for 3 years into the future.
- loan patronage and loan turnover
- loan delinquency and reserves.

A systematic procedure was necessary for measuring these criteria. A system was, therefore, implemented in which all of CamCCUL's affiliated credit unions are now measured annually.

During the remainder of this project the technician will systematically review all the credit unions (220) existing at the Project's mid-term and categorize them by level of ability to sustain self-sufficiency. With the assistance of CamCCUL's senior management staff and field staff, an action plan will be made by October, 1984 and implemented to liquidate or merge all affected non-registered credit unions by the end of year four of the project. In addition, a recommendation to merge or liquidate all non-viable registered credit unions will be made and action started before the end of year four.

Recommendation:

By October 1984, CamCCUL senior management and WOCCU's Management Advisor should implement an action plan for society liquidation/merger and thereafter review such a plan on an annual basis.

E. OBJECTIVE V: PERSONNEL MANAGEMENT

By December, 1984 CamCCUL will develop an overall personnel system. This system will be documented in the form of an Employee Policies and

Procedures Manual. The manual at a minimum will include:

1. Position Identification;
2. Job description;
3. Position grading;
4. Salary scale and benefits;
5. Performance appraisals;
6. Skill assessment and staff development; and
7. An incentive system to promote quality work.

Technical assistance in writing the manual is being provided by WOCCU's Education and Training Advisor. Designing and documenting the personnel system is one of his priority tasks. He will help CamCCUL's Manager draft the manual and supervise its review by staff. Once staff input has been obtained, the manual will be sent to CamCCUL's Board of Directors for review and adoption.

Once the manual is adopted by the Board, a formal orientation to the new system will be held for all staff. This will result in a documented performance appraisal procedure, with formal performance appraisals undertaken for all employees.

Although the final documentation of the personnel system is not due until December, 1984, several intermediate steps have already been taken. A total of 10 job descriptions (out of 15) have been written. A performance appraisal system has already been put into operation. The Manager of CamCCUL now has a scoring system employed, and each staff member is being periodically rated by his or her supervisor.

In preparation for the personnel manual, WOCCU's Education and Training Advisor and CamCCUL's Manager have: reviewed the Labor Code and all related Government labor regulations, drafted an outline, sent for and received through the WOCCU office in Madison books on personnel management in the credit union movement in the United States and discussed a logical framework for CamCCUL's personnel system.

One constraint in documenting CamCCUL's personnel system is the fact that existing labor regulations must be complied with and this requires the review and approval of CamCCUL's Board of Directors prior to documentation of the manual. This review and approval procedure will be incorporated in the various stages of the development of documentation.

Recommendation:

CamCCUL's personnel manual and system should be fully approved and implemented by June, 1985.

F. OBJECTIVE VI: PLANNING CAPABILITY

The project envisioned that the League would develop the capability of preparing long-range strategic plans with objectives broken-down into tasks

and activities. It was anticipated that this would include setting of responsibility for achievement of tasks and objectives as well as determination of the time parameters within which each task would be accomplished.

CamCCUL is currently operating within a five-year plan which began in 1980. In this plan the League identified 9 objectives and set goals for achievement of them. Within the framework of the plan CamCCUL management has utilized minimal planning tools for the achievement of the objectives on a yearly basis. These tools include the annual budget preparation and review exercise, and the annual training schedule. Prior to the start of this project, however, CamCCUL did not have a planning and evaluation system in place.

CamCCUL is in the process of preparing a second five-year plan. Through the collaboration of CamCCUL's Manager and WOCCU's Management Advisor, a Plan for 1985-1989 will be developed during 1984. Preliminary planning for this activity began in January, 1984, and a questionnaire was developed to begin the process of institutional analysis. This questionnaire, which was distributed to all credit unions, will, hopefully, indicate the needs and resource availability of CamCCUL's affiliated credit unions. In addition, the needs of credit union members, who are the intended beneficiaries will be considered.

The League has scheduled a three-day planning workshop for July, 1984 for its Board of Directors. A draft proposal for the new five-year plan resulting from this workshop will be written by CamCCUL's Manager and the WOCCU advisor. The draft will be reviewed by the Board at their regular meetings in October 1984 and January 1985. The CamCCUL management team expects to submit the final proposal to the delegates attending the League's Annual General Meeting in May or April 1985.

Technical assistance in achieving this objective is aimed at management-level planning. This includes defining the process for analyzing the credit union institutions, developing a framework for setting the planning workshop, and presenting CamCCUL Board members with a full spectrum of possible outputs, inputs and alternatives. The Technician will collaborate with CamCCUL's Manager on all of these activities plus recording the results of each step in the process, circulating these results to planning participants and drafting a final plan document.

By April, 1985 the Five-Year Plan will be presented to CamCCUL affiliates for adoption. During the remaining 15 months of the project CamCCUL management will be responsible for the implementation of tasks in the timely accomplishment of the objectives included in the Five-Year Plan. This will include re-confirming the person or persons responsible for each task and monitoring their implementation of those tasks according to the approved timetable. This evaluation of plan implementation will be made by CamCCUL management on a monthly basis, and by the Board of Directors semi-annually.

There will be two major expected benefits of this exercise. The first is a workable five-year plan and the second is a documented procedure for institutional analysis and long-range planning. Achievement of the latter will leave CamCCUL with the ability to continue this process of planning and evaluations on a regular basis after the end of the project.

Recommendations:

1. During 1984 and the beginning of 1985, CamCCUL and the WOCCU Management Advisor should give the development of the League's new 5-year plan the highest priority.
2. A personal computer should be installed in the League's headquarters (as recommended by the December, 1983 report of the EDP Consultant) by the end of 1984.
3. The follow-up base line data study should take place in early 1986 (preceeding the end-of-project evaluation).

G. OBJECTIVE VII: DEVELOPMENT OF NATIONAL AND REGIONAL STRUCTURES

The membership savings and loan institutions in Cameroon are represented by two different apex organizations. These two: the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL) and the "Union des Caisses Populaires de Yaounde" (UCPY) operate automomously in different parts of the country. CamCCUL's affiliates are made up of credit unions in the North West, South West, West and the Littoral provinces. UCPY affiliates are in the Centre and South provinces.

This project envisioned a national structure in which all the savings and loan cooperatives would be represented by a single national organization and in which the advantages of such cooperatives could be enjoyed by Cameroonians from all the provinces.

Achievement of this goal will depend on the ability of the two organizations to identify mutual goals and directions and to blend the strengths of the two organizations into a compatible union, serving the needs of Cameroonians from all areas.

The major achievement to date have been the decision by leadership to begin visits by elected leadership of both CamCCUL and UCPY to the institutions and regions served by each other. This has opened-up a dialogue emphasizing the common points of the two systems of operation.

The first visit took place in March, 1983, when 18 representatives of UCPY travelled to the four provinces serviced by CamCCUL. During the ten-day visit these elected leaders of UCPY met with the elected leadership of CamCCUL as well as those of eighteen credit unions plus other cooperatives.

In March, 1984, the thirteen members of CamCCULs Board of Directors returned the visit. During the three-day tour of UCPY headquarters and six of its affiliated societies, the CamCCUL delegation was able to meet some of the people who visited CamCCUL one year earlier. This allowed for strengthening of ties of friendship and mutuality.

At the present time, there appears to be a desire on the part of both movements to continue the dialogue and to look for ways in which the overall goal, that of developing viable savings and loan Cooperative institutions for the benefit of the Cameroonian, can be achieved.

The progress toward achieving this objective has been due to the willingness of the concerned parties to begin a dialogue. Continued progress will require more of this understanding. It is difficult for one party to assume leadership in this activity because (1) a progressive action by one party may alarm the other and cause a regression, and (2) most activities involving both parties would require some funding for travel, lodging and other expenditures. Since both CamCCUL and UCPY are striving to achieve self-sufficiency, such expenditures place a burden on them at a crucial period in their development.

The WOCCU advisor has attempted to encourage the dialogue between all parties and has assisted with logistics during the exchange visits. The project has funded the costs of a translator for the visits as well as most other costs for the most recent visit. Additional assistance for the visits was provided by the Societe de Developpement International Desjardins (SDID) which helped finance the travel costs of UCPY.

All the expected achievements of this objective may not be accomplished before the end of the project. It is hoped, however that major agreement is reached between the parties by that time and that a framework will have been established for achieving the objective within the following years.

Some possible steps which could be made by the principal parties are:

1. a sharing of reports made by each of the two groups on their respective trips, looking at the common points of interest;
2. a meeting of the Boards of Directors of the two organizations to discuss common points and to appoint a working commission or committee.
3. this commission or committee could be directed to find common solutions to harmonize the two systems. This committee could prepare a policy paper for adoption by the two organizations;
4. a technical review committee could be established to provide a report on operational procedures and possibly to redefine the establishment of national structures.

5. a workshop could be held for all participating parties to propose policy for implementation.

Recommendations:

1. In 1984 a policy dialogue between CamCCUL and the UCPY should result from their 1983 and 1984 exchange visits.
2. In 1985 the CamCCUL/UCPY policy dialogue should result in a policy paper for credit union development in Cameroon.

H. OBJECTIVE VIII: SHARED MANAGEMENT SERVICES

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

CamCCUL did, at one time, implement a program of assistance in the form of a paid managers revolving fund scheme under which the Konrad Adenauer Foundation subsidized the cost of credit union bookkeepers and secretaries. When the financial assistance to this scheme ended, some of those credit unions benefitting from the scheme were able to continue paying the salaries of their bookkeepers while others could not. This suggests that the system itself could be workable. The major problem in that scheme was that some credit unions were not able to achieve a level of financial self-sufficiency. In general, the program was neither well monitored nor supervised by fieldworkers.

Alternative approaches to this method of shared management have since been suggested. Some of the alternative possibilities include the use of itinerant bookkeepers employed by CamCCUL and credit union bookkeepers initially subsidized by the League. Advantages of using itinerant bookkeepers center largely around the fact that the cost will be shared by all users of the service. However, weaknesses have also been identified which will make the program difficult to manage. Travel costs would be high, there would be no guaranteed attainment of credit union self-sufficiency, and institutional technical self-reliance would not be fostered. The advantages of subsidizing credit union managers' salaries (presently being considered for implementation by the League) include promoting of technical self-sufficiency, and if properly monitored may strengthen weak credit unions. Considerations about the efficiency of this approach are: (1) only five to ten credit unions could be assisted at one time, and (2) CamCCUL staff must invest an extraordinary amount of time and insure good selection and to monitor progress toward self-sufficiency. Another method which has been reviewed is the use of small computers in

centrally located service centers. A data processing feasibility study was conducted in November and December 1983 by an outside consultant. The study concluded that use of computers is not economically feasible at this time.

The WOCCU Management Advisor collaborated with the Manager of CamCCUL in demonstrating the value of internal development of credit unions. Through that approach some credit unions solved some of their management problems when they learned they were able to pay a manager from the additional income and savings generated by good management.

This approach, however, necessitates a great deal of time in the field for senior staff and advisors and the impact is slow. For these reasons the League decided to implement an alternative which could involve more credit unions and show results within a shorter time.

In early 1984 CamCCUL reconsidered these alternatives and decided on a plan to test the paid managers program, following the guidelines which have been set forth by the League. This plan includes conditions for application to participate in the scheme, and the establishment of a selection criteria. It is presently planned that by the end of 1984 at least 5 credit unions will be beneficiaries of a shared services program.

During June and July, 1984, the WOCCU Management Advisor will assist the Manager of CamCCUL in establishing credit union selection criteria. In August the applicants will be analyzed in light of selection criteria and before year-end, the selection will be made. CamCCUL will participate in selection and training of bookkeepers under this program, and CamCCUL fieldworkers will assist in monitoring the progress of this scheme.

During their visits to credit unions the evaluation team asked directors whether they would be willing to share the services of a bookkeeper. Most respondents indicated that in principle the idea would be acceptable as long as their own work was completed and they were not paying for services to another credit union.

There were three cases (Ngondzen, Nkongsamba and Kumba Town), however, where the credit union being surveyed had already assisted other credit unions on its own initiative.

The project will attempt to develop alternative approaches to management of smaller resource constrained credit unions, so that members of these institutions can also receive the same quality services provided by larger, more self-sufficient credit unions.

There is a need to continue to identify creative and effective usage of shared services to managing smaller credit unions which cannot afford their own full time staff.

Effective training of credit union personnel represents a primary need. There is inadequacy on many societies part to effectively perform critical processes, e.g. bookkeeping, loan analysis, financial management, etc.

Among the alternative approaches to shared management systems, CamCCUL is considering the use of itinerant bookkeepers or managers and the use of credit union service centers. The former approach would appear to be most applicable in rural areas, while the latter would seem to be most appropriate in urban centers, where several larger credit unions operate independently.

Recommendations:

1. The paid managers (revolving fund) program should begin on a pilot basis in at least 5 credit unions by the end of 1984.
2. The pilot paid manager program should consider the use of service centers (e.g., shared staff).

I. OBJECTIVE IX: PREPARATION OF MANUALS

There is a great deal of information in CamCCUL's files about a variety of credit union operations. Often there are several documents written at different times and by various people on a single topic. Occasionally, credit union operating procedure is not documented, and has merely arisen from common practices.

The purpose of manual production is to codify a given credit union operation; making sure such codification is consistent with the cooperative law and decree, league bye-laws and common practice. After the production of each manual, it will be distributed to all credit unions so as to assure that the given operation is standardized.

The objective calls for the production of at least the following manuals in French and English:

1. Bookkeeping
2. Budgeting
3. Credit Policy and Procedures
4. Membership and Savings Promotion
5. Internal Auditing (standardized, step-by-step audit program for supervisory committee members to complete).

In addition plans have been made to produce manuals on Small Farmer Production Credit and Introduction to Credit Union Operations. The need for such manuals was noted by several persons interviewed by the evaluation team during visits to SFPC credit unions.

The first two manuals produced have been in accounting and auditing. These were produced with the assistance of ACOSCA (the Pan-African Savings and Credit Association). The Loan Policy and Procedures manual has been drafted. During the drafting process, the advisor consulted with the senior CamCCUL staff, as well as members and officials from individual credit unions. The draft has been presented to the League Board of Directors, senior staff, and fieldworkers. Once their suggestions and corrections have been received, a final draft will be re-submitted to the Board for their approval.

The plan for the remainder of the project, is for the WOCCU Education and Training Advisor to work on the manuals during periods when he is not directly involved in training.

During the fourth quarter of 1984, the Personnel Policies and Procedures manual will be drafted and an outline of a membership and savings promotion manual produced. During the first quarter of 1985 a draft of membership promotion manual will be produced and the Budgeting, and Internal Auditing for Supervisory Committee manuals will be outlined.

The job description of WOCCU's Education and Training Advisor calls for him to draft all the manuals enumerated in this objective before his departure. In light of the fact that the advisor's contract was made for 18 months (instead of the 24 months recommended in the project design) some of these manuals, such as the Budgeting manual and/or the Internal Auditing manual may be at various stages of draft and review upon his departure unless his contract is extended (as recommended earlier in this report).

Recommendation:

CamCCUL's accounting manual should be translated into French by the end of 1984.

J. FINANCIAL SELF-SUFFICIENCY

The achievement of financial self-sufficiency occurs when CamCCUL has reached the ability to generate sufficient earned income to cover all the real costs associated with servicing, and strengthening the Cameroon Credit Union movement.

The generation of CamCCUL's income is based almost entirely on the total savings accumulated in affiliated Credit Unions; this is known as total movement savings (TMS). The TMS has grown dramatically since 1969 (from 21.5 million CFAF to 4.307 billion CFAF at the end of 1983). The rate of increase, however, is decreasing. Between 1982 and 1983 the rate of growth was 20.2% compared to 21.9% for the previous 12 months.

League management has considered these past trends and projected TMS through 1992 at growth rates decreasing to 18.5%, (see appendix E-2). This appears realistic in light of a present high rate of inflation, (14.7% for 1983), in Cameroon. Self-sufficiency Projections are, therefore, based on such a sustained growth of savings, plus the ability on CamCCUL's part to control expenditures while continuing to render services to member Credit Unions.

Twenty-five per-cent % of Member savings is deposited with the League and is placed in CamCCUL's Central Liquidity Facility (CLF). The deposits are invested in banks and lent to Credit Unions and other cooperatives. The income earned from these investments is used to pay interest (6% in 1983) on the deposits from Credit Union members and to pay most of CamCCUL's operating costs. The profitable operation of the CLF is therefore, critical to CamCCUL's self-sufficiency.

The evaluation team notes the importance of the CLF and its contribution to CamCCUL's income. To test the efficiency of the operation of the CLF, and to create possible awareness of additional potential the team recommended that a study be conducted. Appendix J expands this recommendation and presents a scope of work. The study should result in recommendations (if necessary) for improvement of collection of member deposits, full employment of available funds and maximization of income from amounts invested.

The TMS would further be enhanced by placing emphasis on productive credit. The results of the Small Farmers Production Credit Program in the first half of the Project shows that savings mobilization may in fact be accelerated through the use of productive credit, (see appendix C). This is mainly due to the fact that credit is being used to generate additional income and some portion of that income will be saved. The evaluation team has also included a recommendation for a study to investigate additional uses of productive credit. The tables in appendix E - 1 show the progress which the League has made towards achieving self-sufficiency. During 1983 CamCCUL generated income to cover 97.4% of expenses. This achievement, however, was possible only with the assistance of several expatriate volunteer staff. If CamCCUL had paid these staff at current salary rates, self-sufficiency would have been about 84.6%.

The actual rate of self-sufficiency for the years 1980 through 1983, and the projections through 1992 are included in appendix E -1. Also indicated are the actual and projected self-sufficiency situation when costs assumed by GRC or donors are included. These assumed costs include expatriate volunteers, government subsidized salaries and replacement costs on donated assets not depreciated by CamCCUL. When these Costs are considered, self-sufficiency is reached in 1991.

When only the real (actual Costs Paid by CamCCUL) Costs are considered CamCCUL projects self-sufficiency to occur in 1986. This assessment of viability will be possible by that year if nine out of ten expatriate volunteers who will have completed their contracts are replaced by only six paid Cameroonian staff, (refer to appendix E - 6).

Thus, to achieve self-sufficiency by 1986, CamCCUL will have to sacrifice full services to affiliated credit Unions. This means that salaries, which make up about 22% of total expenses in 1983 and increases to over 28% with Volunteer replacement, must, in effect, be held in check by under employment. Credit Unions will, therefore, not receive the full support desired by League Management. Exhibit E - 7 shows that full staffing would not allow self-sufficiency until the year 1992.

RECOMMENDATION:

The League, with WCCU assistance, should undertake a study to review the operation of the Central Liquidity Facility to assure the most efficient operation and revenue generation.

## K. LOGICAL FRAMEWORK ANALYSIS

Detailed linkage of logframe components as related to individual project objectives have been treated in the preceding sections. Therefore, the analysis below is meant to provide a referenced overview. In general, the project's logical framework remains unchanged, as the original goal, purposes, and outputs will be achieved, and inputs will be provided at least the anticipated level.

The goal of the program, and that of the credit union movement in Cameroon is to "increase the net incomes, wealth, and living standards of an increasing number of Cameroonian credit union members". A comparative analysis of the project's base-line data will be provided to the 1986 evaluation team, following the follow-up survey to be undertaken earlier in the same year. As an intermediate measure, comparative statistics for all credit unions, as well as the SFPC pilot ones (see Section IV.B and appendices B and F) conclusively show a real increase in saving and borrowing by the average member. It should also be noted here that the availability of such detailed information reflects most positively on the League's internal organizational capabilities.

### PURPOSES

The project's purposes are:

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

Both of these purposes are achievable by the end of the project period. However, in order for CamCCUL to achieve financial self-sufficiency by that time the number of Cameroonian fieldworkers hired by the League to replace departing expatriate (Peace Corps, Dutch) volunteers will not be sufficient to ensure that the network of credit unions expands or guarantee that full services are provided to all affiliates. (See Section IV.J. for financial self-sufficiency analysis.)

The quantitative indicators, as delineated in the logframe, should all be achieved with but a few qualifications. First, it should be recognized that U.S. dollar amounts were calculated at the time of the project design using a rate of exchange which was two times more favorable to the CFA Franc. (At the converted rate, these end-of-project indicators will have been achieved by about mid-project. Second, original membership and affiliate targets assumed that the two national credit union movements would have merged by the end of project. Although this always remains possible, it does not at this time seem probable to occur within the present project period.

### OUTPUTS

Appendix G presents a comparative analysis of project outputs as planned and achieved through December 1983. Indications at this mid-project point are that all such outputs will be at least fully achieved, with the possible exception of the number of credit unions participating in the League's shared management/services program (see Section IV. H). It would seem more reasonable to assume at this point in time that no more than 15 credit unions will be participating in this program by the end of the project.

It should be further noted here that, although project reporting and monitoring has dutifully tracked all planned outputs, at the beginning of the project's second year a new project reporting format adapted a more practical use of such indicators. All reports now match indicators (at present more than 64) to project objectives. In addition, any other indicators related to project goal and/or purpose achievement, but not directly to a specific indicator (e.g., financial self-sufficiency percentage), are also noted. This procedure has ensured a methodical tracking of logframe outputs, as well as timely and organized project planning.

### INPUTS

The project input analysis is presented in Appendix H. This analysis through December of 1983 indicates that all contributions have been provided in a timely and adequate manner and that the value of inputs may actually exceed that originally anticipated. Such an increase in the project's overall value is due mainly to three reasons: the fact that the project began one year later than had been planned, an increase in CamCCUL's own income generating capacity, and new unanticipated contributions from such organizations as the Cooperative Development Foundation (Canada) and the U.S. credit union movement. Of note is the fact that, after adjustments for exchange rate fluctuations, CamCCUL itself has increasingly provided the largest contribution to the project on an annual basis.

As directly concerns inputs granted by USAID through the World Council of Credit Unions, an analysis of project financing is presented in Section VI. This financing has provided for three long-term technical assistance personnel, overseas training for four of CamCCUL's senior staff, minimal budget support for League operating and administrative costs, in-country training, and necessary support commodities for effective project implementation. Consultancies thus far provided to the project have been for the initial base-line data survey and the electronic data processing feasibility study (although the salary of the later consultant was donated by the U.S. credit union movement). USAID inputs through the mid-project period are determined to be adequate for the achievement of project purposes.

### L. PROJECT MANAGEMENT

This project is administered through a grant agreement with a U.S. based Cooperative Development Organization (CDO), the World Council of Credit Unions. The use of such a specialized Private and Voluntary Organization

essentially has two intended purposes: to provide the most appropriate assistance to credit union development in Cameroon and to relieve A.I.D. of the administrative burden of direct project management. An examination of project progress to date confirms that the utilization of this CDO for project implementation has assured the most effective achievement of objectives and efficient use of technical and financial resources.

On-site project monitoring from WOCCU has totaled 92 days, including this evaluation exercise. The present project manager has worked with the Cooperative/Credit Union Sector in Cameroon since 1974. The first six of these years in residence. This has afforded him an obvious hands-on facility for dealing with project implementation and host country institution needs. Project financing (through CUNA's Federal Reserve Letter of Credit) and administration; such as commodity procurement and participant training, are entirely the responsibility of the grantee. All disbursements and foreign transfers have been effected in timely manner, commodities purchased and serviced appropriately, and overseas training participants more than adequately trained and maintained. (For instance, the WOCCU project manager personally visits the present overseas training participant at least once every six weeks and the CamCCUL Training and Education Officer underwent his training in Madison, Wisconsin, the location of headquarters for the World Council, the Credit Union National Association, and the CUNA Mutual Insurance Society.)

Specific credit union expertise has been offered to the project in several ways (other than, of course, the long-term technical assistance). Materials concerning credit union planning, personnel management, education, training, director/staff role dichotomy, etc., have been located and procured with the assistance of the World Council's international research capabilities and CUNA's U.S. specific network. Practical fieldwork was offered to the League's Deputy Manager, Education and Training Officer by credit unions and Leagues in Iowa, Illinois, Indiana, Ohio, and Quebec in the fall of 1983. Specific contributions to the project by the U.S. credit union movement have also been realized in the form of the donated consultancy services of a recognized experienced (25 years) expert in electronic data processing by CUNADATA/EDS and the reproduction of CamCCUL's first slide/tape program and purchase of a projector to present it by the CUNA Foundation. All of this would not have been possible without the institutionalized network of the World Council of Credit Unions.

Finally, besides being offered technical and financial resources through the World Council, CamCCUL recognizes that it is a real member of this international cooperative organization. CamCCUL is one of twenty four affiliate country members of the Africa Cooperative Savings and Credit Association (ACOSCA). ACOSCA, in turn, is a full voting member of the World Council. (In fact, for eight years, CamCCUL's chairman was also the chairman of ACOSCA and a member of the board of the World Council). Thus, the relationship enjoyed between these two organizations is much more than the typical donor-recipient one noted elsewhere in the developing world; (In fact, the two organizations use the same logo)

In conclusion, the initial assumption that this particular Cooperative Development Organization (or PVO) could provide the most appropriate assistance and effective utilization of AID funds to credit union development in Cameroon has proven correct.

Recommendations:

Line-item adjustments (not requiring additional obligations or a PACD extension) should be accordingly made as per the financial analysis in order that project objectives be achieved in the most efficient manner.

## V. PROJECT IMPACT

### A. Institutional Development

According to the project proposal and subsequent grant agreement, the focus of this project is on institutional development. WOCCU's efforts during the project period have been upon strengthening an existing private sector institution in order that it may be able to provide savings, credit and related financial services to affiliated institutions within its membership network.

The key point to be made is that the institution assisted by project efforts existed prior to project implementation and will continue to exist even when there is no longer a need for external assistance. The credit union movement served by CamCCUL is essentially self-sustaining due to its volunteer nature. Credit unions are created and grow due to the expressed needs of membership within a common bond. Although they must be registered by the supervisory Ministry (similar to state or federal charters in the U.S.), if they had been created by the public sector they would not have experienced the remarkable growth trends which they have to date. The same may be expressed of other external assistance. If CamCCUL's partners in development had chosen to directly influence its development pattern, the participatory decision-making process would have been stifled and thus be, today, out of step with the movement's growth. The credit union movement where it exists in Cameroon would certainly not collapse without this project. However, assistance by the various donor agencies through the project has assured that better services are provided to beneficiaries through the member societies and that the development of an apex organization which covers four of ten provinces and is owned and operated by its members, has been accelerated.

Since institutional development is the expressed primary focus of this project, rather than an ancillary activity, the evaluation team examined the credit union network from the point of potential financial and technical viability through services offered and received by member societies to the perception of access to participatory decision making by individual members. Conclusively, since the system is created by and responds to members needs - as evidenced by the project's objectives' having been drawn from the League's five-year plan - long term viability is assured. Further, if Cameroon's credit union members were to decide to limit the League's services and area of operation to that covered today, financial and technical self-sufficiency would be probable in the near future.

### B. Technology Transfer

This project does not define the concept of technology narrowly, that is, to only include tools and other like implements. Rather, the technology to be examined is that of the institution itself.

It seems evident that the institutional model is an appropriate one for assisting the development efforts of Cameroon. During the project years

1982 and 1983, alone, credit union movement savings increased 46.5%, lending 47.9% and membership 11.3%. Such a growth pattern and productive utilization of the system would not have occurred, had not the technology been perceived as appropriate by its member/users.

A major reason for the effective transfer of this model is its basic and uncomplicated nature. Bookkeeping systems and savings and loan procedures are quite simple in nature. The common bond principle is generally well understood by members. And the favorable impact of the technology over that of those of a seemingly like nature (e.g., traditional savings societies) are felt by members over the short-term. As a further guarantee, when aspects of the model may be deemed inappropriate (and thus, unlikely to be effectively transferred) the participatory nature of the credit union soon rectifies the situation. (A case in point may be that of the Small Farmer Production Credit (SFPC) loan application forms which seem to have intimidated some potential beneficiaries of the program by requesting too much farm holding information too early in the program. These forms are presently being revised).

A further basic incentive for the effective transfer of this technology is the cooperative nature of the institution. When a member feels that he or she has real access to the credit union this trust will develop and eventually result in increased community savings to be invested with others of a common bond. This trust is furthered by the relative smallness of the credit union (an average of 227 members per society), as contrasted to the impersonal nature of an anonymous organization.

#### C. Private Sector Development

This project provides assistance to The Cameroon Cooperative Credit Union League which is a private institution, composed of member private institutions, created to provide savings, credit, and other financial services to the private individuals which own and operate them.

Although two Ministry of Agriculture civil servants are working with CamCCUL as the GRC's development contribution to the credit union movement, the League does not function as might a parastatal. The GRC's attitude towards credit union development has been one which recognizes that a key element in the movement's growth has traditionally been the pride of membership in community organizations which they consider to be their own. The supervisory nature therefore of the GRC is that of registering or liquidating societies and performing the League's annual audit. (Such services are quite akin to those provide by the National Credit Union Administration (NCUA) to federally chartered credit unions or a state controller's office to state chartered credit unions in the U.S.).

Perhaps the key element in a discussion of the private sector nature of the credit union network is the successful voluntary nature of activities and decision making. In the two year project period of 1982 and 1983

savings per member grew by 31.1%.\* Such an increase in savings in 220 various locations in four different provinces was the result of individual incentive. As a part of the evaluation exercise, representative credit unions were asked how many times elected committees met. While answers varied (from three times a week for a given credit committee to once a year for a given education committee), indications are that such meetings occur at least once a month, with no compensation offered to such society officers.

The growth of credit union savings mentioned above (presently at an accumulated level of nearly \$11 million) represents another private sector development incentive. In fact, the credit union movement serviced by CamCCUL represents one of the most successful documented cases of savings mobilization in the developing world. After taking into consideration official rates of inflation savings per credit union member at the end of December, 1983 was worth 48% of its value 14 years earlier. (See Appendix F for growth of real value of savings/loans.) Such savings may very well not have been mobilized without the existing credit union network and thus, the 69.9% of it which was lent to individuals - at a non-subsidized rate - may have had to come from other sources, either drawing upon domestic investments or requiring costly foreign financial inputs.

Recognition of the fact that CamCCUL is a private sector institution existing for the sole purpose of meeting individuals' financial needs has been expressed by the U.S. credit union movement through its voluntary human and financial contributions to the League in 1983. These would not have been forthcoming from a national movement with over 40 million members, had not qualities like its own been evident.

As the implementing organization for this project, CamCCUL has a further role to play in private sector development. Credit union member loans in Cameroon have traditionally been primarily for consumptive, rather than productive purposes. The SFPC Program has recently demonstrated that a planned concentrated effort by the League with viable societies can result in increased agricultural investments by individual farmers. Such investments have already proven successful as noted by the fact that savings have increased at a higher rate in these credit unions than in other rural ones. The visible positive impact of this effort affirms the need for its continued expansion. In the foreseeable future it is likely that such an expansion will result in increased requests for League loans (through the Central Liquidity Facility - CLF) from rural societies for such productive purposes. The excess liquidity which the League will have available for such purposes will, in effect, be that available from urban and payroll deduction (worker) societies. Thus, continued responsiveness to member needs in these societies by the League will ensure a stable rural-urban

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\*From \$164 to \$215 at an exchange rate of 400 CFAF/\$1.00.

linkage. A natural step, therefore, in providing expanded services to these other credit unions might well be for CamCCUL to offer productive (i.e., private enterprise) lending services to such member unions. These could cover such needs as trade and construction, while emphasizing employment and income generation.

A final aspect of CamCCUL's contribution to the private sector is that of human resource development. A major portion of the League's efforts is devoted to the training of elected committee members from the primary societies. In 1982 and 1983, 693 of these credit union officers were trained in such areas as: bookkeeping, production credit and its applications, family budgeting, cash handling, responsible loan granting, and office management. Due to the voluntary nature of their credit union work, it is reasonable to assume that the knowledge and skills imparted to these individuals has been, and will be, carried over to various aspects of their daily personal and professional lives. Since such training is offered each year and different officers may be chosen by society members every two years, the "ripple" or multiplier effect upon the given communities - although not measured - is a direct result of the League's human resource development activities.

#### D. Policy Dialogue

There are two project objectives in which the GRC has an actual or potential role to play. These are: the liquidation and/or consolidation of non-viable societies, and the development of national and regional structures. According to Cameroon's cooperative law and its decree of application, only the Supervisory Ministry may legally recognize - or register - a credit union, and such registered societies may only be liquidated or amalgamated by a person appointed by such Ministry. The designated Ministry and Department for the supervision of cooperative societies are the Ministry of Agriculture and the Department of Cooperation and Mutuality respectively. These services have historically acted in a quite collaborative manner with respect to credit union development. However, there do exist two basic functional constraints. The first is that of a shortage of trained personnel within the Department of Coop/Mut who could review credit union registration applications submitted by the League and recommend appropriate action in a most expeditious manner. The second is related, although it carries longer term implications. This is the lack of exposure of the majority of Coop/Mut officers to the credit union movement, due largely to the movement's having functioned to date in only a relatively small geographic area of the country.

What should therefore, be encouraged is, at minimum, an annual seminar by the League, discussing activities to date with Provincial and Divisional Chiefs of Coop/Mut within at least the League's area of operations. Such meetings could only result in a better understanding of credit unions by potential promoters and, if other Divisions and Provinces were to participate, could eventually assist in the movement's national expansion.

The question of eventual national and regional structures may be addressed by a neutral body which could act as a facilitator for discussions between the two presently existing movements in Cameroon. It would seem that the logical choice for such a neutral party would be the Department of Coop/Mut, while all partners in the development of credit unions recognize that collaboration will be long-lasting if it is of a voluntary nature. However, while the GRC should support the costs of such facilitation and information exchanges for its own civil servants it is not certain that such funds would be readily available. Moreover, CamCCUL and the UCPY would be hard pressed to justify additional financial burdens at this time, given the fact that neither is financially self-sufficient. Therefore, donor agency assistance to these apex organizations for the purpose of encouraging such policy dialogue may provide the needed impetus for completing the consolidation of stages of these movements, and subsequently, developing national and regional structures.

## VI PROJECT FINANCIAL ANALYSIS

A Review of Project Expenditures through March 31, 1984 (see appendix I) shows that, most project objectives can be achieved in the planned time frame with no additional obligations necessary. However, since the grant presently has a 20% line item adjustment restriction, a no-cost budget amendment will be necessary in order to effect the proper adjustments.

Project costs are expected to exceed the approved budget in certain line items, (salaries, indirect costs and training). Other line items will have surplus funds which, in total, will off-set the over runs.

Most over-runs are related to personnel expenses, both technical assistance from WOCCU and local salaries. The project start was delayed over one year, and, during that period the U.S. salaries increased. Also, the original budget anticipated a training advisor in year two. In order to avoid a duplication of efforts with another Cooperating Agency (KAF) the position was not filled until the beginning of the third year, by which time the salary was 16% higher than provided for in the revised budget. Other technicians' salaries are within 1% of the budget. Budgeted indirect cost will over-run by the same rate as salaries because of its direct relationship.

Institutional support salaries will be higher than the revised budget because annual required pay increases have been running at about 12 to 14%.

The only other over-run is expected in the Training line item. This is due to:

- a) The increasing cost of educating personnel in the U.S.,
- b) The project is attempting to hold more S.F.P.C. seminars and CamCCUL Board workshops than was originally planned.
- c) The present budget did not include funds to assist the meetings of the two credit union movements in Cameroon, and
- d) Seminar costs have increased dramatically as food, lodging and transportation have been affected by the high rate of inflation.

To compensate for these expected over-runs, the project should be able to create savings in areas such as allowances for the advisory staff, travel costs and data collection/evaluation. The project also benefited from the donated services of a consultant for the E.D.P. study in 1983. A major portion of the over-run in other areas, however, will be made-up from the contingency amount which had not previously been designated for specific line items.

The net of all these adjustments indicates that the project will be able to complete all its activities without exceeding the overall budget of \$1,600,000.

The budget must be submitted for revision by line item, however, since several areas are projected to be exceeded by more than 20% of the present budget.

Appendix A - 1

QUESTIONS ASKED AT CREDIT UNIONS (OF BOARD DIRECTORS & STAFF)  
DURING EVALUATION EXERCISE

- How long has the credit union been in existence (both as a discussion group and as a registered society?)
- How many members does your credit union have?  
(men \_\_\_\_\_) (women \_\_\_\_\_)
- How often does each of the credit union's committees meet?
- Have you had meetings for your membership?
  - How often are they held?
  - What is discussed (e.g., education)?
- How many at the credit union have attended CamCCUL seminars or workshops, (especially within the last one or two years)?
  - What are/were the functions of those who attended?
  - How many of these seminars/workshops have been attended?
  - What was their content? (What subjects were taught?)
- Do you know what S.F.P.C. is?  
(if participating .)
  - Do you feel that S.F.P.C. is a benefit to members? If so, why?
  - How many credit union members have attended S.F.P.C. seminars?
  - What is the difference between an "ordinary" loan and an S.F.P.C. loan?
  - What is the difference between an agricultural loan and an S.F.P.C. loan?
  - Can you cite examples of persons who have already profited from an S.F.P.C. loan?
  - Has your credit union granted other types of "productive" loans? If so, can you recall some examples?
  - At the moment, the League is providing technical assistance with the S.F.P.C. program. Could this program still operate at your credit union without such assistance? If not, why not?
- How many times per year or month does a fieldworker visit your credit union?
- What is the role (job) of the fieldworker?
- What else can (should) the fieldworker do (as a League employee) to help you?

- Do you have a full-time or part-time bookkeeper?
- How would you feel if your bookkeeper was asked to help serve another society?
- What credit union materials/manuals have you received from the League?
- How do you make sure that members are able to see/read/hear about the newsletter?
- Are any parts of the accounting manual inappropriate?
- Should any new sections be added?
- What benefit have such materials from the League given?
- Do you have a need for any additional materials/manuals?
- How is your credit union represented in CamCCUL?
- What services are provided to the credit union by CamCCUL?
- What further services could be provided to the credit union by CamCCUL?

QUESTIONS ASKED OF MEMBERS

What is a Credit Union? \_\_\_\_\_

\_\_\_\_\_

Are you a member? \_\_\_\_\_

Why did you join? \_\_\_\_\_

\_\_\_\_\_

How long have you been a member?

A. Less than 2<sup>1</sup>/<sub>2</sub> years \_\_\_\_\_

- Where did you borrow money before? \_\_\_\_\_

- What advantages are provided by the Credit Union? \_\_\_\_\_

- Any disadvantages? \_\_\_\_\_

B. More than 2<sup>1</sup>/<sub>2</sub> years \_\_\_\_\_

- What advantages do you have from the Credit Union? \_\_\_\_\_

1 - How have these changed over the last two years? \_\_\_\_\_

- Any disadvantages? \_\_\_\_\_

Does the Credit Union hold meetings? \_\_\_\_\_

What happens at those meetings? \_\_\_\_\_

Why would you tell a friend, neighbour to join? \_\_\_\_\_

Not to join? \_\_\_\_\_

\_\_\_\_\_

STATUS OF PROJECT OBJECTIVES

OBJECTIVE I: DEVELOPMENT OF A MEMBER EDUCATION PROGRAM

<u>INDICATORS</u>	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Actual</u>	<u>1983</u> <u>Actual</u>	<u>1984</u> <u>3 Mths</u>	<u>1984</u> <u>Actual</u>
1. Credit Union Education Seminars held	25	20	21	--	17
2. Book-keepers trained in Accounting	223	204	165	-	233
3. Committee members and Presidents trained to effectively direct society management, planning, promotion, loan analysis, etc.	332	320	373	-	465
4. League Board of Directors trained in effective management and policy-making responsibilities, (seminar days).	-	36	3	-	26
5. Total person-days of training given by CamCCUL staff - not including staff seminars, but including SFPC	2535	2671	2656	-	2900
6. On-sight education/promotion presentations of films, slides and talks by League Senior Staff	2	12	46	--	20
7. Slide/tape programs developed	0	1	1	1	1
8. Member Education pamphlets designed	0	-	1	-	1
9. Number of Cameroonian CamCCUL staff members who demonstrated ability to conduct training in CamCCUL seminars	7	12	12	11	11
10. Monthly News and Views (Newsletter) published (issues) and disseminated to all Credit Unions	6	8	3	2	10
11. Credit Union information posters printed and disseminated to all credit unions	3	3	3	-	3
12. Radio programs for Credit Union Education produced	0	-	5	-	1

## Appendix B - 2

OBJECTIVE II: EXPANSION OF PRODUCTION CREDIT PROGRAM

<u>INDICATORS</u>	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Actual</u>	<u>1983</u> <u>Actual</u>	<u>1984</u> <u>1st Qtr</u>	<u>1984</u> <u>Planned</u>
1. Number of SFPC Credit Unions (total)	0	10	15	15	28
2. Total Number of SFPC Credit Union members	2191	3922	3807(a)	3927(a)	9168
3. SFPC credit union members borrowing for agricultural production purposes	N/A	104	224	224	341
4. Total value of all loans distributed in SFPC CUs (CFA '000')	153004	159641	189548	196062	536539
5. Average % of number of total loans granted for agricultural purposes	6.6	10.0	19.2	19.2	16
6. Average % of total SFPC credit union funds available for loans granted for agricultural purposes	9.3	16.0	20.3	20.3	22
7. Average SFPC credit union savings	128641	62900	104720	103136	84000
8. Total SFPC credit union savings and shares (CFA '000')	172354	228557	258144	261405	962270
9. Cumulative number of League loans to SFPC CUs made this year	2	2	4	0	6
10. Total value of League loans outstanding to SFPC credit unions (CPAF '000') (Bamunka, Ngondzen, Ntundip, Banten)	5345	872	5440	5440	8205
11. Average value of League loans to credit unions ('000' CFA Fr.)	1105	436	1360	1360	1850
12. CamCCUL staff trained in SFPC	0	150	150	0	170
13. CamCCUL field staff registered with INADES Agricultural courses	0	0	0	0	0
14. Credit union secretaries and offices introduced to SFPC during regular CU seminars	0	342	302	0	420

15. SFPC officers trained in seminars	33	36	0	39
16. Credit union secretaries and officers registered in INADES Agricultural Course			0	13

(a) This figure reflects a new system (for 1983 and 1984) of recording membership, which only counts active members, i.e. those having at least 1,000 CFA in share savings.

Appendix B - 3

OBJECTIVE III: TRAINING OF FIELDWORKERS IN CENTRAL SERVICES

<u>INDICATORS</u>	<u>1981 Actual</u>	<u>1982 Actual</u>	<u>1983 Actual</u>	<u>1984 3 mths</u>	<u>1984 Planned</u>
1. Number of CamCCUL staff attending League staff education seminars	18	18	23	-	27
2. CamCCUL staff trained outside Cameroon (ACOSCA Seminars, Diploma Courses, Special Duty, etc.) this year	3	4	6	1	2
3. Field visits by Head Office staff to assist fieldworkers on-the-job	30	50	64	10	45
4. Documentation of fieldworker inspection auditing and reporting procedures	1	1	1	1	1

Appendix B - 4

OBJECTIVE IV: CONSOLIDATION OF NON-VIABLE CREDIT UNIONS

<u>INDICATORS:</u>	<u>1981 Actual</u>	<u>1982 Actual</u>	<u>1983 Actual</u>	<u>1984 3 mths</u>	<u>1984 Planned</u>
1. Number of credit unions merged (absorbed)	5	6	-	-	2
2. Number of credit unions dissolved	3	3	3	1	4
3. Number of credit unions which have begun procedures for liquidation at end of period	0	1	6	5	4
4. Number of credit unions revived	1	2	1	-	3

Appendix B - 5

OBJECTIVE V: PERSONNEL MANAGEMENT

<u>INDICATORS</u>	<u>1981 Actual</u>	<u>1982 Actual</u>	<u>1983 Actual</u>	<u>1984 3 mths</u>	<u>1984 Planned</u>
1. Documentation and/or update of a personnel system	1	1	-	-	1
2. Formal job descriptions developed (out of approximately 15 distinct jobs)	3	4	3	-	5
3. Performance appraisal system documented	0	-	1	1	1
4. Formal performance appraisals, skill assessment and staff development consultations	0	0	14	-	25
5. League assistance to affiliated credit unions for hiring and other personnel matters	6	7	4	-	5

Appendix B - 6

OBJECTIVE VI: PLANNING CAPABILITY

<u>INDICATORS</u>	<u>1981 Actual</u>	<u>1982 Actual</u>	<u>1983 Actual</u>	<u>1984 3 mths</u>	<u>1984 Planned</u>
1. Annual Planning/budgeting sessions	1	1	1	1	2
2. Development of annual education and training seminar plan	1	1	1	1	1
3. Develop action plans for individual credit unions	0	1	22	-	15
4. Develop action plan for individual fieldworkers related to their particular areas	0	1	4	-	23
5. Prepare budgets (by fieldworkers) for credit unions	-	140	160	-	185
6. Develop and implement a long-range action plan for CamCCUL	-	-	-	-	1
7. League Board/staff planning workshops	-	-	-	-	1

Appendix B - 7

OBJECTIVE VII: DEVELOPMENT OF NATIONAL REGIONAL STRUCTURE

<u>INDICATORS</u>	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Actual</u>	<u>1983</u> <u>Actual</u>	<u>1984</u> <u>3 mos</u>	<u>1984</u> <u>Planned</u>
1. Meetings between senior staff of CamCCUL and the Union des Caisses Populaires de Yaounde	2	4	2	3	5
2. Formal exchange visits between senior officials of CamCCUL and UCPY	0	0	1	1	1
3. Person days spent on exchange visits	1	2	209	33	100

Appendix B - 8

OBJECTIVE VIII: SHARED MANAGEMENT SERVICES

<u>INDICATORS</u>	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Actual</u>	<u>1983</u> <u>Actual</u>	<u>1984</u> <u>3 mos</u>	<u>1984</u> <u>Planned</u>
1. Proposal submitted or revised on a League sponsored Managers' Revolving Fund	-	1	1	1	1
2. Number of credit unions participating in Shared Services and Management Program (Paid Managers' Revolving Fund Scheme)	-	-	-	-	5
3. Credit Unions represented in Paid Managers Survey conducted in-House	-	200	200	-	-
4. Proposal for a data processing survey of large credit unions, (in-House Survey)	-	1	1	-	-
5. Credit Unions surveyed for Electronic Data Processing	-	-	27	-	-
6. Data processing feasibility study	-	-	1	-	-

OBJECTIVE IX PREPARATION OF MANUALS

<u>INDICATORS</u>	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Actual</u>	<u>1983</u> <u>Actual</u>	<u>1984</u> <u>3 mths</u>	<u>1984</u> <u>Planned</u>
1. Standard policy and procedure guides prepared and disseminated to credit unions: Loan Policy, Risk Management, Control, etc.	2	3	-	-	2
2. Credit Union Accounting Manuals written, printed and disseminated	-	190	15	-	-
3. Credit Union Auditing Manuals written, printed and disseminated	-	-	35	-	-
4. Manuals on introduction to credit union operation written, printed and disseminated	-	-	-	-	200
5. Translation and distribution of credit union accounting manual into French	-	-	-	-	30
6. Other manuals (internal auditing, budgeting, production credit, membership and savings, savings promotion) compiled	-	1	-	-	3
7. Loan Policy and Procedures Manual	-	-	-	1	1

APPENDIX C

SAVINGS AND LOANS GROWTH COMPARISONS  
OVER THE PROJECT PERIOD

SAVINGS AND LOAN AMOUNTS AT END OF YEAR  
'000' OMITTED

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>Growth Rate</u>
SFPC CREDIT UNION				
SAVINGS	164,287	217,534	261,405	59.1%
LOANS	122,573	164,498	196,063	60.0%
RURAL NON-SFPC C.U.'s				
SAVINGS	459,275	552,944	648,714	41.2%
LOANS	299,837	362,299	418,150	39.5%
ALL CREDIT UNIONS EXCLUDING SFPC				
SAVINGS	2,775,137	3,366,203	4,046,106	45.8%
LOANS	1,913,001	2,330,380	2,814,535	41.1%

CREDIT UNION DEVELOPMENT (631-0044)

SUMMARY OF TRAINING ACTIVITIES

A. <u>LONG-TERM</u>		<u>Depart</u>	<u>Return</u>
	NDOFOR ABRAHAM Manager of CamCCUL (on Education Leave)	8-83	7-85
			MBA, American Univ:

B. <u>SHORT-TERM</u>		9-82	6-83
	SHEY DENIS MAIMO Fieldworker Super- visor		
		9-82	6-83
	FONENG ALFRED Central Finance Officer		
		8-83	12-83
	FONCHIN JONATHAN Acting Manager & Education & Train- ing Officer		

C. TRAINING SEMINARS AND WORKSHOPS SPONSORED BY ACOSCA,  
(A Principle Project Participant), for CamCCUL Senior  
Staff and Elected Officials

<u>Title</u>	<u>Plan</u>	<u>Type of Training</u>	<u>Dates</u>
1. Manager	Nairobi	Development of Accounting Manual	4 wks, 1982
2. Manager	Nairobi	Development of Auditing Manual	4 wks, 1983
3. Manager President	Ibadan, Nigeria	Education Seminar and Biennial Meeting	1 wk, 1982
4. Central Finance	Nairobi	Central Finance Seminar	1 wk, 1983
5. Risk Management	Nairobi	Risk Management Seminar	1 wk, 1983
6. President	Kenya	Presidents' Workshop	10 days, 1983

Appendix D - 2

D. IN-COUNTRY TRAINING:

1. CamCCUL Staff Seminars
  - Nov. 9-14, 1981
  - Aug. 9-14, 1982
  - Apr. 24-30, 1983
2. S.F.P.C. Seminars
  - Aug 17-24, 1982
  - Sept. 28-Oct. 3, 1983
3. CamCCUL Board of Directors
  - Oct. 30, 1982
  - Dec. 12, 1983
  - Mar. 21-25, 1984
4. Credit Union Education Seminars: These seminars were funded by the Konrad Adenauer Foundation and CamCCUL. WOCCU technicians were involved as planners, teachers and in content development.

<u>Year</u>	<u>No. Of Seminars</u>	<u>Type of Seminars</u>	<u>No. Of Persons Trained</u>
1981	8	Bookkeepers	223
	17	Presidents	
	<u>25</u>	Committee Members	<u>322</u>
			545
1982	5	Bookkeepers	194
	12	Presidents and	
	<u>17</u>	Committee Members	<u>281</u>
			475
1983	7	Bookkeepers	165
	14	Presidents and	
	<u>21</u>	Committee Members	<u>373</u>
			538

E. OTHER IN-COUNTRY TRAINING

USAID Workshop for Contractors/Grantees held for three days, in April, 1983. In addition to the two WOCCU advisors and the WOCCU/Madison Project Manager, this workshop was attended by both CamCCUL's manager and the agricultural officer.

(Note: Items A, B and D above were financed directly through this OPG.)

FINANCIAL SELF-SUFFICIENCY  
CamCCUL - CREDIT UNION DEVELOPMENT PROJECT

A. REAL INCOME & EXPENSES

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL INCOME (1980-83- Act) (\$'000)	68,260	92,694	122,938	136,352	164,898	203,902	244,573	288,268	341,357	403,421	485,326	583,766
TOTAL EXPENSES (1980-83- Act) (\$'000)	74,706	101,149	126,225	145,323	171,314	202,832	242,748	286,313	339,768	401,851	470,457	551,355
NET SURPLUS OR DEFICIT	*6,446*	*8,454*	*3,287*	* 8,971*	* 6,416*	*1,070*	1,825	1,955	1,589	1,570	14,869	32,411
% SELF-SUFFICIENT	91.4%	91.6%	97.4%	93.8%	96.3%	100.5%	100.75%	100.7%	100.5%	100.4%	103.2%	105.9%

B. FINANCIAL SELF-SUFFICIENCY WITH ASSUMED COSTS OF OPERATION

TOTAL INCOME (1980-83- Act)	68,260	92,694	122,938	136,352	164,898	203,902	244,573	288,268	341,357	403,421	485,326	583,766
TOTAL REAL EXP. (AS ABOVE)	74,706	101,149	126,225	145,323	171,314	202,832	242,748	286,313	339,768	401,851	470,457	551,355
ADD ASSUMED COSTS	8,365	10,592	19,002	19,430	21,531	17,106	10,302	10,322	11,437	12,672	14,041	15,558
IN-TOTAL REAL AND ASSUMED	83,071	111,741	145,227	164,753	192,845	219,938	253,050	296,635	351,205	414,523	484,498	566,913
NET SURPLUS OR DEFICIT	(14,811)	(19,047)	(22,289)	(28,401)	(27,947)	(16,036)	(8,477)	(8,367)	(9,848)	(11,102)	54,828	16,853
% SELF-SUFFICIENT	82.17%	82.95%	84.65%	82.8%	85.5%	92.7%	96.7%	97.2%	97.2%	97.3%	100.2%	103%

CREDIT UNION DEVELOPMENT PROJECT  
CamCCUL PROJECTED INCOME

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
TOTAL MOVEMENT OF SAVINGS ('000')	5,226,838	6,272,205	7,463,925	8,844,750	10,481,000	12,420,000	14,717,700	17,440,500	20,666,900
AVERAGE TMS DURING THE YEAR	4,767,175	5,749,522	6,868,065	8,154,338	9,662,875	11,450,500	13,568,850	16,079,100	19,053,700
PROJECTED FIXED DEPOSITS (25% TMS = FIXED SAVINGS) ('000')	1,191,794	1,437,350	1,717,016	2,039,535	2,415,720	2,862,625	3,392,213	4,019,775	4,763,425
INCOME:									
* INTEREST:									
- BANKS (average Rate/average - % OF TMS ('000'))	10.75%/95% 121,712	10.75%/95% 146,792	11.25%/90% 169,984	11.5%/85% 199,359	11.5%/80% 222,246	11.5%/80% 263,362	11.5%/75% 292,578	11.75%/75% 354,243	12%/75% 428,768
- CREDIT UNIONS AND OTHER COOPS.	9.0%/5% 5,363	9.0%/5% 6,468	9.5%/10% 16,311	9.5%/15% 29,054	9.5%/20% 47,107	9.75%/20% 55,821	10%/25% 84,805	10%/25% 100,494	10%/25% 119,086
TOTAL INTEREST INCOME ('000')	127,075	153,261	190,160	228,433	269,353	319,183	377,383	454,737	547,794
* DUES 0.2% OF PRIOR YEAR'S SAVINGS X 95% (COLLECTION RATE) ('000')	8,184	9,931	11,917	14,132	16,805	19,914	23,598	27,964	33,137
* SALES MARGIN ('000')	1,079	1,190	1,307	1,438	1,585	1,740	1,920	2,105	2,315
* OTHER MISC. INCOME (ENTRANCE FEES, RISK MANAGEMENT, RENT, SUNDRY) ('000')	14	516	518	520	525	520	520	520	520
TOTAL ESTIMATED INCOME ('000')	136,352	164,898	203,902	244,573	288,268	341,357	403,421	485,326	583,766

CamCCUL: CREDIT UNION DEVELOPMENT PROJECT  
OPERATING EXPENSES - PROJECTED 1984 - 1992

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
STAFF SALARIES, ALLOWANCES AND SOCIAL INSURANCE	40,319,000	47,885,000	56,774,000	70,043,000	80,864,000	91,339,000	101,195,000	112,135,000	124,262,000
TRAVEL COSTS AND ALLOWANCES	8,250,000	8,712,000	9,255,000	9,900,000	10,663,000	11,595,000	12,718,000	13,962,000	15,308,000
OFFICE EXPENSES	1,344,000	1,411,000	1,490,000	1,584,000	1,695,000	1,830,000	1,995,000	2,174,000	2,370,000
ANNUAL GENERAL MEETING	300,000	315,000	332,000	353,000	378,000	408,000	445,000	485,000	529,000
SUNDRY EXPENSES	150,000	158,000	166,000	176,000	189,000	204,000	223,000	243,000	264,000
SEMINARS, POSTERS, EDUCATION MATERIALS AND NEWSLETTER	7,620,000	7,000,000	7,000,000	3,500,000	4,500,000	3,000,000	3,000,000	4,000,000	5,000,000
REPAIRS(OFFICE EQUIPMENT)	240,000	252,000	266,000	282,000	302,000	326,000	356,000	388,000	423,000
ACOSCA SEMINARS	100,000	200,000	215,000	236,000	260,000	290,000	315,000	343,000	374,000
ACOSCA DUES (.08% of 75% X PRIOR YEAR'S THIS)	2,540,000	4,181,000	5,018,000	5,971,000	7,076,000	8,385,000	9,936,000	11,774,000	13,952,000
COST OF FINANCE:	71,507,000	86,242,000	103,021,000	127,411,000	150,982,000	186,070,000	228,974,000	271,334,000	321,532,000
RISK MANAGEMENT	757,000	795,000	839,000	892,000	954,000	1,031,000	1,124,000	1,225,000	1,335,000
BANK CHARGES (16.5% TAX ON INTEREST EARNED).	7,290,000	8,962,000	12,908,000	16,444,000	22,002,000	28,246,000	33,793,000	43,838,000	56,589,000
BOARD EXPENSES & DEMOCRATIC MANAGEMENT	4,106,000	4,361,000	4,661,000	5,018,000	5,439,000	5,954,000	6,580,000	7,262,000	8,006,000
EXTERNAL TRAVEL	900,000	840,000	887,000	942,000	1,009,000	1,090,000	1,187,000	1,294,000	1,411,000
<b>TOTAL EXPENSES</b>	<b>145,323,000</b>	<b>171,314,000</b>	<b>202,832,000</b>	<b>242,748,000</b>	<b>286,313,000</b>	<b>339,768,000</b>	<b>401,851,000</b>	<b>470,457,000</b>	<b>551,355,000</b>

FINANCIAL SELF-SUFFICIENCY  
PERSONNEL COSTS ('000' OMITTED) FCFA

	1984	1985	1986	1987	1988	1989	1990	1991	1992
SALARY BASED ON 1984 STAFFING									
HEAD OFFICE STAFF	21,286	21,360	21,360	21,360	21,360	21,360	21,360	21,360	21,360
FIELD STAFF	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349
	<u>36,635</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>	<u>36,709</u>
LESS: GOVERNMENT-SUPPORTED STAFF <sup>a</sup>	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103	4,103
SUB-TOTAL	32,532	32,606	32,606	32,606	32,606	32,606	32,606	32,606	32,606
ADD: PROVISION FOR ADVANCEMENT	500	500	500	500	500	500	500	500	500
SUB-TOTAL	<u>33,032</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>	<u>33,106</u>
ADD: NEW EMPLOYEES PER STAFFING PLAN	644	3,006	5,530	9,899	11,724	12,582	12,582	12,582	12,582
TOTAL SALARIES AT 30/6/84 VALUES	33,676	36,112	38,636	43,005	44,830	45,688	45,688	45,688	45,688
ADD: SOCIAL INSURANCE AT 12.95%	4,361	4,676	5,003	5,569	5,805	5,916	5,916	5,916	5,916
SUB-TOTAL	<u>38,037</u>	<u>40,788</u>	<u>43,639</u>	<u>48,574</u>	<u>50,635</u>	<u>51,604</u>	<u>51,604</u>	<u>51,604</u>	<u>51,604</u>
INFLATION FACTOR <sup>(b)</sup>	.06	.174	.301	.442	.597	.770	.961	1.173	1.408
INFLATION AMOUNT	2,282	7,097	13,135	21,469	30,229	39,735	49,591	60,531	72,658
TOTAL ESTIMATED PERSONNEL COSTS	<u>40,319</u>	<u>47,885</u>	<u>56,774</u>	<u>70,043</u>	<u>80,864</u>	<u>91,339</u>	<u>101,195</u>	<u>112,135</u>	<u>124,262</u>

## NOTES:

(a) Two senior staff members are partly supported by the Government of Cameroon  
This amount is adjusted here and is included under "assumed costs," (Exhibit II-7)

(b) Inflation is estimated at 6% for 1984 (half-year) and 10.8% Thereafter.

CamCCUL SELF-SUFFICIENCY  
ASSUMED COSTS OF OPERATION 1980 - 1992 (IN CFA '000')

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<u>VOLUNTEER FIELDWORKERS</u>													
DEPT. (OV) COLLECTIVE MONTHS (X AVER. COST OF REPLACEMENT AT 125,000 PER MTH <sup>(1)</sup> )					60	56	32	-	-	-	-	-	-
AMERICAN (PCV) COLLECTIVE MONTHS (X AVER. COST OF REPLACEMENT) 125,000 PER MTH <sup>(a)</sup>					7,500	7,756	4,911	170	-	-	-	-	-
TOTAL ASSUMED VOL. COST	4,415	4,800	6,424	14,400	14,000	12,742	7,366	170	-	-	-	-	-
<u>REPAIR AND MAINTENANCE</u>													
PROJECT EQUIPMENT	-	-	-	50	60	70	70	-	-	-	-	-	-
PROJECT VEHICLES	-	80	150	200	220	245	280	-	-	-	-	-	-
TOTAL ASSUMED REPAIRS AND MAINTENANCE	-	80	150	250	280	315	350	-	-	-	-	-	-
<u>REPLACEMENT/DEPRECIATION</u>													
<u>VEHICLES AND EQUIPMENT</u>													
(REPLACE PEUGEOT 5 YEARS) <sup>(a)</sup>	650	600	830	775	800	886	800	600	-	-	-	-	-
BUILDING (75,000,000/30 YEARS) <sup>(a)</sup>	-	-	-	-	-	2,770	3,069	3,401	3,768	4,175	4,625	5,125	5,679
TOTAL ASSUMED REPLACEMENT/DEPREC.	650	600	830	775	800	3,656	4,051	4,217	3,768	4,175	4,625	5,125	5,679
GOV'T SUPPORTED SALARIES (JAN- 1984 COST 4,103,000) <sup>(b)</sup>	2,625	2,835	3,188	3,577	4,350	4,818	5,339	5,915	6,554	7,262	8,047	8,916	9,879
TOTAL ASSUMED COSTS	7,690	8,365	10,592	19,002	19,430	21,531	17,106	10,302	10,322	11,437	12,672	14,041	15,558

(a) 1984 Costs: inflated each additional year by 10.8%

(b) 1984 Costs: Supported Salaries (two positions) inflated by 6% to represent 1/2 year's inflation effect. Each additional year inflated by 10.8%.

CAMCCUL STAFFING PLAN

NUMBER OF PERSONS AT THE END OF THE YEAR ACCORDING TO CURRENT PLAN

A. FIELDWORKERS

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Cambodian	11	12	13	14	17	17	17	17
Peace Corps	5	3	3	0	0	0	0	0
Local Volunteers	5	5	4	1	0	0	0	0
<u>TOTAL FIELDWORKERS</u>	<u>21</u>	<u>20</u>	<u>20</u>	<u>15</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
HEAD OFFICE STAFF DOING FIELD WORK	6	6	7	7	7	7	7	7
HEAD OFFICE STAFF NOT DOING FIELD WORK	5	6	8	8	8	8	8	8
TOTAL STAFF WORKING IN CAMCCUL NOT INCLUDING 3 WCCU TECHNICIANS	32	34	35	33	22	32	32	32

FIELDWORKER REPLACEMENT TABLE

B. <u>Cambodians</u> <u>Employed</u>					<u>FEB. (1)</u>			
	<u>JUNE (1)</u>	<u>JAN (1)</u> <u>SEPT (1)</u>	<u>JULY</u>		<u>SEPT (1)</u>	<u>SEPT (1)</u>	<u>SEPT (1)</u>	
<u>Date</u>								
	0	1	*2	1	3	0	0	0

\* Includes Assistant Production Credit Officer

SELF-SUFFICIENCY PROJECTION WITH ASSUMPTION OF FULL SERVICES  
IN FCSA ('000' OMITTED)

	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL ESTIMATED PERSONNEL COSTS (AS PROJECTED FOR 1986 SELF-SUFFICIENCY)	40,319	47,885	56,774	70,043	80,864	91,339	101,195	112,135	124,262
ADDITIONAL STAFF REQUIRED TO MAINTAIN FULL LEAGUE SERVICES (a)	797	2,133	3,843	7,724	10,782	12,041	13,430	14,972	16,681
TOTAL PERSONNEL COSTS TO MAINTAIN FULL LEAGUE SERVICES	41,116	50,018	60,617	77,767	91,646	103,380	114,625	127,107	140,943
NET TOTAL EXPENSES	146,120	173,447	206,675	250,472	297,095	351,839	415,281	485,428	568,036
STATUS/ DEFICIT ) AS ADJUSTED FOR ADDITIONAL STAFF	( 9,768)	( 8,549)	2,773 )	( 5,899)	( 8,827)	(10,452)	(12,204)	( 102)	15,730
PERCENT SELF-SUFFICIENCY	93.3%	95.1%	98.6%	97.6%	97.0%	97.0%	97.1%	99.9%	102.7%
(a) ADDITIONAL STAFF									
1 PRODUCTION CREDIT OFFICER ( EMPLOYMENT DELAYED THREE MONTHS TO JAN. '85)	322	-	-	-	-	-	-	-	-
1 FIELD WORKER (SEPTEMBER, 1984)	430	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
1 FIELD WORKER STARTING 6 MONTHS EARLIER (JUNE, '85)	-	495	-	-	-	-	-	-	-
1 FIELD WORKER (JUNE 1985) + 2 FIELD WORKERS 4 MONTHS EARLIER	-	-	1,580	1,288	1,288	1,288	1,288	1,288	1,288
2 FIELD WORKERS (JANUARY, 1987)	-	-	-	2,576	2,576	2,576	2,576	2,576	2,576
1 FIELD WORKER (JANUARY, 1983)	-	-	-	-	1,288	1,288	1,288	1,288	1,288
TOTAL ADDITIONAL SALARIES (1984 VALUES WITHOUT SOCIAL INSURANCE)	752	1,783	2,868	5,152	6,440	6,440	6,440	6,440	6,440
ADD SOCIAL INSURANCE AND INFLATION	45	350	975	2,572	4,342	5,601	6,990	8,532	10,241
TOTAL ADDITIONAL PERSONNEL COST	797	2,133	3,843	7,724	10,782	12,941	13,430	14,972	16,681

## APPENDIX F

CamCCUL SAVINGS MOBILIZATION/LOANS PER CREDIT UNION MEMBER

ANNUAL INFL RATE <sup>(1)</sup> (%)	YEAR ENDING	NO. OF MEMBERS	TOT. SAVINGS '000's CFAP	SAVINGS PER MEMBER (CFA)	SAVINGS PER MEM. 1969 CFAP	% VALUE SAVINGS/ MEMBER IN REAL TERMS	TOT. LOANS ( '000's (CFA)	LOANS PER MEMBER/CFAP	LOANS PER MEM. 1969 CFAP	% VALUE LOANS/MEMBER IN REAL TERMS
	1969	5,200	21,500	4,135	-	-	14,000	2,692	-	-
11.0	1970	8,470	40,700	4,805	4,329	104.7	23,750	2,804	2,526	93.8
4.2	1971	13,975	89,005	6,369	5,507	133.2	50,254	3,596	3,109	115.5
7.5	1972	19,268	142,861	7,414	5,941	143.7	86,658	4,498	3,604	133.9
10.4	1973	22,514	224,124	9,955	7,225	174.7	126,763	5,630	4,086	151.8
17.3	1974	24,959	354,969	14,216	8,796	212.7	203,312	8,143	5,039	187.2
13.3	1975	31,236	549,732	17,599	9,611	232.4	318,762	10,205	5,573	207.0
9.9	1976	35,040	777,432	22,187	11,025	266.6	479,035	13,671	6,793	252.3
14.5	1977	37,357	985,941	26,392	11,454	277.0	633,667	16,962	7,361	273.4
12.5	1978	36,662	1,366,080	37,261	14,374	347.6	926,329	25,267	9,747	362.1
6.6	1979	40,524	1,799,418	44,404	16,069	388.6	1,263,435	31,283	11,283	419.1
9.9	1980	41,197	2,338,517	56,764	18,692	458.6	1,626,657	39,485	13,002	483.0
10.5	1981	44,778	2,939,424	65,644	19,562	473.1	2,035,159	45,450	13,544	503.1
12.2	1982	47,888	3,583,737	74,836	19,876	480.7	2,494,877	52,098	13,837	514.0
14.7	1983	50,042	4,307,511	86,078	19,932	482.0	3,010,597	60,161	13,931	517.5

(1) CONSUMER PRICE INDEX IN CAMEROON. SOURCE: BANQUE DES ETATS DE L'AFRIQUE CENTRALE

## APPENDIX G

PROJECT OUTPUTS

	1981	1982		1983		1984	CUMULATIVE THRU 12/83	END-OF-PROJECT (1986) PLAN
	ACTUAL	PLAN	ACTUAL	PLAN	ACTUAL	PLAN		
1. LEAGUE BOARD OF DIRECTORS TRAINED TO EFFECTIVELY EXECUTE POLICY-MAKING RESPONSIB.	-	13	13	13	3	13	16	85
2. SOCIETY COMMITTEE MEMBERS TRAINED TO EFFECTIVELY DIRECT SOCIETY MANAGEMENT	332	310	320	350	374	456	1,026	1,320
3. SOCIETY SECRETARIES AND ASSISTANTS TRAINED TO MAINTAIN ACCURATE AND COMPLETE FINANCIAL RECORDS AND PREPARE P&L STATEMENTS	223	294	204	240	165	233	592	1,320
4. NEW CREDIT UNIONS ORGANIZED	5	-	8	5	2	4	15	50
5. COM. NO. OF C.U.'S AFFILIATED TO LEAGUE	(204)109		(209)112		(220)112	(220)	-	160
6. SOCIETIES RECEIVING STATIONERY/SUPPLIES FROM LEAGUE	170	-	204	196	165	200	-	143
7. STATIONERY/SUPPLIES SALES VOLUME	\$5,872	-	\$6,945	\$8,701	\$7,176	\$8,403	\$19,993	\$32,600
8. SOC'S PARTICIPATING IN INSURANCE PROGRAM	92	-	92	94	79	79	-	110
9. PER-CENT OF SAVINGS/LOANS INSURED	65	-	70	73	70	70	-	80%
10. PER-CENT OF TOT. LEAGUE OPER. COSTS PAID FROM LEAGUE INCOME	91.4%	-	91.6	87.3	97.4	92.6	-	98.7%
11. CANCELL PERSONNEL SYSTEM DESIGNED/DOCUMENTED	-	-	-	-	-	1	-	1
12. FINANCIAL/STAT.REPORTS ON SOC'S PREP. QUARTERLY	(175X)4		(190X)4	(195X)	(190X)4	(190X)4	12	20
13. STANDARD POLICIES/PROCED'S GUIDES PREPARED/ DISSEMINATED	2	-	3	-	-	2	5	-9
14. 5 YR. NATIONAL C.U. DEVELOPMENT PLAN COMPLETED	-	-	-	-	-	-	-	-1
15. NO. OF C.U.'S PARTICIPATING IN SHARED SERVICES/ MANAGEMENT PROGRAM	-	-	-	-	-	5	0	100
16. NO. OF C.U.'S PARTICIPATING IN LEAGUE PROD. CREDIT PROJ.	-	-	10	15	15	28	15	28

## APPENDIX II

	PROJECT INPUTS						TOTALS THROUGH 12-31-83		ORIGINAL PRO- (2) JECTED LIFE-OF-PROJ. (2,244,690) (45.7)	
	1981 <sup>(1)</sup>		1982		1983					
CAMEROON COOPERATIVE CREDIT UNION LEAGUE, LTD-CAMCCUL(3)	94,318	34.3%	302,944	38.1%	460,386	42.0%	857,648	39.6%	1,122,345	30.7
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) THROUGH THE WORLD COUNCIL OF CREDIT UNIONS (WCCU)(4)	100,000	36.4%	235,000	29.6%	290,000	26.4%	625,000	28.8%	1,600,000	43.7(32.6)
U.S. PEACE CORPS (\$20,000/VOL/YR.)	40,000	14.5%	120,000	15.1%	100,000	9.1%	260,000	12.0%	459,925	12.6(9.4)
ORGANIZATION OF NETHERLANDS VOLUNTEERS (\$1-2.9GLD/RS) (\$ 33,345/VOL./YR/)	24,276	8.8%	75,862	9.5%	121,379	11.1%	221,517	10.2%	347,275	9.5(7.1)
CONRAD BLOCHER FOUNDATION (KAF)(5)	14,584	5.3%	48,369	6.1%	39,112	3.6%	102,065	4.7%	128,333	3.5(5.2)
COOPERATIVE DEVELOPMENT FOUNDATION (CDF)(3)	-	-	-	-	55,584	2.1%	55,584	2.1%	-	-
AFRICA COOPERATIVE SAVINGS AND CREDIT ASSOCIATION (ACOSCA)(5)	-	-	7,500	0.9%	10,500	1.0%	18,000	0.8%	-	-
U.S. CREDIT UNION MOVEMENT (6)	-	-	-	-	14,800	1.3%	14,800	0.7%	-	-
CAMEROON CREDIT UNION MOVEMENT (7)	1,750	0.6%	5,200	0.7%	5,878	0.5%	12,828	0.6%	-	-
	<u>274,928</u>		<u>794,875</u>		<u>1,097,392</u>		<u>2,167,295</u>		<u>3,657,978</u>	<u>(\$4,908,655)</u>

(1) 1981 INPUTS, WHERE NECESSARY, ARE 40% OF ACTUALS FOR YEAR, GIVEN MID-AUGUST IN-COUNTRY PROJECT START.

(2) PARANTHESES SHOW INITIAL PROJECTS. ADJUSTMENTS HAVE BEEN ACCORDINGLY MADE TO REFLECT CHANGE IN EXCHANGE RATE FROM 200 CFAF/\$1.00.

(3) IN CASES OF CFA FRS. INPUT, EXCHANGE RATES USED WERE AVERAGES FOR EACH YEAR AS PER PROJECT TRANSACTIONS. 1981-289.49, 1982-305.98, 1983

(4) ANNUAL BREAKDOWNS ARE REASONABLE ESTIMATES, INCLUDING UNPROCESSED VOUCHERS AT END OF EACH YEAR.

(5) ACOSCA CONTRIBUTION CALCULATED AT RATE OF \$1,500 PER WEEK OF TRAINING FOR ALL COSTS.

(6) INCLUDES IN-KIND CONTRIBUTIONS OF CANADATA/EDS CONSULTANCY SERVICES AND LODGING/TRANSPORTATION OF CAMCCUL EDUC/TRNG. OFFICER, AS WELL AS A/V EQUIPMENT.

(7) VOLUNTEER TIME COSTED AT IMPUTED RATE OF: \$2.00/DAY-1981, \$2.25/DAY-1982, \$2.50/DAY-1983. MINIMUM OF ONE MEETING PER MONTHS FOR ALL SOCIETIES (MINIMUM OF 9) AT CREDIT UNION/DISC. GROUP LEVEL, ONE MEETING PER YEAR WITH ONE REPRESENTATIVE FROM EACH SOCIETY AT CHAPTER LEVEL, ONE CAMCCUL ANNUAL GENERAL MEETING ONLY FOR ONE REPRESENTATIVE OF EACH AFFILIATE, AND MINIMUM OF THREE BOARD MEETINGS PER YEAR AT LEAGUE LEVEL.

## APPENDIX I

Cameroon Credit union Development Project (631-0044)  
Budget analysis and Projections to end of project

	Approved Budget in US \$	Expenditure through 31 March '84	Budget Remain- ing	%	Expected April-Dec 1984	Costs 1985	Remaining Jan-Sept 1986	Projected Total	Total Est. Project Costs	Under/over Expended	Under/over Budget
<u>TECHNICAL ASSISTANCE</u>											
SALARIES (INCLUDING POST DIFFERENTIAL)	388,757	205,000	183,757	47.3	95,975	100,150	36,250	232,275	437,275	(48,518)	(12.5)
FRINGE BENEFITS	85,473	34,105	51,368	60.0	16,610	17,204	6,116	39,930	74,035	11,438	13.4
ALLOWANCES	59,024	23,044	35,980	61.9	9,000	8,000	3,000	20,000	43,044	15,980	27.1
CONSULTANTS	65,100	7,476	58,624	88.7	15,000	15,100	13,200	43,200	50,676	15,424	23.3
TRAVEL & RELOCATION	274,551	117,536	157,015	57.2	57,900	56,100	34,100	148,100	265,636	8,915	3.2
EQUIPMENT & COMMODITIES	63,250	59,006	4,244	6.7	1,000	1,000	1,000	3,000	62,006	1,244	2.0
DATA COLLECTION, EVAL & CONT	80,000	20,893	59,107	73.9	6,000	-	42,641	48,641	60,534	10,466	13.1
OTHER DIRECT COSTS	42,648	12,324	30,324	71.1	7,500	9,300	9,100	25,900	38,224	4,424	10.4
INDIRECT COSTS (6% OF SALARIES)	191,302	101,900	89,402	46.7	47,565	49,266	17,450	114,281	216,181	(24,879)	( 13.0)
TOTAL TECH. ASSIST BUD	1,251,105	581,284	669,821	53.5	256,550	255,920	162,857	675,327	1,256,611	( 5,506)	( 0.4)

INSTITUTIONAL SUPPORT

PERSONNEL COSTS	33,550	9,379	24,171	72.0	7,000	15,000	13,000	35,000	44,379	(10,829)	32.3
TRAINING	121,000	80,826	40,174	33.2	31,030	35,550	15,400	81,980	162,806	(41,806)	(34.5)
EQUIPMENT/COMMODITIES	105,500	33,787	71,713	67.9	54,000	14,000	1,200	69,200	102,987	2,513	2.4
OTHER DIRECT COSTS	<u>38,845</u>	<u>7,117</u>	<u>81,726</u>	<u>92.0</u>	<u>7,150</u>	<u>10,350</u>	<u>8,600</u>	<u>26,100</u>	<u>33,217</u>	<u>55,628</u>	<u>62.6</u>
TOTAL INST. SUPPORT BUD	348,895	131,109	217,786	62.4	99,180	74,900	38,200	212,280	343,389	5,506	1.6
TOTAL GRANT	\$1,600,000	\$ 712,393	\$887,607	55.5	\$354,837	\$330,820	\$201,950	\$887,607	\$1,600,000	-0-	

CENTRAL LIQUIDITY FACILITY STUDY

The Cameroon Cooperative Credit Union League, Ltd., (CamCCUL) operates a Central Liquidity Facility which receives deposits from affiliated Credit Unions in Cameroon. The deposits from credit unions are held by the League for a) liquidity needs for the individual credit unions in the event of occasional emergencies and b) as a fund from which credit unions may borrow when there is the need for capital to re-lend to their members.

These central deposits serve as the main bases for income generation of the League. About 93% of CamCCUL's income is from interest earned on these deposits. At the present time, CamCCUL is able to pay about 90% of its operating expenses from all of its income including CLF interest, dues and sales of stationery. As CamCCUL increases its member services its costs will increase. CamCCUL has planned to be able to pay 100% of all its operating costs by 1986.

CamCCUL requires a consultant to examine the entire operation of its central liquidity facility and to make recommendations for the most productive use of the central deposits. This study should analyze the present investment portfolio and the requirements placed on its operation by Cameroon Law, the Cooperative Law, the CamCCUL Bye-laws and operating policy. The study should result in specific recommendations to the CamCCUL Board of Directors which will maximize income from the central deposits while, at the same time, meet the objectives of the League in servicing its affiliates.

SCOPE OF WORK

The Consultant will develop a methodology to examine all the critical data relating to CamCCUL's present operation of the central liquidity facility (CLF). This examination will include all the relevant Laws and Regulations pertaining to the deposits by credit unions and CamCCUL's investment policy and strategies.

The consultant will investigate alternative uses of C.L.F. funds, investment strategies, and alternative methods of improving CamCCUL's collection rate of statutory deposits (legal reserves).

The types of information which should be considered should include, but not be limited to:

- \* The current investment strategy of the League in the use of this fund.
- \* Current earnings from the fund
- \* Funds other than statutory reserves which could be included in the investment portfolio.

- \* Steps which could be taken to obtain favorable legislation which would allow the League better investment opportunities.
- \* How the League can maximize its earnings potential while maintaining a safe control over its funds.
- \* Changes in banking laws, interest rates or investment strategy which may affect the League's earning potential
- \* The projected earnings level of the League through 1992
- \* Operations, services or functions within CamCCUL which can be changed, added or improved to facilitate the CLF

The consultant will prepare a written and oral report addressed to the CamCCUL Board of Directors in which the methodology, procedures and results will be given and conclusions and recommendations made.

The report should be given to CamCCUL's leadership prior to the consultant's departure from Cameroon.

Appendix K

PRODUCTION CREDIT DEVELOPMENT STUDY

The Cameroon Cooperative Credit Union League is in need of a consultancy to analyze the possible productive uses of credit in the credit union system. A program exists in 22 of the 220 CamCCUL credit unions to assist farmers with agricultural production loans. This program should be expanded to include other types of production such as trading, manufacturing and starting or improving of service-oriented enterprises.

SCOPE OF WORK

The consultant will examine existing uses of credit, and determine the viability of using this credit for income-generating projects. The study should include a survey of potential projects in the target area, which is the four Provinces of North-West, West, South-West and Littoral. The consultant would be expected to project the income, to the League and to Credit Unions, which would be generated from loans extended for these productive purposes.

The consultant must establish a methodology for gathering existing and potential productive loan information in a systematic manner. The consultant will analyze that data and prepare a report with recommendations to CamCCUL's leadership. Based on this methodology the Consultant will examine existing uses of credit, analyze the need for productive credit and make projections of this potential use of credit and its impact on membership, credit unions and the National League.

The types of data (information) which may be necessary to achieve the purpose of this consultancy include, but is not limited to, the following:

- \* How credit is currently being used
- \* Additional potential for use of credit
- \* The need for additional private sector investment
- \* Where (which Credit Union Areas) is there a need or capacity for additional private sector investment?
- \* The potential impact of Production Loans in selected areas on Credit Union Loans, Savings, Membership, and Income & Expenses.
- \* The impact of the promotion of production credit loans on the League's income
- \* Identifiable types of productive investment potential
- \* The potential number of participants in the program
- \* Additional resources or assistance necessary to promote production credit for small business in selected credit unions