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**Midterm Evaluation
of the African
Confederation of
Cooperative Savings
and Credit
Associations

Final Report**

Prepared for the U.S. Agency for International Development
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EXECUTIVE SUMMARY

The African Confederation of Cooperative Savings and Credit Associations (ACCOSCA) is the pan-African, apex service organization for the African savings and credit union movement. In building up the continental movement and establishing appropriate systems, ACCOSCA has benefited from two U.S. Agency for International Development grant-funded projects, one from 1980 through 1985, and a second \$1.7 million, now halfway through its three-year period. The latter project is the subject of this evaluation.

After more than six years of AID funding (under the two grants), and having received major donor support since its founding in 1968 (including previous AID assistance), ACCOSCA has been able to perform a significant and valuable role in servicing and strengthening the credit union movement in Africa. Its contributions have been especially notable in training credit union leaders and enabling them to train their membership at home. The risk management program has gained wide support throughout the region among affiliates, while not yet generating significant revenue. Affiliation of new national movements has not proceeded at a rapid rate, and should be considered secondary to support to the institutional strengthening of current affiliates.

As an institution, ACCOSCA has performed its self-management and financial reporting roles with increasing professionalism and efficiency since the early 1980s when major criticisms were leveled at the organization. The greatest difficulties now relate to financial controls imposed by national governments, a need to build a stronger and reliable revenue base, and a requirement to provide an opportunity to participate equally to all members while relying upon their compliance with their obligations to ACCOSCA. In addition, ACCOSCA is affected by continuing sluggish financial growth in the African credit union movements. Their weak financial base is compounded by general economic conditions in Africa, which have led to currency exchange restrictions and unpredictable exchange rate fluctuation.

ACCOMPLISHMENTS

ACCOSCA's accomplishments in the 18-month period evaluated are:

1. An effective training strategy, ahead of schedule, and performing above target indicators;
2. Improved communication with affiliates;
3. Improved quality of services and the ability to deliver them, as indicated by an increased demand for a wider range of services;
4. Critical policy issues are being addressed by the ACCOSCA Board of Directors and senior staff;
5. Member credit unions are displaying financial and institutional resilience despite adverse economic and social conditions;

6. Fifteen national affiliates have adopted operational systems designed by and with ACCOSCA;
7. Observer status with the Organization of African Unity has been achieved, thus enhancing the status of ACCOSCA in Africa;
8. Conclusion of protocol agreements with several international development agencies for further income generation;
9. Risk management, with emphasis on loan protection and life savings insurance, has become a valued and desired credit union service; ACCOSCA's promotion of risk management and training of affiliate staff in administration of insurance programs will result in three new applications by national affiliates, bringing to 11 the number using this program;
10. Institution of fully operational and effective management systems at ACCOSCA headquarters; and
- 11. Establishment of a medium-term development plan (1988-1992), adopted in draft by the ACCOSCA Board of Directors in December 1986.

PROBLEM AREAS

Obstacles to achieving success are primarily those that have plagued ACCOSCA in the past: funding and generation of non-grant revenues. Specific problem areas for ACCOSCA are:

1. Unrealistic and unachievable projected levels of income generation;
2. Dependence on long-term external funding assistance to accomplish its mission, thus inhibiting its ability to implement plans, limiting its operational flexibility, and pre-occupying staff;
4. Break-even operation of the risk management program; which does not represent a current or future source of income.
5. Inefficient use of ACCOSCA, affiliate, and donor resources through continued bilateral projects between national affiliates and donors that do not involve ACCOSCA;
6. Unclear strategies, priorities, and functions for cooperative promotion at ACCOSCA. ~~The project does not put resources at the disposal of promotion,~~ but counts an increase in the number of members affiliates as an indicator of project success;
7. An overburdened Director of the Promotion Department with limited resources; and
8. Exceedingly difficult promotion of credit union growth in Africa.

CONCLUSIONS

1. The training component is being implemented fully and effectively. The Training Advisor, whose contract terminates in November 1987, functions in both staff and advisory roles.
2. At current levels of enrollment, the risk management component cannot be more than a break-even financial operation for national associations and ACCOSCA. Individuals and local credit unions are the primary beneficiaries of risk management.
3. Within the institution-building component:
 - o Management systems, although effective, could profit from technological upgrading;
 - o ACCOSCA's monitoring and reporting systems are satisfactory;
 - o Financial reporting is timely, and budget spending levels are on target; and
 - o Collection of dues is below target. Dues cannot be relied upon for any significant increase of ACCOSCA income during the project or in the foreseeable future.
4. The promotion goal of augmentation of affiliates without identifying and allocating resources to that goal is not realistic.
5. In the project management and monitoring component, the project Advisory and Donor Coordinating committees have not functioned as anticipated.
6. ACCOSCA's requirement that affiliates' dues payment be pre-requisite to voting rights and/or election as member of ACCOSCA's Board of Directors is self-defeating.
7. The draft of a long-term development plan, for 1988-1992, is on schedule.
8. During the remaining period of project, ACCOSCA has an important promotional, educational, and institutional development role to play with existing affiliates.

RECOMMENDATIONS

Training

1. The Training Advisor's staff functions should soon be integrated within ACCOSCA's Department of Training.
2. Implementation of ACCOSCA's training strategy should continue as planned.

Risk Management

3. Risk management as a service should continue to be a priority of the project.
4. Risk management must not be considered as a source of revenue to ACCOSCA.

Promotion

5. The project goal calling for five additional affiliates should be dropped as an indicator of achievement.
6. Priority should be accorded to strengthening the institutional base of current affiliates. Where secondary levels of effort are made toward affiliates, they should be toward Francophone countries and affiliates.

Institution Building, Financial Self-Sufficiency

7. ACCOSCA should continue to undertake all reasonable steps to collect dues from affiliates.
8. The implications of its dues policy should be reviewed by the Board of Directors in light of the need for full participation of affiliates.

Management and Monitoring

9. The functions of the Project Advisory and Donor Coordinating committees should be reviewed.
10. The project monitoring systems should be maintained.

Data Collection, Analysis, and Planning

11. The final development plan should be completed and available for review six months prior to the project assistance completion date (December 1987 instead of May 1988).
12. The period of the development plan should be extended beyond five years to 10.
13. ACCOSCA should request further donor assistance in implementing its long-range development program; a major goal should be to encourage participation by Francophone donor institutions.
14. Human and financial resources should be applied to carrying out analyses of economic, legislative, social, and other issues for effective long-term planning.

CHAPTER ONE

INTRODUCTION

PROJECT SETTING

The U.S. Agency for International Development has supported the Africa Confederation of Cooperative Savings and Credit Associations (ACCOSCA) through two grant-funded projects. The first, from 1980 to 1985, was followed by the current project, which is halfway through its three-year life cycle. Funding of \$1.7 million is provided through a regional project, Support to Regional Organizations, and is intended to strengthen further this Pan-African apex organization for savings and credit cooperatives. A midterm evaluation of the project was conducted in February 1987, and the evaluation's findings, conclusions and recommendations are presented in this report.

History of AID Project Assistance to ACCOSCA

ACCOSCA was chartered in 1968 to serve as an apex organization for the credit union movement in Africa; it is based in Nairobi and chartered under the Societies Act of Kenya. ACCOSCA's constitution and by-laws describe it as an international finance, representation, technical service, and assistance organization operating in all of Africa. The objectives of the organization are to:

- Deliver essential services and technical information to the national associations for improvement of operations, maintenance of financial vitality, growth toward self-sufficiency, and assistance in improvement of members' organization and operations;
- Provide financial assistance and services to the African cooperative savings and credit movement;
- Represent the movement to other African and international organizations;
- Conduct public relations; and
- Promote and improve the quality of leadership at all levels within the movement.

On behalf of members, ACCOSCA is authorized to receive assistance and donations; mobilize financial resources; guarantee financial operations; negotiate loans; invest, establish, and conduct educational and training services; and establish and administer insurance and bonding services. The official languages are English and French.

The formal African credit union movement was started in the 1960s although a few individual credit unions began in the 1940s and 1950s. The movement forms a band across Africa south of the Sahara, from the islands of the Seychelles and Mauritius to Senegal, Gambia, Sierra Leone, and Liberia. Twenty-four national

movements form the African credit union movement, which is affiliated to ACCOSCA, the apex organization. At the time of ACCOSCA's founding, a number of developed countries were demonstrating an interest in providing support to the development of a cooperative movement in Africa. In the 1970s Canada, France, Germany, and the United States funded various components of the ACCOSCA operation. The large amount of support to a young organization led to some difficulties: rapid growth was not accompanied by sufficient attention to organizational constraints and financial management. ACCOSCA was unable to meet the expectations of all the donors, many of which withdrew support. At the beginning of the 1980s, only 12 years since its founding, the ACCOSCA Board of Directors and staff were faced with a reduction in assistance that threatened the ability of the organization to provide training and technical services to its member affiliates throughout Africa.

If the donors were disappointed with ACCOSCA's inability to absorb financial and technical resources, the organization itself was plagued with growing pains in developing a common philosophy and means of operating with affiliates in a large number of countries. Buffeted by internal lobbying by the affiliates, ACCOSCA found itself by 1983 in peril of dissolution.

AID recognized the difficulties inherent in supporting a pan-African organization, particularly at a time of slow economic growth in the region, but the value of the organization was deemed to warrant continued support; a five-year \$6.03 million project was implemented between 1980 and 1985. A midterm evaluation of this technical assistance and financial support, done in 1983, identified the forces leading to ACCOSCA's difficulties and recommended that substantial management revisions and difficult personnel changes be undertaken (including staff reductions already approved by ACCOSCA's Board of Directors). The recommendations were implemented through the reduction of staff from 31 to 16, employment of consultants to institute a workable financial management system, approval of a quarterly monitoring system of income and expenditures, and institution of a search for a permanent Executive Secretary. AID agreed to provide further support in a follow-on project.

The Credit Union Movement in Africa

From its headquarters in Nairobi, Kenya, ACCOSCA provides services to credit union affiliates in 24 African countries divided into four regions:

Southern Africa Region:

Botswana, Lesotho, Malawi, Mauritius, Swaziland, and Zambia

Western African Region:

Burkina Faso, Gambia, Ivory Coast, Liberia, Senegal, and Sierra Leone

Western African Gulf Region:

Benin, Cameroon, Ghana, Nigeria, Togo, and Zaire

Eastern African Region:

Ethiopia, Kenya, Rwanda, Seychelles, Tanzania, and Uganda

Together these countries have a population of 316 million. Approximately 2.3 million people belong to credit unions -- a penetration rate that in much of the world would be considered low at 1.4 percent. In only six countries do more than 1 percent of the population belong to a credit union.

The relatively low figures bear closer scrutiny, however, for many of the members have no other experience with or access to financial institutions; they represent the large number of potential participants in the credit union movement who must be brought into a viable financial network as a concomitant element of development in Africa. Within the leagues affiliated to ACCOSCA, the average number of members per credit union society is 402; significantly, a substantial percentage are female. The average credit union member has savings of \$115 on deposit and has borrowed \$92. His or her society's savings and deposits amount to \$56,628, while the total amount of outstanding loans is \$45,923. A large number of people who participate in the credit unions are precisely those with potential for improving their own lives and their country's development through greater access to non-governmental financial institutions. Table 1 illustrates the growth of the movement since 1980. Although no important changes have taken place in the numbers of credit unions (rising unsteadily from 10,507 to 10,615), the number of reported members increased by 41 percent from 1980 to 1985, an increase that may be due to improved reporting methods over the period in question. Of greater significance is that savings rose by over 100 percent from the base year of 1980, and loans outstanding increased by 145 percent.

Credit unions in rural areas, where no formal and secure banking facilities exist, are highly appreciated by their users for security of savings and easy access to loans. The evaluation team found that loans were used equally for production and consumption. In rural areas where the experience of farmers and producers with cooperatives has been negative (failed projects), the membership of credit unions tends to be farmers and producers who still want access to small loans without government control. Members of credit unions in rural areas feel a greater responsibility for the management of their society's financial affairs: money that belongs to the society's members in a credit union is called *argent chaud* (warm money) as opposed to money that is generated from external sources, or *argent froid* (cold money) -- funds from banks, projects, and governmental schemes.

The new credit union leagues vary widely. Although the movement in Kenya is generally strong, with substantial membership and savings bases, trained staff, good income earnings, support from their government's regulatory commission, and good member support and dues payments, KUSCCO itself has had problems with dues collections. Many leagues are like that in Sierra Leone, where growth is slow and only a small part of the salaried population receives services and there is little involvement by rural or non-salaried people. At the extreme are the small, rural-based community credit unions with less than 100 members and a low savings base. The existence of a few stars or a few problematic cases should not mask the real achievements of the credit union movement in educating and drawing into a financial network those who are shunned by larger, more commercial financial institutions. Similarly, the difficulties of developing the movement should not be ignored.

Despite the unfortunate lack of microcomputers, the implementation of management information systems is almost complete (in 19 out of 24 affiliates), and the data supplied by affiliates (summarized in Table 1) are more current. In addition, project documentation figures that date as far back as 1980 have been updated. As will be noted later, Nigeria and Kenya dominate the statistical indices of ACCOSCA's 24 country members. They represent one-half the growth in membership, savings, and loans activity and potentially just under one-half of all assessed dues.

TABLE 1
GROWTH IN THE AFRICAN CREDIT UNION SYSTEMS, 1980-1985

Indicator	Year					
	1980	1981	1982	1983	1984	1985
No. of Credit Unions	10,507	10,829	11,507	10,734	11,040	10,876
No. of Members (000)	1,631	1,741	1,851	2,054	2,283	2,659
Amount of Savings/Shares (\$000)	141,704	184,123	201,796	210,749	237,780	318,924
Loans Outstanding (\$000)	95,825	122,523	148,328	154,517	180,687	255,234

The figures gathered for 1986 appear to confirm the trend of rising saving and loan figures, while indicating a far more moderate growth of membership:

<u>1985-1986</u>	<u>Amount</u>
Total Number of Credit Unions	10,726
Total Number of Credit Union Members	2,309,065
Total Savings and Deposits	\$307,138,000
Total Loans Outstanding	\$255,385,000

PROJECT DEVELOPMENT

The 1983 midterm evaluation of ACCOSCA led to a series of recommendations related to improved organization and financial management. By all accounts, ACCOSCA made a serious and effective effort to respond. When support to the organization from AID ran out in 1985, a follow-on project was approved by AID.

The project proposal was designed by the World Council of Credit Unions (WOCCU) and ACCOSCA in October 1984 and adopted by AID in 1985. AID authorized the project with an attachment of objectives that emphasize AID's clear commitment to particular areas of concern (see Annex A for the full text). In this document, AID underlined its own five objectives for the new project:

- Financial Management and Income Generation: a long-range plan would be developed to maximize income generation and control expenses. ACCOSCA would explore more creative approaches in resolving currency conversion problems and continue to implement firm but rational policies in charging fees for services;
- Organization and Administration: ACCOSCA would increase efficiency, form five new affiliates, submit annual budgets for AID review and report trends in income, and increase its role in assisting affiliates with obtaining and managing other support;
- Services and Outreach Activities of ACCOSCA: ACCOSCA would increase use of affiliate leaders and its efforts to provide services to Francophone countries; training and risk management would continue and follow up for training would be systematized;
- Project Monitoring and Management: ACCOSCA would establish and use project advisory and donor committees, and AID would maintain its contacts and improve liaison through REDSO/ESA; and
- AID Grant Administration: AID would continue its current arrangements with CUNA/WOCCU/ACCOSCA.

IMPLEMENTATION

Implementation responsibility for the project lies primarily with ACCOSCA with the technical support of WOCCU. The Credit Union National Association (CUNA), the American apex organization, is the grantee, with WOCCU serving as the conduit for funds and providing technical and administrative support. Some financial support, apart from AID funding, is supplied by CUNA Mutual Insurance Company, the Co-operative Union of Canada (CUC), and the Konrad Adenauer Foundation (KAF) of West Germany. WOCCU is responsible for administering the AID grant and for financial reporting.

The project was authorized for three years, to May 31, 1988. The obligation is for \$1.699 million.

Project Purpose

The purpose of the ACCOSCA regional support project is to improve ACCOSCA's organizational effectiveness and assist members with their organizational requirements, while providing appropriate training, expansion of the risk management program, and an increase in the number of new national credit union movements. The resources that the project makes available to meet this purpose are modifications of the same resources accorded the prior project, 1980-1985: operational support; support for one long-term Training Advisor; and short-term technical assistance, particularly to assist ACCOSCA in achieving institutional self-sufficiency.

Project Start-up

At the beginning of the new project's implementation, in June 1985, ACCOSCA had 16 positions, 14 funded under the previous project and two by CUNA Mutual Insurance Society. A position for an accountant was vacant and under recruitment; CUC had approved support for a new Chief of Promotion. In addition to funding from AID, ACCOSCA was receiving some earned income from dues, education contributions, rent, and publication fees; external donors included the KAF, CUC, Interchurch Coordination Committee for Development Projects, and the Société de Développement International Desjardins. Table 2 illustrates donor support to ACCOSCA other than from AID between 1980 and 1986.

By 1985, ACCOSCA had institutionalized a program for the production of technical manuals that was standardizing technical systems at both the credit union and national association levels. The ACCOSCA risk management program was operating in nine movements, but Cameroon, Uganda, and Kenya had given notification of their intent to operate their respective insurance programs independently. Thus, ACCOSCA was threatened with loss of a substantial earned income base, especially from the departure of Kenya. ACCOSCA was preparing materials for presentation to the Organization of African Unity (OAU) in a continuing effort, recently realized, to be granted observer status; the United Nations Children's Fund (UNICEF) was also approached about areas of assistance. The Executive Secretary hired in 1983 had moved ACCOSCA beyond a seemingly permanent crisis management situation to one with longer range strategy and improved planning.

OBJECTIVES OF MIDTERM EVALUATION

The objectives of this evaluation are two-fold. First, it seeks to develop information to be used internally by project personnel to increase operational efficiency and to facilitate mid-course corrections; second, and equally important, it assesses whether current management and organizational procedures of ACCOSCA are sufficiently effective and predictable to warrant continued participation and support by its current and potential donors and service users.

TABLE 2

OTHER DONOR SUPPORT TO ACCOSCA, 1980-1986*
(in U.S. \$)

DONOR	1980	1981	1982	1983	1984	1985	1986
CUNA Mutual Insurance Society	95,124	16,420	30,262	80,000	95,000	36,500	40,000
Michigan Credit Union League	-	1,992	2,500	-	1,840	-	-
CUNA Foundation	-	-	-	14,000	-	1,500	-
Konrad Adenauer Foundation	139,180	114,972	115,330	106,000	95,000	90,000	180,000
Cooperative Union of Canada	158,077	116,914	97,500	45,000	-	-	34,000
RABOBANK	27,149	67,122	71,635	-	-	-	-
ICCO	-	-	-	-	50,000	40,000	-
Crédit Mutuel	-	-	-	46,000	-	-	-
CEBEMO	4,230	-	-	-	-	-	-
Banque Populaire	-	1,803	-	-	-	-	-
	423,760	319,223	312,227	291,000	241,840	168,000	254,000

* AID funds 1985-1998 = 1.7 million.

AID Funds 1985-1998 = 1.7 million

1.7 million

The evaluation compares the achievements of the various project components with those of the implementation plan, assesses the overall project impact, and reviews the project design in the light of internal and external factors.

METHODOLOGY

The evaluation was carried out by a five-person core team composed of:

1. Team Leader -- Barbara Skapa, from Development Alternatives, Inc. (DAI)
2. Training Specialist, ACCOSCA -- D.O. Arende, Chief of Education and Training
3. Agricultural Economist, REDSO/ESA, Nairobi -- William Faught
4. Project Manager, WOCCU, Madison -- Richard Lowe
5. AID Washington Project Officer, Bureau for Africa -- W.A. Whitten

The evaluation scope of work is attached as Annex I.

The evaluation team was assisted by key senior staff at ACCOSCA/Nairobi and Ruth-Ann Mitchell, the Project Manager/Africa of the CUC's project with ACCOSCA, funded by the Cooperative Union of Canada. Resource teams, made up of individuals with direct knowledge of ACCOSCA's operations and history, traveled to seven countries selected for site visits with the evaluation team. The evaluation thus tapped the historical and professional resources of nine people, some of whom have been directly involved with ACCOSCA activities since the 1970s.

The resource persons, including two French speakers, were:

1. Ruth-Ann Mitchell, CUC, Ottawa, Canada
2. Paulin Tomanaga, Chief of Promotion and Bilingual Services, ACCOSCA
3. Jean-Claude Deenmamode, Accountant, ACCOSCA
4. Cynthia Mandizha, Training Advisor, ACCOSCA

Responsibility for analyzing project findings and writing a draft report rests with the core evaluation team. Responsibility for writing the full report was assigned to the team leader. This report is based upon an outline and summary drafted by the team in Nairobi on February 20, 1987. Comments were received from WOCCU, AID, and ACCOSCA on a first draft report, and substantial sections have been revised.

Country Selection

Because of the difficult logistics of travel and advance communication on the African continent, WOCCU and ACCOSCA pre-selected seven countries (out of a possible 24) for the evaluation. Initially, criteria were selected (attached in Annex B) that would result in a sample reflective of the attributes of all member countries. Upon review at ACCOSCA headquarters and in the field, it appeared that the small universe (24) and the eight basic criterion variables could not generate a representative sample, given the range of political, economic, and social systems in Africa. Case studies, based on an effort to maximize the overall understanding of affiliates throughout the area, were seen to be more useful. The eight criteria for choosing countries for evaluation, as devised by ACCOSCA, were:

- Participation in ACCOSCA training programs;
- In-country training;
- Bilateral projects;
- Participation in risk management program: (active, new program, under study, and independent [or dormant] programs);
- Promotion workshop;
- Representation in ACCOSCA leadership;
- Payment of dues to ACCOSCA; and
- Financial data (growth 1985-1986).

Although individually pertinent, the variables involved were too numerous to allow a comprehensive analysis, especially in the absence of data-processing capacity.

Country selection was therefore based on the judgment of the evaluation team and ACCOSCA of which countries would illustrate the range of project activities, successes, and problems under the project. Of the seven countries selected, two are Francophone; all have participated in ACCOSCA training programs of one kind or another; three receive short- or long-term bilateral assistance from Canadian, German, or American sources; one has an active risk management program; three have participated in promotion workshops; and two have delegates to ACCOSCA's Board of Directors.

A survey instrument developed by the team prior to field visits could not be field tested in Kenya as previously hoped. Thus, the instrument was not effective as a comparative data-gathering tool. It was, however, a valuable source of data and provided a common approach in writing up case studies. It also served as a guide to the individual team members in seeking out the constraints (and successes) to credit union growth or participation at the national, provincial, or village levels.

The countries selected for site visits were Ivory Coast and Togo; Cameroon and Sierra Leone; and Lesotho, Swaziland, and Uganda:

Team One:

Togo
Ivory Coast

February 6-14 = 10 days

Team Members: Team Leader, DAI
ACCOSCA/WOCCU Advisor
ACCOSCA Promotion Chief

Team Two:

Cameroon
Sierra Leone

February 6-15 = 11 days

Team Members: AID Project Officer
CUC Project Officer
ACCOSCA Accountant

Team Three:

Uganda
Swaziland
Lesotho

February 4-14 = 11 days
(although the WOCCU Project Manager did not visit Lesotho)

Team Members: REDSO/ESA Economist
WOCCU Project Officer
ACCOSCA Training Department Chief

In-country visits permitted interviews with credit union officials, staff, and members, as well as relevant government, cooperative, banking, and donor agencies. The teams interviewed 65 persons directly, and approximately 175 indirectly, through group meetings or observation of training programs.

Team members were able to review project documents at ACCOSCA headquarters in Nairobi, where briefing books had been prepared. Administrative operating documents, budget and financial statements, training plans and training materials, planning documents, AID project documentation, and country (ACCOSCA affiliate)

information and statistics were examined. During country visits, the evaluation sub-teams verified information culled from headquarters' sources on training (numbers of trainees, type and level of training, costs), financial status, credit union leagues revenues, expenditures, and dues. They also examined factors such as cooperative law or banking regulations impeding or encouraging credit union development, the risk management (loan insurance) program, promotional programs to increase membership or savings deposits, and other matters having impact on ACCOSCA's ability to deliver services to its affiliates in Africa.

Evaluation Format

The major components of the project that were reviewed include:

- Training;
- Promotion;
- Risk management (insurance);
- Institution building and financial viability; and
- Project management and monitoring.

In addition, external factors affecting growth in membership and financial viability were reviewed.

In a complex project, there are many ways to put together different, but related, activities. The categories listed above, each of which represents a separate chapter of this report, appear to best lend clarity to the assessments and concerns of the evaluation team.

SUMMARY OF PROJECT ACHIEVEMENTS

By the time of this midterm evaluation in early 1987, the organization has made major efforts in implementing its charter and responding to donor criticism. ACCOSCA staff who witnessed the troubled years testify that ACCOSCA has survived its critical period to become a mature organization. Under the guidance of a revitalized Board of Directors, it is smaller, more stable, and fully staffed at all levels. Its Executive Secretary, appointed in October 1983 (the first permanent appointment in this position since 1980), has been recognized both within the African credit union movement and African and international organizations as a leader able and willing to tackle financial and organizational problems. In Africa the national affiliates and ACCOSCA are relatively new and continue to rely on external resources from countries that have historically had strong credit union movements. Achievement is measured by the indicators outlined for the AID grant; they are presented in detail in Annex A and are discussed more fully in the following chapters.

CHAPTER TWO

TRAINING

In ACCOSCA, training is a system that responds to the expressed technical needs of affiliates. The education and training program has emphasized the establishment of operational systems such as auditing, accounting, training, and risk management at the primary society and apex organization levels. These programs are implemented through one-month workshops in technical manual production, followed at a later time by one-month training module workshops.

Training is the major activity supported by the project, and it is effective. The objectives of the department are to:

- Design, establish, operate, monitor, and evaluate a Pan-Africa train-the-trainer strategy for ACCOSCA members;
- Produce education and training materials on topics relevant to the daily operational needs of credit unions;
- Provide advisory, counseling, curriculum development, and learning specialist assistance to other departments within ACCOSCA that are responsible for in-service or specialized training to their beneficiaries;
- Conduct training needs assessments and special studies as needed to provide relevant technical training to ACCOSCA members; and
- Carry out these joint training activities with other cooperatives and non-governmental organizations, as directed by the Executive Secretary.

BENEFICIARIES

The primary beneficiaries of the training are the employees of ACCOSCA's twenty-four members. They include:

- General managers;
- Accountants;
- Interlending/central finance officers;
- Risk management officers;
- Field management officers;
- Field services directors;
- Education and training directors; and
- Education and training officers.

FINDINGS

ACCOSCA's training strategies continue to emphasize the production of technical manuals and training modules and to offer methods of institutionalizing technical systems. The training strategy is effective, ahead of schedule, and performing above indicators. Annex D, Training Outputs, documents the uniformly high performance of the Training Department. Table 3 summarizes the most significant achievements. In quantitative terms, the department has exceeded expectations with three times as many training programs held to date; almost three times the number of person-days; and more than 200 manuals, modules, and master lesson plans developed.

TABLE 3
TRAINING ACHIEVEMENT

	Anticipated	Achieved
Number of Training Programs Held	5	15
Number of Person Days of Training	500	1,300
Number of Training Manuals Produced	25	1 model manual 25 training modules 175 master lesson plans

Technical Manual Production and Training

A distinguishing feature of the training program is the activity carried out by the Training Department for credit union representatives from national affiliates. These individuals are brought together at the confederation (ACCOSCA/Nairobi) level to produce their own country technical manuals and training modules. The manual produced is the work of the national representative; it allows the representative to adapt a particular technical system (for example, audits) to the administrative features of his or her own country and credit union system.

Since 1980, this program has produced over 150 national manuals codifying the technical systems; more than 80 manual writers and 30 systems' trainers have been trained. (A full listing of manuals is provided in Annex E.) Technical manuals titles include: Accounting, Auditing, Lending, National Association Management, Movement Training, and Movement Production. Training module titles include: Accounting, Auditing, Lending, National Association Management, Movement Promotion, and Train the Trainer. Since June 1985, two manuals and 12 training modules have been produced.

Standardization of technical and management systems among the credit unions in a particular country is a significant benefit of the ACCOSCA approach to creation of manuals and training in their use; standardization of forms, procedures, and reporting results in increased efficiency of credit union management, a further benefit of the ACCOSCA approach to training. (Annex F identifies each trainee, country, training program, and manual produced.)

Training Modules

The author of the manual in turn is responsible, under the guidance of ACCOSCA, for training its end users. The author breaks down the manual into training modules adapted to the learning levels of the trainees. The national associations are able to implement technical training as well as produce specific manuals. Completed materials are often translated into local languages and reproduced in large quantities for distribution to credit unions. The authors also conduct training sessions for non-credit-union personnel and members. These sessions are held for government and cooperative officers, lecturers at cooperative institutions, and other cooperative representatives; this system greatly increases the multiplier effect of training.

National associations frequently authorize different representatives from their association to produce different types of manuals. Thus, the national association can have three or four representatives trained in writing technical manuals, developing training modules from those manuals, and instructing others in their use. Institutionalization of these kinds of capability within a given national association has strengthened the associations' capacity to produce materials beyond those initiated directly by ACCOSCA.

The workshops that bring together a small number of national representatives also permit extensive dialogue and exchange of information between national associations. The interaction, apart from reinforcing solidarity of the national associations across the African continent, allows for incorporation into country-specific technical manuals of suggestions and ideas from colleagues operating in similar environments.

Workshop and Training Programs

Starting in June 1985, ACCOSCA organized nine workshops of which five were financially supported in full by the AID project; the remainder, by KAF and CUNA Mutual. In 1986 ACCOSCA held eight workshops and training programs, which were AID supported. Project training costs in 1986 are budgeted at \$250 per trainee per day. Other donors, particularly the KAF, support costs of conferences (for example, Commissioners' conference, five days, for 22 participants at a cost of \$40,000, or \$1,481 per participant).

The 1985-1988 program projected courses are listed below; despite a six-month delay in start-up of the project, all courses have been executed, and two have been conducted in French:

Auditor's Manual Production Workshop (Francophone)
 Accounting Training Module Workshop
 Project Implementation Workshop (ACCOSCA Staff)
 In-country Training Programmes: accounting/auditing training (Swaziland)
 Board Institutional Building Workshop I
 Management Training Module Workshop
 Accounting Training Module Workshop
 Credit Training Module Workshop
 Board Institutional Building Workshop II
 Commissioners Conference (Nairobi)
 Promotion Manual Workshop
 Auditing Training Module Workshop
 ACCOSCA Staff Workshop
 Board Institutional Building Workshop
 Promotion Workshop (Francophone)

Annex D lists training programs conducted by ACCOSCA during the project to date.

As a result of the workshops devoted to production of technical manuals, all but one participating affiliate have produced at least one technical manual. Twelve of the affiliates have designed programs to train users of the manuals in-country. At midterm in the project, it is too early to assess the effectiveness training at the local level. ACCOSCA notes that most affiliates appreciate the quality of the technical training received by their representatives. This seems confirmed by the fact that, when workshops for authors of technical manuals (to develop training modules from technical manuals) are held, representatives from national groups generally are in attendance. In the first 16 months of the project, training module workshops were held twice for credit union accounting, once for credit union lending, auditing, and national association management.

ACCOSCA has continued operating its manual production workshop program while instituting the second phase of the workshops, entitled "Training Module Workshops." Under the phase-two program, the writers of particular manuals are brought to the ACCOSCA training center for one month to produce 40-hour training modules on the described system. These training modules are complete with master and instructor lesson plans, visual aids, and practical exercises.

Technical Assistance to Training

Technical assistance provided for training consists of one long-term Training Advisor, who has been with ACCOSCA since 1980, at the start of the first project, and the provision of one short-term Manual Production Consultant. The scope of work for the Training Advisor was modified by amendment shortly after start of the current project to recognize her broader role than solely providing assistance to the Chief of Education and Training. The amendment gave her responsibility for assistance in institutional development, planning, promotion/technical assistance, information systems, and liaison and reporting. The change reflected the fact that the Training Advisor was assuming a number of functions within the organization, while the Chief of Education and Training was performing the task of managing the department.

The Training Advisor is scheduled to leave the project by November 1987, about six months sooner than previously planned, because of the need to readjust budget line items. ACCOSCA senior staff, in planning for ACCOSCA's long-term development, have concluded that long-term technical assistance for training is no longer required. The Training Department plans to assume responsibility for all aspects of training after the technical advisor's departure, without additional technical help.

Illustrative Training Cycle for Affiliates

The evaluation team visited Uganda's national credit union affiliate, the Uganda Cooperative Savings and Credit Union (UCSCU). Despite unsettled conditions in that country, UCSCU has continued operations for its members and has received training from ACCOSCA. The training is highlighted here to illustrate a typical affiliate training/manual cycle:

- UCSCU has produced the following manuals in ACCOSCA-organized workshops:
 - Accounting;
 - Auditing;
 - Management Systems Design;
 - Training Officers Manual;
 - Credit Union Lending;
 - Train the Trainer Manual; and
 - Auditing Training Module.
- A training workshop was provided under the project in October 1986.
- The workshop lasted one month.

- One representative from UCSCU, the Acting General Secretary, attended the course.
- Workshop topics included lesson planning of audit training.
- The result of training for UCSCU is "the availability of subject matter expert in audit training in Uganda."

The module has been approved and is pending printing.

Qualitative Judgments

A great deal of information can be marshaled in support of the achievement of ACCOSCA's training goals. The number of courses, individuals, or manuals does not tell the whole story, however, and the evaluation team attempted to gain an informed impression of the attitude of the beneficiaries to the training program.

Interviews during country visits (seven countries) with national affiliates demonstrate an overall satisfaction with ACCOSCA training. Exceptions occur in affiliates with strong credit union movements, movements that receive substantial bilateral technical or financial support (such as Cameroon and Togo), and where the affiliates' member cooperatives obtain supplemental training and/or technical assistance from non-ACCOSCA sources. Francophone affiliates expressed concern that the ACCOSCA training program is overly oriented to English-speaking affiliates to the detriment of French-speaking affiliates. This concern is one that ACCOSCA senior staff and the Board of Directors share; indeed it is an important long-term goal of ACCOSCA and AID to draw increasingly into the movement those French-speaking countries where cooperatives have generally developed more recently than in the Anglophone states.

Training and manual production offered by ACCOSCA to affiliates cannot always be implemented fully in participating countries for reasons beyond the control of ACCOSCA. Reasons cited are both financial and administrative. Often there is no money for organizing train-the-trainer workshops, and translation and reproduction of texts. Occasionally the author of a manual is perceived by the credit union affiliate as not being highly enough placed in the affiliate to ensure rapid implementation. ACCOSCA has tried to avert these impediments early in the project by encouraging the enrollment of affiliate managers in the workshops. Some affiliates simply are not managed well enough to produce or reproduce manuals and training modules in an efficient manner.

In Lesotho, ACCOSCA training has provided the Lesotho Cooperative Credit Union League (LCCUL) with an in-country subject matter specialist in accounting; Swaziland has a similar expert in auditing and has also effectively used the movement training manual developed under the previous project. For Togo, movement representatives have completed accounting and auditing manuals; in addition, there exists a WOCCU project with a successful training component. The national organization has translated the model training manual into French.

In Ivory Coast, a national representative has written both accounting and auditing manuals: there are no funds for training of credit union officials in use of the manuals, but copies have been distributed to field officers with some companion training. The Ugandan national organization has been active since 1983. Six manuals have been produced, and numerous courses at all levels have been provided. Cameroon has produced three technical manuals for accounting, audit, and lending, along with a training module on lending policies. Sierra Leone has produced five technical manuals and training modules, but a lack of funds keeps them from being used effectively in training.

In Togo and Ivory Coast, national representatives expressed the wish that ACCOSCA conduct more training programs and workshops in French. ACCOSCA has sought donor assistance in this regard, so far without success.

CONCLUSIONS

The evaluation team agrees that the bulk of the Training Advisor's function -- the development of a systematized set of manuals for ACCOSCA's affiliates -- has been accomplished. The training component is being fully and effectively implemented.

RECOMMENDATION

The evaluation team recommends no changes in the implementation plan through the end of the project, other than that the staff functions of the Training Advisor be integrated within ACCOSCA in a manner that will provide smooth overlap with the Department of Training.

CHAPTER THREE

PROMOTION

As stated in the organization's charter of 1968, ACCOSCA's *raison d'être* is to "promote and organize national cooperative savings and credit organizations in liaison with applicable African governments and interested parties." This priority has varied over the years, depending upon the emphasis of the donors. The Board of Directors has adjusted its policies in reaction to available resources and to reflect the particular composition and stance of the Board of Directors at any given time. During the 1970s promotion was emphasized, and in 14 years, 24 affiliates were created. By the late 1970s and early 1980s, both AID and other donor assessments of ACCOSCA's programs de-emphasized quantitative objectives (promotion of more affiliates) and emphasized the institutional reinforcement of those already participating.

The current AID project upholds the latter position with regard to reinforcing the capacities of national affiliates to manage their own movements, but at the same time the project aims to create five new affiliates. The result is a dual strategy: to strengthen affiliates' management systems and to increase the number of affiliates from 24 to 29 by the end of the project.

OBJECTIVE

The objective of promotion in the project was to increase the affiliates of ACCOSCA from 24 to 29 over three years. ACCOSCA was to form five new affiliates during the life of project.

The Department of Promotion and Bilingual Services was established and became operational in ACCOSCA in March 1986, with CUC financial support. It was to address the need to develop further the savings and credit cooperative movement on the African continent and its neighboring islands. Thus, the department focuses on the development and consolidation of the existing savings and credit cooperative movements, and assists those countries where the movement does not exist to set up their promotion committees, national unions, or leagues.

This department communicates with other departments of ACCOSCA, particularly Education and Training, and Risk Management to develop priorities and methods of promotion tailored to individual countries.

The department also provides translation and interpretation services for ACCOSCA and its affiliates. It handles translation of routine correspondence and any other documents as required by the ACCOSCA secretariat and provides for translation services at important meetings, seminars, workshops, and conferences.

Feasibility studies have been carried out in three countries -- Burundi, Madagascar, and Zimbabwe -- with a view to assisting these countries to set up national committees, national associations, or leagues for promotion of savings and credit cooperatives.

FINDINGS

No new affiliates are on board, but three are on stand-by for official ACCOSCA adoption in May 1987.

The project's promotion component suffers from errors in design. The first error is that, although the project agreement clearly identifies targets, the grant agreement did not specify which resources were to be put at the disposal of promotion. In fact the project budget has no line item for promotion. The second error is that projected outputs (one new affiliate year 1, two new affiliates year 2, and two in year 3) ignore entirely the system that admits new affiliates to ACCOSCA -- that is, new affiliates are adopted at conferences held biannually. The last conference was held in 1985. Since the affiliation process involves adoption by the ACCOSCA Board of Directors of applicants at the ACCOSCA biannual conference, new membership can be recorded only at the next conference, scheduled for May 1987. At present ACCOSCA has three affiliates on stand-by acceptance by the Board. Table 4 below displays graphically the activity of the department.

TABLE 4
PROMOTION RESULTS OVER 18 MONTHS

Item	Projected, 18 Months	Actual, 18 Months
Number of New Affiliates	1	0
Total Number of Affiliates	25	24
Number of ACCOSCA Promotion Technical Assistance Consultancies	2	3

Promotional strategies and functions are unclear, and promotion priorities not set. The AID project does not fund promotional functions, yet retains the promotional objectives of numerical increases in affiliates. The position of Chief of the Department of Promotion is funded by grant from the CUC, whereas the bilingual translator's position is funded by the AID project.

The Department of Promotion is young and has yet to clearly define its mission and strategies and its coordination with other ACCOSCA departments. A Director of Promotion was recruited in March 1986, a French speaker from Benin. In seven months of service, he has made initial visits and consultations to countries expressing interest in affiliation, and led two workshops in both English- and French-speaking affiliates.

The department consists of one Promotion Director and his Secretary, who also serves as bilingual translator. The Director's job description reflects the various aims of ACCOSCA, but is not exclusively oriented to promotion of affiliates. The position has functions that would overwhelm a department staffed with twice the personnel employed by ACCOSCA. These functions include administrative tasks (such as planning, staff development, contract management, financial reporting, and program management); promotional activities; national and international representation of ACCOSCA; fund raising; technical assistance to affiliates; and training and education.

These functions are relevant to ACCOSCA's strategies to deliver more and better services to affiliates, but without a prioritization of functions and assignment of them within a management system that can be monitored and modified, the Department of Promotion cannot succeed. Promotion of credit union affiliates may be emphasized by AID, but is diminished in relation to the duties in the lengthy job description of the Promotion Department Director. Without the appropriate and needed human, financial, and technical resources needed to achieve the five new affiliates, the department has been unable to achieve the target.

Nonetheless, the Department of Promotion's Director, as a French speaker, has made an effort to respond to the Francophone countries' concern that ACCOSCA deal with their needs. Despite the short amount of time the Director has been a staff member, site visits by the evaluation team confirmed that his efforts were appreciated by Francophone affiliate and governmental representatives.

Summary Findings

Promotional strategies and functions are unclear, and priorities have not been set. The AID project provides only partial funding for promotional functions, yet ~~has the promotional objective of increasing affiliates from 24 to 29.~~ In relation to its resources, the Promotion Department has too many responsibilities.

CONCLUSION AND RECOMMENDATION

During the remaining period of the AID project, ACCOSCA has significant promotional activities to undertake, particularly within the scope of existing affiliates. Priority should be accorded to strengthening the institutional base of current affiliates. The evaluation team therefore recommends that the project goal of adding five additional affiliates be eliminated as an indicator of achievement.



CHAPTER FOUR

RISK MANAGEMENT

Risk management is coverage against loss of savings and loans for credit union members. First introduced in 1973, the insurance program under this project was designed to:

- Contribute to the ultimate self-sufficiency of ACCOSCA (to be at 15 percent self-sufficiency by the end of project) by generating funds from insurance commissions; and
- Render ACCOSCA better able to deliver a perceived vital insurance service to its members.

By 1983 risk management coverage had been extended to nine of ACCOSCA's 24 affiliates.

The strategy adopted by ACCOSCA and CUNA Mutual Insurance Society, and made operational by an agreement signed in 1984, is for all affiliates to operate their own risk management programs. ACCOSCA and CUNA Mutual wished primarily to introduce needed loan protection and life savings insurance coverage for members. One result of the program has been an increase in credibility for the national and regional credit union organizations.

The project goal for risk management is to extend it to three more affiliates (Nigeria, Sierra Leone, and Togo) and to decentralize supervision of insurance programs in those affiliates that have demonstrated an ability to manage their own contracts. An ultimate aim is for country affiliates to assume increasing responsibility for risk management to the point of withdrawing from participation in ACCOSCA-managed insurance schemes.

CUNA Mutual, a not-for-profit corporation affiliated with CUNA and associate member of WOCCU, provides funding for a chief of ACCOSCA's Risk Management Department to process death claims and manage financial reporting. CUNA Mutual provides about \$42,000 per year in support of two positions in this department.

ACCOSCA earns a commission of 4-5 percent on premiums remitted to CUNA Mutual and a commission of 2 percent on interest earned on premium funds invested by the participating affiliates in the respective countries. The affiliates also receive a commission of 6 percent on gross premium earnings and 3 percent on interest earned on premiums invested. CUNA Mutual and ACCOSCA staff cooperate in developing systems and workshops for incorporation of the program within credit union affiliates.

FINDINGS

Commission Earnings

Time lags for remittance of commissions ranges from a few months to two or more years -- as, for example, in the case of Kenya's commission remittance, which was received in late 1985 for the period 1983 and 1984. For this reason the value of commissions on insurance shown in Table 5, below, is not indicative of actual commissions earned for the 18 months of the project. ACCOSCA received insurance commissions for the prior years of 1983 and 1984 during the reporting period June 1985-December 1986. The actual commissions earned are about \$4,960 (adjusted risk management commission), and not the \$22,822 actually received during the reporting period but based on previously owed commissions. A possible move toward semi-annual, rather than monthly reporting might remove this anomaly.

TABLE 5
INCOME FROM RISK MANAGEMENT

Item	18 Months, Projected	18 Months, Actual
Risk Management Commission	\$6,500	\$22,822
Adjusted Risk Management Commission		4,960
Number of Countries Participating in Risk Management Program	9	8

AID identified financial management and income generation as a priority target for reaching long-range self-sufficiency in ACCOSCA. To this end, a consultant was engaged in July 1986 to assist ACCOSCA in drawing up a draft long-range development plan by identifying types of financial and statistical data required, analyzing available data, and making preliminary projections based on available data. The report, "Long Range Self-Sufficiency Strategies for ACCOSCA," discusses the potential for earning income for ACCOSCA from the risk management program. The optimistic projections of that report calculated annual risk management commission income at \$25,000-37,000 per year. The projections are optimistic; the current Risk Management Chief projects commission earnings for FY 1987 at \$6,000 and \$7,500 for FY 1988 or about the same levels projected in the project paper's outputs. The latter are more realistic, based on real expectations of national affiliates' participation in the risk management program.

ACCOSCA's earned income has averaged 20-24 percent of total income during 1983, 1984, and 1985. In 1986 earned income dropped to 9 percent (versus 91 percent in grant income) as a result of the withdrawal of Kenya from the risk

management program. More than 80 percent of ACCOSCA's earned income from insurance commissions was derived from the KUSCCO/Kenya program. In the prior three-year period, the largest income earner for ACCOSCA was the risk management program, typically amounting to 60-70 percent of all earned income.

While ACCOSCA bears much of the burden for promotion, training staff, and assisting in the implementation of risk management programs among the ACCOSCA affiliates, the final end is to achieve an independent risk management program at the affiliate level. Cameroon, for example, which had been affiliated with the ACCOSCA risk management program prior to 1984 and was successful in its management, decided in that year to administer its insurance funds entirely by itself. The result is what ACCOSCA wants -- a viable, well-managed program that is controlled by the credit union affiliate's members for the benefit of members.

ACCOSCA's earnings are sufficient to cover the costs of administering the program. They are not projected as being a significant source of revenue to defray ACCOSCA operating costs. The program is much appreciated by affiliates and members, but will do little more than pay for itself at this stage. Significant income from risk management is foreseeable only when all affiliates (24 at a minimum of a possible 40) operate insurance programs.

Affiliates Participating in Risk Management

Eight credit union affiliates currently participate: Lesotho, Liberia, Malawi, Mauritius, Nigeria, Seychelles, Sierra Leone, and Zambia.

Kenya withdrew in 1985 to affiliate with a Kenyan insurance company. Cameroon withdrew in 1984 from the program and now runs a highly successful insurance program of its own. During the war years, the program in Uganda was inactive; it has applied to rejoin the ACCOSCA/CUNA program. Tanzania wishes to join the ACCOSCA/CUNA Mutual program and has asked for assistance with a feasibility study.

Three affiliates -- Botswana, Ghana, and Togo -- have officially applied to join the program. Their participation will begin as soon as their governments give them clearance to do so. Five affiliates are programmed for feasibility studies: Gambia, Ivory Coast, Rwanda, Swaziland, and Zaire. Applications from Benin, Burkina Faso, and Senegal are pending the formation of national associations. Ethiopia, with a large credit union movement, is restricted from joining the program by government policies.

Benefits

The benefits of risk management programs are ranked high by affiliates: field interviews verified the popularity of risk management programs. The reasons for this are that:

- Individual credit union members have loan protection; and
- Individual credit union societies gain economic benefits in the form of a strengthened financial base.

Field Visits to National Affiliates' Risk Management Program

Field visits to seven countries enabled the evaluation team to assess the effectiveness of risk management in participating countries.

Togo is representative also of Ghana and Botswana: all three are interested in participating in risk management programs. They have accomplished the tasks necessary to be accepted for feasibility study by CUNA Mutual. Their formal entry is being blocked by forces beyond the control of ACCOSCA, CUNA Mutual, and the concerned affiliate -- that is, government clearances have not been granted.

In the cases of all three, their membership is well organized and managed, and their representatives to risk management workshops sponsored and run by ACCOSCA have been well received. In the case of Togo, a workshop was organized in mid-June 1984, over two and one-half years ago. Togo is unable to participate despite a strong bilateral presence and a concerted national campaign by national association personnel. The reasons seem to have as much to do with the vagaries of the politico-administrative system as with anything else. ACCOSCA has been unable to influence granting of the necessary government clearance -- neither has the in-country presence of a three-person technical assistance team from WOCCU been of assistance in obtaining action for clearance from the Director of Rural Extension and Cooperative Action.

Lesotho and Sierra Leone represent active risk management programs and compare well with the six remaining programs not visited by the evaluation team (Liberia, Malawi, Mauritius, Nigeria, Seychelles, and Zambia). Lesotho's national association, LCCUL, benefited from a USAID/Lesotho grant of almost \$1 million from 1980 to 1985. The Lesotho credit union movement is experiencing a revival in growth; ACCOSCA classifies LCCUL as medium-growth movement and pays its dues fairly regularly (that is, at least 50 percent of dues billed). Lesotho staff have benefited from workshops sponsored by ACCOSCA and have produced manuals in accounting, auditing, lending, and movement training, as well as an accounting training module.

LCCUL's risk management program covers a membership of 27,000 distributed among 64 cooperatives (in 1986). The program generated \$2,222 in 1985. Revenue in that year from risk management increased by over 14 percent over 1984. Claims made in 1985 numbered 63 for \$11,782 and 114 in 1986 for \$51,620, respectively.

LCCUL is generally satisfied with the risk management program and is requesting implementation of fidelity bonding from ACCOSCA -- a relatively new service being tested now in Mauritius.

CONCLUSIONS

Risk management is a popular service among affiliates, particularly among the lower-level credit union societies and individual credit union members. The program does not generate significant surplus revenues for ACCOSCA; affiliate-generated revenues are greater than those generated for ACCOSCA. The risk management program is satisfactorily administered by a full-time Chief of Risk Management in Nairobi. Cooperation between the Training Department and the Risk Management Department is good; this cooperation has resulted in the development of curricula, manuals, workshops, and publicity for risk management. Workshops on risk management held in three locations since mid-1985 are appreciated by staff of affiliates visited by the team.

As with other components of the project, the prime recipients of this service are the Anglophone affiliates. ACCOSCA does promote risk management among its Francophone members along with other services, and two of the eight risk management participants are Francophone (Seychelles and Mauritius). Of the eight affiliates scheduled to formalize risk management agreements in 1987 and 1988, one-half are French speaking. This is the result of deliberate policy on the part of ACCOSCA to support the development of risk management services in Francophone countries.

The implementation of risk management programs among affiliates is developmentally of high impact for them but financially a low earner of revenue for ACCOSCA.

Often individual country policies obstruct participation of affiliates in the risk management program. It is likely that more affiliates would join if they could. Thus, for example, the applications of Togo and Ghana for government clearances are still pending after two years -- despite completion of all formalities (application review, feasibility study, and agreement) between the affiliate and ACCOSCA/CUNA.

The project paper anticipated that commissions to ACCOSCA from the risk management program could provide a regular source of revenue for ACCOSCA, making it less dependent on grant income for operations. This evaluation concludes that income from risk management cannot be considered a significant source of revenue now or in the foreseeable future. The potential for generating income increases as more affiliates participate, but only one-third do at this time. Growth in affiliates joining the program has been slow, and it may be some years before 16 more will join.

RECOMMENDATION

Risk management should continue to be considered as a priority activity of the project, but it should not be considered a significant source of increased revenue for ACCOSCA.

CHAPTER FIVE

INSTITUTION BUILDING AND FINANCIAL VIABILITY

INSTITUTION BUILDING

A principal objective of the project is institution building -- also called organizational development in the project paper. The 1983 evaluation of ACCOSCA's organization and service delivery recognized that improvements had been made, including the completion of ACCOSCA administration, personnel, training, and accounting manuals; job analyses; and written position descriptions. In the current project, several areas were also targeted for further assistance. The objectives of this component were to:

- Improve the system for collecting, analyzing, and disseminating data on affiliates;
- Develop systems for utilizing earned income, such as dues and risk management commissions, that are held in accounts in member countries and that cannot be transferred to Kenya as a result of exchange controls; and
- Develop an overall planning and financial management system.

In addition, assistance was planned for resolving long-standing financial difficulties through:

- Exploration of more creative approaches in resolving currency conversion problems to facilitate increased dues payments; and
- Implementation of firm but rational policies in charging fees for services, while maintaining up-to-date analysis of the market for current services and exploring possible new cost-effective and sustainable services.

The purposes of the institution building component are two-fold:

- Institutionalize ACCOSCA's capability to carry out all tasks essential to delivering effective and relevant technical services to members and their affiliates; and
- Institute a series of strategies designed to increase operational self-sufficiency to a level of at least 20 percent by the end of the project and 100 percent within a determined time frame.

FINDINGS

Dues

Dues payments are below targeted levels. Improvements in ACCOSCA's statistical data base enhanced the accuracy of reporting of movement growth, but only one-third of dues targeted have been paid through 1985.

Financial growth of the movement has been slower than hoped and is likely to remain so. Slow financial growth among the credit union movements affects their ability to honor dues and other fees owed to ACCOSCA. It creates other problems as well since recently established ACCOSCA biannual meeting procedures deny voting rights to delegates of credit union affiliates that have not paid their dues. Efforts are being made to implement a series of measures to improve dues collection, such as collecting better data and thereby correctly assessing dues. Unfortunately, none of the solutions addresses the real problem of collecting dues from affiliates.

An example of the difficulty of the problem is Ghana. Its assessed dues -- quoted in dollars and paid up -- would liquidate the assets of the Ghanaian affiliate. One-third of the non-paying affiliates are in this position. The upcoming meeting in spring 1987 should be watched to see if answers to these complex problems are found. Given the vital importance of democratic principles in the direction of ACCOSCA's and affiliates affairs, the dues and voting problem promises to remain a difficult one.

Slow growth in the credit union movement and the continuing difficulty of transferring funds from one country to another and to ACCOSCA accounts are areas over which ACCOSCA can exercise little influence. For years, ACCOSCA and the affiliates have resolved problems in transferring funds through ingenuity, but the problem remains.

The largest credit union movements in Africa are those of Nigeria and Kenya. Lack of support from them has a major impact on ACCOSCA's finances and a negative impact on ACCOSCA's standing as a regional organization of all the African credit union movements. Neither affiliate has honored its dues in the last 18 months; the damage this causes to the credit union movement is illustrated in Table 6, which shows a severe drop in dues collection after 1984.

Improvements are noted in the process of assessment, notification, and collection of dues at ACCOSCA in the past 18 months, especially in terms of assessments of dues. But it is difficult to develop a single administrative system capable of accommodating to the individual character of each affiliate. No standardized systems exist for paying dues; some are routinely in arrears of one to two years, some pay dues on time, some pay only partially. Not all affiliates of ACCOSCA share the same definition of data, or dues assessed upon that data. Some affiliates report as societies affiliated to the national affiliates; they are informal credit unions that are not officially registered. Other national affiliates report as quasi-formal credit unions.

In addition, reporting periods vary: monthly, quarterly, every six months, or yearly. Fiscal years sometimes follow calendar years, sometimes not. The lack of standardization (which ACCOSCA has been addressing in management systems and operational manuals) hinders ACCOSCA in collecting dues and other fees and keeps affiliates that are willing to render their fees from so doing. The Executive Secretary of ACCOSCA estimates that one-third of the affiliates that have not paid their dues fall into this category.

The low level of dues collected to dues billed is illustrated in Table 6 for the 1980-1986 period. Although the yearly figures vary widely, it is still apparent that over the six years almost two-thirds of assessed dues have not been collected. In 1986 only slightly more than 32 percent of assessed dues were collected; the amount actually paid is an insignificant 0.0075 percent of outstanding savings and deposits and only 0.009 percent of outstanding loans. The total current dues outstanding are but 0.15 of 1 percent of the 1986 total savings and deposits. This is clearly a situation that must be corrected by those who wish to have ACCOSCA's services continue.

TABLE 6
DUES BILLED TO DUES COLLECTED
COMPARED WITH SAVINGS AND LOANS

Year	Dues Assessed	Dues Collected	Total Savings (\$000)	Total Loans (\$000)
1980	83,010	18,697	141,704	234,829
1981	104,987	57,496	184,123	180,686
1982	111,408	26,113	201,796	154,516
1983	134,457	34,673	210,749	148,328
1984	138,708	59,262	237,780	122,523
1985	58,456	19,580	286,740	95,825
1986	71,540	22,950	307,138	255,385

ACCOSCA's biannual conference in 1985 addressed the issue of coherent data collection and analysis. Based on better data availability, a new policy was established preventing credit union movements from being seated and voting if they have not paid up at least 50 percent of their assessed dues. Beside creating obvious internal problems, the policy has had the effect of encouraging affiliates to start paying their dues. The Board has accepted the need for better data on credit union movements, membership, and size and hence more accurate assessment of dues per affiliate. The net result of the action by the Board has been an improvement in dues payments by smaller affiliates and an attempt on their part and ACCOSCA to reach practical solutions to remittances made problematic because of currency restrictions.

Conclusion

Projections for dues collection during the remaining life of project (projected year 2 at \$45,000 and year 3 at \$60,000) are optimistic in light of current rates of dues collection.

Recommendation

Affiliate dues cannot be considered as a source of significantly increased income for ACCOSCA during the life of this project.

Affiliate Management Systems

Affiliates that mature in membership and whose growth demands investment financial advice of a technical nature already look to ACCOSCA for financial planning and analytical services. ACCOSCA, however, cannot now supply these with regularity. This is most true for the Anglophone affiliates whose development is considered secondary to that of the Francophone affiliates. The former demand and will pay for specialized services such as portfolio investment management and financial planning. ACCOSCA has made progress toward improved development and training in financial management systems. Affiliates have benefited from the new systems in preparing manuals, adapting and translating them, and using them in training workshops. The systems designed and implemented under this project include:

- Accounting;
- Auditing;
- Training;
- Planning;
- Administration; and
- Project implementation.

In conjunction with 12 national affiliates, the Training Department and the Training Advisor have developed strategies that will train national and local-level credit union staff. This train-the-trainer strategy is answering a priority need of credit unions. Nineteen of the affiliates are implementing the systems that are linked to training.

Credit unions generally have a high turnover in staff and volunteers, many serving as elected officials of limited duration. For this reason, in-service training is a consistent demand of national affiliates.

ACCOSCA has held three workshops with the Board of Directors to educate them on institution building and fiscal self-sufficiency. These were held in November 1985, and in April and December 1986. The effectiveness of the Board in general has

improved. Members now travel more in their own regions and communicate better with other affiliates. This may be partly attributable to training and partly to travel funding by the KAF.

Currency Transfers

ACCOSCA is expected to solve a difficult problem that was highlighted in a previous evaluation -- namely, the difficulty in transferring currency from affiliate to ACCOSCA or vice versa.

The constraints that ACCOSCA faces in Africa are overwhelming. ACCOSCA has made efforts to overcome a problem that is beyond its power to solve. These constraints include:

- Exchange rate fluctuations: dues assessed in a country in the first quarter of a year can triple in value (or lose value) by the next quarter. Affiliates will react accordingly and avoid payment or try to prepay; either way the collection of dues is difficult for ACCOSCA and the affiliates to systematize;
- Currency exchange restrictions; and
- The financial base of credit unions, which are already weak, can be weakened further by adverse government policies regulating savings accumulation or placing restrictions on investments.

The monetary environment continues to pose enormous logistical impediments to financial transactions and will probably continue to do so. ACCOSCA has been able to institute a few measures to help affiliates:

- Where bilateral projects exist, ACCOSCA has negotiated agreements with the donors by which dues are paid by the project's hard currency to ACCOSCA directly;
- ACCOSCA also opened joint ACCOSCA national affiliate accounts; and
- Where currency restrictions are particularly difficult and funds cannot under any circumstances be transferred to Nairobi or third-party countries, workshops and/or technical site visits of ACCOSCA staff in these countries are paid for in local currency provided by the affiliate.

Database and Planning

Progress has been made in establishing a permanent information-gathering and analysis capability within ACCOSCA. The presence of a qualified accountant for the last 12 months has resulted in improved reporting of in-house accounts and of affiliate accounts. Two consultancies were provided by WOCCU to ACCOSCA, one on income generation and another on baseline surveys. The latter resulted in a report, entitled "African Savings and Credit Cooperatives: A Baseline Survey of Institutional Development in Ghana, Ivory Coast, and Zambia." This study by a development economist hired by WOCCU made specific recommendations for

developing and improving an information system; the Board has undertaken to implement the recommendations. The evaluation team agrees with this action despite ACCOSCA's nearly non-existent financial resources for instituting permanent data collection analysis.

ACCOSCA ordered a Xerox microcomputer and software in November 1985. Unfortunately, the organization's experience with the unit has been an unhappy one. First, lengthy negotiations had to be held with the government of Kenya to obtain tax exemption to purchase the unit. Second, once installed by the Nairobi local representative, the microcomputer malfunctioned and has never been used since. ACCOSCA is claiming reimbursement from Xerox in Nairobi.

Conclusions

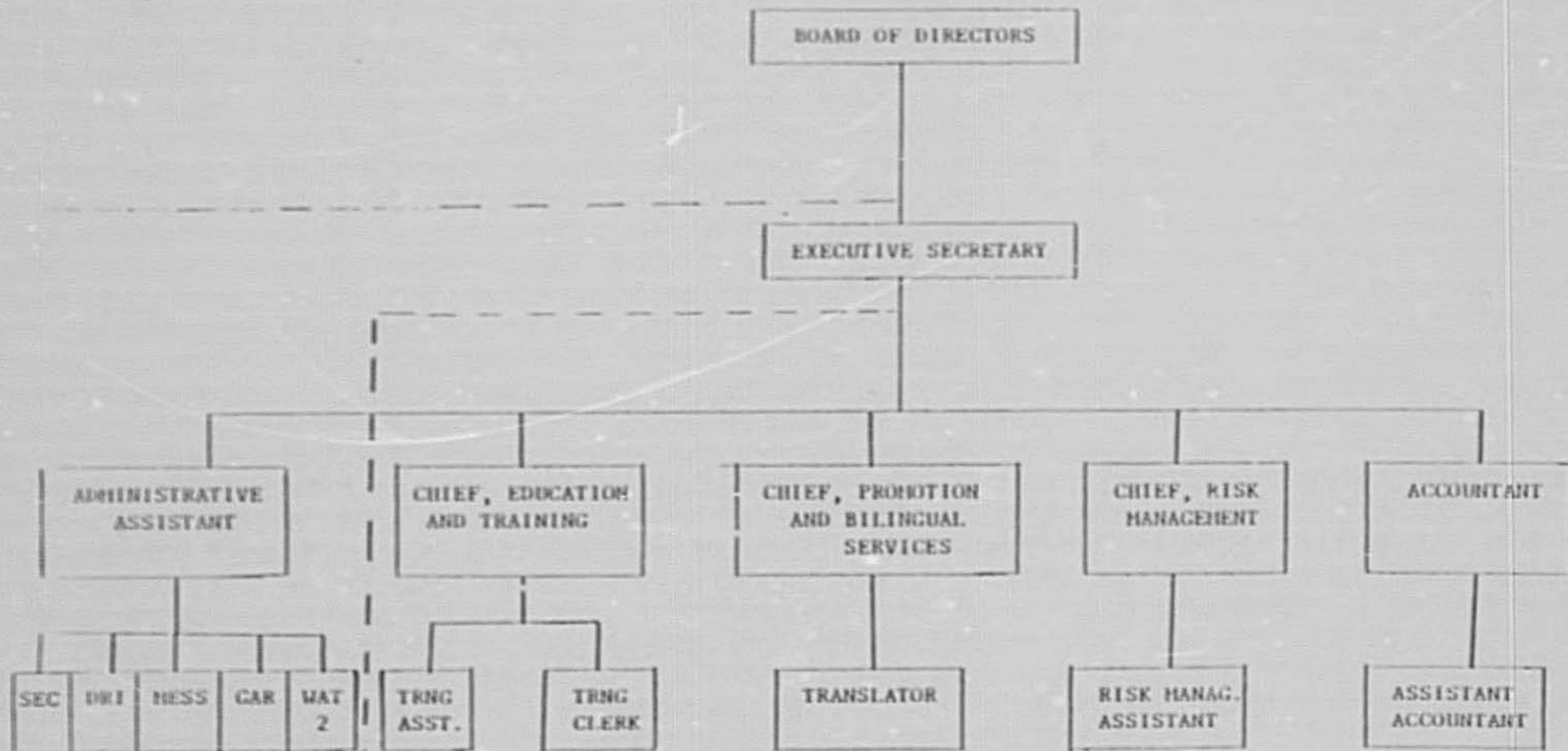
ACCOSCA must adopt improved method of data collection, create a central information system at both affiliate and headquarters levels, and improve statistical and financial data of primary (credit union) societies. The evaluation team and ACCOSCA staff agree that the volume of data generated at ACCOSCA will require computer capacity. The team recommends that a needs assessment for microcomputers and software be undertaken for ACCOSCA; it may be possible that REDSO/EA can assist ACCOSCA in this endeavor.

Review of the long-term draft plan suggests that ACCOSCA needs in-house capacity (both computer and human) for planning. ACCOSCA does not now have a permanent financial analysts on staff with credit analysis skills, and this lack of expertise may compromise its planning abilities in the future. As the database improves at ACCOSCA, the use and analysis of that data for several functions (planning, analysis, monitoring, evaluation, and projections) will result in the need for in-house capacity for analysis and planning.

PERSONNEL

The project funds 14 of 17 position at ACCOSCA/Nairobi. The remaining three positions (Chief, Risk Management; Risk Management Assistant; and Chief of Promotion and Bi-Lingual Services) are financed with German, Canadian and CUNA Mutual Insurance assistance. The staff levels in 1987 are approximately one-half of what they were in the early 1980s (31 positions). The Executive Secretary of ACCOSCA has been a staff member since October 1983 and, by all reports, is an executive in whom staff, affiliates, and the Board members have confidence. The Board and the Executive Secretary have succeeded in pressing for recruitment of more French-speaking staff: the recently hired Director of Promotion and the Accountant are fluent French speakers. Table 7 is an organization chart for ACCOSCA.

TABLE 7
ACCOSCA ORGANIZATIONAL CHART



ADMINISTRATION DEPARTMENT

Positions Funded under Project

1. Office of The Executive Secretary
Executive Secretary

2. Education and Training Department
Chief, Education and Training
Training Assistant
Typist

3. Department of Promotion and Bi-Lingual Services
Bi-Lingual Translator

4. Accounts Department
Accountant
Assistant Accountant

5. Administration
Administrative Assistant
Secretary
Driver
Messenger
Gardener/Utility Man
Day Watchman
Night Watchman

FINANCIAL VIABILITY

The project agreement set several targets to achieve financial self-sufficiency for ACCOSCA, including 20 percent self-sufficiency by the end of the project. The evaluation team finds that the expectations of income from several separate sources is overly optimistic, both in the short term and after the project terminates.

The key indicators of goals were income to ACCOSCA from insurance premiums, dues payments, and the testing of one new income-generating activity during the project's first year. As of December 1986, 18 months into the project, revenue from all three sources was below target.

<u>Item</u>	<u>Amount</u>
Total Revenue Projected:	\$ 90,000 ✓
Total Revenue Earned:	\$ 82,247 ¹ ✓

- 18.25 percent of ACCOSCA'S operational costs were projected to be paid from income; 16.15 percent is actually paid from income.
- 13 percent of ACCOSCA operational and training costs were projected to be paid from income; 8.10 percent is actually paid from income.
- An income-generating activity has been started in the first calendar quarter of 1987 but thus far has not earned income for ACCOSCA.

ACCOSCA is to support them - + help n.c. 11. apex of interest poorly mg'd. unions.

FINDINGS

The viability of confederations such as ACCOSCA rests upon the viability of the credit union financial base itself. Unless the credit union base functions effectively and generates substantial internal funds, it cannot support the national affiliates or ACCOSCA as the confederation. This is the ultimate problem facing ACCOSCA. The project, in allocating its resources toward strengthening the organization, faces the fact that a strengthened organization still has to have a sound financial base, and that sound financial base must come from internally generated funds from the credit unions themselves.

∴ better loan collection at local level.

Since its establishment in 1968, ACCOSCA has depended on external donor support for its operating and program budgets. Grant income has always been of major significance with earned income usually under 28 percent of expenditures in the last few years; during 1986 it fell to only 9 percent.

Thus, while the project attempts to tackle both issues -- organization and self-sufficiency -- and sets specific targets for these goals, its expectations of self-sufficiency cannot be met. Credit union growth in Africa continues to be disappointing in this decade. With this in mind, and with the failure of ACCOSCA to generate income from risk management, dues, and other sources of substantial amounts, the evaluation team concludes that the economic viability of ACCOSCA during the life of the project and thereafter is gravely threatened without continued donor support.

or without more help fighting.

The report on "Long Range Self-Sufficiency Strategies for ACCOSCA" (July 1986) projected that ACCOSCA could earn reasonable income, although not enough to become self-sufficient until at least 1990. The report projected income at three

¹ Includes income reported for 1985-1986 but earned 1983-1984 of approximately \$18,000.

who made it.

ACCOSCA sets up separate accounts for each country for operations at level.

times the actual levels; actual income in 1986 is \$50,273 versus projections of \$157,300. Nevertheless, the report did serve as a useful source of data for ACCOSCA's development of a draft long-term plan and has enabled the Board of Directors to study the options available to ensure long-term viability. The report identifies constraints to financial self-sufficiency and provides relevant options in some detail. It also highlights the findings of this evaluation that the weak financial base of the African credit union system, and currency exchange restrictions are the two most serious constraints to the financial self-sufficiency of ACCOSCA. The Board and the donors will have to reconsider their positions and adopt policies appropriate to each; donors should bear in mind the relative youth of the credit union movement and its potential viability and developmental contribution in the future.

ACCOSCA has formalized a protocol with a donor organization that promises to earn income, although how much is not known at the time of this evaluation. ACCOSCA is also negotiating a protocol agreement on another project. The first project consists of an agreement between ACCOSCA and UNICEF for three years in Lesotho whereby ACCOSCA with the affiliate in Lesotho is responsible for administering a production credit project aimed at women farmers and for managing the capital credit fund. The second project is a similar program being negotiated with CARE in Kenya. Neither program has been operating long enough for ACCOSCA or the evaluation team to assess progress: the protocol for Lesotho formally started in 1986; credit disbursements have not yet been made.

SUMMARY

* The outlook for ACCOSCA's financial future is not bright. AID grant funding is at approximately 81 percent of the total expected by May 1988. It is apparent that this high level of support by AID will have to be carefully reviewed in the light of ACCOSCA's viability and AID's other requirements for development assistance funds.

ACCOSCA has recognized the uncertainty of funding and is addressing long-term issues and the difficult questions of establishing priorities for programs, earning income, and enlisting the support of a variety of donors who withdrew their assistance in the 1980-1985 period. Discussions between the evaluation team and ACCOSCA staff on the issue of self-sufficiency reflected the agreement of both sides that it is probably not attainable for a long time; increased income generation was seen as a more appropriate concept than self-sufficiency in the foreseeable future.

do not dis. or inder. get into production level costs.

TABLE 8
FINANCIAL ACTIVITIES SUMMARY

	18 Months, Projected	18 Months, Actual
Dues paid to ACCOSCA	\$62,500	\$23,225
Risk Management Commission	\$ 6,500	\$22,822
Other Income	\$16,000	\$36,200
Percentage of Total ACCOSCA Operational Costs Paid from Income	↓ <u>18.25%</u>	↓ <u>16.15%</u>
Percentage of Total ACCOSCA Operational and Training Costs Paid from Income	13%	8.10%
Number of ACCOSCA Promotion/ Technical Assistance Consultancies	2.5	3
Number of New Income Generating Activities Tested by ACCOSCA	1	1
Number of Baseline Data Surveys Conducted	1	1
Number of Board of Directors Institution-Bldg. Workshops	2	3

CHAPTER SIX

PROJECT MONITORING AND MANAGEMENT

ADVISORY COMMITTEES

Under the project, two committees were to be established: a project advisory committee and a donor coordinating committee. These have not functioned as planned. An AID representative from REDSO/ESA has intermittently attended meetings concerning ACCOSCA, but no formal project advisory committee has been established. Given the good project review and monitoring standards maintained by the participants in the project (WOCCU, ACCOSCA, and AID), the need for the advisory committee is not viewed by the parties as urgent.

The committee intended for donors to coordinate their strategies and funding with one another and with ACCOSCA is not attuned to the realities of the donor network. For example, the KAF does not maintain formal contact with WOCCU but continues to fund activities of ACCOSCA, usually supporting the high costs associated with biannual meetings of the Board and affiliates. The CUC maintains contacts at the program level. The International Cooperative Alliance (ICA) with headquarters in Geneva and regional offices in Ivory Coast and Tanzania has had programmatic contacts with ACCOSCA. In the West Africa region, however, ACCOSCA and ICA have not shared their strategies for penetrating the Francophone countries of the Sahel and coastal West Africa, although ICA has implemented a research study in 16 countries. The lack of communication may lead to duplication of programs in the future. Donors such as the KAF continue to relate directly to ACCOSCA or to affiliates they support and not to the activities of other donors. Because each donor has its own agenda, it does not see coordination as necessary. Several USAID missions provide funding directly to national cooperative organizations.

The Executive Secretary of ACCOSCA receives policy guidelines from the Board. Donor coordination is the duty of the Executive Secretary, who maintains close relations with WOCCU. CUNA indirectly supervises the distribution of funds and receives financial reports from ACCOSCA through WOCCU; otherwise ACCOSCA staff and its executive have limited direct contact with CUNA.

FINANCIAL REPORTING

Financial reporting has been on schedule. Annual work plans and budgets, on a calendar year basis, are submitted to AID by WOCCU and ACCOSCA. Quarterly reports on activities and financial statements have been punctually submitted by ACCOSCA/WOCCU to AID. Spending levels are consistent with budgets. Table 9 from CUNA records provides current financial information and demonstrates the quality of reporting.

TABLE 9
WOCU PROJECT MANAGEMENT REPORT

WORLD COUNCIL OF CREDIT UNIONS, INC.

ACOSCA (965) AID/AFR-0413-A-00-5029-00
Grant Period: 06/01/85-05/31/86
Budget Period: 01/01/86-12/31/86

PROJECT MANAGEMENT REPORT

Project Report as of: November 30, 1986

Date Report Prepared: December 15, 1986

LINE ITEMS:	Annual Budget 1986	Totals Per Accounting Yr-to-Date	Yr-to-Date Funds Remaining	Under/ (Over) Budget	Approved Budget 5/85-5/86	Total Expenses To Date	Total Funds Remaining	\$/Lr (D) Buc
TOTAL TA BUDGET	\$166,993.00	\$181,892.20	\$5,100.80	3.1%	\$506,427.00	\$240,589.94	\$267,837.06	
Eval/Baseline Budget								
Evaluation	\$25,000.00	\$22,051.16	\$2,948.84	11.8%	\$90,000.00	\$22,077.20	\$67,922.80	
TOTAL EVAL/BASELINE	\$25,000.00	\$22,051.16	\$2,948.84	11.8%	\$90,000.00	\$22,077.20	\$67,922.80	
IS Budget								
Personnel	\$147,200.00	\$116,207.57	\$30,992.43	21.1%	\$482,496.00	\$183,924.72	\$298,571.28	
Travel/Transportation	\$24,885.00	\$21,782.47	\$3,102.53	12.5%	\$62,000.00	\$26,595.38	\$35,404.62	
Communications	\$5,255.00	\$9,027.82	(\$3,772.82)	-71.8%	\$27,000.00	\$13,303.80	\$13,696.20	
Stationery & Supplies	\$2,825.00	\$7,036.14	(\$4,211.14)	-168.0%	\$18,500.00	\$11,567.35	\$6,932.65	
Computer & Supplies	\$4,363.00	\$264.18	\$4,098.82	93.9%	\$5,000.00	\$264.18	\$4,735.82	
Board/Biannual Mtg	\$12,751.00	\$8,445.44	\$4,305.56	33.8%	\$48,000.00	\$19,076.41	\$28,923.59	
Other Direct Costs	\$16,403.00	\$20,926.01	(\$4,523.01)	-27.6%	\$77,000.00	\$28,208.62	\$48,791.38	
TOTAL IS BUDGET	\$213,482.00	\$183,689.43	\$29,792.57	14.0%	\$719,996.00	\$282,940.48	\$437,055.54	
Training Budget								
Trainee Costs	\$60,345.00	\$38,191.00	\$22,154.00	36.7%	\$206,300.00	\$38,191.00	\$168,109.00	
Instructor Costs	\$14,977.00	\$9,892.24	\$5,084.76	34.0%	\$37,630.00	\$9,892.24	\$27,737.76	
Consultant	\$25,940.00	\$21,011.39	\$4,928.61	19.0%	\$44,904.00	\$42,591.14	\$2,312.86	
Training Admin	\$12,800.00	(\$345.05)	\$13,145.05	102.7%	\$71,400.00	\$15,402.25	\$55,997.75	
Translation	\$2,877.00	\$3,317.75	(\$640.75)	-23.9%	\$20,000.00	\$3,317.75	\$16,682.25	
TOTAL TRAINING	\$116,739.00	\$72,067.33	\$44,671.67	38.3%	\$380,234.00	\$109,394.38	\$270,839.62	
TOTAL GRANT	\$522,214.00	\$439,700.12	\$92,513.88	15.8%	\$1,698,657.00	\$655,001.98	\$1,043,655.02	

Source: CUNA Accounting Records

PERFORMANCE OF TECHNICAL ASSISTANCE

1 for 7 years!

* Long-term technical assistance has been provided to ACCOSCA by WOCCU in the form of one Training Advisor who has been working with ACCOSCA since 1980. She is due to leave the project in November 1987. Since the bulk of her expected contribution has been accomplished during her assistance -- mainly the development of training and systems manuals for affiliates -- ACCOSCA and WOCCU agree that this particular function can be phased out and that the Training Department Director can and should assume functions transferred from the technical advisor. The advisor's value to ACCOSCA as a staff member as well as advisor was recognized by AID and WOCCU early in this project, and the contract of the technical advisor amended to reflect those staff functions. The long-term technical advisor has worked with ACCOSCA staff at headquarters and affiliates all over Africa for seven years. Her professionalism is appreciated and the energy of the Training Department in ACCOSCA has raised the stature and credibility of ACCOSCA. In addition, the project supplied 379 person-days of short-term training consultant services during Phase I, and 102 person-days during Phase II. *

The transfer of skills from the Training Advisor to her colleagues has in the main been accomplished: the evaluation team is satisfied that the cadre of trainers and a core curriculum for training auditors, accountants, and affiliates' staff have been established. *

CHAPTER SEVEN

EXTERNAL FACTORS

Building up credit union movements in Africa offers formidable challenges. Countries differ by language, social organization, administration, monetary unit, banking policy, and level of economic development; all differences are exacerbated by existence of equally large differences within some countries. When compared with credit union movements elsewhere, the African credit union movement has demonstrated remarkably fast growth: in almost 20 years of existence 24 African credit union affiliates have voluntarily joined with ACCOSCA. The evaluation team discovered that credit union members in even the most isolated areas on the continent had heard of ACCOSCA or ACECA -- its French name.

The evaluation team was able to appreciate first hand the factors affecting the growth of credit unions in Africa. The visits were to only seven countries, and the literature on traditional and formal savings institutions is uneven for the whole of Africa. Nonetheless, the findings of this evaluation were felt by the team members to have regional validity based on the country visits, review of the literature and individual team members' experience elsewhere.

Credit unions in Africa tend to be predominantly rural. There are also sizable and considerable urban-based credit unions (Kenya, Nigeria, and Ivory Coast) usually composed of salaried workers.

African governments encourage savings mobilization, but rarely direct resources specifically to the savings mobilization of credit union members and their institutions; in only one out of 12 government cooperative ministries and agencies visited was a specific office set up especially for credit unions. Regulations, banking codes, and commercial transactions are oriented to either agricultural and production cooperatives, or commercial banks.

African governments often do not create regulations specific to credit unions. Complications arise when banking policies conflict with savings mobilization policies -- and with conflicting codes governing finance institutions. In Ivory Coast, for example, the team found that the Ministry of Agriculture was in charge of oversight of cooperatives and credit unions, but was then in conflict with the Ministry of Finance and officials at the Central Bank concerning cooperatives that were more urban than rural in nature. The Ministry of Agriculture was presumably to have oversight over rural credit unions only, but discussions between the parties concerned have been continuing for three years without so far achieving resolution. In Uganda, in contrast, the oversight ministry is eager to re-institute savings mobilization of the credit union movement in that country as quickly and efficiently as possible, and given a clear policy and strong institutional support for it, the outlook for revitalization of credit unions in Uganda appears good.

Currency transfers in Africa are becoming more, rather than less, difficult for affiliates and ACCOSCA since African governments are increasingly asking for hard currency.

The government of Kenya has been reviewing the charters of private voluntary organizations (PVOs) and other nongovernmental organizations operating in Kenya. ACCOSCA's agreement with the government allowing duty-free import of project equipment has not been renewed since November 1984. Each item bought for the project therefore has to be negotiated separately with the Ministry of Finance. ~~The government of Kenya limits the activities of PVOs in Kenya, and particularly their expatriate staffing levels.~~ The Board and the Executive Secretary believe that ACCOSCA's new status as an OAU Observer will assist the government in establishing the legitimacy of the ACCOSCA charter.

OAU Observer status was granted to ACCOSCA in March 1986. ACCOSCA is now a member of the OAU Finance Committee and as such will have access to the African Development Bank, which lends funds from through central banks. The status of Observer B (Category B Observer being an institution that belongs to OAU but is not created by the OAU) can have financial long-range benefits for ACCOSCA, but in the short-term, ACCOSCA benefits from the prestige of the Observer status-- a prestige that bears some weight with governments in Africa. The prestige also affects positively the affiliates at the national levels in that they can use the status of ACCOSCA as a lobbying tool with governmental departments that are blocking administrative approvals and clearances.

A further change in ACCOSCA's status relative to the midterm evaluation in 1983 is the November 1986 letter sent to all Mission Directors and AID Representatives by the AID Administrator. This expresses an AID policy that Cooperative Development Organizations (CDOs) such as WOCCU should be utilized by missions beyond their traditional activities of incorporating privatization of functions such as agricultural inputs, credit, and development of marketing cooperatives. The Administrator identified specific help that CDOs can bring to AID's development objectives:

- Privatization of agriculture;
- Training; and
- PL 480 funds for financing of credit unions.

The Administrator supported further access by missions to CDO resources, and encouraged missions to match funds with the Private Enterprise Bureau's core three-year support grant to CDOs.

*Frank
Sach Advisor group
HW
ADB*

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CHAPTER EIGHT

COUNTRY VISITS

A. INTRODUCTION

The Scope of Work for the Evaluation Team contained the provision that the team and resource persons divide into three sub-groups for visiting six of ACCOSCA's members. The purpose of these in-country visits was to:

1. Assess the impact of ACCOSCA services at the national and local levels.
2. Review the status of activities at these levels.

ACCOSCA was given the responsibility of selecting the movements to be visited. From an initial listing of recommended movements submitted to WOCCU and USAID, the following seven movements were selected: Cameroon, Cote d'Ivoire, Lesotho, Sierra Leone, Swaziland, Togo and Uganda.

The criteria ACCOSCA used to select the movements were:

- ✓ 1. Participation in ACCOSCA manual production and training modules workshps, seminars and conferences
.....All seven movements
- ✓ 2. Participation in Promotion Seminar, Exchange Program, Mobile Consultancies
.....Sierra Leone, Swaziland, Togo, Cote d'Ivoire, Cameroon (host movement for several exchange programs).
- ✓ 3. Types of participation in Risk Management Program
.....Lesotho - Direct Insurance with ACCOSCA
.....Sierra Leone - Quota Share Insurance Program with ACCOSCA
.....Togo - Awaiting government clearance to join ACCOSCA Risk Management Program
.....Cameroon and Uganda - Operating independent programs; former participants in ACCOSCA Risk Management Program
- ✓ 4. Representation in ACCOSCA leadership
.....Sierra Lone - Treasurer/ACCOSCA board of directors

.....Cameroon - Secretary/ACCOSCA Board of Directors
Togo - Alternate Board Member

5. Payment of Dues to ACCOSCA

- ✓ 100% - Cote d'Ivoire, Swaziland, Togo
- ✓ 50-100% - Cameroon, Lesotho, Sierra Leone
- ✓ Less than 50% - Uganda

6. Financial Growth Rates (1985/86)

- Above Average - Cameroon
- Medium - Cote d'Ivoire, Lesotho
- Low - Swaziland and Uganda

7. Movements that have varying levels of external funding including WOCCU/USAID Projects inclusive of technical assistance, institutional support, training, small farmer production credit program

.....Cameroon, Lesotho, Swaziland, Togo

8. Movements that do not receive significant external Funding

.....Cote d'Ivoire, Sierra Leone, Uganda

B. FINDINGS

1. Movement Structures

Of the seven movements visited, five have registered national apex organizations with the movement in Cote d'Ivoire functioning under the umbrella of the Ministry of Agriculture and the movement in Swaziland relating as a 'functional department' within the Cooperative Union of Swaziland.

The five movements having their own registered national associations (leagues) are: Cameroon, Lesotho, Sierra Leone, Togo and Uganda.

2. Financial/Movement Statistics as of 31 December 1985

<u>Country</u>	<u>No. of Societies</u>	<u>No. of Members</u>	<u>Savings</u>	<u>Loar</u>
Cameroon	116	42,890	\$16,755,470	\$12,040
Cote d'Ivoire	72	9,745	999,325	575
Lesotho	64	26,659	1,001,334	654

<u>Country</u>	<u>No. of Societies</u>	<u>No. of Members</u>	<u>Savings</u>	<u>Loans</u>
Sierra Leone	203	15,763	\$ 407,323	\$ 44,671
Swaziland	23	1,060	14,061	7,682
Togo	110	10,273	1,213,246	925,801
Uganda	632	231,000	446,000	376,000

3. Staffing of National Apex Organization

Among the seven organizations/movements visited, all had at least one employee working with the credit unions (Swaziland) with the other movements having small, medium and large staffs. UCSCU/Uganda has the largest staff among the movements visited.

4. Credit Union Profiles

The majority of the credit unions among the seven movements are rural based, having community/residential fields of membership. All the movements have employee/urban based credit unions. Most of the movements consider it important to promote the employee groups but also consider it equally important to continue the promotion among the rural populations.

Most of the credit unions operate with either volunteer bookkeepers or part-time paid bookkeepers.

5. Relationships/Services Received From ACCOSCA

a. Communications

All movements visited noted that communications with ACCOSCA had improved over the last two/three years.

Movement representatives cited communications improvements in correspondence relating to both financial and program matters including the re-activation of the ACCOSCA newsletter.

For the francophone-speaking movements, they noted improvement in communications being received in French.

It was also noted by some ACCOSCA representatives who had visited some of these movements several years ago that the members were doing a better job in publicising ACCOSCA at the credit union level. This was observed by credit union officials being knowledgeable about ACCOSCA and its relationship to them and their national body.

b. Service Delivery

The movements registered satisfaction with ACCOSCA services and noted that the quality of the services has improved. The movements also noted that they look to ACCOSCA for certain types of services. Some of the teams returned with requests from the movements as to additional types of assistance they wish from ACCOSCA.

c. Perception of ACCOSCA Service Delivery

In those movements that have large projects with either single or multiple funding sources and technicians, the services they would like ACCOSCA to provide either supplement or modify the services being delivered through the in-country projects. For example, in one movement, the training officers adopt or redesign ACCOSCA model materials for their own use. They also send people to ACCOSCA workshops to either modify a technical system already in place or to produce a new system's manual that can be redesigned in-country for local use.

In movements that do not have large technical assistance programs, they look to ACCOSCA as the 'trainer/systems developer.' In these movements, their handicap in implementing fully the results of attending ACCOSCA workshops is money.

Thus, the perception of how ACCOSCA services can be used is often related to the amount of in-country assistance being received. The less external assistance being received increases the movement's dependency upon ACCOSCA to provide a range of services, such as continental and in-country training, on-site technical assistance, project brokering, direct risk management insurance program, representation and movement promotion.

d. Multiplier Effect of ACCOSCA Services

1. Manual Production and Training Module Workshop

All movements visited have produced at least two technical manuals with five movements producing up to five manuals and at least one training module.

All teams were able to track the production of the manuals and training modules at the ACCOSCA level into the national organization and then to observe their use at the credit union level.

For example, if accounting and credit manuals had been produced, then the team members could see the applicable forms being used in the credit unions. If the national organization had produced a NA management manual of operations, then the team members could see the illustrated forms in use, observe copies of the manuals on desks of employees, and/or observe procedures in use during the course of business.

Some teams were able to observe in-country training programs in which the trainers had completed ACCOSCA-training programs and were using the produced materials (with modifications) in class.

It was evident that the ACCOSCA manual production and training module workshops are well received by the movements. It was also demonstrated that the strategy is effective and is being used in-country. The movements indicated that the strategy should be continued.

✓ [The francophone-speaking movements indicated their wish that more seminars in French to be conducted by ACCOSCA.

2. Risk Management Program

The movements consider this program important. They view it both as an income earner and as an important service to the credit unions and their members.

The teams visited both movements who operate their own programs (Cameroon and Uganda) as well as movements who either operate direct or quota share programs with ACCOSCA (Lesotho, Sierra Leone). In Togo, the FUCEC officials indicated their desire to operate the program but were awaiting government clearance.

✓ | The team members noted that the movements did receive income from the risk management programs but that they were not necessarily large income earners, (although larger than for ACCOSCA).

3. Movement Promotion

All the movements registered the importance of both themselves and ACCOSCA collaborating on movement promotion strategies. For the francophone movements visited, they cited the ACCOSCA-sponsored promotion seminar held in

Benin 1987. They noted that producing movement plans of action for promotion (outputs of the seminar) was a critical exercise and that ACCOSCA could continue such efforts.

They also noted that ACCOSCA should assist the smaller movements in obtaining resources necessary to doing a thorough job in promotion

4. NA Operational Systems

All the movements visited had defined managerial systems in place and had improved their annual reporting to ACCOSCA in the last two to three years.

5. OAU Observer Status

Several movements expressed their appreciation to ACCOSCA for obtaining OAU Observer Status. They noted this was a great achievement for the African credit union movement and that such recognition would help the national movements in their deliberations with governments over certain types of issues.

C. SUMMARY

ACCOSCA is a complex organization representing a polygot of sovereign nations, ethnic groups, languages, cultures, and political persuasions. No one approach is applicable to all the ACCOSCA members. Thus, ACCOSCA at times sits upon a powder keg of contradictions both inherent in the make-up of the 24 member movements and in its own design as an apex organization. Yet, in spite of seemingly immense problems, the individual credit unions do provide relevant services to their members. In turn, the national associations visited by the teams do deliver services (some more than others) to the credit unions. They also receive services from ACCOSCA and consider ACCOSCA to be their 'mother body.'

C O U N T R Y V I S I T S TOGO/FUCEC

NAME OF COUNTRY TOGO/FUCEC

DATES OF VISIT 7 - 10 FEBRUARY, 1987

TEAM MEMBERS, SKAPA, MANDIZHA AND TOMANAGA

1. NUMBER OF CREDIT UNIONS:	1985	1986)
2. NUMBER OF MEMBERS:	89	94)Statistics
	9194	9324)for 6 months

4. SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

(Membership) Promotion
Education and Training
Accounting
Inspections
Representation
Central Finance

5. SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

- a. TRAINING - The following manuals were produced through ACCOSCA Workshops: Accounting
Auditing
Other ACCOSCA Training Activities included under this project: Promotion Seminar 1987/using ACCOSCA Model Manuals re: Credit, Train The Trainer to produce own guides and training materials.
- b. RISK MANAGEMENT - FUCEC wishes to start programme but is awaiting Government clearance.

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

- a. Sources of income
Data available in quarterly reports of WCCU Chief of party.
- b. Amount of income received for _____
- c. Amount of expenditures available for _____

c. MOVEMENT PROMOTION

Table 10 - Continued
C O U N T R Y V I S I T S T O G O / F U C E C

d. MOBILE CONSULTANCIES

e. EXCHANGE PROGRAMME

e. PROJECT BROKERING (Project secured independently of ACCOSCA.)

f. MATERIALS PRODUCTION

FUCEC has large project with WCCU/AID involving, technical assistance, institutional support, training, small farmer production credit.

ACCOSCA COMMUNICATIONS

7. DUES PAYMENTS/OTHER PAYMENTS

FUCEC is current.

OTHER SERVICES ACCOSCA PROVIDED MEMBERS

Representation in CLICEC, eg. forums.
Consultations in 1986 - ACCOSCA Chairman and Executive Secretary
ACCOSCA Newsletters

9. MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

Togo board chairman serves as alternate ACCOSCA board member.

GENERAL OBSERVATIONS

Wish to see more francophone seminars.
Wish ACCOSCA to produce management manuals.
Training constitutes the most essential service rendered by ACCOSCA

11. LISTING OF DOCUMENTS PROVIDED BY MOVEMENT AND ON FILE WITH THIS SUMMARY

ADDITIONAL INFORMATION

FCCEC has translated the ACCOSCA movement training manual into French. Portions of other ACCOSCA-produced model manuals, such as credit and NA management manuals, have been used as guides in producing in-country materials.

MOVEMENT OBSERVATIONS

FCCEC representatives noted that the ACCOSCA manual production workshops should continue as they provide a relevant service to the national representatives in codifying essential technical systems. Also, ACCOSCA should continue producing a variety of model materials which can be used by the movements either intact or modified to accommodate local conditions.

FCCEC noted that more training programmes should be held for francophone members and that ACCOSCA have a bi-lingual instructor capability.

FUTURE TRAINING NEEDS FOR FCCEC

FCCEC recommended that ACCOSCA consider future manual production workshops in the following areas for francophone members:

- Risk Management
- Movement Promotion (used to modify FCCEC manual)
- Credit (used to modify FCCEC manual)

They also recommended that training module workshops for francophone members be held in the following areas:

- Credit Union Accounting
- Credit Union Auditing
- Credit Union Lending
- Risk Management
- Movement Promotion

Table 10 - Continued

CROISSANCE DU MOUVEMENT TOGOLAIS DE COOPFC
GROWTH OF THE TOGOLESE CREDIT UNION MOVEMENT

SOMMAIRE

D A T E	NO. DE COOPFC	ADHESION MEMBERSHIP	CAPITAL SOCIALE	EPARGNE	PRETS EN COURS
			SHARE CAPITAL	SAVINGS	LOANS OUTSTANDING
			(FCFA)	(FCFA)	(FCFA)
DEC. 1976	77	2823	NA	24978087	13513145
D*C. 1977	85	2895	NA	29797150	18839942
DEC. 1978	92	3628	NA	33839718	18726285
DEC. 1979	89	3739	NA	43984337	18213202
DEC. 1980	82	3822	NA	71431475	41597985
DEC. 1981	97	5375	NA	109873425	85365539
DEC. 1982	98	5915	NA	158981277	94521757
JUIN 1983	95	6455	NA	178262273	142969219
SEPT. 1983	76	8400	11047885	195843288	156390722
DEC. 1983	78	8757	11812985	212732133	189164435
MARS 1984	82	7152	12313585	243280578	205409697
JUN 1984	82	7448	13011785	270897192	222830874
SEPT. 1984	83	7781	13595585	299235828	244492473
DEC. 1984	84	8260	14603685	328433477	270519207
MARS 1985	84	8513	15473600	356182288	286546566
JUIN 1985	85	8665	15789300	383783994	298257907
SEPT. 1985	88	8814	18078300	409954442	309706463
DEC. 1985	89	9194	18507885	433902048	347706813
MARS 1986	89	9154	18525885	450887900	363859228
JUIN 1986	99	9324	18543685	473402935	359216842

S T A T I S T I Q U E S D E S C O O P E C P A R R E G I O N

D R U X I E M E T R I M E S T R E 1 9 8 6

NOMBRE COOPEC	NOMS DES REGIONS	ADHESION MEMBERSHIP	CAPITAL SOCIALE SHARE CAPITAL (FRANCS CFA)	EPARGNE SAVINGS (FRANCS CFA)	PRETS EN COURS LOANS OUTSTANDING (FRANCS CFA)
8	UNION DE L'AVE (ZIO)	904	664600	13268017	9925184
19	UNION DU GOLFE	3162	6483000	335542995	293523813
13	UNION DE LA KARA	895	879000	21044799	7409909
3	DONT BASSAR	174	174000	806972	549380
5	DONT DOUFELGOU	222	208000	9700311	2547326
3	DONT KOZAH	204	202000	5909901	1461593
2	DONT TCHAOUDJO	295	295000	4627615	2851610
10	UNION DE KLOTO	640	641500	11613898	10551530
4	UNION DES LACS ET VO	449	187000	7363343	952000
6	UNION DE L'OGOUE/AMOU	1846	8311000	67527613	27042335
2	DONT AMOU	53	68500	284749	0
4	DONT OGOUE	1793	8242500	67242864	27042335
14	UNION DE TONE	462	418585	3933846	1325805
14	UNION DE WAMA	799	799000	9301870	7063999
6	UNION DE YOTO	167	160000	3806554	1422267
94	TOTAUX	9324	18543685	473402935	359216842
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Table 10 - Continued

COUNTRY VISITS COTE D'IVOIRE/CREP

NAME OF COUNTRY COTE D'IVOIRE/CREP

DATES OF VISIT 10 - 13 FEBRUARY, 1987

TEAM MEMBERS: SKAPA, MANDIZHA, TOMANAGA

NUMBER OF CREDIT UNIONS:	1985	1986
		74

NUMBER OF MEMBERS:

SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

Supervision services limited due to lack of funding. Hopefully, situation will change with arrival of Credit Mutuel technician.

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

CREP produced accounting and auditing manuals: Manuals received, revised, reproduced and distributed internally to CREP staff. Accounting forms have been reproduced and are being used by the societies. Sections of the accounting manual have been modified for use in training officials of the societies.

Other activities included

- Promotion seminar 1987
- Paying of field officer's position
- Commissioner of Cooperatives Conference 1986

b. RISK MANAGEMENT

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

a. Sources of income

Government supported for CREP employees (civil servants)

b. Amount of income received for _____

c. Amount of expenditures available for _____

c. MOVEMENT PROMOTION

d. MOBILE CONSULTANCIES

e. EXCHANGE PROGRAMME

CREP representative to Cameroon

5. SERVICES NATIONAL ASSOCIATIONS RECEIVE FROM ACCOSCA (CONTINUED)f. MATERIALS PRODUCTION

Done by production unit in Ministry of Agriculture

6. ACCOSCA COMMUNICATIONS

Adequate

7. DUES PAYMENTS/OTHER PAYMENTS

CREP is current.

8. OTHER SERVICES ACCOSCA PROVIDED MEMBERS

Funding of position of CREP Manager

9. MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS10. GENERAL OBSERVATIONS

CREP Manager has received ACCOSCA technical manual production training but cannot practice the acquired skills as there are no funds for movement training. CREP hopes this situation will be corrected through arrival of Credit Mutuel technician.

Major Problems identified

- Absence of any legal framework, blocking of registration, and lack of legal recognition

8. PROJECT BROKERING

CREP does its own with assistance of CREDIT Mutuel

11. LISTING OF DOCUMENTS PROVIDED BY MOVEMENT AND ON FILE WITH THIS SUMMARY12. OTHER OBSERVATIONS

ACCOSCA offer more seminars/workshops in French

10. GENERAL OBSERVATIONS (CONTINUED)

Major Problems Identified

- Accumulation of debts
- Embezzlement perpetrated by directors and managers
- low rate of penetration of savings and credit societies among the population

CREP and ministry officials indicated that they had requested consultant assistance to help them address these problems and design a national structure.

Table 10 - Continued

COUNTRY VISITS LESOTHO/LCCUL

NAME OF COUNTRY LESOTHO/LCCUL

DATES OF VISIT 11 - 14 February 1987

TEAM MEMBERS Arende, Faught

	1985	1986
NUMBER OF CREDIT UNIONS:		64
NUMBER OF MEMBERS: (Membership is increasing.) Membership is predominantly rural.		

SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

- Education and Training
- Central Finance Services (Savings/Loans)
- On the Job Training
- Supervision
- Risk Management
- Clearing House - technical assistance from friendly organisations or Government i.e. F.A.O, LAPIS, LCUS.

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

LCCUL has produced the following manuals: Accounting
Auditing
Lending
Movement Train-
ing

Under current project, LCCUL representative attended accounting training module workshop.

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

a. Sources of income

- Interest on - Loans (Central Finance Programme)
Savings (In Commercial banks)
Time Deposit (Fixed Deposit)
- Risk Management Commissions
- Dues
- P.P.P. (People's Participation Project)
- Sale of Stationery
- Donors
- Rent

b. Amount of income received for
Income M. 219,635 in 1985 and M. 231,519 in 1986
(One US dollar = 2 Maluti).

c. Amount of expenditures available for
Expenditure M. 181,090 in 1985 and 228,262 in 1986

C O U N T R Y V I S I T S

LESOTHO/LCCUL

5. SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA (CONTINUED)

a. TRAINING

The NA personnel receive training from other organisations.

- The Department of Cooperatives
- The University of Nairobi
- Lesotho Institute of Management.

b. RISK MANAGEMENT

Direct insurance program with ACCOSCA

Sixty-two cooperatives participated in the programme in 1985 while 64 participated in 1986. The individual membership is over 27,000.

The Programme generated M.1111 in 1985. Data for 1986 had not been calculated.

There were 63 claims in 1985 and 114 claims in 1986 totalling M. 5891 and 25,810 respectively.

1985 Revenue increased by over 14% over 1984 revenue. 1986 commissions have not been calculated.

c. MOVEMENT PROMOTION

d. MOBILE CONSULTANCIES

e. PROJECT BROKERING

f. EXCHANGE PROGRAMME

g. MATERIALS PRODUCTION

6. ACCOSCA COMMUNICATIONS

LCCUL considers relationship cordial.

7. DUES PAYMENTS/OTHER PAYMENTS

LCCUL has not paid the \$900 dues assessed for 1986. However, LCCUL has written to WOCU to remit the amount to ACCOSCA and to recover the amount from LCCUL/WOCU project fund. No evidence of this communication was available.

In principle LCCUL considers some services should be covered by dues but cannot identify them now.

As in A above: LCCUL will identify such services and list them.

Table 10 - Continued

COUNTRY VISITS LESOTHO/LCCUL

OTHER SERVICES ACCOSCA PROVIDED MEMBERS

MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

GENERAL OBSERVATIONS

ACCOSCA requested to:

Run an in-country training programme on «Management of Delinquent Loans»

Consider LCCUL for an Exchange Programme

Consider Implementation of Fidelity Bonding in LCCUL's Risk Management Programme

Provide a Consultancy on - Feasibility Study on identification of Income generating activities.

Do a follow-up on Risk Management Programme

LISTING OF DOCUMENTS PROVIDED BY MOVEMENT
AND ON FILE WITH THIS SUMMARY

C O U N T R Y V I S I T S SWAZILAND/COOPERATIVE UNION OF SWAZILAND

NAME OF COUNTRY SWAZILAND/COOPERATIVE UNION OF SWAZILAND

DATES OF VISIT 8 - 10 February 1987

TEAM MEMBERS Arenle, Faught, Love

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

	1985	1986
NUMBER OF CREDIT UNIONS		32(10 active)

NUMBER OF MEMBERS:

Membership is increasing.

New awareness and commitment to development of savings and credit cooperatives at all levels.

Strong Government support for developing the savings and credit cooperatives and for ACCOSCA's training and technical assistance services.

SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

- a. Promotion
- b. Education and Training

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

Cooperative union representatives have completed the following manuals:

- Accounting
- Auditing

The Cooperative Union has received the following services during the current project:

- 1. In-country consultancy programme (Oct. 1985)

a. Sources of income

Swaziland has not organized a Credit Union League. The Central Cooperative Union is the national apex organisation for all cooperatives including savings and credit cooperative societies. The savings and credit cooperatives DO NOT pay any dues to the Central Cooperative Union.

b. Amount of income received for _____

c. Amount of expenditures available for _____

Table 10 - Continued

C O U N T R Y V I S I T S SWAZILAND/COOPERATIVE UNION OF SWAZILAND

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA (CONTINUED)

2. Cooperative Commissioners Conference (June 1986)
3. Auditing Training Module Workshop (Oct. 1986)
4. KAF sponsored two cooperative staff for long-term training in Kenya and financed employment of a Promotion Officer for savings and credit cooperatives.

Results

1. Two professionally trained trainers in accounting and auditing practices and procedures at national level (Mr. Ginindza - C.E.O./C.C.U. and Mr. Shabangu - Assistant C.C.D./Audit).
2. Eighteen government and S.C.S. leaders trained in promotion, auditing, accounting and member training at district and society level.

b. RISK MANAGEMENT

No program

c. MOVEMENT PROMOTION

ACCOSCA consultancy in 1984 to assist government and union officers to produce strategy for promoting movement. Programme participants produced individual guides for promoting the movement.

d. MOBILE CONSULTANCIES

1985 - MUSCCO (Malawi) officer sent to Swaziland to conduct two workshops in accounting and auditing for government cooperative officers. 1987 - VOCA consultant on site.

e. EXCHANGE PROGRAMME

f. PROJECT BROKERING

g. MATERIALS PRODUCTION

CUNA Foundation printed 250 copies of accounting manual. KAF produced the accounting forms.

6. ACCOSCA COMMUNICATIONS

Improved

7. DUES PAYMENTS/OTHER PAYMENTS

Paid for 1986

8. OTHER SERVICES ACCOSCA PROVIDED MEMBERS

NA Managers Conference 1984
Commissioners Conference 1984 and 1986

9. MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

GENERAL OBSERVATIONS

The Central Cooperative Union of Swaziland staff receive training from various organisations:

- a. Government
- b. Local Training Institutions
- c. Cooperative Colleges and related Institutions abroad.

Newly employed National Education and Training Officer for Savings and Credit Societies in C.C.U. position funded by K.A.F.

New or revived societies have been or are being formed for:

- Teachers (National Association of Teachers)
- Nurses (two groups)
- Military
- Police
- Pulp mill
- Sugar factories
- Railways
- Government Ministries

New awareness and commitment to development of cooperative savings and credit societies at all levels (Government, CODEC, C.C.U., members).

Strong Government support for developing the savings and credit movement and for ACCOSCA's training and technical assistance services.

II. LISTING OF DOCUMENTS PROVIDED BY MOVEMENT AND ON FILE WITH THIS SUMMARY

Table 10 - Continued

C O U N T R Y V I S I T S SWAZILAND/COOPERATIVE UNION OF SWAZILAND

GENERAL OBSERVATIONS (CONTINUED)

Recommendations

Continued ACCOSCA sponsored follow-up of in-country training (e.g. Consultancies, ACCOSCA/VOCA Volunteer programs).

The employed national education and training officer and Assistant C.C.D./Education and Training be sent for training experience in other ACCOSCA affiliates.

Continued «train-the-trainer» workshops.

COUNTRY VISITS UGANDA/UCSCU

NAME OF COUNTRY UGANDA/UCSCU

DATES OF VISIT 4-7 February 1987

TEAM MEMBERS ARENDE, FAUGHT, LOWE

	1985	1986
1. NUMBER OF CREDIT UNIONS		450

2. NUMBER OF MEMBERS:	230,000	
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Membership is predominately rural.

4. SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

- a. Education and Training
- b. Risk Management facilities
- c. Project Brokerage
- d. On-the-job training and supervision
- e. Central Finance (Savings/Loans)
- f. Representation in National and International organisations (mouthpiece).

UCSCU is capable to fulfil some of the following services without ACCOSCA assistance:

- a. Member and committee member education
- b. Project brokerage (internal)
- c. Central finance
- d. Representation

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

a. Sources of income

The Uganda Union's 1985/86 Accounts were rejected by the meeting of the General Membership held Uganda on 13th November 1986. Thus, the data reported may or may not change after an inquiry ordered by the General Meeting.

b. Amount of income received for 1985/86

U.Shs. 124,000,000/or \$88,571.43
(Rate US.\$1=1400Shs.)

c. Amount of expenditures available for 1985/86

U.Shs. 109,000,000/or \$77,857.14

Table 10 - Continued

C O U N T R Y V I S I T S UGANDA/UCSCU

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

UCSCU has completed following manuals:

- Accounting
- Auditing
- Lending
- Movement Training
- NA Management manual of operations

During the current project UCSCU received the following technical services from ACCOSCA.

1. Auditing Training Module Workshop
2. In-country Consultations
3. Project Brokerage (CINA/WOCCU)
4. Representation

b. RISK MANAGEMENT

UCSCU runs an independent Risk Management Programme. The Risk Management programme earned UCSCU US \$ 2,766,575 during 1985/86. This revenue has increased from US \$1,426,790 in 1984/85.

c. MOVEMENT PROMOTION

d. MOBILE CONSULTANCIES

e. EXCHANGE PROGRAMME

f. PROJECT BROKERING

ACCOSCA, WOCCU, CUC exploring feasibility of developing in-country project.

g. MATERIALS PRODUCTION

CINA Foundation produced 250 copies of UCSCU accounting and auditing manuals.

6. ACCOSCA COMMUNITATIONS

ACCOSCA has greatly improved communication with UC:

7. DUES PAYMENTS/OTHER PAYMENTS

In UCSCU books, the 1985/86 dues are paid though the amount did not reach ACCOSCA.

Uganda cannot consider relationship of dues with ACCOSCA services because of the Union's economic situation. The Union needs every technical assistance possible. It sees the need, however, to reduce the cost of some of

8. OTHER SERVICES ACCOSCA PROVIDED MEMBERS

11. LISTING OF DOCUMENT: PROVIDED BY MOVEMENT AND ON FILE WITH THIS SUMMARY

9. MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

ACCOSCA Executive Secretary has visited UCSCU twice.
ACCOSCA Board Chairman attended UCSCU general meeting in 1986.

Recommendations

1. ACCOSCA assistance to the Union and the Cooperative Alliance to design and implement co-operative education programme in the school system.
2. Production of manuals for use at primary level
Need for Train-the-trainer manual for national level staff.
3. Need for visual aids for better membership training and promotion.
4. ACCOSCA Risk Management should explore comparison with CUNA Mutual about UCSCU insurance program
5. ACCOSCA assist with design and implementation savings and credit curriculum for co-operative college.

10. GENERAL OBSERVATIONS (in-country)

Since 1983 the following seminars/training activities have been conducted.

1. 18 one-week courses on bookkeeping - 400 participants with 230 bookkeepers.
2. 4 one-week courses for secretary-manager. 57 participants with 23 secretary-managers.
3. One two-week seminar for 21 UCSCU field officers.
4. Development and approval by the Ministry of Co-operatives of training syllabus for members, board, committees and employees.
5. The following manuals have been produced and approved by the Ministry of Co-operatives:
 - A - Accounting
 - B - Auditing
 - C - Training
 - D - Management of Operations
 - E - Administration
 - F - Credit

Table 10 - Continued

C O U N T R Y V I S I T S UGANDA/UCSCU

D. GENERAL OBSERVATIONS (CONTINUED)

Since 1983 the following seminars/training activities have been conducted.

- All UCSCU field staff have been trained in the use of the accounting, management and credit manuals and are using the manuals in the field.
- Of the eight Credit Unions the team visited, seven had copies of the manuals and were using the system and the forms recommended.
- In addition to the ACCOSCA assistance in training, Coady International Institute has carried out annual training programmes for field staff C.S.C.S. secretary-managers during the past four years.
- In 1986 UCSCU implemented thirty-three courses for UCSCU staff, C.S.C.S.'s officials and members on the contents of the national officials. A total of 12,000 participants were involved in this training.

C O U N T R Y V I S I T S

NAME OF COUNTRY : CAMEROON/CAMCCUL

DATES OF VISIT 6 - 10 February 1987

TEAM MEMBERS : DEENMAMODE, MITCHELL, WHITTEN

	1985	1986
1. NUMBER OF CREDIT UNIONS:	222	219
2. NUMBER OF MEMBERS:	58,604	59,281

4. SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

(Rank order of services requested by credit unions)

- a. Supervision, control and technical assistance
- b. Education and Training
- c. Central Finance
- d. Risk Management
- e. Promotion

CAMCCUL able to provide above services to credit unions with only limited services from ACCOSCA.

5. SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

Production of accounting, auditing and lending manuals/Did not participate in following:

- . Movement Training Manual Production Workshop
- . NA Management Manual
- . Promotion Manual
- . Commissioners Conference

Staff Shortage
 With Materials
 Produced independently
 Government approval to attend did not arrive in time

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

a. Sources of income for 1985:

Dues	10 MCF
Loan Interest	16 MCF
* Bank Interest	183 MCF
Sales Margin	.96
Sundries	.48
	211 MCF

b. Amount of income received for : 211 MCF in 1987
 273 MCF in 1986

c. Amount of expenditures available for:
 205 MCF in 1987
 252 MCF in 1986

* The high level of income from bank interest (86.7%) of total reflects CAMCCUL's conservative administration of its Central Finance Facility.

Table 10 - Continued

COUNTRY VISITS CAMCCUL

SERVICES NATIONAL ASSOCIATIONS RECEIVE FROM ACCOSCA (CONTINUED)

b. RISK MANAGEMENT

CAMCCUL has own program -
 Attended in past ACCOSCA -
 Sponsored risk management
 seminars -

d. MOBILE CONSULTANCIES

None - was not asked

e. PROJECT BROKERING

League does its own and is successful.

ACCOSCA COMMUNICATIONS

ACCOSCA Communication with the League in the form of Information Memos Advance Notices, Telexes has greatly improved over the past 2-3 years.

The level of financial and membership information requested and supplied to ACCOSCA has remained the same and appears reasonable and adequate.

OTHER SERVICES ACCOSCA PROVIDED MEMBERS

MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

League President serves as Secretary on ACCOSCA Board

c. MOVEMENT PROMOTION

e. EXCHANGE PROGRAMME

Ethiopia to CAMCCUL	1978
Cameroon to Kenya	1981
Sierra Leone to CAMCCUL	1985
Togo to CAMCCUL	1986
Kenya to CAMCCUL	1987

f. MATERIALS PRODUCTION

Have own capability

g. DUES PAYMENTS/OTHER PAYMENTS

CAMCCUL paid \$ 9,000 dues in 1986
 Following services should be covered by dues:

Promotion
 Scholarship identification and placement

Following services should be financed by fees:

Risk Management
 Advance Training and Consultancies
 Assistance with audits

10. MULTIPLIER EFFECT OF ACCOSCA SERVICES IN-COUNTRY

a. In-Country Training

During 1985 - 86 CAMCCUL has provided three training sessions in the audit, accounting and credit manual with distribution of 32 manuals each for the League and 225 for the credit unions. Also training was conducted in the following additional manuals:

Promotion	-	two sessions
Training	-	two sessions
Audit training	-	three sessions
Accounting Trng	-	one session

The training manual was distributed with 32 copies to CAMCCUL and 225 copies to the credit unions. The audit and accounting training modules were not distributed to the credit unions but 32 copies each were received by CAMCCUL.

Each training session was one week in duration and was taught by one of 13 instructors who were qualified to teach all topics.

- Selected CAMCCUL Staff have received training from the Department of Cooperation and Mutuality.

11. LISTING OF DOCUMENTS PROVIDED BY MOVEMENT AND CN FILE WITH THIS SUMMARY

Copy of financial statement

12. ASSISTANCE BY MOVEMENT TO ACCOSCA

CAMCCUL willing to provide staff consultancies.

CAMCCUL willing to participate in Exchange Programmes.

13. GENERAL OBSERVATIONS

ACCOSCA in-country consultancies

Makumbi, Mandizha - 1981
Central Finance

Ng'entu - 1982 Risk Management

Lubasi - 1984 General Consultations

Table 10 - Continued

COUNTRY VISITS CAMCCUL

EXTERNAL FACTORS

- A. CAMCCUL operates under a Cooperative Act for both Cooperatives and Credit Unions and this legislation is a mix of French and English law.
- B. The Act sets dividend rates, reserve requirements and requires supervisory committees.
- C. Dividends to members and credit union surplus are not taxed.
- D. In sum, the provisions of the Act do not inhibit credit union development.
- E. Social customs values and attitudes appear generally conducive toward credit union development.
- F. Government of Cameroon views cooperatives as important instruments for development to be supported.
- G. Traditional Informal Savings and Credit Associations operate separately from credit unions.
- H. Banking act must be complied with but controls not tight.
- I. Communication factors and concerns.
 1. National Radio and Satellite TV coverage.
 2. Official languages are French and English, Pidgeon serves as a common language. Government does not view language as a problem.
 3. Approximately 60 - 70% school age enrolled at primary level - very good for West Africa.

COUNTRY VISITS SIERRA LEONE/NASCCLOS

NAME OF COUNTRY SIERRA LEONE/NASCCLOS

DATES OF VISIT 10-15 February 1987

TEAM MEMBERS: DEENMANOGE, MITCHELL, WHITTEN

	1985	1986
1. NUMBER OF CREDIT UNIONS:		129
2. NUMBER OF MEMBERS:		12,703

Average size of credit union (excluding teachers Coop.) approximately 55

Teachers credit union membership of 5,088 constitutes 42% of NASCCLOS membership

NASCCLOS Membership and number of credit unions declining:

Decline in membership and credit unions due to:

1. Deregistration of moribund societies
2. Economic decline in the country

Membership 70% Rural 30% Urban.

3. MEMBER/NATIONAL ASSOCIATION FINANCIAL DATA

a. Sources of income

In 1986 NASCCLOS earned 34,000 Leones or 16% of expenses 210,000 Leones. Dues income was only 3.9% of expenses with sales of literature and supplies providing 4.5% of expenditure. The league complains of lack of funds yet it received grant income of 453,000 Leones in 1986 or 216% of Expenditures and currently has a surplus of 277,344 Leones.

b. Amount of income received for _____

c. Amount of expenditures available for _____

4. SERVICES NATIONAL ASSOCIATION PROVIDES CREDIT UNIONS:

Services requested by CU's

- a. Training
- b. Risk Management
- c. Supplies and paper needs

ACCOSCA Technical Assistance is necessary to provide above services

Donor Funding required to provide these services to CU's.

Table 10 - Continued

COUNTRY VISITS SIERRA LEONE/NASCCLOS

SERVICES NATIONAL ASSOCIATION RECEIVE FROM ACCOSCA

a. TRAINING

Production of following manuals and training modules

- Accounting Manual and Training Module
- Auditing Manual and Training Module
- Lending Manual
- Movement Promotion Manual
- Movement Training Manual
- NA Management Manual of operations

b. RISK MANAGEMENT - Quota Share Program with ACCOSCA/CUNA Mutual

- 68 of 129 credit unions (52.7%) participate
- Program is a break-even financial operation.
- Claims paid 1985 \$ 137.00
- 1986 \$ 410.00
- Affiliate pleased with program.

d. MOBILE CONSULTANCIES

Institution Building Workshop 1986

g. PROJECT BROKERING

ACCOSCA COMMUNICATIONS

NASCCLOS indicates improvement in communication with ACCOSCA since the beginning of the current Executive Director (Lobasi).

NASCCLOS very disappointed in not receiving free calendar from ACCOSCA.

NASCCLOS providing more financial and membership information to ACCOSCA and providing this information

c. MOVEMENT PROMOTION

NASCCLOS representative wrote movement promotion manual in 1986. During mobile consultancy, NASCCLOS participants produced plan of action which focused on a) increasing the number of members per society and b) increasing the amount the members save regularly

e. EXCHANGE PROGRAMME

NASCCLOS completed exchange program to Cameroon

f. MATERIALS PRODUCTION

CUNA Foundation produced 500 copies of NASCCLOS accounting manual.

7. DUES PAYMENTS/OTHER PAYMENTS

NASCCLOS unable to pay dues for 1985-86

NASCCLOS appreciate that ACCOSCA services continued in absence of dues payments.

8. OTHER SERVICES ACCOSCA PROVIDED MEMBERS

C O U N T R Y V I S I T S SIERRA LEONE/NASCCLOS

9. MOVEMENT REPRESENTATION ON ACCOSCA BOARD OF DIRECTORS

NASCCLOS Board member is treasurer of ACCOSCA Board.

11. LISTING OF DOCUMENTS PROVIDED BY MOVEMENT
AND ON FILE WITH THIS SUMMARY

10. GENERAL OBSERVATIONS

NASCCLOS provided no formal training workshops for members. However, on-the-job training was provided to selected committee members of credit unions normally following monthly field personnel visits.

NASCCLOS does not receive training from other organisations.

NASCCLOS pleased with services received from ACCOSCA.

NASCCLOS would like to complete a staff consultancy with ACCOSCA.

Table 10 - Continued

C O U N T R Y V I S I T S SIERRA LEONE/NASCCLDS

KEY FACTORS

NASCCLDS operates under Cooperative Act (see attached) patterned after the British Act.

No indications that Cooperative Act inhibits growth of credit unions.

No notable society custom, values institutions etc. that impact adversely on the growth of the credit union movement.

Government initiated cooperative movement and maintains control through Registrar/Commissioner in Ministry of Trade and Industries and through seconded staff to NASCCLOS national office and field staff. Current league leadership believes government should select seconded staff on basis of professional qualifications rather than political relationships.

No significant competition noted in Cooperative Bank, Farmers Unions and Rural Bank.

Government is silent on pre-cooperative groups such as (Susu).

Tax break provided by government on savings income of credit unions.

Communication Problems and Concerns

1. Radio and TV limited primarily to Freetown area
2. Approximately 80% of people speak Creole and 40% English
3. Literacy in English about 35%
4. National network of roads but poor maintenance, fuel shortage and declining economy seriously inhibit dependable transportation
5. Informal information systems remain effective.

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SIERRA LEONE TEACHERS COOPERATIVE CREDIT UNION
FEBRUARY 12, 1987

Notes of Meeting

I. Background

- A. Started 1979 at approximately same time as NASCCLOS reactivation - Received assistance in organization from American Federation of Teachers - including VOCA Volunteers and USAID assistance in transportation - current level of 6 VOCA volunteers.
- B. Current membership of 5,028 or $\frac{1}{3}$ of total number of 15,000 primary and secondary teachers. Dues received through payroll deduction involving a decentralized system of 21 agencies throughout the Nation.
- C. Decentralized operation including 17 branches

II. Services Received from NASCCLOS

- A. NASCCLOS took over printing in 1981
- B. Training provided in September 1979
- C. NASCCLOS provides accounting services to branches
- D. External audit not provided by NASCCLOS
- E. Risk Management started October 1986 with 9 of 12 branches participating and remaining 8 branches being processed.
- F. Stationery and supplies provided by NASCCLOS

III. Problems and Needs

- A. Training - in-country, on-the-job training needed at branch and regional levels. Staff capability to implement this training but funds not available.
- B. Lack of dependable mass communication - need radio system

Table 10 - Continued

C O U N T R Y V I S I T S

SIERRA LEONE/NASCCLIOS

*External Assistance - current

- A. VOCA with Barclays assisting with in-country transportation
- B. CDC provided \$ 42,000 (Canadian) in 1983 to cover one vehicle and furnishings for National and Branch Offices
- C. Department of Cooperatives provides 3 staff
- D. Labor Unions provide salary of Teacher Cooperative Manager
- E. Loan fund from Barclays 400,000 Leones @ prime of 30%
 - Local Training Institutions
 - Training from Cooperative Colleges and similar training institutions.

ANNEX A

**AID OBJECTIVES FOR THE GRANT
SRO-ACCOSCA 698-0413.13**

ANNEX A

AID OBJECTIVES FOR THE GRANT
SFO-ACOSCA 698-0413.13

The Bureau for Africa Executive Committee for Project Review specified that the following AID objectives should accompany the approved WOCCU/ACOSCA Application of October 29, 1984, as an integral part of the project implementation plan. Some of the items below are already included in the Application but are repeated here for emphasis and further guidance.

Each of the items listed below should be discussed in the first semi-annual report, with quantified targets where possible for life-of-project. In subsequent semi-annual reports progress toward targets should be evaluated.

A. Financial Management and Income Generation:

1. ACOSCA/WOCCU will submit to AID in draft within 6 months after the grant is signed, a ~~long-range plan to maximize income~~ generation and control expenses. A final plan, acceptable to AID, will be submitted within the first year of the project. The services of an individual with relevant experience, such as the management of a credit union service corporation, will be provided by WOCCU to assist ACOSCA in developing this plan and in implementing task A-3 below.
2. ACOSCA and its affiliates should explore more creative approaches in ~~resolving currency conversion problems~~ to facilitate increased dues payments.
3. ACOSCA will continue to implement firm but rational policies in charging ~~fees-for-services~~, while maintaining up-to-date analysis of the market for current services and exploring possible ~~new, cost-effective and sustainable services~~.

B. Organization and Administration:

1. ACOSCA will continue efforts to increase efficiency and to decrease the proportion of administrative to program staff.
2. ACOSCA will form ~~new, part-affiliated~~ during LOP.
3. ACOSCA will submit annual budgets for AID approval and the budgets will include budget variance analysis (i.e. planned vs. actual) and adjustments for inflation.
4. Trends in ACOSCA income will be reported with adjustments for inflation.

ANNEX B

**CRITERIA USED IN CHOOSING THE COUNTRIES
TO BE VISITED BY EVALUATION TEAM**

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ANNEX B

CRITERIA USED IN CHOOSING THE COUNTRIES
TO BE VISITED BY EVALUATION TEAM

- 1) Participation in ACCOSCA Training Programmes
- 2) In-country Training
- 3) Members with Bilateral Projects:
 - i) Long term projects - Togo, Cameroon and Lesotho
 - Short Term T.A. - Uganda, Swaziland, Cote d'Ivoire
- 4) Participation in Risk Management Programme:
 - i) Active Programme - Lesotho
 - ii) New Programme - Sierra Leone
 - iii) Under Study - Togo
 - iv) Independent Programme - Cameroon and Uganda
- 5) Promotion Workshop:
 - Togo
 - Cote d'Ivoire
 - Swaziland
- 6) Representation in ACCOSCA Leadership:
 - i) Sierra Leone - Board Member
 - ii) Cameroon - " "
 - iii) Togo - Alternate Board Member
- 7) Payment of Dues to ACCOSCA:
 - 100% - Swaziland, Togo and Cote d'Ivoire
 - 50 - 100% - Sierra Leone, Lesotho and Cameroon
 - Less than 15% - Uganda
- 8) Financial Data (Growth 1985/86)
 - High - Cameroon
 - Medium - Togo, Cote d'Ivoire and Lesotho
 - Low - Uganda and Swaziland

ANNEX C
STATUS OF PROJECT IMPLEMENTATION

ANNEX C

STATUS OF PROJECT IMPLEMENTATION

(As of December 31, 1986)

Activity	Deadline	Status
1. Design and pilot test at least one new income-generating project.	June 1986	1. Activity for production credit. Activity for UNICEF in Lesotho. Negotiation underway with CARE for similar program in Kenya. Verification not available. 60% complete.
2. Review and update data system for collection, analysis, and dissemination.	January 1986	2. Two consultancies were completed (November 1985 and April 1986) to assist ACCOSCA in both codifying data already available and putting it into data collection and retrieval system applicable to the needs of ACCOSCA and the movements.
3. Develop system for use of ACCOSCA funds held in-country.	June 1986	3. a. Agreement with donors to pay members dues in hard b. Opening <u>joint ACCOSCA/NA</u> accounts. c. ACCOSCA staff utilizing funds held by NAs during in-country program.
4. Develop and initiate a "fee for services."	June 1986	4. In December 1986 the ACCOSCA Board directed Secretariat to develop system. An FAO Consultancy carried out by Mr. Tomaraga of promotion, in October-November, 1986.
5. Carry out base-line data survey.	September 1986	5. Completed in January-February 1986 in Cote d'Ivoire, Ghana, and Zambia. Report documented and submitted to ACCOSCA on March 1986. French translation scheduled for completion by March 30, 1987.

6. Fifteen national affiliates have adopted operational systems designed by and with ACCOSCA;
7. Observer status with the Organization of African Unity has been achieved, thus enhancing the status of ACCOSCA in Africa;
8. Conclusion of protocol agreements with several international development agencies for further income generation;
9. Risk management, with emphasis on loan protection and life savings insurance, has become a valued and desired credit union service; ACCOSCA's promotion of risk management and training of affiliate staff in administration of insurance programs will result in three new applications by national affiliates, bringing to 11 the number using this program;
10. Institution of fully operational and effective management systems at ACCOSCA headquarters; and
- 11. Establishment of a medium-term development plan (1988-1992), adopted in draft by the ACCOSCA Board of Directors in December 1986.

PROBLEM AREAS

Obstacles to achieving success are primarily those that have plagued ACCOSCA in the past: funding and generation of non-grant revenues. Specific problem areas for ACCOSCA are:

1. Unrealistic and unachievable projected levels of income generation;
2. Dependence on long-term external funding assistance to accomplish its mission, thus inhibiting its ability to implement plans, limiting its operational flexibility, and pre-occupying staff;
4. Break-even operation of the risk management program; which does not represent a current or future source of income.
5. Inefficient use of ACCOSCA, affiliate, and donor resources through continued bilateral projects between national affiliates and donors that do not involve ACCOSCA;
6. Unclear strategies, priorities, and functions for cooperative promotion at ACCOSCA. ~~The project does not put resources at the disposal of promotion~~, but counts an increase in the number of members affiliates as an indicator of project success;
7. An overburdened Director of the Promotion Department with limited resources; and
8. Exceedingly difficult promotion of credit union growth in Africa.

Activity	Deadline	Status
9. Design and implement of ACCOSCA Board Institution building workshop.	June 1986	<p>9. November 1985 Workshop for Board. April 7-9, 1986 -- Board of Directors Planning Workshop II</p> <p>To produce a draft self-sufficiency strategy/plan of action for ACCOSCA.</p> <p>December 8-11, 1986 -- ACCOSCA Board Institutional-Building Workshop</p> <p>To review and act upon the ACCOSCA Five Year Plan of Action for Technical Assistance and Income Generation (1988-1992).</p>
10. Design and implement 5 training programs.	June 1987	<p>10. a. Co-operative Commissioners Conference June 9-13, 1986</p> <p>b. Promotion Manual Production Workshop June 30-July 25, 1986</p> <p>c. Auditing Training Module Workshop October 6-31, 1986</p> <p>d. ACCOSCA Staff Workshop, November 5-7, 1986</p> <p>e. Promotion Workshop (Francophone) January 12-23, 1987</p>

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RECOMMENDATIONS

Training

1. The Training Advisor's staff functions should soon be integrated within ACCOSCA's Department of Training.
2. Implementation of ACCOSCA's training strategy should continue as planned.

Risk Management

3. Risk management as a service should continue to be a priority of the project.
4. Risk management must not be considered as a source of revenue to ACCOSCA.

Promotion

5. The project goal calling for five additional affiliates should be dropped as an indicator of achievement.
6. Priority should be accorded to strengthening the institutional base of current affiliates. Where secondary levels of effort are made toward affiliates, they should be toward Francophone countries and affiliates.

Institution Building, Financial Self-Sufficiency

7. ACCOSCA should continue to undertake all reasonable steps to collect dues from affiliates.
8. The implications of its dues policy should be reviewed by the Board of Directors in light of the need for full participation of affiliates.

Management and Monitoring

9. The functions of the Project Advisory and Donor Coordinating committees should be reviewed.
10. The project monitoring systems should be maintained.

Activity	Deadline	Status
15. Design and implement overall planning and financial management system.		15. Planning and financial management systems designed and implemented as follows in collaboration with Coopers and Lybrand Ltd.: Accounting Auditing Training Planning Administration Project Implementation.
17. Design, document, and implement strategies to assist national members in planning training programs at the national and local levels.		17. Training strategies approved and operating in 20 national movements.
18. Coordinate diversified donor support of ACCOSCA.		18. No specific action taken. Not applicable.
19. Establish a permanent information-gathering and analysis function within ACCOSCA.		19. No specific action taken to date. No computer capacity. Yet with an accountant on board for 12 months resulting in improved reporting in-house accounts, and improved reporting of affiliate.
20. ACCOSCA/WCCU submit quarterly monitoring reports, including activity update and financial statement.		20. Reports submitted as required to WCCU, USAID/Washington, and REDSO/Nairobi.
21. ACCOSCA will prepare annual work plan and budget.		21. Submitted and approved by USAID per ACCOSCA's financial year.
22. ACCOSCA will establish a project advisory committee and donor coordinating committee to assist in reviewing status of project.		22. Committees have not functioned as designed. Some donors deal with ACCOSCA directly and have not been integrated into the committee process.

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ANNEX D

TRAINING OUTPUTS

(18 Months -- June 1986-December 1986)

movements form the African credit union movement, which is affiliated to ACCOSCA, the apex organization. At the time of ACCOSCA's founding, a number of developed countries were demonstrating an interest in providing support to the development of a cooperative movement in Africa. In the 1970s Canada, France, Germany, and the United States funded various components of the ACCOSCA operation. The large amount of support to a young organization led to some difficulties: rapid growth was not accompanied by sufficient attention to organizational constraints and financial management. ACCOSCA was unable to meet the expectations of all the donors, many of which withdrew support. At the beginning of the 1980s, only 12 years since its founding, the ACCOSCA Board of Directors and staff were faced with a reduction in assistance that threatened the ability of the organization to provide training and technical services to its member affiliates throughout Africa.

If the donors were disappointed with ACCOSCA's inability to absorb financial and technical resources, the organization itself was plagued with growing pains in developing a common philosophy and means of operating with affiliates in a large number of countries. Buffeted by internal lobbying by the affiliates, ACCOSCA found itself by 1983 in peril of dissolution.

AID recognized the difficulties inherent in supporting a pan-African organization, particularly at a time of slow economic growth in the region, but the value of the organization was deemed to warrant continued support; a five-year \$6.03 million project was implemented between 1980 and 1985. A midterm evaluation of this technical assistance and financial support, done in 1983, identified the forces leading to ACCOSCA's difficulties and recommended that substantial management revisions and difficult personnel changes be undertaken (including staff reductions already approved by ACCOSCA's Board of Directors). The recommendations were implemented through the reduction of staff from 31 to 16, employment of consultants to institute a workable financial management system, approval of a quarterly monitoring system of income and expenditures, and institution of a search for a permanent Executive Secretary. AID agreed to provide further support in a follow-on project.

The Credit Union Movement in Africa

From its headquarters in Nairobi, Kenya, ACCOSCA provides services to credit union affiliates in 24 African countries divided into four regions:

Southern Africa Region:

Botswana, Lesotho, Malawi, Mauritius, Swaziland, and Zambia

Western African Region:

Burkina Faso, Gambia, Ivory Coast, Liberia, Senegal, and Sierra Leone

Western African Gulf Region:

Benin, Cameroon, Ghana, Nigeria, Togo, and Zaire

ANNEX D

TRAINING OUTPUTS

(18 Months -- June 1986-December 1986)

Item	Year One Projected	1.5 year Actual Status		
1. Number of Training Programs	7.5	10	Auditor's Manual Production Workshop (Francophone) July 1985	3 persons x 25 days = 75 days
			Accounting Training Module Workshop August 1985	5 persons x 20 days = 100 days
			Project Implementation Workshop (ACCOSCA Staff) October 1985	16 persons x 3 days = 48 days
			In-country Training Programme: accounting/auditing training (Swaziland) October/November 1985	15 persons x 15 days = 225 days
			Board Institutional Building Workshop I, November 1985	14 persons x 4 days = 56 days
			Management Training Module Workshop, November 1985	5 persons x 15 days = 75 days
			Accounting Training Module Workshop January/February 1986	3 persons x 20 days = 60 days
			Credit Training Module Workshop February/March 1986	4 persons x 15 days = 60 days
			Board Institutional Building Workshop II, April 1986	16 persons x 3 days = 48 days
			Commissioners Conference (Nairobi) June 1986	27 persons x 5 days = 135 days
			TOTALS:	108 persons 125 actual 930 persons/ days of = days of training training

Despite the unfortunate lack of microcomputers, the implementation of management information systems is almost complete (in 19 out of 24 affiliates), and the data supplied by affiliates (summarized in Table 1) are more current. In addition, project documentation figures that date as far back as 1980 have been updated. As will be noted later, Nigeria and Kenya dominate the statistical indices of ACCOSCA's 24 country members. They represent one-half the growth in membership, savings, and loans activity and potentially just under one-half of all assessed dues.

TABLE 1
GROWTH IN THE AFRICAN CREDIT UNION SYSTEMS, 1980-1985

Indicator	Year					
	1980	1981	1982	1983	1984	1985
No. of Credit Unions	10,507	10,829	11,507	10,734	11,040	10,876
No. of Members (000)	1,631	1,741	1,851	2,054	2,283	2,659
Amount of Savings/Shares (\$000)	141,704	184,123	201,796	210,749	237,780	318,924
Loans Outstanding (\$000)	95,825	122,523	148,328	154,517	180,687	255,234

The figures gathered for 1986 appear to confirm the trend of rising saving and loan figures, while indicating a far more moderate growth of membership:

<u>1985-1986</u>	<u>Amount</u>
Total Number of Credit Unions	10,726
Total Number of Credit Union Members	2,309,065
Total Savings and Deposits	\$307,138,000
Total Loans Outstanding	\$255,385,000

ANNEX E
ACCOSCA MANUALS

Project Purpose

The purpose of the ACCOSCA regional support project is to improve ACCOSCA's organizational effectiveness and assist members with their organizational requirements, while providing appropriate training, expansion of the risk management program, and an increase in the number of new national credit union movements. The resources that the project makes available to meet this purpose are modifications of the same resources accorded the prior project, 1980-1985: operational support; support for one long-term Training Advisor; and short-term technical assistance, particularly to assist ACCOSCA in achieving institutional self-sufficiency.

Project Start-up

At the beginning of the new project's implementation, in June 1985, ACCOSCA had 16 positions, 14 funded under the previous project and two by CUNA Mutual Insurance Society. A position for an accountant was vacant and under recruitment; CUC had approved support for a new Chief of Promotion. In addition to funding from AID, ACCOSCA was receiving some earned income from dues, education contributions, rent, and publication fees; external donors included the KAF, CUC, Interchurch Coordination Committee for Development Projects, and the Société de Développement International Desjardins. Table 2 illustrates donor support to ACCOSCA other than from AID between 1980 and 1986.

By 1985, ACCOSCA had institutionalized a program for the production of technical manuals that was standardizing technical systems at both the credit union and national association levels. The ACCOSCA risk management program was operating in nine movements, but Cameroon, Uganda, and Kenya had given notification of their intent to operate their respective insurance programs independently. Thus, ACCOSCA was threatened with loss of a substantial earned income base, especially from the departure of Kenya. ACCOSCA was preparing materials for presentation to the Organization of African Unity (OAU) in a continuing effort, recently realized, to be granted observer status; the United Nations Children's Fund (UNICEF) was also approached about areas of assistance. The Executive Secretary hired in 1983 had moved ACCOSCA beyond a seemingly permanent crisis management situation to one with longer range strategy and improved planning.

OBJECTIVES OF MIDTERM EVALUATION

The objectives of this evaluation are two-fold. First, it seeks to develop information to be used internally by project personnel to increase operational efficiency and to facilitate mid-course corrections; second, and equally important, it assesses whether current management and organizational procedures of ACCOSCA are sufficiently effective and predictable to warrant continued participation and support by its current and potential donors and service users.

ANNEX E

ACCOSCA MANUALS

(Alphabetical by Country)

TITLE	COUNTRY	AUTHOR	DATE
INTERNAL ADMINISTRATIVE MANUAL REVISED	ACCOSCA	B. O. ARENDE	MAY 1983
ACCOSCA MODEL PROMOTION MANUAL FOR SAVINGS & CREDIT COOPERATIVES	ACCOSCA		JUL 1986
MODEL CREDIT MANUAL	ACCOSCA		
PLAN COMPTABLE	ACCOSCA		1984
ACCOSCA STAFF WORKSHOP: PROJECT OPERATIONS	ACCOSCA		1985
ACCOSCA/ACECA PERSONNEL POLICIES AND PROCEDURES MANUAL	ACCOSCA	B. O. ARENDE	MAY 1987
MANUAL PRODUCTION/TRAINING MODULES	ACCOSCA		
ACCOSCA BOARD OF DIRECTORS PLANNING WORKSHOP	ACCOSCA		1985
MANAGEMENT MANUAL OF OPERATIONS FOR CO-OP THRIFT & LOANS	BOTSWANA	N. V. MOLEFE	MAY 1984
MODEL TRAINING MANUAL FOR BOTSWANA CO-OPS	BOTSWANA	H. M. NOZINGE	
AUDITOR'S MANUAL	BOTSWANA	R. G. DICK	1983
LESSON PLANS FOR CREDIT UNION LENDING	CAMEROON	J. N. FONCHIN	MAR 1986
CREDIT MANUAL FOR COOPERATIVE CREDIT UNIONS	CAMEROON	J. N. FONCHIN	SEP 1984
LESSON PLANS FOR CREDIT UNION LENDING	ETHIOPIA	T. ZEJEKE	MAR 1986
CREDIT MANUAL FOR SAVINGS & CREDIT COOPS	ETHIOPIA	T. ZEJEKE	
MANAGEMENT MANUAL OF OPERATIONS	ETHIOPIA	L. ARAYA	MAY 1984
TRAINING OFFICERS' MANUAL OF OPERATIONS FOR THRIFT & CREDIT SOC	BAMBIA	B. S. JAHUMPA	1983
CREDIT MANUAL FOR THRIFT & CREDIT SOCIETIES	BAMBIA	M. A. SCATTRED	
MANAGEMENT MANUAL OF OPERATIONS (PARTS 1 & 2)	GHANA	A. S. AJAAH	MAY 1983
MANAGEMENT MANUAL OF OPERATIONS-TRAINING AND EDUCATION	GHANA	A. S. AJAAH	MAY 1983
LESSON PLANS FOR CREDIT UNION LENDING	GHANA		MAR 1986
LOANS MANUAL	GHANA	S. K. SOWAH	
CREDIT UNION AUDITING STAFF TRAINING PROGRAM-JOB DESCRIPTIONS	GHANA		1983
TRAINING MODULE WORKSHOP: (1) ACCOUNTING	GHANA		AUG 1983
MANAGEMENT MANUAL OF OPERATIONS FOR FIELD SERVICES	GHANA	A. S. AJAAH	MAY 1983
AUDITOR'S MANUAL FOR CREDIT UNIONS	GHANA	S. JAATON	JUL 1983
MANAGEMENT MANUAL OF OPERATIONS FOR FIELD SERVICES	GHANA	A. S. AJAAH	MAY 1983
TRAINING OFFICERS' MANUAL OF OPERATIONS	GHANA	S. O. SAKA	
MANUEL D'INSPECTION	IVORY COAST		1983
TRAINING MANUAL	KENYA	J. W. WABULE	
EDUCATION AND TRAINING MANUAL FOR MINISTRY OF COOP DEVELOPMENT	KENYA	P. K. NJERU	1983
AUDITOR'S MANUAL	KENYA	M. A. MBOGO	1983
TRAINING MANUAL OF OPERATIONS	KENYA	J. M'ITIIRI	
AUDITOR'S MANUAL FOR CREDIT UNIONS	LESOTHO	A. M. PEPENWE	OCT 1983
TRAINING OFFICERS MANUAL	LESOTHO	A. M. MOOSA	1983
LESSON PLANS FOR CREDIT UNION ACCOUNTING	LESOTHO		FEB 1986
TRAINING MANUAL OF OPERATIONS	LESOTHO	E. M. MLOYENI	1985
PRACTICAL EXERCISE	LESOTHO		1985
CREDIT COMMITTEE MANUAL	LESOTHO	E. M. GHALI	1984

The evaluation compares the achievements of the various project components with those of the implementation plan, assesses the overall project impact, and reviews the project design in the light of internal and external factors.

METHODOLOGY

The evaluation was carried out by a five-person core team composed of:

1. Team Leader -- Barbara Skapa, from Development Alternatives, Inc. (DAI)
2. Training Specialist, ACCOSCA -- D.O. Arende, Chief of Education and Training
3. Agricultural Economist, REDSO/ESA, Nairobi -- William Faught
4. Project Manager, WOCCU, Madison -- Richard Lowe
5. AID Washington Project Officer, Bureau for Africa -- W.A. Whitten

The evaluation scope of work is attached as Annex I.

The evaluation team was assisted by key senior staff at ACCOSCA/Nairobi and Ruth-Ann Mitchell, the Project Manager/Africa of the CUC's project with ACCOSCA, funded by the Cooperative Union of Canada. Resource teams, made up of individuals with direct knowledge of ACCOSCA's operations and history, traveled to seven countries selected for site visits with the evaluation team. The evaluation thus tapped the historical and professional resources of nine people, some of whom have been directly involved with ACCOSCA activities since the 1970s.

The resource persons, including two French speakers, were:

1. Ruth-Ann Mitchell, CUC, Ottawa, Canada
2. Paulin Tomanaga, Chief of Promotion and Bilingual Services, ACCOSCA
3. Jean-Claude Deenmamode, Accountant, ACCOSCA
4. Cynthia Mandizha, Training Advisor, ACCOSCA

Responsibility for analyzing project findings and writing a draft report rests with the core evaluation team. Responsibility for writing the full report was assigned to the team leader. This report is based upon an outline and summary drafted by the team in Nairobi on February 20, 1987. Comments were received from WOCCU, AID, and ACCOSCA on a first draft report, and substantial sections have been revised.

ACCOSCA MANUALS -- Continued

GUIDE FOR PROMOTING AND ORGANIZING SAVINGS & CREDIT COOPS	SWAZILAND	P. W. Q. MDLULI	OCT 1984
GUIDE FOR PROMOTING AND ORGANIZING SAVINGS & CREDIT COOPS	SWAZILAND	T. A. DLAMINI	OCT 1984
PROMOTER'S GUIDE TO THE FORMATION OF SAVINGS & CREDIT COOPS	SWAZILAND	G. W. DLUDLU	OCT 1984
THE AUDITOR'S MANUAL FOR SAVINGS AND CREDIT CO-OPS	SWAZILAND	V. M. GINDIJA	1983
PROMOTER'S GUIDE TO THE FORMATION OF SAVINGS & CREDIT COOPS	SWAZILAND	T. W. KHOZI	OCT 1984
PRACTICAL EXERCISE	SWAZILAND	Z. M. MASEKO	1985
CREDIT COMMITTEE MANUAL	TANZANIA	J. P. NDOONDE	1984
INTERNAL ADMINISTRATION TRAINING	TANZANIA		1985
TRAINING OFFICERS' MANUAL	TANZANIA	H. B. KINSUYU	FEB 1985
PRACTICAL EXERCISE	TANZANIA		1985
THE AUDITOR'S MANUAL FOR SAVINGS AND CREDIT CO-OPS	TANZANIA	J. B. KANYEHARA	
TANZANIA TRAINING OFFICERS' MANUAL OF OPERATIONS	TANZANIA		1983
TRAINING MODULE WORKSHOP: CU ACCOUNTING	TANZANIA		AUG 1985
MANUEL D'INSPECTION	TOGO	F. A. I. BELLOU	1985
PRACTICAL EXERCISE	UGANDA		1985
MANAGEMENT MANUAL OF OPERATION FOR INTERNAL ADMINISTRATION	UGANDA	J. BUKULE	MAY 1983
MANAGEMENT MANUAL OF OPERATIONS FOR PERSONNEL MANAGEMENT	UGANDA	J. BUKULE	MAY 1983
AUDIT MANUAL	UGANDA	A. BASTIYISA	1983
MANAGEMENT MANUAL OF OPERATIONS FOR ACCOUNTING	UGANDA	J. BUKULE	MAY 1983
MANAGEMENT MANUAL OF OPERATIONS	UGANDA	J. BUKULE	MAY 1983
ADMINISTRATIVE TRAINING MANUAL	UGANDA	J. BUKULE	MAY 1983
CREDIT MANUAL FOR COOPERATIVE SAVINGS & CREDIT SOCIETIES	UGANDA	A. R. TUPAINE	AUG 1984
TRAINING OFFICERS' OPERATIONAL MANUAL	UGANDA	V. B. TINZAMANYIRE	1983
MANAGEMENT MANUAL OF OPERATIONS FOR FIELD SERVICES	UGANDA	J. BUKULE	MAY 1983
MANAGEMENT SYSTEMS OPERATIONAL MANUAL ORGANISATIONAL DESIGN	ZAMBIA	A. J. DUT HALUBOBYA	
MANUAL FOR CREDIT COMMITTEES OF CREDIT UNIONS	ZAMBIA	M. MWINGA	AUG 1984
LESSON PLANS FOR CREDIT UNION ACCOUNTING	ZAMBIA		FEB 1986
EDUCATION & TRAINING MANUAL OF OPERATIONS	ZAMBIA	F. R. MAKUNGU	FEB 1985
TRAINING MANUAL	ZAMBIA	M. J. BOWA	DEC 1983
CREDIT UNION BOARD OF DIRECTORS CUSA-I WORKSHOP	ZAMBIA		1985
OFFICE ADMINISTRATION AND COMMUNICATIONS SYSTEMS MANUAL	ZAMBIA	A. J. DUT HALUBOBYA	
PROFILE OF THE ZAMBIAN CREDIT UNION MOVEMENT	ZAMBIA		
CREDIT UNION AUDITING MANUAL	ZAMBIA	P. M. KAYTEA	OCT 1983
MANAGEMENT MANUAL OF OPERATIONS FOR FIELD SERVICES	ZAMBIA	A. J. DUT HALUBOBYA	MAY 1983
MANAGEMENT MANUAL OF OPERATIONS	ZAMBIA	A. J. DUT HALUBOBYA	MAY 1983
PRACTICAL EXERCISE	ZAMBIA		1985

Team One:

Togo
Ivory Coast

February 6-14 = 10 days

Team Members: Team Leader, DAI
ACCOSCA/WOCCU Advisor
ACCOSCA Promotion Chief

Team Two:

Cameroon
Sierra Leone

February 6-15 = 11 days

Team Members: AID Project Officer
CUC Project Officer
ACCOSCA Accountant

Team Three:

Uganda
Swaziland
Lesotho

February 4-14 = 11 days
(although the WOCCU Project Manager did not visit Lesotho)

Team Members: REDSO/ESA Economist
WOCCU Project Officer
ACCOSCA Training Department Chief

In-country visits permitted interviews with credit union officials, staff, and members, as well as relevant government, cooperative, banking, and donor agencies. The teams interviewed 65 persons directly, and approximately 175 indirectly, through group meetings or observation of training programs.

Team members were able to review project documents at ACCOSCA headquarters in Nairobi, where briefing books had been prepared. Administrative operating documents, budget and financial statements, training plans and training materials, planning documents, AID project documentation, and country (ACCOSCA affiliate)

ANNEX E
PERSONS TRAINED

TRAINING SUMMARY

AFFILIATE	NAME OF PARTICIPANT	TYPE OF COURSE/ WORKSHOPS	DATE OF DURATION/ TIME PERIOD ENDED	TOTAL 1986 DAYS/WEEKS
CAMEROON	Mr. Fusi-Nzankong	MOTCA Board Planning Workshop 2 - 5 December, 1985	Pre-data for planning income generating activities	4 days
CAMEROON	Mr. Jonathan Fouclin	Credit Union Lending Training Module Workshop 25 February - 14 March, 1986	Lending Training Module	15 days 3 weeks
CAMEROON	Mr. Fusi-Nzankong	Second MOTCA Board Planning Workshop 7 - 9 April, 1986	Draft plan of action/ income generating activities	3 days
GINA	Mr. S. Zaatoh	Accounting Training Module Workshop 5 - 30 August, 1985	Accounting Training Module	20 days 4 weeks
GINA	Mr. A.O. Assong	Management Training Module Workshop 2 - 18 December, 1985	Management Training Module	15 days 3 weeks
GINA	Mr. Samuel K. Sosoh	Credit Union Lending Training Module Workshop 25 February - 14 March 1986	Lending Training Module	15 days 3 weeks
ETHIOPIA	Ato Tekelchana Zeteke	Credit Union Lending Training Module Workshop 25 February - 14 March 1986	Lending Training Module	15 days 3 weeks
LIBERIA	Mr. E.O. Forko	Training Module Workshop 5 - 30 August, 1985	Accounting Training Module	20 days 4 weeks
LIBERIA	Rev. Hartin A. Bah	Management Training Module Workshop 2 - 18 December, 1985	Management Training Module	15 days 3 weeks
				172 days 36 weeks

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FINDINGS

ACCOSCA's training strategies continue to emphasize the production of technical manuals and training modules and to offer methods of institutionalizing technical systems. The training strategy is effective, ahead of schedule, and performing above indicators. Annex D, Training Outputs, documents the uniformly high performance of the Training Department. Table 3 summarizes the most significant achievements. In quantitative terms, the department has exceeded expectations with three times as many training programs held to date; almost three times the number of person-days; and more than 200 manuals, modules, and master lesson plans developed.

TABLE 3
TRAINING ACHIEVEMENT

	Anticipated	Achieved
Number of Training Programs Held	5	15
Number of Person Days of Training	500	1,300
Number of Training Manuals Produced	25	1 model manual 25 training modules 175 master lesson plans

Technical Manual Production and Training

A distinguishing feature of the training program is the activity carried out by the Training Department for credit union representatives from national affiliates. These individuals are brought together at the confederation (ACCOSCA/Nairobi) level to produce their own country technical manuals and training modules. The manual produced is the work of the national representative; it allows the representative to adapt a particular technical system (for example, audits) to the administrative features of his or her own country and credit union system.

Since 1980, this program has produced over 150 national manuals codifying the technical systems; more than 80 manual writers and 30 systems' trainers have been trained. (A full listing of manuals is provided in Annex E.) Technical manuals titles include: Accounting, Auditing, Lending, National Association Management, Movement Training, and Movement Production. Training module titles include: Accounting, Auditing, Lending, National Association Management, Movement Promotion, and Train the Trainer. Since June 1985, two manuals and 12 training modules have been produced.

AFFILIATE	NAME OF PARTICIPANT	TITLE OF COURSE/ WORKSHOP	TITLE OF MATERIAL/ TECHNICAL PROGRAM	TOTAL TRNG DAYS/WEEKS
SIERRA LEONE	Mr. B. Labor-Sesay	Training Module Bank-Job 5 - 30 August, 1985	Accounting Training Module	20 days 4 weeks
SIERRA LEONE	Mr. J.C. Konto-Kross	AMECCA Board Planning Workshop 2 - 5 November, 1985	Base data for planning income-generating activities	4 days
SIERRA LEONE	Mr. Charles J. Quee Jr.	Credit Union Lending Module Workshop 25 Feb. - 11 March, 1986	Lending Training Module	15 days 3 weeks
SIERRA LEONE	Mr. Konto-Kross	Second AMECCA Board Planning Workshop 7 - 9 April, 1986	Draft plan of action/ income-generating activities	3 days
TOKO	Mr. Ekase Agoti	Atelier Verification des Comptes July 8 - August 2, 1985	Audit Manual for Credit Unions	20 days 4 weeks
ZAMBIA	Mr. B.S. Tilasi	AMECCA Board Planning Workshop 2 - 5 November, 1985	Base data for planning income-generating activities	4 days
ZAMBIA	Mr. Dax Hahoboloya	Management Training Module Workshop 2 - 8 December, 1985	Management Training Module	15 days 3 weeks
ZAMBIA	Mr. Paul Kayola	Accounting Training Module Workshop 27 Jan. - 21 Feb. 1986	Accounting Training Module	20 days 4 weeks
ZAMBIA	Mr. B.S. Tilasi	Second AMECCA Board Planning Workshop 7 - 9 April, 1986	Draft plan of action/ income-generating activities	3 days
				104 days 18 weeks

Auditor's Manual Production Workshop (Francophone)
 Accounting Training Module Workshop
 Project Implementation Workshop (ACCOSCA Staff)
 In-country Training Programmes: accounting/auditing training (Swaziland)
 Board Institutional Building Workshop I
 Management Training Module Workshop
 Accounting Training Module Workshop
 Credit Training Module Workshop
 Board Institutional Building Workshop II
 Commissioners Conference (Nairobi)
 Promotion Manual Workshop
 Auditing Training Module Workshop
 ACCOSCA Staff Workshop
 Board Institutional Building Workshop
 Promotion Workshop (Francophone)

Annex D lists training programs conducted by ACCOSCA during the project to date.

As a result of the workshops devoted to production of technical manuals, all but one participating affiliate have produced at least one technical manual. Twelve of the affiliates have designed programs to train users of the manuals in-country. At midterm in the project, it is too early to assess the effectiveness training at the local level. ACCOSCA notes that most affiliates appreciate the quality of the technical training received by their representatives. This seems confirmed by the fact that, when workshops for authors of technical manuals (to develop training modules from technical manuals) are held, representatives from national groups generally are in attendance. In the first 16 months of the project, training module workshops were held twice for credit union accounting, once for credit union lending, auditing, and national association management.

ACCOSCA has continued operating its manual production workshop program while instituting the second phase of the workshops, entitled "Training Module Workshops." Under the phase-two program, the writers of particular manuals are brought to the ACCOSCA training center for one month to produce 40-hour training modules on the described system. These training modules are complete with master and instructor lesson plans, visual aids, and practical exercises.

AFFILIATE	NAME OF PARTICIPANT	TITLE OF INVITATION AND DATES	TITLE OF BUREAU/ THIS PEOPLE'S ORGANIZATION	TOTAL TIME DAYS/WEEKS	
IVORY COAST	Mr. Krass Kouadio	Banque de Verification des Comptes R July - 2 August, 1985	Audit Bureau for Savings and Credit Co-operative	20 days 4 weeks	1
BENIN	Mr. Semako C. Yebe	Second Commissioners Conference 9-13 June 1986		5 Days	1
BOTSWANA	Mr. John Gaetsaloe	" " "		" "	
COTE D'IVOIRE	Mr. Assanvo N'guetta	" " "		" "	
ETHIOPIA	Mr. Ayele Demissie	" " "		" "	
GAMBIA	Mr. A. B. Sowe	" " "		" "	
GHANA	Mr. R. Buchie-Aphram	" " "		" "	
KENYA	Mr. Erastus Mureithi	" " "		" "	1
LIBERIA	Mr. G. F. McCarthy	" " "		" "	
MALAWI	Mr. H. H. Kalulu	" " "		" "	
MAURITIUS	Mr. K.W.D. Googoolye	" " "		" "	
NIGERIA	Mrs. G. A. Enang	" " "		" "	
RUANDA	Mr. Munyakazi P. Celestin	" " "		" "	
SIERRA LEONE	Mr. S. M. D. Gabisi	" " "		" "	
SWAZILAND	Jack L. Mbingo	" " "		" "	
TANZANIA	F. H. Tuniga	" " "		" "	
ZAIRE	Mr. Tshiany B. Ndaya	" " "		" "	
ZAMBIA	Mr. F. H. Mbewe	" " "		" "	

- One representative from UCSCU, the Acting General Secretary, attended the course.
- Workshop topics included lesson planning of audit training.
- The result of training for UCSCU is "the availability of subject matter expert in audit training in Uganda."

The module has been approved and is pending printing.

Qualitative Judgments

A great deal of information can be marshaled in support of the achievement of ACCOSCA's training goals. The number of courses, individuals, or manuals does not tell the whole story, however, and the evaluation team attempted to gain an informed impression of the attitude of the beneficiaries to the training program.

Interviews during country visits (seven countries) with national affiliates demonstrate an overall satisfaction with ACCOSCA training. Exceptions occur in affiliates with strong credit union movements, movements that receive substantial bilateral technical or financial support (such as Cameroon and Togo), and where the affiliates' member cooperatives obtain supplemental training and/or technical assistance from non-ACCOSCA sources. Francophone affiliates expressed concern that the ACCOSCA training program is overly oriented to English-speaking affiliates to the detriment of French-speaking affiliates. This concern is one that ACCOSCA senior staff and the Board of Directors share; indeed it is an important long-term goal of ACCOSCA and AID to draw increasingly into the movement those French-speaking countries where cooperatives have generally developed more recently than in the Anglophone states.

Training and manual production offered by ACCOSCA to affiliates cannot always be implemented fully in participating countries for reasons beyond the control of ACCOSCA. Reasons cited are both financial and administrative. Often there is no money for organizing train-the-trainer workshops, and translation and reproduction of texts. Occasionally the author of a manual is perceived by the credit union affiliate as not being highly enough placed in the affiliate to ensure rapid implementation. ACCOSCA has tried to avert these impediments early in the project by encouraging the enrollment of affiliate managers in the workshops. Some affiliates simply are not managed well enough to produce or reproduce manuals and training modules in an efficient manner.

In Lesotho, ACCOSCA training has provided the Lesotho Cooperative Credit Union League (LCCUL) with an in-country subject matter specialist in accounting; Swaziland has a similar expert in auditing and has also effectively used the movement training manual developed under the previous project. For Togo, movement representatives have completed accounting and auditing manuals; in addition, there exists a WOCCU project with a successful training component. The national organization has translated the model training manual into French.

ANNEX G

**OVERALL ACCOSCA'S PROJECTED INPUTS
DURING THE LIFE OF PROJECT**

ANNEX G

OVERALL ACCOSCA'S PROJECTED INPUTS DURING THE L O P.

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>
1. <u>U. S. Agency for International Development</u>	\$	
a. Institutional Support	724,996	32.3%
b. Training Programs	402,551	18.0%
c. Technical Assistance	481,110	21.5%
d. Evaluation/Baseline Data survey	<u>90,000</u>	<u>4.0%</u>
Total Contribution	<u>\$1,698,657</u>	<u>75.2%</u>
2. <u>The CUNA Mutual Insurance Society</u>		
a. Staff salaries/fringe benefits	100,439	4.5%
3. <u>The Konrad Adenauer Foundation</u>		
a. International seminars, exchange programs, affiliate support	224,000	10%
4. <u>The African Credit Union Movement</u>		
a. ACCOSCA expenses met from revenues	197,000	8.8%
b. In-kind contributions by affiliates of senior staff time as co-instructors and/or consultants	<u>20,070</u>	<u>0.9%</u>
Sub Total	<u>\$217,070</u>	<u>9.7%</u>
Total Contributions	<u>\$2,240,166</u>	<u>100%</u>

FINDINGS

No new affiliates are on board, but three are on stand-by for official ACCOSCA adoption in May 1987.

The project's promotion component suffers from errors in design. The first error is that, although the project agreement clearly identifies targets, the grant agreement did not specify which resources were to be put at the disposal of promotion. In fact the project budget has no line item for promotion. The second error is that projected outputs (one new affiliate year 1, two new affiliates year 2, and two in year 3) ignore entirely the system that admits new affiliates to ACCOSCA -- that is, new affiliates are adopted at conferences held biannually. The last conference was held in 1985. Since the affiliation process involves adoption by the ACCOSCA Board of Directors of applicants at the ACCOSCA biannual conference, new membership can be recorded only at the next conference, scheduled for May 1987. At present ACCOSCA has three affiliates on stand-by acceptance by the Board. Table 4 below displays graphically the activity of the department.

TABLE 4
PROMOTION RESULTS OVER 18 MONTHS

Item	Projected, 18 Months	Actual, 18 Months
Number of New Affiliates	1	0
Total Number of Affiliates	25	24
Number of ACCOSCA Promotion Technical Assistance Consultancies	2	3

Promotional strategies and functions are unclear, and promotion priorities not set. The AID project does not fund promotional functions, yet retains the promotional objectives of numerical increases in affiliates. The position of Chief of the Department of Promotion is funded by grant from the CUC, whereas the bilingual translator's position is funded by the AID project.

The Department of Promotion is young and has yet to clearly define its mission and strategies and its coordination with other ACCOSCA departments. A Director of Promotion was recruited in March 1986, a French speaker from Benin. In seven months of service, he has made initial visits and consultations to countries expressing interest in affiliation, and led two workshops in both English- and French-speaking affiliates.

ANNEX II
SUMMARY OF PROJECT DOCUMENTATION

Summary of Project Documentation

USAID COOPERATIVE AGREEMENT (& Appendices)
PROJECT "APPLICATION" - DOCUMENT
ACCOSCA/WOCCU MEMORANDUM OF UNDERSTANDING

GOAL

ACCOSCA's long term goal is to increase the productivity, income and quality of life of the African population through credit union development

Project Purpose

1. Further development of the regional credit union association (ACCOSCA) which is increasingly self-sufficient and better able to provide necessary services to affiliated national movements by means of:
 - a) sound organizational development
 - b) appropriate training which has an identifiable multiplier effect upon national movements
 - c) expansion of the risk management program
2. Initial promotion and development of up to five new national credit union movements.

Beneficiaries

Membership will number 1.7 million individuals at the end of the project.

Membership will benefit - training courses will result in better services and more uniform practices by the credit unions to which they belong.

Objectives

1. Continue to strengthen the organizational development of ACCOSCA.
 - Improvement in the system for collecting, analyzing, and disseminating data on affiliates
 - Development of systems for utilizing earned income in member country accounts
 - Development of an overall planning and financial management system

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FINDINGS

Commission Earnings

Time lags for remittance of commissions ranges from a few months to two or more years -- as, for example, in the case of Kenya's commission remittance, which was received in late 1985 for the period 1983 and 1984. For this reason the value of commissions on insurance shown in Table 5, below, is not indicative of actual commissions earned for the 18 months of the project. ACCOSCA received insurance commissions for the prior years of 1983 and 1984 during the reporting period June 1985-December 1986. The actual commissions earned are about \$4,960 (adjusted risk management commission), and not the \$22,822 actually received during the reporting period but based on previously owed commissions. A possible move toward semi-annual, rather than monthly reporting might remove this anomaly.

TABLE 5
INCOME FROM RISK MANAGEMENT

Item	18 Months, Projected	18 Months, Actual
Risk Management Commission	\$6,500	\$22,822
Adjusted Risk Management Commission		4,960
Number of Countries Participating in Risk Management Program	9	8

AID identified financial management and income generation as a priority target for reaching long-range self-sufficiency in ACCOSCA. To this end, a consultant was engaged in July 1986 to assist ACCOSCA in drawing up a draft long-range development plan by identifying types of financial and statistical data required, analyzing available data, and making preliminary projections based on available data. The report, "Long Range Self-Sufficiency Strategies for ACCOSCA," discusses the potential for earning income for ACCOSCA from the risk management program. The optimistic projections of that report calculated annual risk management commission income at \$25,000-37,000 per year. The projections are optimistic; the current Risk Management Chief projects commission earnings for FY 1987 at \$6,000 and \$7,500 for FY 1988 or about the same levels projected in the project paper's outputs. The latter are more realistic, based on real expectations of national affiliates' participation in the risk management program.

ACCOSCA's earned income has averaged 20-24 percent of total income during 1983, 1984, and 1985. In 1986 earned income dropped to 9 percent (versus 91 percent in grant income) as a result of the withdrawal of Kenya from the risk

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Project Implementation

1. Technical transfers - ACCOSCA will train a cadre of African technicians in essential movement operations, and then place them, upon request, on short-term consultancies in affiliates or emerging movements.

ACCOSCA will make increased use of member leaders as an efficient and cost-effective means to deliver services.

2. Income-generating Plan - ACCOSCA/WOCCU will submit to AID in draft within 6 months after the grant is signed, a long-range plan to maximize income generation and control expenses. A final plan will be submitted within the first year of the project.

Explore creative approaches in resolving currency conversion problems to facilitate increased dues payments.

Continue to implement firm but rational policies in charging fees-for-services, while maintaining up-to-date analysis of the market for current services and exploring possible new cost-effective and sustainable services.

3. ACCOSCA will continue efforts to increase efficiency and to decrease the proportion of administrative to program staff.
4. ACCOSCA will form five new affiliates during LOP.
5. ACCOSCA will carry out 12 training workshops annually, five (5) of which will be funded under the A.I.D. agreement and seven (7) funded by ACCOSCA, primarily from other donor resources.
6. ACCOSCA will continue to institute procedures to increase coordination among ACCOSCA, government supervisory authorities and national associations.
7. ACCOSCA's risk management program will be extended to three more members, and systems development training workshops will be held for the new members.

End of Project Condition

Increased technical capabilities acquired by national affiliate staff through participation in ACCOSCA-sponsored workshops and demonstrated through on-site training of credit union officials.

- Individual credit union members have loan protection; and
- Individual credit union societies gain economic benefits in the form of a strengthened financial base.

Field Visits to National Affiliates' Risk Management Program

Field visits to seven countries enabled the evaluation team to assess the effectiveness of risk management in participating countries.

Togo is representative also of Ghana and Botswana: all three are interested in participating in risk management programs. They have accomplished the tasks necessary to be accepted for feasibility study by CUNA Mutual. Their formal entry is being blocked by forces beyond the control of ACCOSCA, CUNA Mutual, and the concerned affiliate -- that is, government clearances have not been granted.

In the cases of all three, their membership is well organized and managed, and their representatives to risk management workshops sponsored and run by ACCOSCA have been well received. In the case of Togo, a workshop was organized in mid-June 1984, over two and one-half years ago. Togo is unable to participate despite a strong bilateral presence and a concerted national campaign by national association personnel. The reasons seem to have as much to do with the vagaries of the politico-administrative system as with anything else. ACCOSCA has been unable to influence granting of the necessary government clearance -- neither has the in-country presence of a three-person technical assistance team from WOCCU been of assistance in obtaining action for clearance from the Director of Rural Extension and Cooperative Action.

Lesotho and Sierra Leone represent active risk management programs and compare well with the six remaining programs not visited by the evaluation team (Liberia, Malawi, Mauritius, Nigeria, Seychelles, and Zambia). Lesotho's national association, LCCUL, benefited from a USAID/Lesotho grant of almost \$1 million from 1980 to 1985. The Lesotho credit union movement is experiencing a revival in growth; ACCOSCA classifies LCCUL as medium-growth movement and pays its dues fairly regularly (that is, at least 50 percent of dues billed). Lesotho staff have benefited from workshops sponsored by ACCOSCA and have produced manuals in accounting, auditing, lending, and movement training, as well as an accounting training module.

LCCUL's risk management program covers a membership of 27,000 distributed among 64 cooperatives (in 1986). The program generated \$2,222 in 1985. Revenue in that year from risk management increased by over 14 percent over 1984. Claims made in 1985 numbered 63 for \$11,782 and 114 in 1986 for \$51,620, respectively.

LCCUL is generally satisfied with the risk management program and is requesting implementation of fidelity bonding from ACCOSCA -- a relatively new service being tested now in Mauritius.

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Trends in ACCOSCA income will be reported with adjustments for inflation.

ACCOSCA will increase and report its role of affiliate representation in the following areas:

- Brokering with donor agencies for appropriate assistance for affiliates.
- Financial management for bilateral grants
- Expansion of services including those where affiliates pay a fee.

Project Management

ACCOSCA will utilize a project advisory committee and establish a donor coordinating committee. (The advisory committee will meet semi-annually to review project achievements and to prepare recommendations for future implementation. The committee will review in detail the project objectives and income generation strategy results for the elapsed six-month period and the work plan for the next six months.

AFR/TR/PRO will continue as primary AID contact with CUNA/WOCCU.

REDSO/ESA will designate a project liaison officer to facilitate field communications.

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	<u>(1985/86)</u> <u>Year 1</u>	<u>(1986/87)</u> <u>Year 2</u>	<u>(1987/88)</u> <u>Year 3</u>	<u>End of</u> <u>Project</u>
15. Number of ACCOSCA promotion/technical assistance consultancies	2	3	4	9
16. Number of new income-generating activities tested by ACCOSCA	1	--	1	2
17. Long term (self-sufficiency) development plan documented, approved and implemented	--	--	1	1
18. Base-line data surveys conducted	1	--	1	2
19. Number of training manuals developed	25	25	25	75
20. Number of Board of Directors Institution Building Workshops	2	2	2	6

FINDINGS

Dues

Dues payments are below targeted levels. Improvements in ACCOSCA's statistical data base enhanced the accuracy of reporting of movement growth, but only one-third of dues targeted have been paid through 1985.

Financial growth of the movement has been slower than hoped and is likely to remain so. Slow financial growth among the credit union movements affects their ability to honor dues and other fees owed to ACCOSCA. It creates other problems as well since recently established ACCOSCA biannual meeting procedures deny voting rights to delegates of credit union affiliates that have not paid their dues. Efforts are being made to implement a series of measures to improve dues collection, such as collecting better data and thereby correctly assessing dues. Unfortunately, none of the solutions addresses the real problem of collecting dues from affiliates.

An example of the difficulty of the problem is Ghana. Its assessed dues -- quoted in dollars and paid up -- would liquidate the assets of the Ghanaian affiliate. One-third of the non-paying affiliates are in this position. The upcoming meeting in spring 1987 should be watched to see if answers to these complex problems are found. Given the vital importance of democratic principles in the direction of ACCOSCA's and affiliates affairs, the dues and voting problem promises to remain a difficult one.

Slow growth in the credit union movement and the continuing difficulty of transferring funds from one country to another and to ACCOSCA accounts are areas over which ACCOSCA can exercise little influence. For years, ACCOSCA and the affiliates have resolved problems in transferring funds through ingenuity, but the problem remains.

The largest credit union movements in Africa are those of Nigeria and Kenya. Lack of support from them has a major impact on ACCOSCA's finances and a negative impact on ACCOSCA's standing as a regional organization of all the African credit union movements. Neither affiliate has honored its dues in the last 18 months; the damage this causes to the credit union movement is illustrated in Table 6, which shows a severe drop in dues collection after 1984.

Improvements are noted in the process of assessment, notification, and collection of dues at ACCOSCA in the past 18 months, especially in terms of assessments of dues. But it is difficult to develop a single administrative system capable of accommodating to the individual character of each affiliate. No standardized systems exist for paying dues; some are routinely in arrears of one to two years, some pay dues on time, some pay only partially. Not all affiliates of ACCOSCA share the same definition of data, or dues assessed upon that data. Some affiliates report as societies affiliated to the national affiliates; they are informal credit unions that are not officially registered. Other national affiliates report as quasi-formal credit unions.

ANNEX I
SCOPE OF WORK
FOR THE EVALUATION TEAM

Conclusion

Projections for dues collection during the remaining life of project (projected year 2 at \$45,000 and year 3 at \$60,000) are optimistic in light of current rates of dues collection.

Recommendation

Affiliate dues cannot be considered as a source of significantly increased income for ACCOSCA during the life of this project.

Affiliate Management Systems

Affiliates that mature in membership and whose growth demands investment financial advice of a technical nature already look to ACCOSCA for financial planning and analytical services. ACCOSCA, however, cannot now supply these with regularity. This is most true for the Anglophone affiliates whose development is considered secondary to that of the Francophone affiliates. The former demand and will pay for specialized services such as portfolio investment management and financial planning. ACCOSCA has made progress toward improved development and training in financial management systems. Affiliates have benefited from the new systems in preparing manuals, adapting and translating them, and using them in training workshops. The systems designed and implemented under this project include:

- Accounting;
- Auditing;
- Training;
- Planning;
- Administration; and
- Project implementation.

In conjunction with 12 national affiliates, the Training Department and the Training Advisor have developed strategies that will train national and local-level credit union staff. This train-the-trainer strategy is answering a priority need of credit unions. Nineteen of the affiliates are implementing the systems that are linked to training.

Credit unions generally have a high turnover in staff and volunteers, many serving as elected officials of limited duration. For this reason, in-service training is a consistent demand of national affiliates.

ACCOSCA has held three workshops with the Board of Directors to educate them on institution building and fiscal self-sufficiency. These were held in November 1985, and in April and December 1986. The effectiveness of the Board in general has

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ANNEX I

SCOPE OF WORK

Mid-Project Evaluation

Support to Regional Organizations
Subproject 698-0413.13 ACCOSCA

I. Introduction

Background- The project with the Africa Confederation of Cooperative Savings and Credit Association (ACCOSCA) was begun in June 1985 with a 3-year project duration. This mid-project evaluation was planned as a part of the initial project implementation plan. The current project follows a similar long term technical assistance and institutional development effort by AID during 1980-1985. Both projects have been implemented under Cooperative Agreement arrangements with the Credit Union National Association (CUNA) and The World Council of Credit Unions (WCCU). Under this project, CUNA is charged with administering funding under the Cooperative Agreement on behalf of AID. CUNA provides a portion of the funds directly to ACCOSCA for its use in institutional development activities. Remaining funds are used to furnish technical and administrative support services to ACCOSCA by WCCU, the international affiliate of both CUNA and ACCOSCA.

Additional assistance is being provided to ACCOSCA by the Canadian International Development Agency through the Cooperative Union of Canada (CUC), the Konrad Adenauer Foundation (KAF) of the German Federal Republic and the CUNA Mutual Insurance Society (International Credit Union Insurance Organization- an associate member of the World Council of Credit Unions).

Evaluation plan- The evaluation is scheduled for February 1-20, 1987 and will be conducted on site at the ACCOSCA Headquarters in Nairobi, Kenya and in six countries that have national organizations affiliated with ACCOSCA. Data collection, analysis and drafting of a report will be carried out by a team composed of representatives of project participants with an external consultant funded by AID serving as team leader. The team leader will be responsible for the preparation of a draft for distribution to concerned parties and the editing of a final report after return to Washington.

Project Objectives- ACCOSCA's long-term program goal is to increase the rate of growth of total membership, savings, loan credit and other financial services within the rural and urban sectors throughout the African continent. The immediate purpose of this project is to strengthen the organizational development of ACCOSCA through improving its income generation capabilities, expanding its training program and emphasizing

developing and improving an information system; the Board has undertaken to implement the recommendations. The evaluation team agrees with this action despite ACCOSCA's nearly non-existent financial resources for instituting permanent data collection analysis.

ACCOSCA ordered a Xerox microcomputer and software in November 1985. Unfortunately, the organization's experience with the unit has been an unhappy one. First, lengthy negotiations had to be held with the government of Kenya to obtain tax exemption to purchase the unit. Second, once installed by the Nairobi local representative, the microcomputer malfunctioned and has never been used since. ACCOSCA is claiming reimbursement from Xerox in Nairobi.

Conclusions

ACCOSCA must adopt improved method of data collection, create a central information system at both affiliate and headquarters levels, and improve statistical and financial data of primary (credit union) societies. The evaluation team and ACCOSCA staff agree that the volume of data generated at ACCOSCA will require computer capacity. The team recommends that a needs assessment for microcomputers and software be undertaken for ACCOSCA; it may be possible that REDSO/EA can assist ACCOSCA in this endeavor.

Review of the long-term draft plan suggests that ACCOSCA needs in-house capacity (both computer and human) for planning. ACCOSCA does not now have a permanent financial analysts on staff with credit analysis skills, and this lack of expertise may compromise its planning abilities in the future. As the database improves at ACCOSCA, the use and analysis of that data for several functions (planning, analysis, monitoring, evaluation, and projections) will result in the need for in-house capacity for analysis and planning.

PERSONNEL

The project funds 14 of 17 position at ACCOSCA/Nairobi. The remaining three positions (Chief, Risk Management; Risk Management Assistant; and Chief of Promotion and Bi-Lingual Services) are financed with German, Canadian and CUNA Mutual Insurance assistance. The staff levels in 1987 are approximately one-half of what they were in the early 1980s (31 positions). The Executive Secretary of ACCOSCA has been a staff member since October 1983 and, by all reports, is an executive in whom staff, affiliates, and the Board members have confidence. The Board and the Executive Secretary have succeeded in pressing for recruitment of more French-speaking staff: the recently hired Director of Promotion and the Accountant are fluent French speakers. Table 7 is an organization chart for ACCOSCA.

- Project Monitoring/ Management, including the roles of the Advisory Committee, REDSO/ESA, AID/W, CUNA/WOCCU and other project participants
- ACCOSCA Long-Range Plan

2. Assessment of Project Impact

The team will attempt to measure the degree to which the project has strengthened the institutional capabilities of the regional credit union system in providing technical, risk management, training and other services to the member population. the assessment will concentrate on development of service delivery at the regional, national and local levels and will include the findings of a review of the activities and services of six of 24 member organizations.

3. Review of Project Design

The team will assess the appropriateness and adequacy of the project logical framework and specific design factors. Does the design address the major issues facing credit union development in Africa? Are the financial and technical resources adequate and effectively utilized in meeting project objectives? Are there implementation problems and issues that can be attributed to project design factors? If so, what changes should be made for the remainder of the project?

4. Assessment of External Factors

The team will review the economic, political, cultural and legislative factors that have affected the credit union movement in Africa since its inception. This will include some assessment of progress, problems and prospects for the future.

5. Conclusions and Recommendations

The team will specify conclusions based upon the findings of the study, prepare a set of specific recommendations for improving the project during its remaining period and provide suggestions for ACCOSCA's long-term development.

III. Methodology

1. Participants

The five-member evaluation team will be composed of representatives from ACCOSCA, AID, CUNA/WOCCU, REDSO/ESA and an external consultant who will serve as team leader. Resource persons available to the team include representatives from the above organizations as well as from CUC and KAF.

-AID will contract for the services of the Evaluation Consultant who will coordinate/facilitate the work of the team

Positions Funded under Project

1. Office of The Executive Secretary
Executive Secretary
2. Education and Training Department
Chief, Education and Training
Training Assistant
Typist
3. Department of Promotion and Bi-Lingual Services
Bi-Lingual Translator
4. Accounts Department
Accountant
Assistant Accountant
5. Administration
Administrative Assistant
Secretary
Driver
Messenger
Gardener/Utility Man
Day Watchman
Night Watchman

FINANCIAL VIABILITY

The project agreement set several targets to achieve financial self-sufficiency for ACCOSCA, including 20 percent self-sufficiency by the end of the project. The evaluation team finds that the expectations of income from several separate sources is overly optimistic, both in the short term and after the project terminates.

The key indicators of goals were income to ACCOSCA from insurance premiums, dues payments, and the testing of one new income-generating activity during the project's first year. As of December 1986, 18 months into the project, revenue from all three sources was below target.

-Plenary team meeting to review findings, prepare conclusions and recommendations for use by team leader in preparing evaluation report.

4. Documentation and Evaluation Report

WOCCU will provide copies of appropriate documentation to all team members prior to the evaluation. A draft outline of the evaluation report including major findings, conclusions and recommendations will be prepared by the team and team leader in the final sessions before departing Nairobi. However, the actual writing of the draft and final evaluation report will be the responsibility of the team leader. A complete draft will be prepared by the team leader and distributed to team members by March 6, 1987. Team members should submit comments, if desired, by April 10, 1987. The Evaluation Report will be submitted to AID no later than April 25, 1987 in sufficient time for its distribution and use by the ACCOSCA Board of Directors meeting in May 1987.

ACCOSCA sets up separate accounts for each country for operations at each nation's level.

times the actual levels: actual income in 1986 is \$50,273 versus projections of \$157,300. Nevertheless, the report did serve as a useful source of data for ACCOSCA's development of a draft long-term plan and has enabled the Board of Directors to study the options available to ensure long-term viability. The report identifies constraints to financial self-sufficiency and provides relevant options in some detail. It also highlights the findings of this evaluation that the weak financial base of the African credit union system, and currency exchange restrictions, are the two most serious constraints to the financial self-sufficiency of ACCOSCA. The Board and the donors will have to reconsider their positions and adopt policies appropriate to each; donors should bear in mind the relative youth of the credit union movement and its potential viability and developmental contribution in the future.

ACCOSCA has formalized a protocol with a donor organization that promises to earn income, although how much is not known at the time of this evaluation. ACCOSCA is also negotiating a protocol agreement on another project. The first project consists of an agreement between ACCOSCA and UNICEF for three years in Lesotho whereby ACCOSCA with the affiliate in Lesotho is responsible for administering a production credit project aimed at women farmers and for managing the capital credit fund. The second project is a similar program being negotiated with CARE in Kenya. Neither program has been operating long enough for ACCOSCA or the evaluation team to assess progress: the protocol for Lesotho formally started in 1986; credit disbursements have not yet been made.

SUMMARY

* The outlook for ACCOSCA's financial future is not bright. AID grant funding is at approximately 81 percent of the total expected by May 1988. It is apparent that this high level of support by AID will have to be carefully reviewed in the light of ACCOSCA's viability and AID's other requirements for development assistance funds.

ACCOSCA has recognized the uncertainty of funding and is addressing long-term issues and the difficult questions of establishing priorities for programs, earning income, and enlisting the support of a variety of donors who withdrew their assistance in the 1980-1985 period. Discussions between the evaluation team and ACCOSCA staff on the issue of self-sufficiency reflected the agreement of both sides that it is probably not attainable for a long time; increased income generation was seen as a more appropriate concept than self-sufficiency in the foreseeable future.

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ANNEX J
GLOSSARY AND DEFINITIONS

ANNEX J

GLOSSARY AND DEFINITIONS

ACCOSCA:

Africa Confederation of Cooperative Savings and Credit Associations (ACCOSCA):

A pan-African confederation of national credit union leagues, with headquarters in Nairobi. As a regional organization, it develops and maintains a network of African cooperative financial institutions (credit unions). It aims at equipping them to generate and mobilize personal savings and provides technical assistance for directing them into productive investments for economic and social development. ACCOSCA also taps sources of external aid from cooperatives, governments, non-governmental organizations, and other interested donors to supplement this course of mobilizing household savings. It was chartered in 1968.

CREDIT UNION
(SAVINGS AND
CREDIT
COOPERATIVE):

A group of people who join together to save money and to make loans to one another at reasonable rates of interest. It is a not-for-profit, financial cooperative, owned and operated by its members, chartered and supervised by the proper authorities.

CREDIT UNION
LEAGUE (FEDE-
RATION/
ASSOCIATION):

A membership group of credit unions (savings and credit cooperatives) in a given area, usually a country, formed to promote and develop the credit union movement in that area. The league is governed by its member credit unions and is supported by their dues.

CUNA:

Credit Union National Association, Madison, Wisconsin. CUNA is the U.S. apex organization for American credit unions.

WOCCU:

World Council of Credit Unions, Madison, Wisconsin. WOCCU is the international apex organization for credit unions.

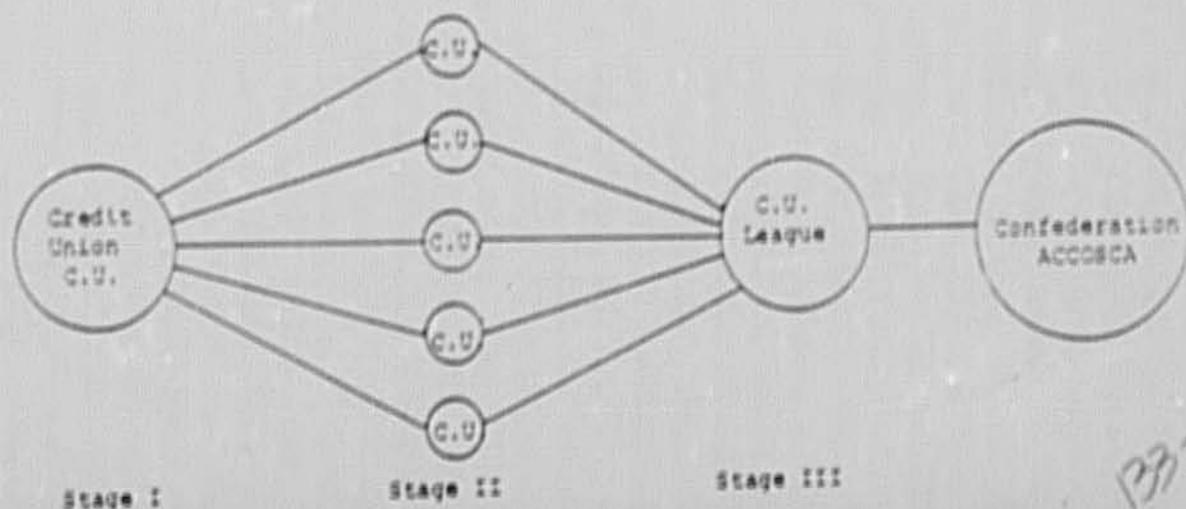


TABLE 9
WOCCU PROJECT MANAGEMENT REPORT

WORLD COUNCIL OF CREDIT UNIONS, INC.

WCSCA (968) AID/AFR-0413-A-00-5029-00
Grant Period: 06/01/85-05/31/86
Budget Period: 01/01/86-12/31/86

PROJECT MANAGEMENT REPORT

Project Report as of: November 30, 1986

Date Report Prepared: December 15, 1986

LINE ITEMS	Annual Budget 1986	Totals Per Accounting Yr-to-Date	Yr-to-Date Funds Remaining	Slender/ (Over) Budget	Approved Budget 6/85-5/86	Total Expenses To Date	Total Funds Remaining	\$/ (C) Sur
TOTAL TA BUDGET	\$166,993.00	\$161,892.20	\$5,100.80	3.1%	\$506,427.00	\$240,589.94	\$267,837.06	
Eval/Baseline Budget								
Evaluation	\$25,000.00	\$22,051.16	\$2,948.84	11.8%	\$80,000.00	\$22,077.20	\$57,922.80	
TOTAL EVAL/BASELINE	\$25,000.00	\$22,051.16	\$2,948.84	11.8%	\$80,000.00	\$22,077.20	\$57,922.80	
IS Budget								
Personnel	\$147,200.00	\$116,207.87	\$30,992.13	21.1%	\$482,486.00	\$163,924.72	\$298,571.28	
Travel/Transportation	\$24,885.00	\$21,782.47	\$3,102.53	12.5%	\$62,000.00	\$26,585.38	\$35,414.62	
Communications	\$5,255.00	\$9,027.62	(\$3,772.62)	-71.8%	\$27,000.00	\$13,303.80	\$13,696.20	
Stationery & Supplies	\$2,625.00	\$7,036.14	(\$4,411.14)	-168.0%	\$18,500.00	\$11,567.35	\$6,932.65	
Computer & Supplies	\$4,363.00	\$264.18	\$4,098.82	93.9%	\$5,000.00	\$264.18	\$4,735.82	
Board/Biannual Mtg	\$12,751.00	\$8,445.44	\$4,305.56	33.8%	\$46,000.00	\$19,076.41	\$26,923.59	
Other Direct Costs	\$16,403.00	\$20,926.01	(\$4,523.01)	-27.6%	\$77,000.00	\$28,206.62	\$48,793.38	
TOTAL IS BUDGET	\$213,482.00	\$163,589.43	\$29,782.57	14.0%	\$719,986.00	\$282,940.46	\$437,045.54	
Training Budget								
Trainee Costs	\$60,345.00	\$38,191.00	\$22,154.00	36.7%	\$206,300.00	\$38,191.00	\$168,109.00	
Instructor Costs	\$14,877.00	\$9,892.24	\$5,084.76	34.0%	\$37,630.00	\$9,892.24	\$27,737.76	
Consultant	\$25,940.00	\$21,011.38	\$4,928.61	19.0%	\$44,904.00	\$42,591.14	\$2,312.86	
Training Admin	\$12,800.00	(\$345.05)	\$13,145.05	102.7%	\$71,400.00	\$15,402.25	\$55,997.75	
Translation	\$2,677.00	\$2,317.75	(\$360.75)	-23.9%	\$20,000.00	\$2,317.75	\$17,682.25	
TOTAL TRAINING	\$116,739.00	\$72,067.33	\$44,671.67	38.3%	\$380,234.00	\$108,394.38	\$271,839.62	
TOTAL GRANT	\$522,214.00	\$439,700.12	\$82,513.88	15.8%	\$1,698,657.00	\$655,001.98	\$1,043,655.02	

SOURCE: CUNA Accounting Records

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FD-AAL-788 Audit Report

ISN=14371

Africa cooperative savings and credit association (ACOSCA)

Cramer, Ray D.

U.S. Agency for International Development, Office of the Inspector General,
Regional Inspector General for Audit, Nairobi, Nairobi,

29 Jul 1982, 4p., En. Audit report no. 2-615-82-08
6980412

Evaluates project to provide core budget support to the Africa Cooperative Savings and Credit Association (ACOSCA). Audit report, aimed at determining the adequacy as of 1/82 of ACOSCA's accounting system, is based on a review of 1981 accounting records and interviews with ACOSCA and donor officials.

The simple accounting system installed in ACOSCA's central office by a consultant, while adequate, neither has been nor is likely to be properly implemented, given the capability of ACOSCA's staff, is likely to be properly implemented. Examples of poor accounting include unsupported payments, missing vouchers, unreconciled accounts, a poor budgeting process, and the absence of essential information in quarterly financial statements, an internal control system, and a uniform accounting and reporting system for regional offices.

For these reasons, the auditors conclude that ACOSCA's accounting system continues to be inadequate, as reported in the 12/9/80 audit, to account for an A.I.D. direct grant and therefore also inadequate for reporting to the World Council of Credit Unions (WCCU). Unallowable costs, e.g., for entertainment and parking fines, incurred by ACOSCA may have been paid by A.I.D. through WCCU.

Moreover, ACOSCA's ~~is not a viable institution and has virtually no prospects of becoming one.~~ Dues from national affiliates, which ACOSCA has trouble collecting, paid only 5.5% of ACOSCA's 1982-79 operating costs. Finally, ACOSCA has not provided some of the reports required by A.I.D. grant agreements, e.g., monthly financial statements with budget variance analyses, quarterly reports on project funding and expenditures, and reports on travel of ACOSCA and project personnel.

The auditors question why A.I.D. continues to support ACOSCA and recommend that the Office of Contract Management (SER/CM) not approve a direct grant to ACOSCA at this time and that the Office of Regional Affairs of the Africa Bureau (AFR/RA) determine if the WCCU has passed on to A.I.D. unallowable, unsupported, or improperly accounted for costs and if so to disallow them. Finally, in view of what appears to be WCCU's inadequate financial management guidance of ACOSCA (after six years and \$4.2 million in A.I.D. financing), the auditors recommend that AFR/RA reassess the desirability of continued support to ACOSCA through WCCU.

Descriptors: /Financial resources/ /Financial management/ /Financial records systems/ /Africa/ - /Accounting/ /
Identifiers: /Limited data/ /Evaluation team/

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