

FINAL EVALUATION OF THE
COOPERATIVE PROGRAM SUPPORT GRANT WITH
CREDIT UNION NATIONAL ASSOCIATION/
WORLD COUNCIL OF CREDIT UNIONS, INC.

Cooperative Agreement No. OTR-0192-A-00-9089-00

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Office of Private and Voluntary Cooperation
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and
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World Council of Credit Unions, Inc.

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TABLE OF CONTENTS

Executive Summary	i
I. Introduction	1
A. The Organization	1
B. The Cooperative Program Support Grant	1
C. Purpose of the Final Evaluation	2
II. Findings	2
A. Program Description, Implementation Plan and Projected Outputs	2
B. Effectiveness and Appropriateness of the Principal Activities	5
C. Impact on Establishment and Improvement of Private Sector Credit Unions and Credit Union Organizations	10
D. Relationship of the Project to Other Activities That WOCCU Provides to Lesser Developed Countries	11
E. Effectiveness of the New Initiatives Program	12
F. Unanticipated Issues and Circumstances of Program Planning	16
G. Financial Procedures, Management, Adminis- trative Functions and Coordination with AID	18
H. Assumptions, Constraints and Performance Indicators	20
I. Recommendations	22
J. Economic Efficiency of the Program	23
K. Follow-On Activities to Make the Program More Successful	24
L. Incorporating the Recommendations of the Midterm Evaluation Into Project Development	25
Appendix	29

EXECUTIVE SUMMARY

In May of 1989 the World Council of Credit Unions (WOCCU) signed a five-year Cooperative Agreement with the U.S. Agency for International Development, Bureau for Food and Humanitarian Assistance, Office of Private and Voluntary Cooperation (AID/FHA/PVC) in the amount of \$4,375,000 under AID's Cooperative Program Support Project.

The goal of the Cooperative Program Support Grant (CPSG) is to achieve sustainable advances in living standards through improved access to increasingly effective savings, credit and related financial services for expanded numbers of lower- and middle-income families in developing countries. Its purpose is to support WOCCU's ability to enhance the development of the international credit union system by (1) accelerating growth of basic movement indicators, (2) improving capabilities to perform fundamental management and technical functions, and (3) expanding grant and capital resources for development purposes.

The evaluation of the CPSG was carried out during August of 1993. The purpose of the evaluation was to carry out a comprehensive examination of the performance and implementation of the CPSG with WOCCU under the AID project 938-0192. The evaluation was to determine the capability of the project to strengthen and expand WOCCU's international operations through program and organizational development, resource enhancement and limited program services.

The following methodology was used in order to perform this evaluation: (1) Review of background information, (2) Visit WOCCU offices in Madison and Washington, D.C. to interview program and management staff and review related program materials and documentation, (3) Interview personnel in FHA/PVC and other AID offices with whom WOCCU had buy-ins, and (4) Contact per fax Mission personnel at the program officer and director levels responsible for areas where WOCCU has collaborated in projects and programs directly or indirectly under the CPSG.

The project has been very successful as measured by the Scope of Work, implementation plan and projected outputs. The evaluation found that WOCCU has met or surpassed nearly all projected core grant indicators for the grant period.

This project has had a very positive impact and improved organizational effectiveness at WOCCU. The project was instrumental in strengthening and expanding WOCCU's international operations through program and organizational development, resource enhancement and limited program services.

A number of activities that WOCCU has undertaken have resulted in a strengthening of its institutional capacity through:

- Increased ability to carry out initial diagnostic studies and development of initial business plans and approaches
- Improved ability to respond on a timely basis to requests from movements and USAID country missions
- Enhanced organizational, team and individual capabilities to foster credit union development
- Maintenance of a core of qualified, experienced international credit union technical people able to address a wide variance of complex economic, social and developmental issues
- Improved management and staff capabilities to address the challenges and complexities of international credit union development
- Expanded resources for development purposes
- Standardization of approaches, strategies, materials, forms, methodologies, tracking and monitoring
- Improved project cost recovery
- Cross-project and cross-movement sharing of products, systems, experiences, and knowledge
- Lessons learned

The unexpected fall of communism in Central and Eastern Europe and the former Soviet Union came during the period of this grant. Since 1990, WOCCU has responded to requests from Poland, Russia, Ukraine, Lithuania, Latvia, Hungary, the Czech Republic, and Slovakia to investigate the feasibility of starting credit unions in these countries. In addition, the U.S. credit union movement has contributed both in cash and in kind, by training interns in their credit unions, sending staff as volunteer consultants, and hosting study groups.

All recommendations from the midterm evaluation were addressed by WOCCU.

No problems surfaced during the evaluation. Should the project be duplicated in the future, the following recommendations are made to enhance program potential and effectiveness.

1. One recommendation that was reported in the midterm evaluation was to explore the use of core grant funds for post-project servicing. Since March of 1992, WOCCU has used the CPSG for this purpose on two occasions (Cameroon and the Philippines) with positive results. This is an effective use of funds because it provides continuity of the project. It gives the local credit union or league an opportunity to maintain its efficiency and effectiveness. However, it does reduce the resources that could have been used towards WOCCU's development programs in non-project areas. Other vehicles should be explored to cover post-project expenses without compromising development efforts in other areas.

2. Project proposals should build in an on-going measurement of results. Local credit union offices could be trained in keeping statistics which could be used in future analyses. This information about results achieved by credit unions and members would have a significant marketing effect. It would also provide information that could be used by the Communication Department for publications. From reviewing the various projects, it is believed that there are results (e.g., increases in numbers of small enterprises and their impact on the local economy) which are not being fully exploited in writing new project proposals and used for public relations purposes to persuade potential donors to support worldwide credit union development.

3. WOCCU should continue to seek ways to further involve the local population in developing countries in planning. Before project development plans are written, project managers should continue to seek the advice of the individuals who are projected to be affected by the project. If a country representative is in place, this participation activity could be implemented by that representative and transmitted to the project development team.

4. Ways should be considered for increasing the cooperation with other members of the Overseas Cooperative Development Committee. Benefits would be realized by the cooperative members in developing countries, and the economic efficiency of all organizations cooperating on projects would be enhanced.

5. Find new ways to more economically deliver development information services.

6. Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.

Lessons Learned: WOCCU has implemented a formal program for documenting lessons learned from projects. This is very important and used in writing proposals and project development.

Lessons learned include:

--WOCCU/credit unions should avoid using subsidized credit, where possible, in favor of mobilizing savings locally. Lending based on local capital is much more sustainable than external credit programs in meeting long-term loan demand.

--In Cameroon, a banking sector liquidity crisis struck in 1989, freezing credit union and League assets. This liquidity crisis points out the potential dangers of centralizing more movement savings than needed for credit union refinancing and the need to diversify risk.

--Credit unions and national credit union movements will have to become increasingly sophisticated to deal with such factors as double-digit inflation, structural adjustment programs, repressed financial systems, and liberalized markets when developing long-term growth and development plans.

--Success of WOCCU's projects comes from the program design and the discipline with which it is applied.

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I. INTRODUCTION

A. The Organization

During the 1950s, the international credit union movement spread beyond Europe and North America. Requests for information and assistance from around the world led the U.S. Credit Union National Association (CUNA) to form its World Extension Division in 1954.

CUNA restructured itself as CUNA International in 1964, reflecting the growing importance of international involvement and participation. CUNA International received U.S. foreign assistance grants to support development of credit unions internationally.

The World Council of Credit Unions(WOCCU) was founded as the international apex organization of the worldwide credit union movement in 1971. The mission of WOCCU is to assist members to organize, expand, improve and integrate credit union and related institutions as effective instruments for the economic and social development of people. WOCCU is to serve as a forum for the exchange of ideas and information, provide services for its members, promote membership development and growth, represent members' interests, and extend cooperative financial services to areas where people want and need such services.

Membership in WOCCU includes credit union confederations and leagues in Africa, Asia, Australia, Canada, the Caribbean, Latin America, United States, Great Britain, Fiji, Ireland, and New Zealand. The system encompasses 87 countries with affiliated credit union movements, including 76 from the developing world regions of Africa, Asia and the Pacific, Latin America and the Caribbean.

WOCCU's development activities not only reach affiliated movements in Africa, Asia, Latin America, and the Caribbean, but also extend to nascent movements in these areas as well as in the Pacific, Central and Eastern Europe, and the Newly Independent States (NIS).

B. The Cooperative Program Support Grant

In May of 1989 WOCCU signed a five-year Cooperative Agreement with AID in the amount of \$4,375,000 under AID's Cooperative Program Support Project.

The goal of the Cooperative Program Support Grant (CPSG) is to achieve sustainable advances in living standards through improved access to increasingly effective savings, credit and related financial services for expanded numbers of lower- and middle-income families in developing countries. Its purpose is to support WOCCU's ability to enhance the development of the international credit union system by (1) assessing the growth of basic movement indicators, (2) improving capabilities to perform fundamental management and technical functions, and (3) expanding grant and capital resources for development purposes.

Principal activities under the Agreement include: Development Projects, Training and Advisory Services, and Information Services.

C. Purpose of the Final Evaluation

The purpose of the evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with WOCCU under the AID project 938-0192. This will be in accordance with the Scope of Work of the Cooperative Agreement with WOCCU. The evaluation will determine the capability of the project to strengthen and expand WOCCU's international operations through program and organizational development, resource enhancement and limited program services. The project focus was to develop credit union systems and strengthen and expand the network of primary, national, and regional credit union organizations.

The project was last evaluated in March 1992.

II. Findings

A. Program Description, Implementation Plan and Projected Outputs

WOCCU believes that adequate access to financial services is as important as health, education and housing in the development process. WOCCU has been able to reach its goal of achieving sustainable advances in living standards through improved access to increasingly effective savings, credit and related financial services for expanded numbers of lower- and middle-income families in developing countries. Individual members, through access to credit unions, develop systematic savings which, over time, provide a base for borrowing to improve living standards.

The program, as described in the CPSG proposal and Cooperative Agreement, has been successfully implemented.

The level of outputs and purpose-level achievements were reduced from the magnitude shown in the original project proposal to correspond with the reduction in AID funding. However, over the life of the grant, WOCCU has significantly exceeded nearly all of the projected outputs of

the revised log frame.

For example, one of the purposes was to accelerate credit union system growth. All of the project indicators in this area have been greatly surpassed. There was projected to be an average annual increase in credit union members of 6% over the grant period while the actual increase for 1989 through 1991 was 39.1%; the number of credit unions was projected to increase 3% per year while the actual growth for 1989 through 1991 was 49.4%; reserves were projected to increase 6% per year while the actual increase for 1989 through 1991 was 129.7%. The same significantly greater increases were shown in savings, loans, and assets. The assumption is made that the increases occurred because of WOCCU project activities. This is especially evident in those countries where credit unions did not exist prior to WOCCU projects.

Growth is dependent on effective marketing strategies and satisfactory financial services. The credit union cooperative business is a provider of financial services that can meet needs in lesser developed countries that are not being met by traditional lenders. It provides savings and credit services to small farmers, merchants, artisans, tradespeople, market vendors and small manufacturers. In many developing countries in which WOCCU implements projects, these groups comprise a large portion of the economic activity, creating employment and income.

The program has helped WOCCU and its members develop models of profitable credit unions. Projects have helped create new organizations or provided technical and management support to increase the efficiency of activity in accepting small amounts of savings and in making small loans and still generating a surplus. The projects help to increase resources, not only to expand production, create jobs and increase income, but also to meet the family needs for shelter, education and medical services.

The implementation plan focused efforts on accelerating system growth, increasing system capabilities, and expanding system resources. This would be accomplished through development programs and projects, training and advisory services, and information services in such areas as, for example, savings products, central finance facilities, insurance services, capital adequacy, asset quality, earnings, liquidity, etc.

WOCCU projects have worked with member organizations to define and apply training and technical assistance models relevant to their needs. Greater use of WOCCU's skills and technologies have been used to develop credit union movements over the life of the grant. This input has resulted in considerable, measurable improvement in the capabilities of credit union organizations at all levels.

WOCCU projects are designed and implemented to provide sustained institutional development. This is accomplished by developing credit unions as private sector organizations which operate strictly on a market basis. The credit unions in lesser developed countries must compete for funds and provide credit at market rates without government subsidies.

This program has served to strengthen the private sector economy. This was accomplished by bringing poor individuals into the monetized economy, augmenting the supply of capital, and channeling credit into productive activities. This has resulted in increasing jobs and incomes and meeting credit needs for basic requirements in health, education, housing and other areas.

The credit union system has been an effective mechanism for the transfer of financial services technology for developing country conditions. Through the CPSG project and other development projects, WOCCU has disseminated technologies related to financial analysis, liquidity management, capitalization, risk management and loan procedures that can be applied by credit union personnel as well as by volunteer board members and other leaders. Computer technology has also been introduced and has proven quite successful in many developing country credit unions.

The WOCCU development approach clearly relates to AID's strategy for the promotion of productive enterprises. The savings and credit services provided through credit unions facilitate entry into manufacturing and marketing of nontraditional products, including the export of foodstuffs, to developed economies.

Democratic control is a requirement for implementation of projects. Technical assistance which teaches the democratic process is provided in board training and materials for members. Credit unions have been quite free of government control. An emphasis of the projects is to use the credit union as a model of a private, member-owned, democratic institution. A training approach is used throughout the international system. Credit unions worldwide have been called schools for democracy.

Through projects leveraged from the core grant, WOCCU has worked with credit unions that have increased the national savings in lesser developed countries. A large portion of these savings would not have been captured by other financial institutions. Many of the new credit union members are poor and had never saved in a financial institution. The program has taught large numbers of members the habit of thrift.

The new and improved credit unions resulting from WOCCU projects have generated capital for investment in productive activities. It follows that sustainable economic development will not occur without savings. Savings have been substantially increased wherever the WOCCU projects have worked.

Another project focus was to increase credit union system capabilities. Improvements in this area were shown in various countries in the areas of savings products, central finance facilities, savings protection, stabilization, savings market share, insurance services, interest rate structure, capital adequacy, asset quality, earnings and liquidity. All of these improvements were substantial in the lesser developed countries where the projects worked.

The projected amount of resources to be mobilized for the international credit union system during the grant period was greatly surpassed. It was projected that WOCCU would mobilize

\$7 million in development grants. The actual amount awarded through 1992 was \$39.06 million. This was achieved through funding of unsolicited proposals, Mission buy-ins, Credit Union Foundation grants, and Credit Union National Association (CUNA) grants. By the end of 1992, \$8.1 million of the projected \$10 million of capital resources was mobilized. However, it should be noted that because of the delinquency problems that often follow from easy credit, WOCCU has deliberately underplayed the mobilization of external capital resources as a strategy for expanding system resources for loans. WOCCU has instead encouraged local savings mobilization programs for the twin effects of promoting financial discipline and generating loan capital internally. WOCCU has learned that mobilizing savings locally, rather than mobilizing external capital resources, is a more sustainable approach to meeting long-term loan demand.

B. Effectiveness and Appropriateness of the Principal Activities

The three principal activities under the CPSG are (1) development programs and services, (2) training and advisory services, and (3) information services. Each of these activities represents a major part of WOCCU's development program. All these activities are appropriate for producing high outputs.

1. Development Programs and Projects

WOCCU's Technical and Development Services Department is the primary provider of development programs and services, as well as training and advisory services. The Madison based project managers are charged with the development of new credit union projects, primarily writing unsolicited proposals. They also manage projects when they receive funding. Through the use of project managers, on-site project advisors and consultants, WOCCU provides training and advisory services to member organizations. Core grant funds finance the cost of developing projects and for providing training and advisory services for those AID-approved countries in which WOCCU does not have projects.

WOCCU has surpassed all of the projected number of projects to be designed, funded, evaluated and initiated during the grant period.

WOCCU project activity is determined largely by the interest shown by the local population and AID Missions in various parts of the world. A considerable amount of development activity was carried out in Africa. The number of in-house French-speaking project managers has increased from one to three in Africa. This reflects both WOCCU's and the African Confederation of Co-operative Savings and Credit Associations' (ACCOSCA) increased involvement in French-speaking African countries. The increased staff permits closer monitoring and improved support to African credit union development projects. The ACCOSCA and Malawi projects and projects in other English-speaking African countries are supported by one and a half project managers. This is an increase of one-half. In addition, one full-time program secretary has been added to backstop programs.

The increased staffing within WOCCU's Africa team during the past two years has required team building within the African group and also with ACCOSCA. The working relationship and cooperation with ACCOSCA has improved greatly over the past two years. Regular team meetings are held to improve coordination among team members, keep them up-to-date, and resolve issues. The past two years, since the midterm evaluation, has been a time of team building and sharing of responsibilities, particularly with regard to the Niger project which is the largest African project.

The Africa team is using an increased number of credit union experts from Africa as consultants and advisors. This is an indication of both the appropriateness and increasing efficiency of the WOCCU approach to project management, and has a significant impact beyond the borders of the project's host country.

Project proposals were drafted for South Africa, Namibia, Togo, Cameroon, Senegal, Madagascar, Uganda, and Niger. Four contracts have been signed and negotiations are in an advanced stage for three others. There are also a large number of evaluations and special studies being carried out in Africa. This level of activity is an indication of the leveraging of the core grant and the value of the grant to generate the activity.

An important development during the grant period was an agreement between WOCCU and ACCOSCA to write "Plan Africa 2000." This is a development strategy for the expansion of credit unions and credit union services in Africa over the next ten years. At a 1993 biennial meeting, ACCOSCA members adopted the plan which aims to promote financial self-sufficiency at all levels of the African movement. AID/Washington has recently given preliminary approval to a project proposal based on "Plan Africa 2000."

A project was implemented in Togo for improving management information systems. This project took one year to develop. Based on lessons learned in the use of electronic data processing technology in Togo, a similar project was implemented in Cameroon in four months and in Niger in one month. This illustrates the efficiency of repetitive use of technology.

Emphasis in the African region will be given to "growing" credit unions, financial policy reform in a number of demonstration credit unions, and refocussing credit unions on offering quality market-rate financial services. Both WOCCU's Africa Team and ACCOSCA are convinced this approach will significantly accelerate membership, savings, and asset growth within the African credit union movement, leading to much more rapid attainment of financial self-sufficiency at the national and regional levels. This approach has already been tested in Togo, where despite severe political and economic turmoil, membership and savings growth continue to accelerate.

A project in Niger has proven that credit unions can thrive in a Muslim environment. The materials developed and experience gained in Niger will prove useful elsewhere in Africa, the Middle East, South Asia, and the southern NIS. In spite of cultural restrictions, women now comprise 28% of the membership. The Niger project provided WOCCU with substantial knowledge and experience about creation of a completely new country movement where none

previously existed.

The final report of the Philippines projects found that the projects had clearly achieved the objective of bringing credit unions together into a national, private sector cooperative financial system and had contributed to more and better savings and credit services provided by affiliated credit unions to their members. The projects developed accounting, auditing, training, and financial analysis systems. Over 4,400 credit union leaders, managers and staff were trained in these systems and other related areas.

In Sri Lanka, the project's focus on institutional development was critical for the credit union movement's expansion and growth. By infusing qualified and trained staff at all levels, the project laid the groundwork for technical self-sufficiency.

In Latin America, core grant supported activities have been appropriately focussed on strengthening the financial and managerial capabilities of credit unions and system service organizations and on installing computerized information systems for credit unions and cooperative management, operations, and monitoring. Countries in which this approach has been implemented include Honduras, Guatemala, Bolivia, Ecuador, Costa Rica, Peru, and Nicaragua. Projects leveraged from core grant funds include cooperative strengthening, micro-enterprise development, low-cost housing development and rural financial markets development.

These are just a few of the many examples of the appropriateness and effectiveness of the development programs and projects area.

Copies of the Mission evaluations are included in the Appendix. Project evaluations ranged from "somewhat" to "very effective." Evaluations show a need for improved communications with Missions. This is especially true in projects, such as in the Philippines, where reporting to AID Missions was not required but would have been helpful to the AID Mission.

2. Training and Advisory Services

WOCCU met or exceeded all of the projected outputs in the area of training and advisory services. Services provided were very effective and appropriate.

In August of 1993, five trainees from four African national credit union movements completed an extensive two and one-half month USA-based management training program. They developed skills which could be shared when they returned home, resulting in a multiplier effect. The participant's evaluation of the program was excellent for new knowledge received.

Under the Cameroon project, a series of individual training programs were developed to enable national league employees to gain the skills to better perform their jobs. The decision to train such large numbers of Cameroonians and other Africans was part of the reason WOCCU hired a full-time project training and support assistant.

Also appropriate and highly effective is the coordination of the training from one country movement to another. While the country projects pay for these relatively inexpensive training programs, WOCCU Africa team project managers, partially funded from the core grant, actually coordinate the work of bringing trainers and trainees together in a mutually beneficial manner. This is another example of the leveraging effect of the WOCCU program.

In the Asian and South Pacific areas, WOCCU staff served as resource persons at a strategic planning workshop of credit union managers, board, and staff in Papua, New Guinea in 1992. As a result of this planning session, a proposal for a program of revitalization of the movement was prepared and is in the approval process. In the meantime, the Central Bank of Papua has agreed to finance a portion of the program.

WOCCU staff travelled to Mongolia, Taiwan and Korea to plan for and coordinate training for Mongolian credit union leaders at the National Credit Union Federation of Korea training center in Taiwan. WOCCU also arranged for technicians from Taiwan and Korea to provide technical assistance to Mongolia.

Representatives of WOCCU and the Australian credit union movement co-facilitated a strategic planning workshop for the Solomon Islands credit union movement in 1992. The workshop's goal was to develop a shared vision of the movement among the key leaders, to develop an understanding of the necessary prudential standards, train board and management, and build a team effort toward revitalizing the movement.

In December of 1992, WOCCU co-hosted and facilitated a conference whose participants included representatives of credit union movements in the South Pacific and development organizations who have or are considering providing support to these movements. Funding for WOCCU staff participation was from core funds. As a result of this conference, the Australian movement has begun working with the Hanns Seidel Foundation and the Australian International Development Assistance Bureau (AIDAB) to mobilize resources for assistance to credit union movements in the South Pacific region. These funds have been used for training activities in seven island nations and for ongoing train-the-trainer activities for credit union leadership.

In Latin America, core grant-supported activities have focussed on training credit union movement and governmental regulatory agency personnel in modern financial management disciplines and practices, examination and regulation of financial institutions, improved lending, and the mobilization and protection of savings.

In addition, over 35 Polish, Russian, and Ukrainian interns were trained at credit unions in the United States, Canada, and Ireland.

The above are examples of the numerous and effective training and advisory services provided by WOCCU during the grant period. Training and advisory services have resulted in more efficient credit unions with an increased capability of serving members.

3. Information Services

Both the Corporate Planning and Research Department and the Communications Department (the two were formerly one department, known as the Information Services Department) are responsible for providing information in the form of publications, audio-visual programs, development of research products and databases, and responses to information requests.

Through a combination of the CPSG and a grant from CUNA Mutual Insurance Group, WOCCU's Corporate Planning and Research Department has provided effective and appropriate information services through WOCCU's (1) Information Center (IC), (2) Research Program, and (3) International Credit Union Statistical Database.

At the time of this evaluation, the IC has provided 1,314 development information responses (250 of which have been in 1993), far exceeding the 40 responses projected for the grant period. Information responses have been provided largely to developing country members and/or to developed country members with interest in developing movements.

In addition, the IC responds to requests from WOCCU staff to support project development efforts and organization reporting needs. The use of the information services is a major resource for the program development area. It is a way to make sure that both proven and innovative technical information is used for project development and implementation.

Since the midterm evaluation, WOCCU has employed an information specialist to respond to the increasing number of requests that WOCCU receives. The service is not advertised because of limited staff resources. This demonstrates the value and appropriateness of the services provided.

In 1993, a staff research task force was formed to determine short and long range strategies for the international credit union research. WOCCU has subsequently instituted an international credit union research program designed to carry out relevant research analyses at the project level and to disseminate results to both international credit union movements and to the international development community. In the fourth quarter of 1993, WOCCU will publish its first issue of the WOCCU Research Monograph Series, a ten-page report on international credit union findings. WOCCU will also publish and disseminate one-page research updates.

WOCCU has developed a number of member surveys for the purpose of market research and impact studies. Two of these efforts are the GEMINI project, implemented in Grenada and Malawi, and the Guatemala Impact Study.

WOCCU has created a credit union database for the collection of movement and socio-economic statistics on a country, regional and international basis. This research data is extremely valuable in project development. It also provides an accurate information source for the Communications Department. Because of the improved measurement of results, publications can accurately report sustainable socio-economic results of credit union development and improvement projects.

The Communications Department has a staff of six professionals who carry out four basic functions: Publications, Public Relations, Language Services and Audio/Visuals. Since the midterm evaluation, changes/improvements have been made in these areas. Some of these changes are:

- publication of three separate language versions (English, French, Spanish) of the annual report.
- changing from a bi-monthly to a monthly production of the newsletter, Perspectives.
- publication of a bi-annual newsletter on women and credit unions, Beyond Barriers.
- creation of special brochures such as those on credit union development in Russia and China.
- creation of a promotional brochure called "86 Million Agree."
- successfully producing International Credit Union Day materials.
- significantly increasing the media coverage about WOCCU.
- compiling glossaries of credit union and financial terminology in both French and Spanish.
- building a team of external translators.
- creation of videos and slide/tape shows on: Credit Unions and Women, Credit Unions in Russia, Credit Unions in Ukraine, and the Structure and Services of the World Council of Credit Unions.

WOCCU activities in the Information Services area has been outstanding. These activities have the potential for producing a significant impact in lesser developed countries, as well as in the U.S. credit union movement. While statistics are not available, the volume of the requests for information is an indication of the value of the information delivered. In the U.S., they can also motivate the credit union membership to seriously consider economic support of the international program.

C. Impact on Establishment and Improvement of Private Sector Credit Unions and Credit Union Organizations

The core grant has impacted credit union development at every tier of the international credit union system. Operationally, at the WOCCU level, the core grant has served as the primary funding source, allowing WOCCU to develop credit union projects. Once a project is underway, the project itself usually finances the development of follow-on projects.

WOCCU has several means of determining the impact that projects have on improving the credit unions and associated organizations in the countries in which it works. One is through the collection of data on such statistics as growth in members, growth in savings and loans, changes in delinquency rates, etc. Another is through the information gathered during mid- and end-of-project evaluations.

Another less frequently used method for estimating impact is through surveys of credit unions and their members. Though very time-consuming and costly, the surveys can be very

enlightening as shown by a survey conducted in Guatemala.

WOCCU has created a credit union database for collection of country, region, and international movement and socio-economic statistics.

The CPSG makes it possible for WOCCU to operate on a more global basis. By combining core grant resources with project-related travel, WOCCU is able to reach existing and prospective credit union movements that would otherwise have no access to international credit union technical assistance.

The Africa team reported that the most significant impacts were in the development of democracy and citizenship, the introduction of hi-tech information management, and the creation of an "enterprise" image of credit unions.

Other significant impacts were reported in the Asia, South Pacific and Caribbean areas. In the Philippines, for example, savings and shares increased 20% from 1988-1992, and the number of credit unions which were members of PFCCO went from 83 to 591. In Sri Lanka, loan volume increased 10% in the interlending program in 1992, and productive and housing loans increased to 53% of primary society loan portfolios.

Impact reported in Latin America includes institutional strengthening, financial strengthening, improved safety and soundness, financial market development, and financial deepening.

The impact of the CPSG has been substantial in all parts of the world to which WOCCU has extended the project, including emerging movements in Central/Eastern Europe and NIS. This is true not only in credit unions involved in the project, but also other credit unions have increased membership and improved services to the benefit of members. Because of the improvement and success of credit unions, there is a great demand for the kits on how to start a credit union.

D. Relationship of the Project to Other Activities That WOCCU Provides to Lesser Developed Countries

In one sense, the CPSG basically puts WOCCU "on retainer" with AID, helping WOCCU to maintain a project development and management capacity that USAID can draw upon as needed. It helps maintain WOCCU's substantial credit union development project capability, which has frequently been useful to USAID in the accomplishment of their own priority country objectives.

In another sense, the core grant is an enabling mechanism that permits WOCCU to "piggyback" work on new project development or other initiatives around the world. Typically, project managers, before or after project monitoring visits to their project sites, stop off in other countries to follow up on leads or to assess demand for services.

The core grant also frequently permits WOCCU to consult with other donor organizations, typically while en route to or from project countries. This frequently results in non-AID funds being mobilized in support of credit union development. This has been particularly true with respect to the numerous small grants mobilized to support South African credit unions, and has led to dialogue with the Ford Foundation with respect to support to Namibian credit unions.

By permitting this type of piggybacking, the core grant makes possible much more project development activities and resource mobilization from non-AID donors than would be the case in the absence of the grant. Most new project development and resource mobilization activities in Africa, Asia, the South Pacific and the Caribbean have been funded through this piggybacking mechanism. The CPSG is a valuable enabling mechanism that allows WOCCU to take advantage of opportunities that would not be possible without the CPSG.

The impact of WOCCU's publications and audio-visual programs, which focus primarily on credit union development topics, extends to non-AID countries. This type of information has the potential of being a powerful tool for helping developing countries.

The visitor orientation program brings interested people from developing countries to the U.S. to learn about credit union management. This function can influence non-Aid country cooperative leaders to implement practices observed and knowledge gained from printed materials disseminated. The impact can be quite substantial. The visitor program is growing which means there is a major impact from this area of activity.

A brochure on credit union promotion entitled "86 Million Agree" is available for distribution in countries where the project does not extend. All of this results-oriented printed information provides a continuous stream of information which provides a support mechanism resulting in sustainable growth of credit unions and other democratically oriented, nongovernment organizations in non-project areas and countries.

The WOCCU core grant funds are leveraged to produce technical assistance worldwide in countries which are not funded by initiatives, buy-ins or other AID programs. WOCCU's professional, business-oriented approach is promoting sustainable socio-economic democratic development worldwide. By combining core grant resources with project-related training, WOCCU is able to reach existing and prospective credit union movements that would otherwise have no access to international credit union technical assistance.

E. Effectiveness of the New Initiatives Program

Funding through the New Initiatives program has given WOCCU the opportunity to carry out projects that have, for the most part, been original and have had substantial effects. The technical information and the experience gained will also be multiplied over and over again in future WOCCU program activities.

WOCCU participated in six New Initiatives Programs: The Micro-Enterprise Demonstration Initiative; Poland Initiative; Regulatory Reform; Ecuador Initiative; Safety and Soundness; and Central/Eastern European Initiative.

Several of the Initiative projects led to the development and financing of other projects:

- The Micro-Enterprise Demonstration Initiative led to two micro-enterprise projects funded by AID's GEMINI project.
- The Poland Initiative led to a 3-1/2 year \$3.5 million credit union development project in Poland.
- The Ecuador Initiative may lead to a multi-year project in Ecuador, which is still in the design and discussion stage.

The Regulatory Reform Initiative made possible the first international regulators conference which was held with simultaneous language interpretation. It was attended by 52 regulators representing 38 regulatory authorities. The grant mobilized significant private resources. Relationships between regulatory (and between regulators and movements) have been formed that should continue indefinitely. This has made a significant amount of additional resources available to assist in the strengthening of the credit union movement worldwide. The European Community has committed funds for a second international regulators' conference to be hosted by the Irish credit union movement in Cork, Ireland in July 1994.

The effectiveness and value of the Micro-enterprise Demonstration Project was found to be substantial and of sustainable influence on a vast number of future projects and credit union movements worldwide. It confirmed that any credit union small micro-enterprise strategy should be market-based (i.e., service to member driven), focus and concentrate programs and resources to affect concrete changes at the primary credit unions that have potential, and avoid projects that seek to target or channel credit (i.e., are supply driven).

This program also found that projects and programs should help to revitalize credit unions and transform them from traditional to modernized providers of cooperative financial services. This requires an initially strong institutional development focus and anticipating stabilization situations, followed by more specialized service offerings which better meet the needs of current and potential micro and small enterprises. It was also found that project participation selection criteria contributes to results. Selection criteria can relate to quality and vision of staff and leadership, potential which includes economic, long-term viability, and a perspective/attitude for change.

With funding of the one-year Central/Eastern European Initiative Project, WOCCU is taking the first step to introduce credit unions into new areas in Central and Eastern Europe, going beyond Poland and Hungary where it had previously been working. The purpose of the project is to conduct feasibility studies. These have been or are being carried out in Lithuania, the Czech Republic, Slovakia, and Latvia. A brief visit was also made to Latvia to meet with banking and government officials.

Extensive materials on credit unions, including manuals, training and promotion materials, have been provided to groups in Lithuania, Latvia and the Czech Republic. Funds from this project are also used to translate technical materials into Russian, Latvian, and Lithuanian. The Russian version can be used in a number of countries in the region. The Polish credit union computerized accounting system (a translation of the AID-funded Togo system) is being translated into Russian. This is a leveraging of materials and technical information that is tantamount to increased economic efficiency.

Without this project, WOCCU would at most have been able to make cursory visits to these Central/Eastern European countries. Now, however, with the use of funds from this project, WOCCU will have helped to create credit union promotion groups in three new countries, provided initial training to these groups, sought the support of government officials for the creation of legislation favorable to credit unions, and translated basic credit union training materials into several languages.

The goal of the Poland Special Initiative was to contribute to the establishment of an effective private financial market in Poland. The purpose was to create the foundation for a nationwide credit union movement, capable of providing essential financial services to its members. Projected outputs of the Poland project included the development of a long-term sustained development strategy, a national credit union promotional committee, ten pilot credit unions operating, appropriate legal and regulatory framework, educational, training and promotional and related materials, 300 trainers in credit union principles and practices, case study and an audio/visual tape.

The project resulted in some unexpected impacts. The training of the Polish credit union committee as interns at U.S., Canadian, and Irish credit unions and leagues has demonstrated the capability of WOCCU's members to effectively transfer complex information in a short period of time to groups wanting to start credit unions. In addition, the internship program has greatly extended WOCCU's capability to train groups interested in starting credit unions in Eastern and Central Europe. The internship program exposes participants to a member service and ownership mentality, gives them a vision for what is possible, and serves as a strong development motivator.

The internships at credit unions have generated strong interest in the U.S., leading to 40 additional credit unions offering support to host interns from Poland, Ukraine, Russia and other Central and Eastern European countries. This internship program is now used as a model for other countries in the region.

The internship program has also resulted in some direct credit union to credit union support, in the form of partnership agreements between the hosting credit union and a new credit union in Poland. Several partnership agreements have been signed and U.S. and Canadian credit unions have provided direct grants to Polish organizations for computers and other purposes.

The project has enabled WOCCU to extend its resource base by involving U.S. and other credit

unions in providing a movement base of technical and financial contributions. The U.S. credit union movement provided over \$80,000 through the Credit Union Foundation (USA) for starting credit unions in Poland, including support to the internship program.

The Safety and Soundness Initiative has been highly effective in providing technical inputs in a variety of countries which are in the process of reforming their legislation governing credit unions or, in the case of the emerging democracies of eastern and central Europe and the NIS, developing new credit union legislation. The project has assisted individual country projects as well as non-project countries in developing credit union regulatory examination and rating systems.

The project enabled WOCCU to develop institutional expertise in credit union legislation and regulation which prepared it to design and implement the Bolivia II and Costa Rica projects, perform regulatory assessments, and develop technical papers on savings protection and financial analysis. The technical publications, training programs, and other products which are being completed under the project will provide sound guidance to credit union movements in developing and transitional countries for the next decade.

The project has supported the development and implementation of technical guidelines for improving credit union legislation, examination and rating in Africa, Latin America and the Caribbean. A series of publications covering these topics is now being prepared for distribution to member credit union movements of the WOCCU system, their governments, and other interested parties.

In addition, funds from other WOCCU country projects were leveraged with funds from the Safety and Soundness Project to greatly expand the results of the program. Eighteen different movements are being supported with the technical products and training material services.

The Ecuador II project proved highly effective in reforming financial policies in participant credit unions and achieving remarkable savings growth. It set the stage for expanded credit union development in Ecuador.

This project's revised implementation plan was designed to increase the supply of housing credit funds available to the members of Ecuador's credit unions and housing cooperatives through three significant innovations: (1) establish a guarantee mechanism to attract increased savings and other funds into credit unions, (2) create an institutional capability in the national credit union federation to assist credit unions and housing cooperatives to promote, implement and monitor home improvement and expansion loans, and (3) facilitate inter-institutional collaboration among various cooperative development agencies.

Financial policy innovations produced by improved technical assistance have enabled the eight participant credit unions to increase members' savings by more than twice the rate of inflation. From September 1990 to March 1993, their savings deposits grew by approximately U.S. \$2.2 million. This growth greatly exceeded the \$100,000 in funds for housing loans which the project

was designed to attract through the guarantee mechanism, and effectively eliminated the need for a guarantee or recourse to external debt funding. By March of 1993, the participants' total savings exceeded U.S. \$7.9 million.

To build on this success, the project will need to focus on strengthening credit union financial management and lending skills, selecting the participant housing cooperatives and beginning their development assistance, initiating a policy dialogue to improve credit union legislation and regulation, and preparing a national credit union financial services development strategy.

All of the special initiatives projects greatly exceeded their projected expectations. This provides a substantial boost to the movement worldwide in terms of ever increasing sustainable social and economic development.

F. Unanticipated Issues and Circumstances of Program Planning

In the past five years, WOCCU has taken advantage of several opportunities that were unanticipated when it submitted its core grant proposal to USAID in 1988. The most dramatic unanticipated circumstances arose out of the fall of communism and the change from command economies to market-oriented, free enterprise systems. The political liberation of the formerly communist countries and liberalization of financial markets in many countries have created wide demand for WOCCU's financial sector development expertise.

WOCCU responded in a relatively immediate fashion to requests from individuals and groups in the former Soviet block countries, such as Poland, Ukraine, Russia, the Czech Republic, Slovakia, Hungary, Latvia and Lithuania to explain how credit unions operate and, where requested, to provide technical assistance in organizing new credit unions.

Poland was the most advanced of these countries. As mentioned earlier, WOCCU has received USAID support for two projects in Poland, the second of which continues into 1995. In just one and one-half years, 26 credit unions have been established in Poland with another 25 legally registered and soon to be opened. In Ukraine, WOCCU is working with the World Council of Ukrainian Cooperatives and the Canadian Cooperative Association to help re-establish credit unions in that country. WOCCU recently received a two-year \$300,000 USAID Initiatives Grant to further credit union re-establishment efforts in Ukraine.

In all cases, WOCCU assists the local credit union promotion groups to find the financial resources to start credit unions and to work with their legislative bodies to pass credit union enabling legislation. In addition, WOCCU has established a very successful internship program, placing credit union promoters from these countries in U.S., Canadian, and Irish credit unions for several weeks of hands-on training, with the host credit union covering all or most of the local costs. Up until this time, 35-40 internships have been coordinated since April of 1991 for trainees from Poland, Ukraine, and Russia.

Because of the interest that WOCCU activities have created among the developed movements, WOCCU publishes the Central/Eastern European Update to keep people informed of activities in that region.

Because of an unanticipated request, WOCCU initiated a project with financing from the Canadian Cooperative Association. WOCCU piloted a business lending curriculum in one country each in Africa, Asia, Latin America and the Caribbean. The final product, the Credit Union Productive Lending Curriculum, was published and copies were disseminated to all national federations and regional confederations.

In response to calls for action from the international credit union movement, WOCCU created a Women in Development Secretariat in 1991. A task force was appointed to promote the expansion of women's participation in the financial services, training, and staff and leadership roles that the credit union movement offers. The task force has completed several major activities including the semi-annual publication, Beyond Barriers, which is a newsletter promoting the development of women, men and credit unions, which is printed in English, French, and Spanish. This publication is mailed to credit union movements worldwide. Also, a publication, the Women in Credit Unions Training Manual, has been distributed to all English-speaking movements, and an audio/visual program on women in credit unions was created and is being transferred to video tape for ease in viewing and to make it more user-friendly.

The task force has held workshops with its Madison staff and project advisor staff to educate them on the benefits of promoting women's involvement in credit unions. An overview of women and credit union development has been designed and added to the orientation program for incoming project staff. The task force is currently raising funds for a planned "Women and Credit Unions Symposium" to be held in conjunction with the 1994 International Credit Union Forum in Cork, Ireland. The integrated approach to this subject is highly commendable.

The Africa team has recognized a number of areas currently the object of considerable staff and leadership focus which were not fully appreciated when the current core grant proposal was developed. Among these are safety and soundness, lending to micro-enterprises, computerization, insurance, and the problems of "growing" credit unions. In addition to these newly-emerging focus areas, a number of new country program opportunities have appeared in recent years, including in Madagascar, Namibia, and South Africa.

Computerization has also become a major issue over the last several years in the Asia, South Pacific and Caribbean region. Many movements are finding the need to computerize their operations to keep pace with today's realities. WOCCU receives requests from many countries for advice on how to proceed. Both the Philippines and Sri Lanka projects have addressed the issue.

The Asia team, in their South Pacific activities, uncovered a desire by 25 development agencies that were willing to contribute to the movement development efforts in that region. Up to that point, there was no coordination of these agencies with each other. This has led to duplicate

programs, contradictory efforts, and inefficient and inadequate efforts with poor results. In December of 1992, WOCCU in partnership with the Australian Foundation for International Credit Union Development and with the financial assistance of the Australian International Development Assistance Bureau, organized a workshop in Australia for 42 participants to organize a strategy for the movement development in the South Pacific.

Another workshop is planned for February 1994 to allow an increased number of organizations to attend. This will allow for an expanded coordinated movement program for that area of the world. This is another example of the leveraging of limited funds to accomplish sustainable social and economic development through successful credit union organizations.

The Latin America team identified the major unanticipated issue as the high demand for their services for country projects and for training and safety and soundness program support. The core grant has enabled the team to respond successfully to new project opportunities in Bolivia, Costa Rica, Ecuador, Honduras, El Salvador, Nicaragua, and Poland (through cross-regional transfer).

G. Financial Procedures, Management, Administrative Functions and Coordination with AID

Since the March 1992 midterm evaluation, WOCCU's Finance and Administration Department has undertaken steps to more closely link income sources and expenditures. WOCCU's chief executive officer designate has indicated an intention to further this process so as to more effectively integrate budgeting and programming activities.

Upon the receipt of WOCCU's 1992 audit report, the finance and administration staff scheduled a formal briefing session for the development program staff. To further enhance compliance efforts, development program staff were briefed on audit findings, regulation updates, and regulation clarifications. In addition, there is an on-going dialogue to be certain that all requirements in the financial area are clearly understood.

WOCCU has created a system for tracking development activities in order to appropriately report to AID/FHA/PVC on its core grant and related activities. From WOCCU's point of view, coordination with the AID/FHA/PVC office has been outstanding during the grant period. An extremely telling indicator of the smooth working relationship between WOCCU and AID/FHA/PVC is the effortless with which FHA/PVC personnel transitions were made.

The current program staff and their predecessors have shown an interest in, and have been supportive of, WOCCU's programs within AID. They keep WOCCU staff regularly informed on issues of importance to WOCCU and have been very responsive in a timely way to requests for travel approval.

The AID funding system has enhanced WOCCU's development program with the introduction of the New Initiatives Program. Another area which has enhanced the development program is the access given to the Mission buy-in mechanism.

Project growth was good in the 1989-1993 period. In 1989, the core grant was 1/6 of the WOCCU budget, and in 1993, it is 1/10. Growth in field projects reduces the core grant's relative portion of the budget. In other words, with each successive year of the grant period, the amount of non-core grant income generated by WOCCU increased in relation to the amount of the core grant.

Core grant management/monitoring is done through workplans. Reports are made to the board on workplan accomplishments. Workplans are integrated with core grant activities. There are no problems with management of the core grant.

AID regulations are followed in managing the core grant, just as with other AID projects. Overhead from the core grant is used for rent, depreciation on furniture and computers, insurance on office occupancy, accounting, and support staff salaries.

Zero-based budgeting was studied but the finance department felt that something close to it could be attained over a period of time. It is felt that full zero-based budgeting is impossible as WOCCU has commitments to carry out certain activities. Only a small portion of the budget is discretionary. Budget planning follows program planning based on the perceptions as to financial needs to develop and implement projects in various parts of the world. Budgets are coordinated by team leaders from each of the regions in which they perform their work. These budgets are submitted to the management team who reconciles and adjusts the request against the best understanding of the total amount of funding available for that year. The resulting budget is presented along with program plans for board approval.

The core grant expenses are monitored in such a way that if expenses exceed budget amounts, staff time and associated expenses are charged to WOCCU movement dues. This allows for some flexibility in project completion and also is an example of the leveraging that is possible.

The coordination with AID will be improved due to the addition of a staff person at AID headquarters to support CPSG administrative detail. When the Project Officer is not available, this allows for immediate replies and assistance to cooperative development organizations. It makes possible the processing of reports and requests when the Project Officer is not available.

The overall assessment of WOCCU financial procedures, management, administrative functions and coordination with AID is excellent. This is supported by the demonstrated continuous efforts to fine tune and improve management and administrative functions relating to the financial procedures.

H. Assumptions, Constraints and Performance Indicators

For the most part, the assumptions stated in the core grant proposal have held.

One of the assumptions under the "goal" was that developing country economic and political conditions are relatively stable. In the case of WOCCU's projects in Cameroon and Togo, and to a lesser degree, Malawi, project activities have been severely delayed due to internal civil strife.

When one looks at Central and Eastern European countries and the NIS countries, uncertainty in both the economic and political future affects credit union growth. Excessively high inflation rates hamper savings mobilization efforts while unstable governments make it difficult to enact enabling legislation for credit unions.

It was expressed by WOCCU team members that "purpose" assumption two (ability to recruit and retain staff) will continue to be a problem in lesser developed countries. Credit unions do not, or cannot, offer competitive salaries to attract and retain high caliber staff. In addition, credit unions in rural areas have less access to highly qualified candidates to upgrade organizational capabilities. Several WOCCU projects addressed the need for credit unions to recruit and train quality staff (i.e., Malawi, Togo, Poland).

Regarding assumption four (host country laws and policies are supportive of private sector development of financial systems), WOCCU devotes considerable time and resources in its projects to working with governments to enact or improve laws and regulations affecting credit unions. This is an especially acute problem in Francophone where the Central Bank of West Africa is introducing legislation that threatens to undermine the credit union movement in countries over which the Central Bank has jurisdiction.

With "output" assumptions three (access to local currency and other nontraditional resources) and four (laws and policies supportive of private sector development), both the International Credit Union Institute and the technical consultation program were significantly reduced from the proposed program levels. This was due to a reduction in core grant funding.

WOCCU movement dues, referred to in "input" assumption two, have been a stable source of income; however, growth in movement dues has remained relatively flat during the grant period. A leadership committee, the Structure and Fees Task Force, is re-examining WOCCU fee calculation and collection system.

According to the grant proposal, a major constraint to the effective execution of program objectives relates to the potential interest of AID Missions and other potential supporters of WOCCU designed field projects. During the grant period, WOCCU submitted designs for 18 field projects, and by August 27, 1993, 15 have been approved. During this period, WOCCU has attempted to broaden the types of agencies from which it seeks funds for credit union development. As with USAID Missions, these agencies require that WOCCU engage in an

extended educational process to acquaint agency officials with the benefits of supporting credit union development. WOCCU recognizes that such education takes time and persistence.

For example, WOCCU European office has been working with its affiliate in Ireland to seek funding from the European Community. It appears that the European Community may approve a proposal to support Russian credit union development activities. WOCCU's partner in Australia, the Australian Foundation for International Credit Union Development, has had initial talks with the Australian equivalent of USAID about the potential for securing grants for credit union development in the South Pacific. Also, WOCCU is working with the U.S. Credit Union Foundation to expand the Foundation's funding sources which it would, in turn, use to grant funds for WOCCU's development programs.

The second constraint addressed the importance of AID missions agreeing to bear full costs for managing and monitoring field projects, so that the core grant need not be used for these purposes. When this is not done, it becomes a constraint and a burden for the core grant. To support project success, the difference has been covered by WOCCU's own revenues.

For the most part, USAID Missions have been supportive and demonstrated a willingness to recommit to an institutional development strategy. WOCCU's field projects all contain strategies for developing credit union institutions which are primarily national federations and their related organizations, and, in the case of Africa, the regional confederation.

On the assumption that by working through credit union service organizations, technical assistance efforts would be more efficient and have a broader impact on local credit unions, WOCCU has focused its development efforts, in the past, at the regional and national organizations. While this approach has visible effects at the national and regional levels, because of somewhat limited success at reaching the local tier, WOCCU has changed its strategy by supplementing this approach with efforts focused directly on development at the primary credit union level. This has achieved greater results and has a greater sustainable economic impact.

In the performance indicator area, based on WOCCU's 1989-1991 and 1992-1993 annual reports, WOCCU has met and often surpassed its revised projected outputs. This is an indication of the high level of efficiency of the WOCCU program. It also bodes well for leveraging of economic resources.

The following chart indicates the extent to which projected outputs were met for 1991.

Indicator	Projected Average Growth	Actual 1991
Members	6%	5.5%
Credit Unions	3%	13.9%
Savings	12%	20.8%
Loans	12%	21.8%
Reserves	6%	60.4%
Assets	12%	25.1%

I. Recommendations

No problems surfaced during the evaluation. The following recommendations are made to enhance program potential and effectiveness.

1. One recommendation that was reported in the midterm evaluation was to explore the use of core grant funds for post-project servicing. Since March of 1992, WOCCU has used the CPSG for this purpose on two occasions (Cameroon and the Philippines) with very positive results. This is an effective use of funds because it provides continuity of the project. It gives the local credit union or league an opportunity to maintain its efficiency and effectiveness. However, it does reduce the resources that could have been used towards WOCCU's development programs in non-project areas. It is possible that some other vehicle can be explored to cover post-project expenses without compromising development efforts in other areas. USAID Mission and Bureaus might also consider the value of supporting post-project servicing as part of general project design, implementation, and expenses.

2. Another recommendation is in the area of output indicators. It is suggested that project proposals build in an on-going measurement of results. This could be carried out by primary society staff and volunteers. This information about results achieved by credit unions and credit union members would have a significant marketing effect for the primary society. It would also provide information that could be used by the Communications Department for publications such as Perspectives, Beyond Barriers, and WOCCU's annual report. The recommendation would require the Corporate Planning and Research Department to find new ways and means of measuring sustainable social and economic impacts.

From reviewing the various projects, it is believed that there are results which are not being fully exploited in writing new project proposals, as well as for public relations purposes to persuade potential donors to support worldwide credit union development. It should be noted, however, that WOCCU has initiated a lessons learned database for this very purpose. It is recommended that WOCCU continue pursuing this activity.

3. WOCCU should continue to seek ways to further involve the local population in developing countries in planning. Before project development plans are written, project managers should continue to seek the advice of the individuals who are projected to be affected by the project. If a country representative is in place, this participation activity could be implemented by that representative and transmitted to the project development team at headquarters.

4. Ways should be considered for increasing the cooperation with other members of the Overseas Cooperative Development Council. Benefits would be realized by the cooperative members in developing countries, and the economic efficiency of all organizations cooperating on projects would be enhanced.

5. WOCCU should attempt to find new ways to more economically deliver development information services.

6. WOCCU should explore non-core grant funding sources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.

J. Economic Efficiency of the Program

The economic efficiency of the program is excellent. This is an indication that the CPSG is being managed in a highly efficient manner.

A very high percentage of unsolicited proposals that are prepared are funded. WOCCU has developed a formal system for accumulating lessons learned from project implementation. The lessons learned file is fully utilized when developing project proposals. This makes project proposals more precise and clear, resulting in the high percentage acceptance rate.

Systems are in place for recording socio-economic data. This projects an image of an agency with a high level of professional expertise to produce results. As this professional expertise continues to grow, it will produce an even greater leveraging of financial resources.

For example, programs such as Safety and Soundness have a significant sustainable economic and social impact. This is true not only for the country movements in which the project works, but it also strengthens movements in countries where the project does not have a presence. This is accomplished through distribution of technical support publications by the WOCCU information center. The net effect of this program is that it helps to produce a high level of financial leveraging.

Another area that contributes to the economic efficiency of the program is in the use of standard modules which greatly reduce the time that it takes to prepare unsolicited proposals. With these types of innovations implemented at a ever increasing rate, the resulting economic efficiency continues to grow.

The following table shows the amount of non-core grant income generated by WOCCU in relation to the amount of the core grant income.

YEAR	NON-CORE EXPENSES*		CORE EXPENSES*	=	FACTOR
1989	\$ 7,295,198	/	\$875,000	=	8.34
1990	\$ 8,551,095	/	\$875,000	=	9.77
1991	\$ 9,474,901	/	\$875,000	=	10.83
1992	\$10,294,526	/	\$875,000	=	11.77

*Source: Audit Reports

The majority of this change came as a result of new project development and the increasing ability to charge to the projects the direct time and other costs related to managing and supporting them. CPSG funds were used to develop new projects where none existed before.

The factor column shows the impact of leveraging and the continuous growth each year from 1989 to 1992.

K. Follow-On Activities to Make the Program More Successful

It is suggested that a follow-on activity further develop the rating system which has been initiated in Togo. This system evaluates credit union managers to certify them at different skill levels. The plan to extend this system to elected officials and committee members should be pursued. This will ensure that as many people as possible will be trained, helping to build successful credit unions.

The continuous improvement of information is an important follow-on activity. This combination of written and audio-visual materials to transmit technical skills and information is very important to the increased success of the movement. Finding new ways to more economically deliver development information services should be pursued. This will increase the ability to respond to direct and specific requests for information relying on a broad array of materials in WOCCU's library of cooperative and general development information.

WOCCU should continue the development of research and analytical services. The further development of research services and analytical skills will enhance project proposal preparation

and an overall improvement of the effectiveness of CPSG funding.

Another follow-on activity which needs to be pursued is the raising of funds from sources other than USAID. The fund raising is important to continue the overall program in the face of declining USAID funding. The improved results of projects as verified by impact evaluation can contribute to the public relations image of WOCCU which can facilitate the attraction of funds from non-AID sources.

New ways to further increase the efficiency of training programs through curriculum development and improving the presentation process should be considered. This will have the effect of stretching limited resources to improve the number of movements impacted worldwide.

Another follow-on activity is dissemination of information on the micro-enterprise program. Making the total materials for the program available would bring an improved sustained economic development in the areas of the world where WOCCU has a presence or is sharing the information with the credit union movement in general.

The Women In Development Program should continue to be emphasized on an integrated basis. Movements in every part of the world need to be sensitized as to the value of serving women and men equally to the success of the local credit union.

The Safety and Soundness program should be further pursued in other countries where the program has not been initiated. This is an important program that will affect the success of the credit union movement worldwide.

Because of the intense interest in credit unions in Eastern Europe and various NIS countries, emphasis should be given to the development of credit unions throughout these countries. This could be a productive follow-on activity as these countries appear to be very receptive to the credit union development programs.

If funds were available through an Indefinite Quantity Contract, it would enable periodic technical assistance to be provided as a follow-on activity to ensure the continued efficient and effective credit union operation.

L. Incorporating the Recommendations of the Midterm Evaluation Into Project Development

WOCCU has addressed all of the eight recommendations of the midterm evaluation.

1. Review institutional priorities, structures and additional discretionary resource opportunities to deal with increasing demands and opportunities.

The greater burdens placed on staff due to increased opportunities have been reviewed during performance appraisals. Since the midterm evaluation, the Technical and Development Services

Department has hired two project managers and two support staff.

WOCCU has been working with the U.S. Credit Union Foundation to increase its funding sources through the Challenge 2000 program. The Foundation will in turn finance WOCCU development projects with the additional revenue.

These issues will be addressed more directly by the new CEO designate, who will assume his position on October 22, 1993.

2. Zero-based program budgeting for non-project funds, which might help facilitate program and budget links, should be considered.

The Finance and Administration Department put considerable study into this recommendation. Since the midterm evaluation, it has undertaken steps to more closely link income sources and expenditures. WOCCU's new CEO designate has indicated an intention to further these efforts so as to more effectively facilitate integration between budgeting and programming activities.

3. There is a need to place increasing emphasis on the development and refinement of data base information systems and broad-based lessons learned.

Following the midterm evaluation, WOCCU has collected membership data on women, when available. Depending on project objectives, monthly and quarterly data on delinquency and loan portfolios are collected on an ongoing basis. WOCCU has initiated an international credit union statistics data base to monitor credit unions in their financial market and development contexts, on a national and regional basis.

WOCCU has hired a consultant who is now formally gathering lessons learned from project evaluations, staff reports and other documentation. This document will be maintained and updated by staff as new information comes in, so that it can be used by staff and the international credit union movement to develop program priorities and design project components. The incorporation of lessons learned in project proposals has caused a larger number of these proposals to be funded.

4. A more systematic and concentrated effort should be undertaken to generalize experiences and to make the information better known within the organization and to the movement.

WOCCU has taken several steps to address this recommendation including: The lessons learned document which was previously discussed; The monthly Perspectives newsletter reports on WOCCU activities, in particular, the work with member movements; The WOCCU annual meetings and triennial international credit union forum focuses on credit union development issues of greatest concern; Every two years, WOCCU hosts a one-week workshop for technical staff which deals with issues critical to credit union development, gives staff an opportunity to share what they have learned and developed through their project activities and to get ideas from one another for solving problems; When project advisors are in Madison, they give briefings to

staff on their projects in order for staff to learn what is working and not working well; A staff research task force was formed in 1993 to lay out short- and long-range strategies for international credit union research; and the Research Monograph Series in preparation as of August 1993 with debut issues scheduled for distribution to projects, international credit union movements, and the development community in the fourth quarter of 1993.

5. Develop a coherent training strategy that would include a tracking and monitoring system for all project-related training.

WOCCU's training activities have increased over time, particularly with the advent of the internship program for new movements in Central/Eastern Europe and NIS. Time and money constraints have prevented WOCCU from developing a formal strategy. However, a training assistant has been appointed to handle all participant training, rather than spreading the responsibilities among staff. Over time the intent is to have a training section coordinating all training and for ensuring that the training programs developed through field projects are reviewed for possible use by other movements.

WOCCU has begun collecting and centralizing information on the training programs developed under their field projects. This information has proven useful in the development of new programs where similar circumstances and problems are to be addressed.

The International Training Institute proposed, which is on hold due to budget restraints, will in time completely and totally address this recommendation.

6. WOCCU and PVC need to agree on report format and requirements.

This has been addressed and completed to the satisfaction of all parties concerned. With the addition of E-mail communication, all parties have access and a relatively immediate feedback system.

7. Consideration should be given to developing a capability to provide small amounts of post-project servicing.

Since this recommendation was made, WOCCU has used CPSG and other funds to do follow-on work in two countries where projects have ended, Cameroon and the Philippines. As a result of the work in Cameroon, the USAID/Cameroon mission funded an in-depth training program for the manager of the Cameroon Credit Union League. This is expected to have a great multiplier effect. Properly equipped personnel can function as trainers and provide a movement with the necessary management and technical skills to ensure sustainable growth and development.

8. To support WOCCU's gender sensitive initiative, consideration might be given to orienting consultants and others doing field work for WOCCU to the Women in Development (WID) agenda and request that, in addition to their primary mandate, they undertake small and discrete

WID assignments.

WOCCU's consultants rarely have time to add other components to their scopes of work, as suggested. However, WOCCU's WID task force has done several things related to this recommendation: Conducted a two-day training workshop with Madison staff; Conducted a one-half day discussion on the benefits of serving women in credit unions during the June 1993 Project Advisors Workshop; Developed the Women and Credit Unions Training Manual out of a WID workshop hosted by ACCOSCA; Began publishing the women and credit union newsletter, *Beyond Barriers*, for international distribution; Designed and added an overview of credit unions and women to the orientation programs of all incoming project advisors; and Produced a slideshow and video tape of Credit Unions and Women.

This program has been implemented in a very effective and professional manner. The approach used created the awareness of WID as evidenced by the high level of interest in workshops and levels of discussion on the integrated approach to the initiative.

APPENDIX

A. Methodology

The following methodology was used in order to perform this evaluation:

1. Review of background information.
2. Visit WOCCU offices in Madison and Washington, D.C. to interview program and management staff and review related program materials and documentation.
3. Interview personnel in FHA/PVC and other AID Mission offices with whom WOCCU had buy-ins.
4. Contact per fax Mission personnel at the program officer and director levels responsible for areas where WOCCU has collaborated in projects and programs directly or indirectly under the CPSG.

B. MISSION EVALUATIONS

Costa-WO

AID/FHA/PVC

FINAL EVALUATION
CUNA/WOCCU
CENTRALLY FUNDED
COOPERATIVE PROGRAM SUPPORT GRANT

Gar Stock, Consultant

TO: Sonny Low, USAID/Ecuador/RHUDO/SA

DATE: September 1, 1993

CUNA/WOCCU received a Cooperative Program Support Grant (CPSG) in May, 1989 in the amount of \$4,375,000, for five years. FHA/PVC is responsible for administering the Grant. The CPSG is scheduled to be completed by May, 1994 and FHA/PVC is conducting a final evaluation.

CUNA/WOCCU is currently operating the Ecuador Credit Union Development Project. While no funds from the CPSG are used for direct project implementation, CUNA/WOCCU has provided grant-funded development and support services. To assist us in the completion of the evaluation we would appreciate your thoughts on the following questions. Please return them via E-Mail. In advance, thank you very much for your consideration.

1. Project Development and Design: How would you rate the overall project development, design, and impact of this project?

Very Effective Somewhat Effective Not Effective

Comments: Have become more effective when CHF's leadership changed in 1992.

2. Personnel Selection and Support: How would you rate the quality of project staff and the support received from the CUNA/WOCCU Madison Office?

Very Effective Somewhat Effective Not Effective

Comments: Same comment as above.

Management and Administration: How effectively were management and administrative functions handled?

Very Effective Somewhat Effective Not Effective

Comments: Same comment as above.

4. Limited Program Services: How effective and valuable was any feasibility study, policy analysis, sectoral studies, non-project related training or other activities undertaken by CUNA/WOCCU in your country?

Very Effective

Somewhat Effective

Not Effective

Comments: same comment as above.

25. How would you rate the overall effectiveness of CUNA/WOCCU with respect to its main project and relations with the Mission:

Very Effective

Somewhat Effective

Not Effective

Comments: same comment as above.

Honduras
(Lee Arbuckle)
From Mirna Sevilla

CUNA / WOCCU

1. Project Development and Support
Very effective

The CUNA/WOCCU program support grant was used for the design of the Small Farmer Organization Strengthening project (522-0252). The design withstood the test of time and provided an adequate structure for implementation by AID/GOH and the technical assistance team. It is also effective in keeping WOCCU abreast of developments in other countries so that those experiences could be quickly transmitted to Honduras. WOCCU was very good at communicating those experiences to us.

2. Personnel Selection and support
Very effective

Staff selected for the Honduran resident staff was excellent. Short term advisors provided were also excellent or very good. Home office support staff were competent and timely. Understanding for and support of the necessary changes in the Honduran credit union system was always forthcoming and effectively, prudently placed.

3. Management and Administration
Somewhat effective

WOCCU's technical staff did a good job of coordination with other members of the consortium in the TA group. While technical reporting was good, estimates of the rate of expenditures, and projections of future expenditures were not forthcoming without some delay.

4. Limited Program Services
Very effective

Home office support staff did an outstanding job of setting up, guiding, and following up on observational tours which proved instrumental in demonstrating to Honduran leaders examples of how to carry out the successful restructuring of the Honduran credit union system.

25. Overall assessment
Very effective

At the time of WOCCU's arrival in country savings credit unions totaled about 5% of total savings in institutions. It is now about 8.4%. We expect it to exceed 10% by PACD. More important, however, than the growth in credit unions is the competitive effect on other actors in the financial sector as individual citizens make choices at the micro level. WOCCU's clarity in promoting sound policies of market interest rates and international standards of financial soundness played a big role in engendering confidence.

Malawi

AID/FHA/PVC

FINAL EVALUATION
CUNA/WOCCU
CENTRALLY FUNDED
COOPERATIVE PROGRAM SUPPORT GRANT

Gar Stock, Consultant

TO: David McCloud, USAID/Malawi

DATE: September 1, 1993

CUNA/WOCCU received a Cooperative Program Support Grant (CPSG) in May, 1989 in the amount of \$4,375,000, for five years. FHA/PVC is responsible for administering the Grant. The CPSG is scheduled to be completed by May, 1994 and FHA/PVC is conducting a final evaluation.

CUNA/WOCCU is currently operating the Malawi Credit Union Development Project. While no funds from the CPSG are used for direct project implementation, CUNA/WOCCU has provided grant-funded development and support services. To assist us in the completion of the evaluation we would appreciate your thoughts on the following questions. Please return them via E-Mail. In advance, thank you very much for your consideration.

1. Project Development and Design: How would you rate the overall project development, design, and impact of this project?

Very Effective

Somewhat Effective

Not Effective

Comments: Note that all responses to this questionnaire relate to separate grants which USAID/Malawi had (and continues to have) with WOCCU to implement an institutional strengthening activity with the Malawi Union of Savings and Credit Cooperatives (MUSCCO). While the impact of the project has been substantial, its development and design had weaknesses. WOCCU was less than complete in defining exactly what it would do and how it would do it during the grant period. In addition, significant financial management problems continue to exist at MUSCCO, problems which WOCCU should have recognized and began to resolve much earlier than what has occurred. While these problems are significant and threaten the continued existence of the organization, WOCCU has successfully dealt with a multitude of other problems, probably equally serious. Developing a successful savings and credit cooperative structure in one of the poorest countries of Africa is not an easy task, and that some issues are overlooked is not surprising.

2. Personnel Selection and Support: How would you rate the quality of project staff and the support received from the CUNA/WOCCU Madison Office?

Very Effective

Somewhat Effective

Not Effective

Comments: Long-term project staff generally were and are of high quality. The notable problem is that they lacked good financial management skills, and this has proven to be an important weakness in project implementation. Support from the Madison office generally has been good, although in the mission we did not have a lot of contact with Madison except to receive copies of drawdown notices submitted to AID/W. On that score Madison was excellent. It kept the mission well informed about drawdowns of the grant, better than any other grantee I have seen.

Management and Administration: How effectively were management and administrative functions handled?

Very Effective

Somewhat Effective

Not Effective

Comments: As noted above, the Madison office very effectively handled project accounts, and kept the mission well informed about these matters. Project management in the field was well done, except the quality of regular reports could be improved. They did not always address broader issues, such as improvements in the quality of financial management, nor consider adequately the impact of ongoing problems.

4. Limited Program Services: How effective and valuable was any feasibility study, policy analysis, sectoral studies, non-project related training or other activities undertaken by CUNA/WOCCU in your country?

Very Effective

Somewhat Effective

Not Effective

Comments: The only instance of this that I can remember is looking into the feasibility of initiating a credit program for small businesses, and this had not progressed far enough to evaluate its effectiveness.

25. How would you rate the overall effectiveness of CUNA/WOCCU with respect to its main project and relations with the Mission:

Very Effective

Somewhat Effective

Not Effective

Comments: As discussed above, although problems were and are being experienced with the program, WOCCU has had a good measure of success given that this activity is in one of the poorest countries in Africa, and in a country which has a small urban population. Given the complexity of the problems which occur and remain, WOCCU should draw more on specialized expertise within WOCCU or outside if necessary. There at times is a reluctance to request specialized assistance, and a feeling that the resident long term advisors can handle any situation which occurs. While they may be competent in their fields, they are not experts in all areas, and should know when outside help is necessary. Most recently, the mission had to intervene to get financial management experts into the country to assist the WOCCU team and MUSCCO. Relations with the mission have always been good. The

resident advisors are more than willing to meet to discuss any issue which arises, and are very familiar with AID procedures. When special information is needed for our reporting requirements, they have always tried to provide what is necessary.

Sri Lanka

AID/FHA/PVC

FINAL EVALUATION
CUNA/WOCCU
CENTRALLY FUNDED
COOPERATIVE PROGRAM SUPPORT GRANT

Gar Stock, Consultant

TO: Thusita Dharmawardena, USAID/Sri Lanka

DATE: September 1, 1993

CUNA/WOCCU received a Cooperative Program Support Grant (CPSG) in May, 1989 in the amount of \$4,375,000, for five years. FHA/PVC is responsible for administering the Grant. The CPSG is scheduled to be completed by May, 1994 and FHA/PVC is conducting a final evaluation.

CUNA/WOCCU is currently operating the Sri Lanka Credit Union Development Project. While no funds from the CPSG are used for direct project implementation, CUNA/WOCCU has provided grant-funded development and support services. To assist us in the completion of the evaluation we would appreciate your thoughts on the following questions. Please return them via E-Mail. In advance, thank you very much for your consideration.

1. Project Development and Design: How would you rate the overall project development, design, and impact of this project?

Very Effective Somewhat Effective Not Effective

Comments: X

2. Personnel Selection and Support: How would you rate the quality of project staff and the support received from the CUNA/WOCCU Madison Office?

Very Effective Somewhat Effective Not Effective

Comments: X

Management and Administration: How effectively were management and administrative functions handled?

Very Effective Somewhat Effective Not Effective

Comments: X

4. Limited Program Services: How effective and valuable was any feasibility study, policy analysis, sectoral studies, non-project related training or other activities undertaken by CUNA/WOCCU in your country?

Very Effective

Somewhat Effective

Not Effective

Comments:

X

25. How would you rate the overall effectiveness of CUNA/WOCCU with respect to its main project and relations with the Mission:

Very Effective

Somewhat Effective

Not Effective

Comments:

X

Cooperative Agreement No. 511-0596-A-00-9178
Assistance Program for Strengthening Credit Unions
and Related Enterprise Development

1. Project Development and Design

Not Effective

Comments: Design of the Project did not reflect the real economic and administrative situation of the National Federation of Credit Unions.

2. Personnel Selection and Support

Somewhat Effective

Comments: Due to inadequate design, the capacity to implement the Project as planned was not demonstrated. Instead, to make viable the implementation corrective measures were adequately carried out. For example the credit union credit component was not disbursed. This unused funds are partially financing the stabilization fund new program. The trade association of small industrialists (FEBOPI/ADEPIs) component of the Project also faced problems mainly with the self financing requirement. Original project design called for the establishment of ADEPI credit unions which were supposed to contribute a 2.5% interest spread to finance FEBOPI activities. To organize credit union within ADEPIs was not commendable and was removed from the Project. An alternative financing such as member fees could never be implemented by WOCU.

3. Management and Administration

Somewhat Effective

Comments: In spite of the above problems the Project was administrated in an adequate manner.

4. Limited Program Services

Somewhat Effective

Comments: Sectoral studies were conducted such as a comprehensive study on llama and alpaca, which did not benefit the small entrepreneur. A study was done regarding the different steps and payments that the small entrepreneur must face to become a legal entity. This study called the attention of the Government to decide on future policies to simplify the paper work. Other studies were not relevant.

5. Overall....etc. Same as 5 below.

Cooperative Agreement No. 511-0596-A-00-3048
Credit Union Financial Strengthening Program

1. Project Development and Design

Very Effective

Comments: WOCCU is implementing a Stabilization Fund Program based on the successful SFP in Guatemala. Also is providing technical assistance to the Superintendency of Banks to establish a credit union regulatory department within the S/B.

2. Personnel Selection and Support

Very Effective

Comments: We think the personnel assigned to the project is appropriate. The SF is administered by an experienced Guatemalan with the necessary expertise. The S/B is advised by a former NCUA expert.

3. Management and Administration

Comments: Can not provide an opinion because the SFP is in the starting stage.

4. Limited Program Services

Very Effective

Comments: WOCCU Regulatory Advisor is providing adequate guidance to the S/B in the draft and thereafter in the regulation of the recently enacted Financial Institutions Law.

5. Overall effectiveness of CUNA/WOCCU with respect to its main project and relations with the Mission

Very Effective

Comments: WOCCU provides as requested all the necessary support and maintains excellent relations with the Mission.

To Mr. Gar Stock,
AID/FHA/PVC

We received your fax of September 20, 1993, regarding the performance of the CUNA/WOCCU Philippines Project. It is interesting that your questions should come at this time, as we have just concluded three final evaluations on the very project you are asking about. Accordingly, I will make responses to your questions based upon the findings of these reports.

Q1) Project Development and Design: Somewhat Effective.

Financial support structures, including the CFF, for the Philippine Federation of Credit Cooperatives Inc (PFCCI) were inadequately designed. There is a need for a strong supervision system to enforce compliance with defined financial reporting requirements and operating ratios. Also, the need to define operating rules and regulations for credit unions was not addressed; and there was no viable and effective examination and supervision system for registered cooperatives performing financial intermediation activities.

Q2) Personnel Selection and Support: Somewhat Effective, but Inadequate

WOCCU/CUNA provided inadequate support staff to this project. An in-country representative was present for the first half of the project term, and provided significant inputs in terms of setting up the CAMEL system and several other relevant Credit Union technologies; however, the staff left the country too early, did not fulfill their obligation to establish a database, and provided no substantial support during the last half of the project.

Q3) Management and Administration: Somewhat Effective but Inadequate

The project outputs were only partially achieved, and the portion that was achieved is due primarily to the efforts of PFCCI, rather than WOCCU. After the WOCCU rep. left the country, PFCCI continued to work to meet its objectives regarding membership of affiliated organizations, but WOCCU did not fulfill its obligation of establishing the database and other financial and structural systems.

Q4) Limited Program Services: Unable to Answer

The Final Evaluation conducted by WOCCU was very candid and valuable to any evaluation of the Philippine Credit Cooperative movement; however, our office has not knowledge of any other NON-PROJECT related activities is very limited, as they have not submitted any such reports to our office.

Q5) Effectiveness in Relations with Mission: Not Effective

Correspondence between WOCCU and USAID was inadequate. Due to the fact that WOCCU's project is financed through a letter of credit, WOCCU was not forced to report regularly to the field mission in order to get its funding; and therefore it did not. The quarterly reporting documents that were occasionally submitted to USAID/Manila by PFCCI weren't according to format, and had very little informative value. As a result, we had very little idea of what the project was doing. Do to the nature of the project, which had increasing membership and "updating" the PFCCI as its major goals, project implementation status was very difficult to determine by field visits of USAID staff. During the last year of the projects, repeated efforts were made by USAID to get WOCCU to submit the requested quarterly documentation, but time and time again WOCCU replied only that they were not REQUIRED by the grant to submit such documents. As a result, USAID/Manila was relatively uninformed as to the status of the project, aside from what information could be gahered by occasional field visits.

I hope this adequately answers your questions. If you are interested, I can send you copies of the final evaluation reports of these projects. Please respond by e-mail if you would like me to pouch them to you.

Sincerely,
Sibel Berzeg
PVO Project Specialist

41

C. OTHER BACKGROUND INFORMATION

Chief Executive Office

G. A. Charbonneau Chief Executive Officer
 Cindy Amble Lukas Executive Assistant to CEO/Meeting Coordinator

Technical and Developmental Services

Tony Schumacher	Executive Director
Chet Aeschliman	Credit Union Systems Specialist
Jackie Bettinger	Coordinator Development Admin.
Julie Boelter	Program Secretary
Brian Branch	Program Economist
Mark Cifuentes	Project Training and Support Asst.
Ellen Ferch	Program Specialist
Maria Figueras	Program Secretary
Rocael Garcia	Program Manager - Latin America
Chris Hansen	Institutional Development Specialist
Denise Hosking	Executive Assistant
Sylvia Luchini	Program Specialist
Dale Magers	Project Development Coordinator
Peter Marion	Director Technical Programs
Kelly Morris	Training Specialist
John Schlueter	Financial Systems Specialist
Rowland Thurlow	Project Manager
Bill Tucker	Microenterprise Specialist
Karen Ziegler	Department/Program Secretary
Vacant	Institutional Development Specialist

Project Advisers

ACCOSCA	
David Dinning	CU Institutional Development Adviser
Bolivia	
Brian Gately	Regulatory Adviser
Francisco Pérez	Stabilization Adviser
Costa Rica	
Bill Cox	COP/Stabilization Adviser
Guatemala	
David Richardson	COP/Chief Financial Adviser
Malawi	
Mebratu Tsegaye	COP/Fin. Mgmt & Planning Adviser
Gerald Knutson	Credit and Investment Adviser
Niger	
Ron Desrochers	COP/Management Adviser
Charles Gilbertson	CU Development Adviser
Poland	
William Atkins	Financial/Organizational Systems/ Training Adviser
Togo	
Abraham Ndofor	COP/CU Fed. Management Adviser
Gary Slocombe	Productive Credit Adviser

Finance and Administration

Robert Malinowski	Director/Finance & Administration
Michela Cobb	Organizational Accountant
Lisa Fuchs	Information Systems Specialist
Marcia Halamka	Receptionist
Marshall Heyworth	Human Resources Manager
Lin Johnson	Manager, Project Accounting
Terry Maerz	Project Accounting Specialist
Peggy McGinn-Richard	Project Accounting Specialist
Pat Owen	Project Accounting Specialist
Julie Panka	Support Services Specialist
Janice Pehl	Accounting File Clerk
Jackie Sather	Lead Word Processor
Rosanne Slinde	Word Processor/Receptionist
James Struve	Administrative Services Manager
Shari Stumpf	Senior Administrative Specialist
Amy Wiedenbeck	Project Accounting Specialist
Vacant	Corporate Accounting Specialist

Corporate Planning and Information

Gordon Hurd	Director/Corp. Planning & Info.
Lucy Ito	Dev. Research & Info. Coordinator
Melanie Tavera	Information Specialist

Communications Department

Linda Bruce	Director/Communications
Jim Jerving	Editor
Karen Kaplan	Associate Editor/Pub. Specialist
Nelly Mitchell	PR/Language Services Specialist
Christopher Rayne	Graphic Designer/DTP Specialist
Caren Riemann	Audio-Visual Specialist

European Office

Dean Mahon	Director/European Office
Nathalie McKinnon	Administrative Assistant
Vacant	Technical Assistant

Washington Office

Chris Baker	Director/Washington Office
Carmen Chong	Executive Assistant
Dick Lowe	Associate Director
Judy Shaffer	Development Associate

**WOCCU PROJECTS
AWARDED IN 1989-93 CORE GRANT PERIOD¹**

1. USAID Direct or Indirect Funding

Field projects & Substantial Amendments	\$35,651,759
Initiatives	1,218,870
Mission Buy-ins	3,479,521 ²
Other	2,134,810 ³

Subtotal -- USAID funding \$42,484,960

2. Other Funding

CUNA Mutual Insurance Group	\$ 900,000
Canadian Co-operative Association	406,940
Credit Union Foundation (USA)	248,332
U.S. Department of Commerce	21,000

Subtotal -- Other funding \$1,576,272

TOTAL \$44,061,232

8/26/93

¹ This is a calculation of funds that were provided to WOCCU for credit union development activities. In addition to mobilizing these funds, WOCCU helped to mobilize funds from other development organizations (such as the Irish and Australian credit union foundations, IFAD, Hanns Seidel and the Australian International Development Assistance Bureau and CEBEMO) which went directly to the credit union movements.

² This includes the ACCOSCA project, which is an Africa Bureau buy-in in the amount of \$2,750,000

³ This includes the Costa Rica project in the amount of \$1,923,979. The Costa Rica Federation has a grant from USAID/Costa Rica, a portion of which it has subcontracted to CUNA/WOCCU.

CURRENT WOCCU PROJECTS

August 20, 1993

	Project Name	Number	Duration	Amount	Type	Funder
FIELD PROJECTS						
1.	Strengthening Local Financial Sector Through a Pan-African Credit Union Systems Approach	OTR-0192-A-00-9089-00	1/1/89 - 12/31/93	\$2,750,000	Add-on/Core Cooperative Agreement	USAID
2.	Bolivia Credit Union Financial Strengthening Program	511-0596-A-00-3048-00	4/1/93 - 9/30/97	\$6,482,833	Cooperative Agreement	USAID
3.	Costa Rica Financial Services	OTR-515-0247-A-00-2228-00	7/23/92 - 6/31/95	\$1,923,979	Contract	USAID
4.	Guatemala Cooperative Strengthening Project	520-0286-C-00-7021-00	5/7/87 - 8/31/94	\$5,388,906	Contract	USAID
5.	Honduras Small Farmer Organizations Strengthening Project	522-0252-C-00-7160-00	3/18/87 - 8/31/93	\$6,183,933	Contract	USAID
6.	Malawi Union of Savings & Credit Cooperatives, Ltd. (MUSCCO) Project	612-0242-G-00-1001-00	10/1/91 - 9/30/96	\$3,510,000	Grant	USAID
7.	Niger Credit Union Development II	624-0269-A-00-2126-00	9/1/92-8/31/97	\$7,881,640	Cooperative Agreement	USAID
8.	Building the Polish Savings and Credit Union System	EUR-0023-A-00-2067	8/21/92 - 9/30/95	\$3,500,000	Grant	USAID
9.	Strengthening Financial Management Capabilities of the Thrift & Credit Cooperative System in Sri Lanka - Phase II	383-0101-G-SS-20167-00 Grant No. 43	5/1/92 - 4/30/94	\$519,861	Grant	USAID
10.	Development of the Togo National Credit Union Association	693-0227-A-00-9002-00	1/1/89 - 9/30/93	\$5,308,386	Cooperative Agreement	USAID
▶ ▶ ▶ ▶ TOTAL FIELD PROJECTS				\$43,449,538		
CORE GRANT		OTR-0192-A-00-9089-00	1/1/89 - 12/31/93	\$4,375,000	Cooperative Agreement	USAID
CORE GRANT, BUY-INS, ADD-ONS						
1.	Demonstration Programs to Institutionalize financial and Business Services to the Micro-Enterprise Sector	OTR-0192-A-00-9089-00	1/21/89-12/31/93	\$300,000	Add-on/Core Coop Agmt	USAID
2.	Credit Union Initiatives in Central & Eastern Europe	OTR-0192-A-00-9089-00	9/30/92 - 9/29/93	\$100,000	Add-on/Core Coop Agmt	USAID

	Project Name	Number	Duration	Amount	Type	Funder
CORE GRANT, BUY-INS, ADD-ONS CON'T						
3.	Strategic Support Program for Developing Credit Union System Access to the Ecuador Central Bank's Financial Fund for Housing - Ecuador I	OTR-0192-A-00-9089-00	7/21/89 - 6/14/93	\$295,000	Buy-in/Core Coop Agmt	USAID
4.	Cooperative Sector Proposal for Low-Cost Housing - Ecuador II	OTR-0192-A-00-9089-00	6/1/90-12/31/93	\$240,000	Add-on/Core Coop Agmt	USAID
5.	Policy Dialogue for Credit Union Safety & Soundness	OTR-0192-A-00-9089-00	8/1/91 - 12/31/93	\$250,000	Add-on/Core Coop Agmt	USAID
6.	Creation of the Polish Credit Union Movement	OTR-0192-A-00-9089-00	5/1/90 - 12/31/93	\$229,700	Add-on/Core Coop Agmt	USAID
7.	Credit Union Regulatory Reform	OTR-0192-A-00-9089-00	7/1/90 - 12/31/93	\$99,170	Add-on/Core Coop Agmt	USAID
	▶ ▶ ▶ ▶	TOTAL CORE GRANT PROJECTS		\$5,888,870		
OTHER PROJECTS						
1.	Small Projects Fund III		4/1/93 - 3/31/95	\$15,480	Grant	CCA
2.	Credit Union Books for Africa		7/1/93-6/30/94	\$3,000	Grant	Credit Union Foundation (U.S.)
3.	Polish Credit Union Internship Program		2/92 - 12/93	\$41,262	Grant	Credit Union Foundation (U.S.)
4.	Credit Union Accounting Training - Peru		12/1/92-12/31/93	\$6,000	Grant	Credit Union Foundation (U.S.)
5.	China Credit Union Development		1/1/92 - ongoing	\$4,500	Grant	Credit Union Foundation (U.S.)
6.	China/Mongolia Phase I		7/1/93-6/30/94	\$20,000	Grant	Credit Union Foundation (U.S.)
7.	Russia Credit Union Development		6/93-8/93	\$8,000	Grant	Credit Union Foundation (U.S.)
8.	Russia		4/1/93 - 3/31/95	\$5,000	Grant	Credit Union Foundation (U.S.)
9.	Ukraine Credit Union Development		4/1/93 - 3/31/94	\$43,000	Grant	Credit Union Foundation (U.S.)
10.	Ukraine Video		7/1/93-12/31/93	\$2,000	Grant	Credit Union Foundation (U.S.)
11.	WID Symposium		3/3/94-7/31/94	\$10,000	Grant	Credit Union Foundation (U.S.)
	▶ ▶ ▶ ▶	TOTAL OTHER PROJECTS		\$158,242		
	▶ ▶ ▶ ▶	TOTAL PROJECTS BEING IMPLEMENTED		\$49,496,650		

1989-93 WOCCU CORE GRANT

PROGRESS MADE ON PROJECT INDICATORS

PURPOSES

I.A.1. ACCELERATE SYSTEM GROWTH - Developing country annual increases averaging no less than: (%)					
Indicator	Projected Average 1989-1993	Compounded Average 1989-1990	Actual 1991	Compounded Average 1989-1991	Total Growth 1989-1991
1. Members	6	14.9	5.5	11.8	39.1
2. Credit Unions	3	14.9	13.9	14.6	49.4
3. Savings	12	11.4	20.8	14.5	48.9
4. Loans	12	20.0	21.8	17.9	62.9
5. Reserves	6	16.0	60.4	33.4	129.7
6. Assets	12	4.8	25.1	11.6	37.4

I.A.2. INCREASE SYSTEM CAPABILITIES - System capabilities will have improved in the areas of:

Indicator	Country/Region	Improvements
1. Savings Products (Savings Mobilization)	Cameroon	Promotion activities improved through weekly CU radio broadcasts in French and English.
	Côte d'Ivoire	WOCCU/FUCEC staff added new savings account types to INFOCOOPEC CU computer system.
	Ecuador	Market rates set in participant CUs.
	Guatemala, Honduras	Competitive market rates at participant CUs.
	Malawi	CU member savings increased by 48% in 1992.
	Niger	Posters designed in local dialect (Hausa) for savings promotion.
	Philippines	20% increase in savings and shares in member CUs from 1988 to 1992.
	Poland	Uniform market rates offered on savings and innovative savings products (demand accounts, fixed deposits).
2. Central Finance Facilities	Bolivia	Central finance facility restructured.
	Cameroon	Received all deposits from Cameroon Bank, a government-owned bank liquidated in 1989. 50% of CFF was on deposit.
	Guatemala	Designed and established central liquidity & finance facility in the federation for financial pooling and transfers.
	Honduras	Feasibility study conducted for central finance facility.
	Malawi	CFF capitalization increased by 49% in 1992. CFF loans to CUs increased by 109% in 1992.
	Philippines	Share capital/deposits increased from \$.11m in 1989 to \$.28m in 1992. Savings increased from \$.001m to \$.15m.
	Poland	Computerization strategy adopted and software completed.
	Sri Lanka	10% increase in 1992 of loan volume of FTCCS/DU interlending program.
	Worldwide	Working on various methods (current swaps, etc.) to expatriate CU system savings and thus preserve value in turbulent political-economic times.
3. Guarantee (Savings Protection)/Stabilization	Costa Rica	Began project to establish Federation stabilization program and fund.
	Bolivia	Credit union stabilization program designed.
	Ecuador	Credit union stabilization program initiated.
	Guatemala	Transferred stabilization program from AID project to Federation.

I.A.2. INCREASE SYSTEM CAPABILITIES - System capabilities will have improved in the areas of:

Indicator	Country/Region	Improvements
	Honduras	Stabilization program transferred to Financial Services Unit of Federation.
4. Capital Adequacy	Cameroon	Established bad debt provision as part of budget planning process in CU. Over a 4-year period, CUs are required to have bad debt reserves equal to 100% of uncovered loans delinquent over 12 months.
	Cameroon	Computerized CU database designed.
	Cameroon & Togo	New delinquency-based bad debt allowance systems introduced, leading to major improvement in capital adequacy and reserve build-up.
	Costa Rica	Increased to 8% in 1992.
	Ecuador	CUs trained in capital growth planning.
	Guatemala	Increased from 6% in 1987 to 9% in 1992.
	Honduras	Capital ratio increased from 2.7% i 1988 to 6.2% in 1992.
	Malawi	Reserves increased by 326%.
	Poland	Reserve levels established as part of model CU financial policies.

I.A.2. INCREASE SYSTEM CAPABILITIES - System capabilities will have improved in the areas of:

Indicator	Country/Region	Improvements
5. Earnings	Cameroon	National federation reached 100% self-sufficiency. Total CamCCUL operating expenses were 100.6 percent of self-generated income.
	Ecuador	Profit planning instituted in participant CUs.
	Guatemala	CU Net income on average increased from 1.6% in 1987 to 2.2% in 1992.
	Honduras	CU Net income average assets increased by -0.9% in 1988 to 2.2% in 1992.
	Malawi	Federation's self-sufficiency expected to increase by 6% in 1992.
	Philippines	Federation covered 100% of its core expenses in 1992. 95% of affiliated CUs and regional leagues and chapters were self sufficient.
	Poland	CUs self sufficient except for sponsor support of CU staff salaries.
6. Savings Market Share	Bolivia	Increased to 1.5% in 1992 from 0.7% in 1985.
	Cameroon	Created Women's Desk/Productive Credit Office to increase women's participation in CUs.
	Guatemala	Increased to 1.4% in 1992 from 1.0% in 1987.
	Honduras	Increased to 8.5% in 1992 from 5.6% in 1987.
	Poland	Payroll deduction system established, resulting in rapid growth in workplace CUs.
	Togo	Rapid growth of members and savings. Largely due to ADF-type programs and computerization.
7. Insurance Services	Guatemala	Sought government authorization for chartering a federation- and CU -owned insurance company.
	Honduras	Insurance company development approved.
	Poland	Benefit company with LP & LS established with 10% Polish movement ownership.

I.A.2. INCREASE SYSTEM CAPABILITIES - System capabilities will have improved in the areas of:

Indicator	Country/Region	Improvements
8. Interest Rate Structure	Cameroon	Increased loan rate from historical 12% to 18%. Had been 1% interest/month on outstanding balance for more than 20 years.
	Bolivia, Guatemala & Honduras	Market rates on deposit savings.
	Poland	Rates established that are more than competitive with other savings & loans.
	Togo	Most small and medium-sized Togolese CUs have now increased lending rates to 24%.
9. Asset Quality	Cameroon	A preliminary grading system or "health index" was developed for CUs according to their performance. A loan monitoring system was implemented.
	Guatemala	Delinquency decreased from 21% in 1987 to 7% in 1992.
	Honduras	Delinquency decreased from 23% in 1988 to 15% in 1992.
	Poland	Financial standards for CUs established.
	Sri Lanka	Productive and housing loans increased to 53% of primary society loan portfolios, on average. 710 primary societies have attained Grade I status (delinquency rates of less than 2%) while another 875 societies have reached Grade II status (delinquency rates of less than 5%).
	Togo	With Peace Corps assistance, major shift is taking place in Togo CUs away from provident or social loans to micro-enterprise and, hence, self-amortizing loans.
10. Liquidity	Guatemala	Surplus liquidity due to market pricing and aggressive savings mobilization.
	Honduras	Liquidity stable at 40-50% of deposits.
	Poland	Targets established for minimum liquidity levels at CUs.
11. Other	Worldwide	WOCCU is increasingly making use of credit union volunteers from the developed movements to provide technical assistance in all the areas listed above. In 1992, volunteers from the U.S., Canada, Ireland and Australia served as WOCCU consultants to developing areas. In addition, credit unions in the U.S., Canada and Ireland are hosting and training interns from developing areas, particularly Central/Eastern Europe and developing partner relations with the credit unions from which their interns originate. With these arrangements, host credit unions are rebuilding and strengthening the ability of CU movements in developing areas.

I.A.2. INCREASE SYSTEM CAPABILITIES - System capabilities will have improved in the areas of:

Indicator	Country/Region	Improvements
	Safety & Soundness: ● Rating Systems	"Cutting-edge" high-tech electronic CU monitoring and rating systems designed and operating in Cameroon and Togo and in progress in Niger. Safety & Soundness project has nearly completed model rating system. All include C-A-M-E-L performance categories, plus growth and service. Also, the INFOCOOPEC computer system facilitates more timely measurement of all these. C-A-M-E-L-S rating system (where "S" represents "solvency") adapted and implemented in the Philippines.
	● Legislation	<i>CU Law Content Guide</i> . Review draft completed and circulated; incorporated in national training programs. <i>International Law Digest</i> nearly completed (covering > 100 jurisdictions). Law development supported in Niger, Malawi, Ecuador, Bolivia, Poland, Ukraine, Russia, Costa Rica. Law database design initiated.
	● Examination	<i>Examiner's Guide, Examination System Overview</i> and evaluation guidelines prepared. Short- and medium-term training programs designed and conducted in Guatemala, Honduras, Bolivia, Costa Rica, Puerto Rico and Dominican Republic.
	● Financial Discipline	Financial discipline workshops held for district union branch managers and deputy general managers of finance to identify improvements in policies, methods, and planning. 100% of district unions participating in financial strengthening project prepared annual financial management plans and work plans and submitted monthly financial reports.
	Computerization:	Systems modified for project participants.
	● Guatemala	New single- and multi-user CU systems installed and tested.
	● Honduras	
	● Philippines	LAN installed in national association (PFCCI) office. Staff trained. Accounting, examination, training, and data collection operations computerized to enhance management-information system.
● Sri Lanka	LAN installed in national association (FTCCS) office. Staff trained. Accounting, data collection, and tracking activities computerized to enhance management system. information	
Cameroon		To improve leadership standards, league field inspectors have assisted at CU annual general meetings to establish minimum qualifying standards. As a result, stricter candidate qualifications for CU elections were enforced

I.A.3. EXPAND SYSTEM RESOURCES - By the end of the grant period, resources will have been mobilized for the international credit union system as follows:

	Projected 1989-1993	Awarded* 1989-1991	Disbursed* 1989-1991	Awarded* 1992	Disbursed* 1992
Development Grants	\$7 mil	\$22.5 mil	\$23.3 mil	\$15.76 mil	\$7.5 mil
Capital Resources	\$10 mil	\$8.1 mil	\$0	\$0	\$0

* Awarded = sum of projects funded/approved in 1993. Disbursed = sum of project expenditures in 1993.

OUTPUTS

I.A.4. DEVELOPMENT PROGRAMS AND PROJECTS									
	Total Projected	Annual Projections					Actual		
	1989-1993	1989	1990	1991	1992	1993	1989-91	1992	Total
Projects Designed	10	2	2	2	2	2	10	8	18
Projects Funded	6	1	1	1	1	2	8	6	14
Projects Evaluated	8	1	1	2	2	2	6	4	10
New Opportunities Initiated	4	-	1	1	1	1	10	12	22

54

I.A.5. TRAINING AND ADVISORY SERVICES

	Total Projected	Annual Projections					Actual		
	1989-1993	1989	1990	1991	1992	1993	1989-91	1992	Total
WOCCU participation/member training programs	15	3	3	3	3	3	23	16	39
Member training programs assessed	5	1	1	1	1	1	3	0	3
Training standards and models disseminated	3	-	1	-	1	1	2	1	3
Training materials prepared and disseminated	10	2	2	2	2	2	11	25	36
Technical consultations completed	20	4	4	4	4	4	9*	12*	21*
Technical assistance missions completed	16	3	3	3	3	4	22	10	32

57

I.A.6. INFORMATION SERVICES

	Total Projected	Annual Projections					Actual		
		1989-1993	1989	1990	1991	1992	1993	1989-91	1992
Technical services packages disseminated	6	2	1	1	1	1	2	0	2
Development information responses provided	40	8	8	8	8	8	707	357	1,064
Research studies conducted	2	-	1	-	1	-	9	1	10
Analytical reports prepared	8	1	1	2	2	2	17	2	19
Resource mobilization information disseminated	8	1	1	2	2	2	0	0	0
Publications, audio-visual materials disseminated	40	8	8	8	8	8	41	25	56

INPUTS

I.A.7. HUMAN RESOURCES (Person Years)	Projected 1989-93	Actual 1989-91	Projected 1992	Actual 1992	Total To Date
Management/Technical Staff	46.6	21.1	9.1	6.26	27.36
Consultants	2.3	.1	.5	.025	.125
WOCCU Leadership	2.5	*	.5	*	N/A
Movement Volunteers	2.0	*	.4	*	N/A
I.A.8. FINANCIAL RESOURCES (US \$ millions)	Projected 1989-1993	Actual 1989-91	Projected 1992	Actual 1992	Total To Date
AID Cooperative Development Grant	\$4.374 mil	\$2.625 mil	\$.875 mil	\$.875 mil	\$3.5 mil
WOCCU Contributions	\$3 mil	---	\$.6 mil	\$407,772	---