

RD-AM-654

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, DC 20523

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July 14, 1980

Credit Union National Association
1120 - 19th Street, N.W.
Washington, D.C. 20036

Subject: Grant No. AID/afr-G-1676

Gentlemen:

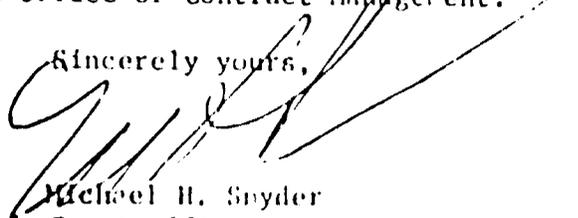
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Credit Union National Association (CUNA) the sum of \$354,000 to provide support for a program in Togo as more fully described in the attachment to this Grant entitled "Program Description." Additional funds, subject to availability, may be added to this grant at a later date.

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period June 29, 1980, through December 28, 1982.

This Grant is made to CUNA on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Program Description," and Attachment 2 entitled "Standard Provision," which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this grant to the Office of Contract Management.

Sincerely yours,

Michael H. Snyder
Grant Officer
Regional Operations Division, Africa
Office of Contract Management

Attachments:

1. Program Description
2. Standard Provision
3. Statement of Assurance of Compliance

ACCEPTED:

BY : *[Signature]*

TITLE: President

DATE : *[Date]*

FISCAL DATA

Appropriation : 72-1101021.3

Allotment : 043-52-693-00-69-01

PIO/T No. : 693-0220-3-00001

Project No. : 693-0220

Total Grant Amount: \$354,000

*675 - 471-D
[Handwritten notes]*

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PROGRAM DESCRIPTION

I. OBJECTIVE

- A. The objective of this grant is to make savings, credit, and related services available to an increasing number of Togolese families through development of a strong credit union movement. Eight-five credit unions have been established throughout the country, with some 3,000 members, savings in excess of 30 million CFA (\$140,000), and loans outstanding of 19 million CFA (\$90,000). A national promotion committee (le Conseil Nationale pour le Développement des Coopératives d'épargne et de crédit (CONAUDEC) was formed, and over the past six years has attracted limited donor financial support, which has been used to employ regional promotion agents who organize and support credit unions.
- B. This thirty-month technical assistance program will focus on: (1) training the promotion committee's field promotion agents and other leaders to carry out all those tasks necessary to promote and develop viable credit unions; and (2) assisting the promotion committee's leaders in the development of planning skills that will enable them to determine their long-range institutional development programs and self-sufficiency strategy.

II. STATEMENT OF WORK

- A. To carry out this effort, the Grantee shall provide a technician with credit union management and training experience for the duration of the 30-month project. The technician shall assist CONAUDEC accomplish the following:
1. Enhance the skills of CONAUDEC's field promotion agents so that by the completion of the project they will be able to:
 - a. Routinely perform professional-quality inspections and audits of all credit unions under their supervision;
 - b. Recognize all major financial and management problems found in credit union operations and provide practical solutions to those problems;
 - c. Determine promotion and growth targets based on socio-economic data and prepare appropriate development strategies for urban and rural credit unions; and
 - d. Identify training needs of credit union members, officials, and staff, as well as plan and implement training to meet those needs.

2. Prepare a long-term institutional development plan for a national association of credit unions. This plan would be developed after assessing the needs of the credit unions and analyzing movement growth trends at the end of the second year of the project. The plan will include a projected schedule for the formation of a national association; an implementation plan for its development and the establishment of specific services to be offered by the association; personnel projections, based on a current institutional analysis; budget projections; and a self-sufficiency strategy. The appropriate leaders and staff will be able to carry out all phases of planning necessary to the preparation of an institutional development program, its periodic assessment and correction.
3. Assist CONAUDEC leadership and staff develop and implement a promotion and growth strategy that achieves an increase in total credit union membership of at least 3,000 new members and of 58 million CFA (\$270,000) in additional savings by the end of the project. This strategy will include establishment of geographic and target groups' membership, savings, and revenue-generating potential, and assignment of promotion responsibilities based on the strategy. CONAUDEC leaders and appropriate staff will be able to use the planning techniques necessary to develop such a strategy, monitor its progress, and make required corrections.
4. Assist CONAUDEC with any additional design work, document, and initiate use of accounting and budgeting systems for itself and its affiliated credit unions, including descriptions of all the documents, journals, accounts, equipment, and financial records required, as well as precise instructions on the use of each, and which meets the following additional criteria:
 - a. Specifies all general ledger accounts required to provide all essential financial data at the time and in the format required for good management control and decision-making;
 - b. Complies with statutory and donor agency financial reporting requirements;
 - c. Utilizes formats which allow for insertion, in appropriate places, of new accounts, as may be required by initiation of new activities and services;
 - d. Is operable by available trained personnel;
 - e. Requires periodic adjustment of appropriate balance sheet accounts to reflect changing monetary values, specifically the revaluation of fixed assets, accrued receivables and payables, and periodic revision of bad debts provisions;

- f. Requires monthly balancing of subsidiary ledgers with general ledger control accounts;
 - g. Incorporates daily reconciliation of physical cash with cash control account(s);
 - h. Facilitates monthly reconciliation of bank account(s) with general ledger control account(s);
 - i. Includes all sub-systems necessary to realistically assign and allocate revenues and costs to organizational units consistent with management's need for objective measurement of performance of specific organizational units and activities; and
 - j. Is consistent with financial data requirements of internal and external auditing systems, and facilitates good internal control.
- B. The job description for the technician is shown in APPENDIX A
- C. An illustrative Implementation Schedule for project activities is provided below.

YEAR 1

Months 1-6

- Design and implement training for CONAUDEC leaders in all processes related to the development of promotion and growth strategies for the movement
- Identification of all essential tasks to be carried out by fieldworkers in assisting credit unions, including: analysis of all basic credit union operations, breakeven analysis, training needs identification, and membership and savings stimulus strategies
- Test skills of all fieldworkers, and design training program, including training materials, for first phase of fieldworker training
- Design required modifications in CONAUDEC's accounting and budgeting systems and instruct accountant in their use
- Test skills of coordinator in relation to all activities proposed in this project and design training for coordinator to enhance his skills. Training implementation will continue throughout the life of the project.

Month 7

Conduct four-week course for promotion agents that includes:

- Introduction to institutional analysis, breakeven analysis, and self-sufficiency strategy development.
- Bookkeeping system revision, records and files maintenance.
- Review of duties of officers of credit unions, testing of officer's skills, and training techniques in relation to credit union officers' training programs.
- Introduce basic credit union inspection techniques.

A personnel evaluation system will be introduced to the field staff at this time; specific work plans and tasks will be assigned at the conclusion of the training program.

Month 8

- Evaluate training program.
- Review progress of accounting and budget system implementation.

Month 9 - 11

- Visit all fieldworkers to field test their ability to carry out tasks learned in previous training session and determine continued training needs.
- Plan next phase of fieldworker training program and develop training materials.

Month 12

Conduct three-week course for promotion agents that includes:

- Revision of bookkeeping and inspection system.
- Budgeting and planning; breakeven analysis
- Savings and membership promotion strategies and programs (Includes service center development and merger of credit unions).
- Introduction to credit policy development.
- Training methodologies and techniques
- Plan regional training courses for credit union officials.

At the conclusion of this training phase, promotion agents will set growth targets and strategies for their credit unions.

YEAR II

Month 1 - 4

- Attend regional training programs conducted by fieldworkers for credit union officials. Evaluate training programs and work with individual fieldworkers to continue to develop their training skills.
- Prepare final fieldworker training program and training materials.
- Review promotion and growth strategies with CONAUDEC leaders.

Month 5

Conduct two-week training program for fieldworkers that includes:

- Revision of bookkeeping, breakeven analysis, budgeting and planning, promotion strategies, and training techniques.
- Advanced work in credit policy development.
- Internal auditing - role of supervisory committee.
- External auditing - role of CONAUDEC.
- Develop training plans for short-term regional training courses for credit union officials.

Month 6 - 12

- Visit all fieldworkers to evaluate their work.
- Provide technical assistance to fieldworkers as required.
- Begin preparation of material and data collection for a national association institutional development plan.
- Attend regional training programs conducted by fieldworkers for credit union officials.

YEAR IIIMonth 1 - 6

- Prepare and implement training for CONAUDEC's leaders in all phases of institutional development including self-sufficiency analysis, breakeven analysis, feasibility studies, budget preparation, etc.
- Develop with the CONAUDEC leadership a long-term institutional development plan for the Togo credit union movement.
- Participate in joint evaluation of project with WOCCU Global Projects, AID, ACOSCA, and other CONAUDEC staff.

D. Evaluation

1. A joint evaluation by the above mentioned parties shall be conducted during the last six months of the project. The purposes of the proposed evaluation are: (1) to assess progress made toward achievement of project objectives and outputs; (2) to identify factors related to achievement and non-achievement of objectives and outputs; (3) assess implications of achievement, non-achievement, and problems on future development of the Togolese credit union movement; and (4) if appropriate, prepare a new project for the movement's next stage of development, including objectives, strategies, and required resources.
2. An earlier interim evaluation may be scheduled as is deemed necessary.
3. The following quantitative measures will be used in any evaluation.

<u>INDICATOR</u>	<u>PROJECT START</u>	<u>END OF YEAR 1</u>	<u>END OF YEAR 2</u>	<u>END OF PROJECT</u>
Credit Unions	85	90	100	105
Members	3,000	4,000	5,000	6,000
Total Savings	\$140,000	\$230,000	\$300,000	\$400,000
Total Loans	\$ 90,000	\$170,000	\$240,000	\$300,000

E. Reports

1. The Grantee shall submit five copies of a bimonthly progress report to USAID/Togo and to AID/W/AFR/DR.
2. The Grantee shall submit a final report thirty days prior to the expiration of the grant. This report shall provide a comprehensive discussion of the Grantee's success in accomplishing the statement of Work. Ten copies of this report will be provided to USAID/Togo and to AID/W/AFR/DR.

F. Goods and Services

Goods and services financed by A.I.D. under this grant will have their source and origin as specified in A.I.D. Handbook 1, Supplement B, Chapter 16B1C and Handbook 13, Chapter 4.

G. Overhead Rates

Pursuant to the provisions of the Clause of the Standard Provisions of this grant entitled "Negotiated Overhead Rates - Other Than Educational Institutions," a rate or rates shall be established for the period specified below. Pending establishment of final rates for the initial period provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base which is set forth below.

<u>Rate</u>	<u>Base</u>	<u>Period</u>
63%	Direct Salaries of U.S. employees but excluding incentives or other premiums for overseas service and lump sum annual leave payments.	1/1/79 until amended

H. Alterations in Standard Grant Provisions

In addition to the alterations in Standard Provisions set forth in Attachment 2 (Supplement), Specific Support Grants August 1978, (Both EI and OTEI) attached to the Standard Provision and made a part hereof the following provisions as set forth in Attachment 2, Standard Provisions of this Grant are hereby deleted.

- Standard Provision 7B Payment - Periodic Advance
- Standard Provision 7C Payment - Reimbursement
- Standard Provision 12B Title and Care of U.S. Property (U.S. Government Title)
- Standard Provision 12C Title to and Care of Property (Cooperating Country Title)

I. Illustrative Budget

Salaries	\$ 61,937
Fringe Benefits	18,788
Consultants	10,023
Travel	59,555
Equipment	10,550
Other Direct Costs	92,323
CONAUDEC Support Costs	61,804
Indirect Costs	39,020
	<u>\$354,000</u>

J. Sub-grants and Agreements

In accordance with General Provision 21 entitled "Subordinate Agreements," the Grantee will submit agreements between GUNA and AGOSCA or CONAUDEC for the approval of the Grant Officer.

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Technician's Job Description

Position: Resident Advisor to the National Credit Union Promotion Committee of Togo

Supervisors: GPO Program Director and ACOSCA Executive Secretary

The technician will be responsible for providing on-site technical assistance to the National Credit Union Promotion Committee of Togo (CONAUDEC), as well as normal project liaison and reporting.

A. Description of Duties

1. Training of CONAUDEC Field Promotion Agents.

The Advisor will in collaboration with the CONAUDEC Coordinator, develop, document, and train CONAUDEC's field promotion agents in the following systems:

a. Credit Union Management

- (1) Bookkeeping
- (2) Preparation and analysis of financial statements
- (3) Budgeting
- (4) Savings and Membership promotion
- (5) Credit policies and procedures
- (6) Internal auditing (Supervisory Committee duties)
- (7) Office management

b. Supervisory Functions

- (1) Inspection routines and tests
- (2) Monitoring
- (3) Reporting
- (4) Auditing

2. Planning

In collaboration with CONAUDEC's Coordinator and Board of Directors, the advisor will design and assure completion of a survey of all Togolese credit unions' status and needs, and translation of these needs into a long-term CONAUDEC Institutional Development Plan, including, as a minimum,

- a. An implementation plan for establishment and development of a national credit union association;
- b. Personnel projections, based on the initial survey and institutional analysis of CONAUDEC;
- c. A documented strategy leading to financial self-sufficiency of CONAUDEC or its successor national association, within a reasonable number of years; and
- d. Annual and bi-monthly work plans for the remaining project life.

3. Development of a Promotion and Growth Strategy

In collaboration with CONAUDEC's Coordinator and Board of Directors, the advisor will develop and support implementation of a promotion and growth strategy that results in acceleration in total movement savings, loan volume, and membership, including:

- a. Establishment of geographic and target group priorities;
- b. Documentation of guidelines to determine groups' membership, savings, and revenue generating potential, and establishment of realistic credit union growth targets consistent with achieving self-sufficiency in the minimum possible time; and
- c. Assignment of promotion responsibilities based on the strategy.

4. Accounting and Budgeting Systems

In collaboration with CONAUDEC's promotion agents and Coordinator, the advisor will design, document, and assure implementation of any necessary improvements in CONAUDEC's and model credit union accounting and budgeting systems, such that all financial reports necessary for sound management decision-making are prepared accurately, in a timely manner, and in formats compatible with statutory and donor requirements.

5. Liaison, Reporting and Administrative Procedures

The advisor will serve as the primary liaison agent between ACOSCA/WOCCU, USAID/TOGO, the Government of Togo, and other interested organizations in Togo and will regularly evaluate these liaison efforts and take any corrective steps required to assure effective communication between ACOSCA/WOCCU and these organizations. In particular, he will:

1. Determine the information requirements of USAID/TOGO and AID/Washington in respect to Project.
2. Assure mutual agreement on the objectives of the project and ACOSCA/WOCCU's role in achieving these and clearly identify any lack of consensus on these subjects which exists in Togo.
3. Assist in defining and insuring mutual agreement on the project responsibilities and obligations of each of the project's principal organizations, i.e. USAID/TOGO, ACOSCA/WOCCU, GOT.
4. Provide USAID/TOGO with documentation which clearly establishes ACOSCA/WOCCU responsibilities and plans and with adequate updating which will allow for proper USAID monitoring of the work done by the advisor.
5. Prepare and forward progress reports, in an agreed upon format, plus any other special reports and studies to ACOSCA, Global Projects/Washington, CONAUDEC, USAID/TOGO, and other parties as required.

6. In writing, draw to the attention of ACOSCA, Global Projects/ Washington, USAID/TOGO and CONAUDEC any changes in conditions which could significantly affect the proper execution of the project.
7. Determine appropriate communication channels and assure that all communications are carried out through these channels.
8. Assure identification and provision of adequate and timely provision of TDY technical assistance to the advisor and to CONAUDEC.
9. Monitor project expenditure financial reports and assure that these reports contain all of the information required for effective monitoring of expenditures.
10. Prepare annual budget proposals and, submit to Global Projects/ Washington a minimum of 90 days prior to new budget period.
11. Assure proper safeguarding of all project and other assets under the control of the technician.

Std. provisions attachment omitted