

FINAL REPORT
INTERNAL EVALUATION
OF
COOPERATIVE DEVELOPMENT PROJECT
WEST BANK, GAZA

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I. Executive Summary

The cooperative Development Project is an ACDI supported activity funded by USAID. The CDP commenced in February 1986, and consists of three basic elements:

1. Provision of technical assistance and training;
2. Strengthening the capability of existing cooperatives; and
3. Assisting in the development of new cooperatives in the West Bank and Gaza.

The implementation environment of the CDP is unique to the West Bank with two separate political entities having partisan perceptions of how the CDP should be implemented. Earlier planners, while correctly ascertaining that the support and approval was given for the CDP from these entities, underestimated the impact that dichotomous - often at odds - procedures would have on the project implementation assumptions and particularly the project time frame. Despite the latter, CDP is functioning effectively and with a clear collaborative relationship with the Palestinian cooperative leadership and members of cooperatives.

After thirteen months of operation 24 training courses comprised 1,200 trainee days, and approximately 310 person days of short-term technical assistance have been delivered by CDP.

Verifiable economic indicators which will indicate successful implementation in terms of production benefits, marketing benefits, and social benefits are:

1. Increasing production of perishable foods of improved quality, including higher food value, available to

Best Available Document

consumers leading to higher profits to cooperatives and their members.

2. Cooperatives ability to market increased supplies directly will result in higher prices paid to producers.
3. Service cooperatives ability to operate more efficiently and to develop accurate rate structures, will lead to better and more economic services for member consumers. (electric, water, health insurance cooperatives, etc.)
4. Higher prices received by the producers will enhance incomes directly and stimulate increased consumption of other goods and services.
5. Increased production should prevent prices from rising over the long run.

CDP has designed a Cooperative Classification System which, when fully implemented and in place, will provide the cooperatives with an up-to-date data base that will provide the means for constant upgrading by individual cooperatives and can form the basis for union or federation. In a more practical plane, it will provide project tracking baseline indicators against which the CDP progress and performance can be measured, and project impact evaluated.

The role of women in Palestinian cooperatives is, as expected, impacted upon by traditional and cultural values. However, it is apparent that there are many women taking part in the cooperative process either as members or as employees, particularly amongst the dairy cooperatives where they are playing key roles in product development, (i.e., cheese, yogurt, etc) however these are not recognized as women specific productive roles within the cooperative movement. In addition, there are five women's cooperatives in existence. CDP has the

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unique opportunity to upgrade organization and management in the five women's cooperatives, and, to utilize members and leaders of these cooperatives in the development of womens pre-cooperatives, especially with some of the existing womens charitable and service organizations.

CDP should begin to focus on delivering some learning and practical workshops to individual members of the cooperative. One method for accomplishing this (and, to impact on cooperative membership,) without overextending the training delivery capability of CDP is to expand the current library services activity to a larger materials resources development unit providing such items as posters, visual aides, technical teaching videos, technical bulletins and other information media. These items can be distributed to members through their cooperatives and, by means of the nascent extension effort that CDP is implementing.

Activity in the Gaza Strip has been delayed pending approval by the CIVAD authorities. With recent authorization provided, CDP should move quickly to develop some early deliverables specifically for Gaza.

In ~~the West Bank~~, CDP is carrying out its mandate of working to upgrade ~~the~~ strengthen Palestinian cooperatives, and in the process has developed an excellent collaborative rapport with the cooperatives in the West Bank.

RECOMMENDATIONS:

1. Finalize and implement the Cooperative Classification System, including data elements that will provide baseline indicators for project tracking and evaluation.
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2. Conduct a follow-up activity to develop specific training and TA inputs focusing on the five women's cooperatives and to bring other women's groups up to pre-cooperative status.
3. Expand library services to a larger Materials Resources Development Unit capable of producing locally identified posters, technical bulletins, technical videos, etc. to reach members of cooperatives, and to assist in cooperative membership drives.
4. CDP and Follow-up Committee meet with senior staff of the recently formed branch of the Cairo-Amman Bank to inform them of the CDP initiatives, and to identify specific roles of the Bank and CDP in development of Credit facilities, and ways of complimenting each other.
5. Develop a long-term, U.S., Training of Trainers program focusing on methodology.
6. ACDI should seek a project and budgetary review session with USAID leading to, among other things, an extended project life to five years, budget supplements to implement other recommendations arising from this activity, and to fix a date for an official USAID evaluation to take place i.e., at the end of the second six month implementation plan.

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II. INTRODUCTION

This consultancy activity was commenced on May 19, 1987. The final activities of the assignment were prioritized consultation with the COP leadership team by reviewing the Letter of Assignment of May 1, 1987. These jointly agreed upon areas of activity are:

1. Design or recommend a system to track project activities and measure their impact so as to demonstrate economic viability of project interventions.
2. Identify and review linkages between ACDI interventions and enhanced economic benefits, including production, employment and foreign exchange benefits. Project economic benefits.
3. Review Cooperative Classification System and suggest revisions, etc.
4. Review the role of women in cooperatives in relation to WID, and make recommendations.

These activities while not fully following the order of the May 1, 1987 Letter of Assignment take into consideration that other elements in the LOA not specifically mentioned above are integrated in the processes required to carry out the above priority activities. (Appendix A).

In ~~addition~~, the review of the project design elements, its goals and the tracking of these goals coupled with an evaluation of performance problems to-date arise from a sound decision on the part of ACDI to conduct an internal evaluation of project progress and performance after almost fourteen months of

operation. Further, because of the dichotomous environment within which the CDP must operate, and in recognition of the inherent danger of contradicting either one or the other of partisan perceptions, the need for an impartial, objective, internal review was essential.

III. BACKGROUND

The purpose of the Cooperative Development Project is to help strengthen and expand the Palestinian Cooperative Movement in the West Bank and Gaza to better serve its membership. To this end, the CDP represents one of the better organized and potentially effective channels in the West Bank and Gaza leading to increased participation of cooperatives and small to medium farmers in the area's market economy.

At present the cooperative movement consists of 176 active primary cooperatives in the West Bank, and 8 in Gaza, comprised of agricultural, non-agricultural and service cooperatives with approximately 31,000 members.

Unique to the project environment in the West Bank and Gaza is the CDP role of having to work within, and address legal and administrative and programmatic issues that emanate from dual governing entities, the Israeli Civil Administration and the Jordanian ~~Cooperative~~ Organization. Aside from the encumbrances imposed, relatively few cooperatives have thus far become successfully involved in the West Bank and Gaza marketing economies because of the following constraints:

1. Weak financial and managerial skills at the Primary Society Cooperative level.
2. Lack of medium and long term credit to cooperatives and their member producers who are normally ineligible for alternative financing.
3. Weak marketing skills at the cooperative level and a lack of marketing credit and secure marketing outlets.

CDP was quick to recognize that these constraints impact on both the organizational efficiency of the cooperatives and the productive capacity of its members, and initiated a strategy to address the organizational needs at the cooperative level through a series of finance and management training courses for cooperative directors, board members, and supervisory staff. This strategy is built on the premise that in order to strengthen the cooperative movement in the West Bank and Gaza, the immediate need is to strengthen cooperative leadership. Leadership will provide the foundation for the sound business practices and efficient organizational administration that will be necessary for developing the much needed credit resources, marketing skills and their related infrastructures, and to make maximum effective use of the technical assistance that will be provided through the CDP.

In support of the above approach, and paralleling the finance and management training courses that were being provided to the cooperative leadership, technical assistance was provided

in several areas, among them a marketing needs assessment consultancy and a follow-on marketing consultancy.

In addition the CDP professional staff and cooperative leaders have been involved in the development of a credit strategy to be carried out by a long term senior credit expert assigned to CDP.

To date, the ACDI assistance through CDP has resulted in a carefully nurtured and well established counterpart role with the cooperatives, and the supervisory programmatic elements dealing with these cooperatives. All consultations, planning and design and delivery have been conducted in the collaborative style with Palestinians with the constant objective of teaching and developing a permanent technical capability and business mentality of cooperative development.

IV. FINDINGS & RECOMMENDATIONS

CDP functions as an organization conscious of its performance and oriented toward results. It functions as an open system in dynamic interaction with its environment composed of PVO's, public organizations, cooperatives and political entities.

It is clear given the circumstances under which CDP works, that project administration operates as a "contingency theory"; the concept that organizational functioning, behavior and effectiveness are contingent upon their surroundings, both internal and external.

It must constantly be kept in mind, that given the action agents within the CDP environment and the interactive processes

involved, organizational progress and performance constitute a multidimensional aggregate and any attempt at revision and upgrading of cooperative performance is a complicated operation.

A. ECONOMIC ANALYSIS/VERIFIABLE ECONOMIC INDICATORS

1- West Bank/Gaza Economies

The geography and history of the West Bank and Gaza is in itself symbolic of the restrictions and difficulties that currently affect the economies of the two areas.

The West Bank is some 5700 sq km and borders Israel on the North, West and South and the Kingdom of Jordan on the East. The Gaza strip is an area of less than 400 sq km separated from the West Bank by Israeli territory, has a common border with Israel on the North and East, and with Egypt on the South. The West Bank is entirely landlocked and dependant on trade routes which pass through neighboring territories, while Gaza is simply a narrow area on the southeast coast of the Mediterranean.

These complex geographical factors are further compounded by the following circumstances of history:

- a- ~~1948~~. The partition of Palestine and creation of Israel, with the West Bank and Gaza remaining the only territories of British Mandated Palestine still in Arab hands although their respective economies were in shambles.
- b- 1948-1967. The West Bank and the East Bank of Jordan form economic & political links and the West Bank re-

orients its economic ties.

- c- 1948-1967. Gaza falls under Egyptian administration as a separate & distinct entity outside of the Egyptian economy.
- d- 1967. War with Israel leaves the West Bank & Gaza in the hands of Israeli occupational forces.
- e- 1967-1986. Economic performance in the West Bank and Gaza are dominated by the policies and decisions of the occupying power-Israel. Economic relations with Jordan, other Arab countries and the rest of the world are either scaled down considerably or severed. The economies of the two territories once again require re-orientation.
- f- Present. The economies of the two territories have no planning body capable of administering economic growth and are limited to linkages serving the more developed and dominant Israeli economy.

The current circumstances are such that the economic uncertainties associated with occupation status make investment in the various sectors unattractive and risky, further hindering the revival of the economies of the West Bank and Gaza.

2- THE CDP ROLE

The above concisely sets the economic backdrop against and within which CDP must carry out its activities to strengthen the cooperative movement in WB/G and assist in its expansion. This

must be accomplished given that the situational environment includes a system that imposes restrictions which retard realization of agricultural potential and self-sufficiency. Further, absorption of the local economies into the more dominant market economies of Israel is a political reality. All this is to say, it is no simple task to scientifically and statistically lay out the economic benefits of the CDP-WB/G cooperative linkages in strictly West Bank and Gaza terms.

It is perfectly clear however, that the activities which the CDP (and other PVO's) implement, force a continual examination of the policies that impact on the macro-economy of the area. More importantly, these activities strengthen and upgrade the vital micro-economies that form the basis of economic structure, and which have provided the impetus time and again for a revitalized economy of the two territories. Because development of rural micro-economies is so firmly embedded in the cooperative foundation, it is critical that the cooperatives continue to develop as an over-all West Bank and Gaza movement. Vital to this is the CDP linkage with its focus on strengthening the organizational environment. A stronger, more united institutional entity can guarantee individual cooperative ownership of the economic and social tools that fashion development and make economic institutions.

Continuance of the CDP-WBG cooperative linkages will:

- a- Assure cooperative members more leverage in the market

- place;
- b- Keep the economic proceeds of a region invested locally;
 - c- Provide experience in management and democratic decision making; and
 - d- Motivate and provide incentives for farmers to develop and remain on their land

CDP interventions are directed by an overall strategy that ensures the entire movement develops, and not just selected individual cooperatives. Invariably, in the latter case, some PVO's rely on project-holder pre-selection which simply ensures that the stronger, more organized cooperatives continue to develop - the weak, disorganized and most in need of assistance are passed up - particularly when assistance is in the form of funds. The WB/G circumstances mandate that not a single cooperative should be lost, rather, that assistance in the form of financial and managerial training, organizational development, and technical assistance flow down through the movement to those most in need thereby strengthening the concept of union and/or federation.

3 - CDP INTERVENTIONS & LINKAGES, ECONOMIC INDICATORS

The CDP/Cooperative Development Project consists of three basic elements (1) provision of technical assistance and training; (2) strengthening the capability of existing cooperatives; and (3) assisting in the development of new cooperatives in WB/G.

The project's main elements were first analyzed separately, and then as a group to ensure that each was properly designed and could be justified on its own merit as well as to capture and justify the interrelationships of all three components.

Technical assistance and training services have been provided by CDP over the past 14 months to assist cooperatives in upgrading business and financial management practices. Over time the monetary impact of the improved management skills is expected to result from cash savings realized from such improvements as better inventory controls, operations and maintenance of equipment and machinery, more accurate, up-to-date record keeping used in setting prices, more accurate rate setting (electric, water coops), and from increased staff technical skills (tractor operations, well head equipment operation & maintenance, etc.)

Through CDP the cooperatives will acquire and/or upgrade capabilities of conducting market research and analysis which will be used to:

- a- help identify, analyze and prepare financial proposals for viable marketing activities
- b- facilitate loan & credit packaging, development of credit workshops and process instruction to fund marketing activities
- c- develop of marketing logistic sub-systems i.e. cold storage, processing, packaging and transportation of commodities
- d- establish marketing information systems and networks,

~~and/or~~ access existing networks

- e- identify and develop new markets and products to serve new markets

Up to now two marketing consultancies have been carried out through ACDI as part of the TA inputs. While a marketing strategy (ies) is still evolving and under discussion with cooperative leadership and members, because of previous consultancies there is a growing awareness of the need for marketing assistance at the individual cooperative level. Two specific examples of this are:

- * The Beit Sahour Consumer Coop (with 250 members). The manager pointed out that as a result of marketing information made available to him the cooperative is now aware of the need to maintain better inventory records and to hold more inventory in storage to take advantage of increased sales volume. The way to maintain more accurate inventory records is to install a micro computer at the main coop outlet and procedures have been set in motion to receive training for such a move. Current annual sales volume is NIS 80,000 (\$51,613) with projections of up to 20 % ~~increase~~ under the new proposed system.

- * ~~The~~ Fukin Agricultural Cooperative (87 members). The secretary pointed out that they became aware of better methods of marketing their produce from the CDP consultant. Because the cooperative was implementing a drip-irrigation scheme, there was expectation that increased productivity

would result and that traditional markets might not be able to absorb increased produce, although middlemen normally make the marketing decisions.

In such cases where middlemen or brokers serve as the marketing agent, a direct project benefit would be derived from transfer or redistribution of income from middlemen to the cooperative and their small farmer members. As marketing expertise is gained and market structures developed, this shift of profits will be a positive economic development for individual cooperatives and their members.

Logistically, those activities which include some form of processing, handling or storage (CDP training in dairy cooperative operations, and maintenance and operation of dairy and processing equipment) will lead to an increase in the amount of primary production for sale through reduction in losses from damage and spoilage. This in turn can lead to increased primary production as cooperative members realize that output losses are minimized.

CDP technical training courses projected for the 2nd ACTION PLAN PERIOD (July - Dec 1987) are focused on quality, increased productivity and technical and managerial efficiency. Increased quality products with guaranteed supply, are expected to increase sales, creating additional demand in specialty markets such as restaurants and other institutions.

In summary, CDP technical assistance and training should lead to production benefits, marketing benefits, and social

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benefits accruing to cooperatives and members (and non-members) in the following manner:

- (1) increased production of perishable foods of improved quality, including higher food value, available to consumers and higher profits to cooperatives and members, food wholesalers and retailers.
- (2) cooperatives ability to market increased supplies directly will result in higher prices paid to producers
- (3) higher prices received by the producers will enhance incomes directly and stimulate increased consumption of other goods and services.
- (4) increased production should prevent prices from rising over time.

For almost twenty years now the WB/G have been cut off from traditional sources of credit. Despite the availability of Israeli loans for agricultural purposes, few if any Palestinian farmers would put up their land or holdings for prohibitively expensive credit or loans for fear of having their lands taken. For the cooperatives, starting in the mid 1970s, some modest amounts of loans and grants commenced to flow from the Jordan Cooperative Organization (JCO) and some of the PVOs (subject to approval of Civil Administration Authorities). From 1979 to 1985, 13.0 million JDs (\$38.2 million) have been earmarked and/or channelled through the JCO to cooperatives on the West Bank for investment in agriculture, housing, and services either on a loan or grant basis, with the major share going to agricultural

cooperatives. (NOTE: some portions of these appropriations may have been prohibited for transfer by the Israeli authorities if they believed any portion of funds to have been coming solely or jointly from PLO sources).

Because of the virtual non-existence of a traditional credit institution over the past twenty years, the majority of the local populace and organizations are unfamiliar with the institutional processes and the rigorous requirements necessary for the accessing of credit. With the recent authorization for a branch of the CAIRO/AMMAN Bank to establish itself in Nablus, the first Arab credit institution is available to cooperatives, members and non-members.

Understandably the bank is proceeding in a cautious manner, having yet to make specific credit/loan programs available. Re-introduction of credit/loan facilities through locally acceptable institutions is a vital link in the further development and the strengthening of the cooperative movement. Piece-meal credit projects are seldom helpful in the long run. One PVO has commenced initial activities towards the eventual establishment of a revolving type loan fund utilizing selected cooperatives as the networking structure.(Appendix B). This is an activity that the proposed CDP credit advisor could be inputting into particularly at the planning levels, and is in my view precisely the reason why a PVO Coordinating Committee was recommended. All of the PVOs have complementary resources and expertise that can lead to a well orchestrated approach to the

problem ~~overall~~. In the case of this revolving loan fund it is particularly disturbing to note that once again the focus is on production inputs at the Primary Producer Sub-system level. Further, these intended loan funds are earmarked for agricultural production only. Once again development of the critically needed Logistic Sub-system is neglected. CDP, in its capacity as advisor to the cooperative leadership, should offer some form of critique of the proposed activity, particularly in light of its mandate to develop an overall credit strategy for the cooperative movement. Assuming AID provides funding for the position, CDP should move quickly to have its long term credit specialist in place. The technical assistance and the training capabilities which CDP provides can assist the cooperatives to plan and implement an over-all strategy that lays the foundation for a sound credit program. At this point however, CDP and the JCO Follow-up Committee members should meet with the leadership of the CAIRO/AMMAN Bank to determine credit policy of the bank. Equally important^v they should determine how the cooperative movement can facilitate credit/loan programs through the bank on behalf of ~~the cooperative~~ movement utilizing the credit technical assistance ~~the~~ training capabilities and extension efforts of CDP ~~can~~ be applied while taking into consideration credit policies and impact. In addition to accessible credit facilities, there are sufficient private monetary reserves from savings and/or repatriated earnings. There is however a lack of investor confidence. sp

It is interesting to note that disposable income from all sources has risen in the West Bank and Gaza in both current and real terms. Over the period 1968 to 1986 there has been a considerable accumulation of monetary reserves and potential investment capital in the West Bank and Gaza,(Table 1).

TABLE 1**SAVINGS AND INVESTMENT**

Gross disposable private income, private consumption, and savings, the West Bank and the Gaza Strip, 1968-1982 (current prices, IL Million).

Year	West Bank			Gaza Strip		
	G.D.I. ^a	P.C.E. ^b	P.S. ^c	G.D.I. ^a	P.C.E. ^b	P.S. ^c
1968	400	354	46	167	142	25
1969	493	452	41	198	174	24
1970	570	496	74	262	205	57
1971	776	635	141	352	270	82
1972	1,161	908	253	539	405	134
1973	1,368	1,144	224	789	547	242
1974	2,351	1,808	543	1,072	802	270
1975	3,353	2,857	496	1,612	1,285	327
1976	4,854	4,006	848	2,281	1,642	639
1977	6,408	5,655	753	3,349	2,714	635
1978	11,831	8,912	2,919	5,333	3,952	1,381
1979	20,366	17,012	3,354	10,155	6,943	3,212
1980	51,077	40,990	10,087	23,631	16,385	7,246
1981	102,449	90,155	12,294	56,805	36,609	20,196
1982	237,112	192,631	44,481	124,646	80,540	44,105

Source: Central Bureau of Statistics, Statistical Abstract Of Israel (various years).

a. Gross Disposable Income

b. Private Consumption Expenditure

c. Private Savings

From the above table, one can note that disposable income from all sources has risen in the West Bank and Gaza in both current and real terms. With the increase in income however,

there has been a concomitant increase in private consumption although at a lower rate than that of increase in income. Private savings as a percent of disposable income have grown; in the West Bank it rose from 12% in 1968 to about 21% in 1986, in the Gaza Strip for the same period the increase was from 15 & to 37.5%. (note: on the average annual increase of 0.5%, an extropolation has been made from 1982-1986 of 0.5% growth per year).

Aside from the traditional and informal methods of handling savings, (i.e., some money changers have taken on some banking "depository" functions) there is no proper financial system for the channeling of savings into investments. It was noted during visits to several individual cooperatives that the pace of construction particularly in private homes at the village level was rather high. On further investigation, it was learned that a goodly amount of the savings are sunk into construction at the local level, producing tangible assets and a sense of guarantee of ownership. It was further pointed out that sometimes investments are made in small scale local projects on family businesses, farms, etc. This is a particular good sign, since, with the strengthening of the cooperative movement with CDP assistance and the attendant strengthening of rural micro-economies, coupled with inputs into development of the logistic sub-system, some confidence can be restored leading to investment in small-scale industrial activities and infrastructure development having some impact on the very narrow industrial base

currently existing (10% of GDP).

4- CURRENT STATUS & PRINCIPLE CONSTRAINTS

The economies of the WBG are small, un-organized, predominantly agricultural and operate at low levels of technology. Taking into consideration workings of the three major sub-systems within the Agricultural Sector, one finds that:

The Primary Producer Sub-System appears to be developing very well given the restrictive circumstances under which it labors. Assistance to the primary producer appears to be available in good supply. Such assistance in production inputs provided by PVOs, the JCO and CDP in the form of either funds, equipment or training and technical assistance is rapidly paying off, perhaps too rapidly with over-production of certain vegetable crops. The

Consumer Sub-System is strong and, given the lack of sophisticated marketing, surprisingly, continues to make room for an increased flow of quality produce and services to the consumer. It is obvious this same sub-system is expected to meet the rising expectations of the primary producer as production increases until such time as new external markets are developed. How long this absorption process can continue is questionable given the concern for incremental cutbacks of imports from the Jordanian side and pressure from the Israeli side to absorb more of their products. The

Logistic Sub-System atet is lagging, falling is more

appropriate, behind. There is a distinct lack of logistic elements, such as transport, collection facilities, cold storage, warehousing, processing, packaging, etc. If the market economies are going to respond with price benefits, market benefits and social benefits that should normally accrue to the cooperatives. Then the development of the Logistic Sub-System will have to be given high priority. CDP technical assistance in marketing and credit and related training will be vital to this development process. The majority of the PVO programs up to now appear to be primarily focused on increased production methods (i.e. agricultural mechanization, drip irrigation, milk production, cheese production, etc.).

The CDP attempt to bring about a coordinated effort with PVOs has met with a mixed response which is not un-expected given the identity problem innate to many PVOs. This is a project deliverable that ACDI must review with USAID, particularly in relation to the input-output casual linkages. CDP has been successful in establishing a committee but, until objectives and goals are established for such a Coordinating Committee it will function solely as an ad-hoc, informational group. ACDI/CDP has neither the right nor the desire to dictate procedure to other PVOs, each of whom are concerned with implementing their specific programs in their own way. These specific programs, particularly in relation to credit schemes and revolving funds will provide temporary respite to certain recipients but do little to help establish an economic structure associated with

and administered through the cooperative movement over-all. Much can be done by CDP to bridge the current gap which exists between the Primary Producer Sub-System and the Consumer sub-System. This gap is caused by an undeveloped, unorganized Logistic Sub-System. The continued development of rural market economies and the growth of the cooperative movement in the West Bank and Gaza call for the full focus of CDP on this area of need.

In the area of housing and construction, it is important to note that the labor force in the WB/G is unorganized and readily takes-up ventures serving the more dominant Israeli economy. One of the practices has been for Israeli firms to enter into sub-contractual relationships with some WB/G entrepreneurs in the manufacture and production of construction materials. These materials are produced in the WB up to a semi-processed state mainly by manual labour with raw materials that are provided by Israel. These are then finished in Israel and either sent back to the WB/G as imports or exported to other countries as Israeli made goods. At the same time, electrical cooperatives and water cooperatives are running into restrictive problems that are having a serious economic impact on their ability to function efficiently. In the case of the electrical cooperatives, up to 1967 each municipality in the WBG had its own electrical generation units. Since occupation, the occupation authorities have continuously attempted (and have partially succeeded) in bringing about a dependency of electrical units on to the Israeli

grid. At the same time, and with similar impact on the water cooperatives, restrictions have been imposed on utilization of water sources, and restrictive measures have been imposed that prioritize utilization of water resources. These measures have made it extremely difficult for local service cooperatives to expand their productive capacity or, for the registration of new and independent electricity or water cooperatives in rural areas.

Economic growth is greatly impeded by the scarcity of electric and water resources. Up to now, the JCO has granted more than JD 150,000 (\$447,000) in loans to the West Bank cooperatives for development of water and electric services and to upgrade existing services. The CDP has been of some assistance in this area providing much needed technical assistance and training for upgrading the existing electric cooperatives so that more efficient management and operations and maintenance can reduce this impedance to the growth of the cooperative and economic growth overall. CDP should continue to provide assistance to these cooperatives especially in view of occupation authority policy not to provide any investment in existing or new water and electric services and resources.

B. COOPERATIVE DATA BASE, PROJECT TRACKING SYSTEM

CDP has an excellent system that, once in place, will form a decision-support-system for the cooperatives, and an excellent baseline for project tracking and evaluation.

The cooperative classification system designed by CDP is a

well planned system that may require a few additional data elements to expand the utility of the resultant data base (Appendix C). The key to the efficient implementation of this all-important activity rests with its being identified as and carried out as a joint cooperative-CDP endeavor implemented by a locally identifiable cooperative leader, with guidance, monitoring and technical assistance from CDP.

The classification system will serve to:

- 1- Form the basis of objective, in-depth needs analyses firstly at the individual cooperative and secondly the cooperative movement over all. It will provide cooperative leaders and CDP with the information needed to identify training needs organizationally, to identify technical assistance needs, and to prioritize these needs on a cooperative by cooperative basis.
- 2- Provide an updated, more accurate baseline against which project progress can be measured and impact evaluations carried-out. (the basis for objectively verifiable indicators, and means of verification).
- 3- Form the basis for self evaluation by individual cooperative leadership and members, identifying organizational short-comings and the means to up-grade their cooperative.
- 4- Allow CDP to prioritize activities, i.e., decide where to apply limited resources and time.
- 5- Provide the basis for evaluation of sectoral-oriented

coops (ie. agricultural coops, service coops, etc) and classification of needs within these groups, and will strengthen affiliation potential.

6- Move in the direction of institutionalization of standard processes (training, reporting, etc.)

7- As a "project tracking" system providing information related to:

- Number poorly classified or unclassified coops at start

- needs of these cooperatives to up-grade

- type of courses provided by CDP. - impact of these courses (ie; reclassification upwards)

- impact on members (ie increased productivity)

- type of TA needed by cooperative & type & amount provided by CDP

- impact of TA on cooperatives & on members (number & kind of credit/loan packaging, increased membership etc)

- financial improvement of individual coops directly attributable to CDP training and TA, etc.

- Financial status of individual cooperatives as a baseline, etc.

Since it is considered one of the key deliverables of the CDP, it is important that this activity be implemented as a cooperative endeavor, i.e.,

- a- CDP should move to approve or recommend for appointment

- a senior cooperative person with the proper background as director of the cooperative classification sub-activity
- b- the draft cooperative classification categories & criteria should be reviewed with this person for inputs
- c- a Cooperative Classification Committee (C³) should be formed comprised of:
- regional directors
 - CDP members (2)
 - cooperative members (3)
 - other
- with the Director, Coop Classification Sub-Activity, CCSA as Chairman. This committee would act in the role of an ombudsman and also monitor implementation and progress of the classification.
- d- the appointed Director of this classification sub-activity (CCSA) should be asked to draw up a budget to cost out the activity as a full time implementation and the Level of Effort required. This should be reviewed and monitored by CDP.
- e- the Director, CCSA and CDP would design instrumentalities to carry out the data collection.
- f- these data collection instruments would be tested in a pilot data collection exercise by selected individuals who would then
- i- feedback on needed revision of the instruments

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- ii- design a workshop to train the data collectors who will carry-out the main activity.
 - g- CCSA commences cooperative classification data collection exercise
 - h- from time to time the C³ will meet to evaluate progress of the activity and if required in its ombudsman role, initiate solutions and arbitrate
 - i- CDP reviews data for selected information on special training needs indicators for individual cooperatives, or technical assistance requirements, particularly those where data collectors indicate poor records or no records & no capabilities etc.
 - j- C³ meets to conduct analysis and establish classification either on a district or regional basis
 - k- C³ allows specific time frame & indicates a process for appeal of classification
 - l- C³ designs a process for periodic updating of cooperatives and re-classification after established criteria have been met (initial data collection tools can have selected weighted criteria that are those critical elements required for good coop management. In this manner classification can be judged on a numerical basis of these selected weighted criteria.

C. ROLE OF WOMEN IN COOPERATIVES, WEST BANK

After visits to representative cooperatives and in discussion with some cooperative leaders, it appears that while

women to a large extent play operative roles in the cooperatives, from employed to non-employed producers, processors, and marketing agents, that these roles are not given due weight in the cooperative processes. More readily apparent was the need, more accurate data on the Palestinian women's economic contribution at both the micro and macro economic levels.

As in many other countries, there is no system of national accounts, (SNA) methodology to measure the economic contribution of women in the informal sector of the economy. Where methods have been applied, they are the traditional narrow, highly focused ones excluding many traditional activities which are unfortunately classified as "non-productive". This latter view points up a major problem affecting the quality of data, ie. the lack of well developed concepts and definitions which reflect women's special role in the informal or non-monetised sector of the economy.

The opportunity presents itself for CDP to seize upon the potential expertise and available resources to move from a more passive investigative phase to an action phase. The following activity is presented as a follow-on to the evaluation process. As part of that process, the evaluation included an interview with Ms. Ismatt Atteerah, author of a WID survey (APPENDIX D) recently concluded on the West Bank. While Ms. Atteerah's survey is very general and conducted by interview, it is focused on the role of women in cooperatives and service organizations, and as such forms the basis for identifying a more substantive role for

women in the cooperative movement, and the role of women's cooperatives in the movement. Ms Atteerah visited women's cooperatives, interviewed some of the members and leadership. She visited dairy and livestock cooperatives which have a higher percentage of women as employees, processors and users than any other group. This survey, however unscientific, identifies women's cooperatives in need of training and service and charitable organizations desirous of exploring cooperative status.

Ms. Atteerah has expressed the desire to work with a short-term U.S. CDP consultant to develop a specific proposal that would identify women's organizations desirous of achieving pre-cooperative status, identify the input-output linkages involved, and the specific role of the CDP. This would undoubtedly call for training and additional TA inputs by CDP for these groups, with some priority being given to innovative training methods (i.e., mixing women cooperative members with service/charitable organization members), and special techniques to work with non-cooperative groups interested in pre-cooperative status. It would require, obviously, an increase in CDP inputs, ie. technical assistance, training and advisory services. It could lead to a very exciting CDP output. (recomendation # 2 section V).

An output of this activity is the incremental achievement of two of the three basic elements of the CDP:

- 1- strengthen existing cooperatives; and,

ii- assist in the development of new cooperatives

- i- This activity would strengthen existing cooperatives by working directly with the five women's cooperatives to upgrade organizational administration and to utilize members and leaders in these cooperatives to assist in training and organizing activities with women's service and charitable organizations desirous of forming cooperatives.
- ii- It would also address the goal of developing new cooperatives, while expanding the role of women in the cooperative movement.

D. INFORMATION RESOURCES DEVELOPMENT

The current activity of developing a cooperative reference library (which has limited utilization focus) should be incorporated into an expanded activity, the development of a Materials Resources Unit. The MRU would proceed with the development of traditional and innovative training materials, informational items and multi-media training-cum-informational modules. (Of all of the cooperatives, meeting places, cooperative HQs visited, not one displayed any posters, informational leaflets or technical bulletins for either public informational purposes or member education).

A consistent theme which came up time and again at all levels was the need to focus more attention on member training and education. Requests were made for:

1. more practical and basic training
2. more training at site. It was pointed out that occasionally cooperatives try to send members to the site of a successful farmer in another cooperative. Frequently only a few can go because of time and transport limitations
3. less lecturing more hands-on or visual learning.
4. more technical applications, etc.

A MRU can assist in producing modules or resources that can help meet difficult training needs (ie. the demand for more member focus among 184 cooperatives will grow - delivery capabilities will not be able to cope). In addition, with the development of locally identifiable resources such as:

Posters - teaching step-by-step, or technical pictorial aides, or increased membership focus etc.

Technical Information Bulletins - information on VAT, pesticides/insecticides, etc.

Teaching Hand-outs - drip irrigation methods, storage, milk collection, etc.

Videos - bring a particularly good farmers field practices to the cooperative members, etc.

These resources would supplement the planned extension program and can be distributed through field officers, CDP staff, cooperative leadership, etc.

The production of these modules and resources include field testing, monitoring for the continuous upgrading of earlier

modules as well as impact evaluation and distribution.

CDP has had preliminary experience in production of a video utilising a local graphics firm. CDP could work with such a group on an end-product basis to turn out a series of complete modules for the WB cooperative movement.

Display of posters, use of technical and informational bulletins would be a constant visual reminder to cooperative members of services being rendered and could also influence membership.

E. RECOMMENDATIONS:

- 1- CDP should review its current cooperative classification system draft design with the intent of identifying additional key data elements. Review the final design of these tools with the selected implementing staff.
- 2- CDP should consider provision of TA as a follow-up to the WID survey which would result in the design of a specific strategy for the development of pre-cooperatives, upgrading existing women's cooperatives, and the formation of new cooperatives. This can be accomplished jointly with existing women's cooperatives

(5) who are in need of training and which can form a support network for the potential women's pre-cooperatives until cooperative status is achieved.

- 3- CDP should considerably expand the development of its cooperative library to include a full Materials Resources Unit (MRU). This unit would focus on development of posters and other visual aids for individual cooperatives to display including teaching bulletins focused on technical advice and teaching videos - all based on local identification. This would help meet the demand by members for more technical, on-site training, and would also serve to assist in local membership drives.
- 4- CDP and the Follow-up Committee should meet with the relevant staff of the newly instituted CAIRO/AMMAN BANK to:
 - a- appraise the bank of its position vis-a-vis cooperatives development
 - b- make known its Technical Assistance and training capabilities in areas that will facilitate credit programs for cooperatives. (ie. assignment of a long term credit specialist who can work with the bank to develop specific cooperative credit programs, capability of CDP to develop and deliver credit workshops, training courses, development of an extension arm that conceivably can be utilized

to aid in loan packaging and credit application for cooperatives and members, etc)

Such discussions should not be put off until the long-term credit specialist arrives but should be carried out now in order to identify potential bank-cooperative credit deliverables which can be part of the advisor's scope of work. Such a meeting would also allow CDP to identify basic data elements for inclusion into the classification survey and elements that can facilitate loan packaging or aid in identifying cooperatives that require basic training on credit and loan packaging.

5- CDP should develop a long term (4 week) TOT program for selected cooperative individuals conceivably individuals who can be designated as regional training officers. This TOT should not be technically oriented (ie. cooperative specific) but should focus on methodology eg.

- a- Adult Learning Methodologies
- b- 5 Teaching/Learning Principals
- c- Setting Behavioral Objectives
- d- Needs Assessment
- e- Curriculum Development
- f- Lesson Planning
- g- Small Group Decision-making
- h- Workshop Planning & Management

- i- Situation Learning and Role Playing
- j- Case Studies Development
- k- Communicating and Listening
- l- Evaluation Techniques, etc.

The TOT program must be a full-time (at least 4 weeks) course that provides the participant with in-depth learning experiences. Aside from achieving the behavioral objectives established for the course, an additional deliverable will be to provide each participant with a complete training manual, with guidelines, exercises, hand-outs and lesson plans to assist the participants in applying their newly learned expertise.

- 6- ACDI should seek a project/budgeting review with USAID with a view to increasing project life to five years and to:
 - a- Amend the LOE to include a full time marketing analyst expert, and additional local professional staff particularly an additional Training Assistant
 - b- Amend the budget to expand the training complement of CDP to include
 - a full time training assistant
 - a materials (graphing arts)development specialist, etc. or in place of latter
 - provide additional funding to allow CDP to sub

contract graphic arts development (posters, technical bulletins, etc.) to local firms.

- c- To review project documentation in light of fourteen months experience, and, amend project deliverables more in line with realistic implementation assumptions (Appendix E).
- d- Amend Project commodities inputs to include at least 5 micro-computers and related equipment for eventual placement at Regional Cooperatives for a parallel automated cooperative classification system data base to be installed along with development of the manual data base.
- e- Amend training budget to provide for a 4-5 week TOT course for eight people to be held in the U.S. to include development of training manuals.
- f- Amend project budget to include additional funds for development training for highly motivated service organizations and charitable groups, particularly women's organizations desirous of attaining pre-cooperative status through specific training offered by CDP.

V. PROJECT EVALUATION SUMMARY

- A- **Methodology:** The underlying assumption of this project is that the specific human resource and institutional improvements i.e., up-graded administrative and management

practices, strengthened and expanded marketing services, and provision of credit technical assistance will result in increased production, more efficient delivery of services, added marketing opportunities, and raised incomes for small to medium sized cooperatives and their members. It is further assumed that these improvements will become institutionalized, thereby strengthening the position of individual cooperatives and the cooperative movement overall.

This review constitutes an internal process evaluation undertaken at month fourteen. The purpose of this evaluation is to obtain an independent appraisal of the project's progress and continued validity at a time when sufficient activity has been concluded to measure, as well as sufficient time remaining to effect any course corrections.

This process evaluation approach will:

- a- assess and analyze actual progress made in achieving planned outputs and objectives;
- b- examine the timeliness and quality of inputs provided by participating elements;
- c- assess the project's original design in light of the above factors to determine if it conforms to realistic needs or requires some alterations; and,
- d- recommend actions for future action.

This interactive process evaluation involving all interested

parties is considered essential for reaching the best evaluative conclusions, and for determining future actions. In carrying out this consultancy, the focus was on causative linkages between inputs, outputs, purpose and goal, re-examination of the original design of the project, the performance of input factors (planning, management, training) and Action Agents (ACDI, CDP, Coops, CIVAD, PVO's, U.S. Consulate, JCO).

- B- External Factors:** There are no major changes in the project setting. CDP has established itself with Palestinian cooperatives on the West Bank including officials and managers. Partisan governmental entities were supportive in principle of the purpose of the CDP. The complexities of dealing with a host of factors that are either inherent in the occupation status or have been created by deliberate Israeli policies however have been underestimated causing some implementation assumptions to change (see item V D E.O.P.S Progress) and, perhaps review of certain input-output causal linkages. An added external factor which impacts on both implementation assumptions and project strategy (credit strategy) is the recent approval of a branch of the CAIRO/AMMAN BANK to operate in the WB. Validity of Basic Assumptions (LOG FRAME) is not called into question, as these are still project relevant and continuing, i.e.,

I. INPUTS:**Assumptions**

- a. Staff design and deliver effective and acceptable cooperative systems and training in management and operations, accounting & MIS, marketing, credit administration, and cooperative education.
- b. Qualified Palestinians are available and can be employed as Project staff.
- c. Funding is available at projected levels and provides adequate physical and human resources.
- d. Palestinian cooperators can and will attend training and other Project activities in the West Bank, Gaza, and elsewhere.
- e. Authorities continue to permit Project to carry out planned activities.
- f. Credit component: All concerned parties reach agreement on sound credit approach and credit system specialist is employed.

II. OUTPUTS:**Assumptions**

- a. New systems for management, accounting, MIS, marketing, cooperative education, and credit administration improve performance of cooperatives.
- b. Cooperatives follow open membership policy
- c. Improved performance of cooperatives will attract new members

III. GOALS/SUB-GOALS:

Assumptions

- a. No adverse political changes occur in the region

IV. PURPOSE:

Assumptions

- a. Successful cooperatives increase income and economic and social well-being of members.
- b. Overall economic situation in region does not deteriorate.
- c. Authorities encourage cooperative development.

C. PROJECT INPUT - OUTPUT PROGRESS

CDP INPUT-OUTPUT PROGRESS

TABLE 2

INPUTS	-OUTPUTS-																				
	186	F	M	A	M	J	J	A	S	O	N	D	187	J	F	M	A	M	J	J	
1. Project Admin																					
a. Start-up		-																			
b. Staffing, (LT/USJ)																					
-Coop Mngmt Spec		▲	▲	▲	▲																
-Mngmt Trng Spec																					
-Credit Spec																					
c. Staff (LT-Loc)																					
-Office Mngr			▲																		
-Coop Educ Spec						▲															
-Secretary																					
2. Training																					
a. Management (9)									7						1	1					
b. Financial (1)									1												
c. Directors (2)															1		1				
d. Accounting (1)										1											
e. Orientation (1)																					
f. T.O.T. (1)																					
g. Electrical (3)														1		1					
h. Olive Press (2)																					
i. Ag mch (3)									1	2											
j. Dairy Ops (1)																					
Total (24)																					
3. Tech Asstnce																					
a. Marketing Exp (2)																					
b. Mngmt Ops (2)																					
c. Training (3)																					
d. Ag Extn (1)																					
e. Electrical (2)																					
f. Finance (1)																					

1- ▲ - Long term
 ▲ - Short term

2- 1- completed courses

3- ---- consultancy length

NOTE: To date, 24 courses comprising 769 Trainee days have been delivered in-country (incl Amman), and approximately 310 person days of U.S. short-term technical assistance have been provided by ACDI/CDP

D- End of Project status (E.O.P.S.) Progress

The project purpose, goal and sub-goals are not affected by any new external factors or causal elements. However, earlier assessments on impact of restrictive policies (CIVAD) were too lenient. E.O.P.S. conditions are still considered a good description of what will exist but achievement of E.O.P.S. should be reconsidered in terms of Project life (i.e. 5 year project life span). This life increase is considered a realistic time frame for achievement of E.O.P.S. conditions given the following:

- a- Approval by Israeli authorities for CDP activities in Gaza was received on Jan 20, 1987, almost one year after project start-up (APPENDIX F).
- b- Implementation assumptions related to the start of a pilot marketing activity have changed - despite two marketing consultancies, individual cooperatives are proceeding cautiously so as not to sharply disrupt traditional middleman/broker infrastructure for an unknown, albeit seemingly sound approach.
- c- Initiation of the cooperative classification system. This output is upgraded in status as a key deliverable of the project. ACDI/CDP consider its implementation critical to the WB cooperative movement and for purposes of project tracking, training needs analysis and impact evaluation among others. However in order

to be successful and acceptable, the survey must be carried out by a locally identifiable cooperative element. While CDP has designed the survey, development of survey tools, test surveys, training of survey staff, collations and classification are still to be carried out.

- d- Causal linkage shortfall, input - output and output-purpose delays are a result of political decisions impacting on institutionalizing CDP training component. (see APPENDIX G).
- e- Authorization for the establishment of the first Arab banking institution to establish in the WB in 20 year. (see item V B External Factors). Authorized Sept. 1986 and opened Nov. 1986. As of June 1987, the bank has not publicized credit policy and related credit/loan programs. CDP credit strategy under development is delayed to allow CDP to take into consideration bank policy and programs. (See section IV Recommendation # 4).

The following are additional (new) input - output linkages that the project staff feel will lead to E.O.P.S. - goals achievement.

- f- As a result of an earlier CDP objective, that of evaluating ways to increase the role of women in cooperatives, ACDI/CDP have identified a follow-on sub-activity and related short term consultancy focusing on

women's cooperatives and development of pre-cooperatives (Recommendation # 2, section IV).

g- Project staff and Palestinian cooperative leaders have agreed that a gradual shift of training from strictly management to membership of cooperativeness - take place. This should be a phased approach - in addition members have indicated that they prefer "hands-on" training, using a more informal, skills- learning method.

CDP Consultant has noted that of 13 representative cooperative offices and/or meeting places visited, not one has posters, technical pamphlets, learning-by-doing visual aids etc. Recommendation is made for CDP and cooperative leadership to develop a Materials Resources Unit that would turn out locally identifiable posters, pamphlets, videos etc. (See Recommendation # 3, section IV).

E. Summary

The cooperative Development Project is fulfilling most of its early design elements, and with few exceptions is on track. CDP is collaborating very well with Palestinian cooperatives on the West Bank and is ready to move into Gaza. CDP staff have attempted to keep training in-country as much as possible for valid reasons. However, 3rd country and U.S. training can contribute greatly to achievement of project goals and sub-goals, therefore, U.S. and 3rd country participant training should not be delayed further. In

particular, aside from participant training with U.S. cooperatives, and Masters Degree programs, CDP should consider Training of Trainers outside of the WB and Gaza, preferably in the U.S. The institutionalization of the Training component calls for heavy reliance on development of professional trainers and the capability to develop training materials. (Recommendation # 5, section IV).

In-country courses in management and technical courses and workshops are proceeding satisfactorily, emphasis up to now has been on cooperative leadership. CDP should commence design and delivery of short member-oriented modules.

Establishment of a project data base and tracking system was initiated during early stages of the CDP activity. This data base is the best that could have been expected at the time with heavy reliance on CIVAD, JCO and some PVOs. In fact, data and statistics on the 184 cooperatives are somewhat outdated, exist in a variety of forms and generally reflect the project environment within which CDP is having an impact. Review and evaluation of the data sources reveal that 57% of the data reports are 1/2 to 1 1/2 years old, 43% contain data elements that are 3 years and older. To remedy this, however, CDP has developed a cooperative classification system which is extremely well designed based on 5 major categories and some 35 data elements. This system in reality is an exceptionally good multi-purpose one that when implemented will serve as a decision-support-

system providing up-dated and clear evidence of the current state of affairs within the cooperative movement at any point in time. In addition, with added relevant data elements it will form the basis for project tracking, training needs assessment, impact evaluation, etc.

The implementation of this system and the resultant data base will form one of the most important contributions of the CDP and will go a long way to achieving project purpose. However, any evaluation of CDP cannot fail to note that as the project gains momentum, there are too few professional staff to maintain this momentum. It is particularly important that a long-term marketing expert be provided to provide the in-depth, continual focus required to carry out the marketing strategies delivered by the marketing consultancies, in addition to other staff (Recommendation # 6 a IV).

In conclusion, individual cooperatives are aware of and understand the CDP mandate, and are supportive of the activities. The project is the only one directing its support to the cooperative movement over-all and in so doing comprises one of the more important methods for increasing the impact of rural market economies on the macro-economy of the West Bank and for increasing rural incomes.

APPENDICES

- A. LETTER OF AGREEMENT
- B. PROPOSED ANERA REVOLVING FUND NETWORK
- C. COOPERATIVE CLASSIFICATION SYSTEM
- D. WID SURVEY
- E. PROJECT DELIVERABLES
- F. CIVAD LETTER -GAZA APPROVAL
- G. CIVAD LETTER RE: INSTITUTIONALIZING TRAINING
- H. ADDITIONAL RESEARCH NOTES



**Agricultural Cooperative
Development International**

APPENDIX A

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Donald H. Thomas
President

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May 1, 1987

Leo Pastore
6574 Snowbell Lane
Falls Church, VA. 22042

Dear Leo:

This is your letter of assignment as a Project Tracking and Impact Measurement Consultant to work for ACDI in the West Bank and Gaza. While on this assignment you are to report to Donald H. Thomas, Chief of Party for the Cooperative Development Project in the West Bank and Gaza. While in the West Bank and Gaza, your specific scope of work is as follows:

A. Scope of Work:

1. Review baseline data gathering process and product and recommend improvements.
2. Design a system to track project activities and measure their impact, so as to demonstrate economic viability of project interventions, role of women in cooperative organizations, etc.
3. Assess existing situation in the West Bank and Gaza regarding women's roles and recommend women in development activities for consideration by project staff, and prepare guidelines for implementation.
4. Identify and review linkages between ACDI interventions and enhanced economic benefits, including production, employment and foreign exchange benefits. Project economic benefits.
5. Review project implementation plan, and cooperative classification system and suggest revisions.
6. Design and/or conduct follow-up basic training of trainers methodology workshops or other appropriate subject as mutually agreed to with the Chief of Party.

CDP

1

3

2

Chairman of the Board
■ Dixie L. Riddle
CENEX

Vice Chairman
■ Robert W. Bryan
Southern States
Cooperative, Inc.

Secretary
■ A.M. Feland, III
Southern Farmers
Association

Treasurer
■ Clifford E. Busekist
Farm Credit Banks
of Springfield

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مشروع التنمية التعاونية
Cooperative Development Project

Telex : 25362 AMCOL
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JERUSALEM

ص.ب. ٢١٧٥٩
بيت حنينا - القدس

March, 1987

COOPERATIVE CLASSIFICATION PROGRAM FOR WBG COOPERATIVES

Five types of criteria have been established for classifying the cooperatives: Organization/Administration; Management; Financial Condition and Performance; Business Operations; and Facilities and Equipment. The most fundamental performance measurements - profitability and solvency - are stressed in the use of the criteria. These are of utmost importance. All other performance measures tend to support them. These would include an accurate set of books which reflects the true condition of the cooperative, competent and trained personnel, and management policies and practices which safeguard the resources of the cooperative.

Fixed standards for measuring performance may not apply equally well to all cooperatives, e.g., increase in business volume and membership. Some may have little potential for growth in the short-term. If, however, the fundamental measurements are met and the cooperative is profitable and solvent the members will be well served and a good performance rating can be justified.

Three classifications are established: A, B, and C. Cooperatives in the "A" classification are fundamentally sound. They are well organized and have adequate safeguards to protect the resources of the cooperative and the interest of the members. The Board of Directors, managers and key personnel are trained

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Cooperatives are attempting to serve member needs as best they can with the resources available to them. They have the potential to develop into Class B cooperatives.

Some cooperatives will not meet the standards set for Class C cooperatives. Given the limited resources of the cooperative movement in the region and those of other potential donors, they may not warrant further attention, except to allow them the opportunity to develop an acceptable plan aimed at achieving Class C status.

A cooperative which fails to meet the minimum score for a Class C rating, or for which data is not available, becomes a "Non-Classified" cooperative.

Staff of the Cooperative Development Project (CDP) will conduct the evaluations the first time, using CDP baseline data and subjective information and taking into account inputs from JCO and Israeli authorities. Cooperatives have the right to appeal their classifications to their Regional office. The Regional Directors will request a CDP review of the evaluation, assist as necessary, and respond to the cooperative within three months of receipt of the appeal. After the first year, the Regional Directors will be responsible for conducting the evaluation, on an annual basis, assisted by the CDP staff.

II. MANAGEMENT

A. There are realistic one-year and longer-term plans that are achievable within the resources of the cooperative, including

1. Specific goals
2. Facility & equipment plan
3. Marketing plan
4. Financial plan

Such plans exist and the board and manager have ability to continue planning process

At least a one-year plan has been prepared: board and manager have ability to prepare plan

Board and manager need assistance in such plans

B. There is an annual budget that is achievable within cooperative resources and contributes to cooperative goals

Has budget; board and manager have ability to prepare budget prior to the end of the fiscal year

Has budget; budget was prepared after end of last fiscal year

In process of preparing budget (needs help)

C. There is a cost control plan to keep expenses in line with budget

Has such a plan and budget is monitored at least monthly

Has such a plan but budget is monitored quarterly

In process of developing such a plan

D. Level of personnel training in relation to positions held:

Has plans for almost all to receive some training in cooperative management or operations

Has plan for all key management personnel to receive some training

Considers planning for a personnel training policy

1. Board of Directors
2. Manager
3. Bookkeeper
4. Others

9 E. Job descriptions for the Chairman, Manager, Secretary, Bookkeeper & other key personnel, & employment contracts signed with non-elected personnel

Required

Some have job descriptions others are being prepared

Starting preparation

9 F. Enforcement of credit policy for member loans, and debtor account. Credit policy criteria are based on: each member's needs; each member's character and ability to

Required (if loans are made)

A credit policy exists but not strictly followed

There are plans to policy (if member loans are made)

F. Accounts receivable listed by age

0 to 30 days
31 to 60 days
61 to 90 days
Above 90 days

0 to 60 days
60 to 90 days

Aged accounts receivable system being implemented

G. Financial reporting to the board of directors (income & expense statement)

Monthly

Quarterly

Every six months

H. Selection of cooperative auditor

By members

Delegation to the board by members

The board selects an auditor

I. Cooperative handles funds prudently, uses all available resources to collect money due, pays debts by due date

Required

Cash flow problems cause repayment delays

IV. BUSINESS OPERATIONS

A. The cooperative is directed and managed so as to provide services authorized by the General Assembly

Completely

Partly

Developing capabilities provide such services

B. Board and manager regularly review cooperative operations to consider adding new services or deleting those which are not profitable and are no longer required by members

Ongoing

A monthly review

A yearly review

C. Services of the cooperative are made known to members and others (marketed) by all available means: General Assembly meetings, advertising, etc.

To all members and key good prospectives

Such activities are understood but improvements are needed

A marketing program is being established

WOMEN IN DEVELOPMENT STUDY: A REPORT

SUBMITTED TO
AMERICAN NEAR EAST REFUGEE AID
JERUSALEM OFFICE
BY
ISSMAT ATTEERH

REPORT OF VISITS TO EIGHT WOMEN'S ORGANIZATIONS

PALESTINE WOMEN UNION - GAZA

The union functions in a relatively wide geographical area with offices in Gaza City, Khan Yunis, Rafah and Beit Hanoun.

Activities: The union operates, in what seems to be an efficient and effective manner, the following projects:

- a) Four kindergarten and nursery centers in the above mentioned towns. They serve approximately 500 children.
- b) Four sewing and tricot workshops which train about forty women.
- c) An embroidery project aimed at generating income to approximately 100 women in different towns and refugee camps.

The above activities and services employ forty-five women on a salary basis.

Needs: The most pressing problem that faces this organization is the very limited external funding and assistance. This is primarily due to obstacles raised by the Israeli authorities. Consequently, the organization has had to depend on its own resources, and it seems to have been relatively successful in becoming self-sufficient.

In general, the lack of external funding does not seem to have affected the quality of their services, but rather imposes limitations on infrastructure, space, and the development of new

societies so that they can market their products. This rather major project is temporarily stopped for lack of funds. The building has yet to be finished.

Needs: The priority of the organization is get funding for the shopping center project. Also, they would like to buy a bus for the handicapped children in order to facilitate their work, and to be able to reach more children who live in remote areas.

Comments: In general, the organization has broad and diversified activities, and seems to be more dynamic than other, similar, women organizations.

ARAB WOMEN UNION - JERUSALEM

Activities:

- a) A formal secondary school for girls. Approximately 250 are enrolled.
- b) Sewing and Tricot workshop that trains about 25 women.
- c) A child care center. A doctor is available daily for the care of infants and their mothers. Food products are provided along with medical and health services.

Needs and Comments: This organization suffers from an acute financial crisis, and has accumulated a large debt. This is basically due to the decline in funding from Jordanian sources.

Financial assistance to this organization seems to be essential. Their priorities are:

- 1- to buy kitchen and dining room equipment in order to serve the

approximately 560 women in various villages and refugee camps.

Other projects include:

- a) Sewing and tricot workshop that employs twenty women, and trains a similar number in various styles and designs.
- b) A kindergarten cooperative in which 110 children are hosted daily. Most of these children are from the nearby refugee camp. Fees are very low. One year costs approximately what parents would pay for one month in similar organizations or commercial establishments.
- c) Weekly sessions provide practical training and basic information to young women about economic activities of the household. Trainees receive hands on experience in utilizing cheap raw materials with which they can produce inexpensive products for home use, so that they can avoid purchasing many prepackaged products. They are also provided with information concerning health and nutrition issues by experts.

The cooperative faces serious problems in creating a demand for their beautiful, but expensive, embroidery products. In contrast, there is constant demand for their workshop production. Their workshop products are simple, but diversified. They produce selective, small, inexpensive items such as school uniforms, sports cloths and kitchen needs.

Needs: The cooperative would like to increase the number and quality of their sewing machines in order to produce more, employ

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example, a new, well equipped nursery was established in the new building, but so far, it has not been used. This is not to mention that this organization currently rents places outside this building. Besides the shop, for example, the kindergarten and the childcare center are also located outside the building.

It is important to note that the size of the organization's activities is very small, relatively speaking, when compared to the existing space and equipment capacity. Other organization, operating activities many times this size, have only one quarter of their capacity.

In spite of all of the above, the leaders see their top priority as building a well, as well as a stone fence around the large building.

After meeting with the entire board of directors, it became very obvious for me that they are very traditional in their outlook, and very disorganized in their work. In my opinion, what they need more urgently than the construction of a wall and a well, are productive projects that utilize the capacities they already have. For example, they could use an electric textile cutter and more sewing machines. At the moment, the sewing and tricot shop totally depends on a merchant to provide them with pre-cut fabrics. That is, this charitable society basically provide a labor force for an outside person's projects. How much, when and what they do depend primarily on this merchant's needs, and ability to provide the materials that they could

ARAB WOMEN UNION - NABLUS

Activities: This Organization has many different projects, some of which are very large. They include:

- a) An orphanage, which provides 125 girls with all their needs. At this center, there is also a formal elementary school, as well as a sewing and knitting workshop for those who fail school, or else prefer to have vocational training.
- b) The Center for Blind Women. Special training and services are provided for 20 women.

In the above two projects, a total of 22 women are employed.

The most impressive undertaking of the Nablus organization, however, is the al-Ittihad General Hospital that serves the Nablus community. It employs more than 120 workers, nurses and doctors.

Needs: This organization is planning for two new projects: a nursing college and a nursing home for the elderly. They are currently in the process of raising funds. In terms of immediate needs, they are very much in need of equipment for the hospital laboratory. ✓

Comments: While more diversified than similar organizations, its emphasis is on services only. They do not have any productive projects. Being from Nablus, I am well aware of, and agree with the general perception that the leadership of the organization, in spite of their important achievements, is traditional in its

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- d) Marketing problems that discourage new productive projects.
- e) Even if new productive projects were implemented, they are generally perceived as ways to generate income and increase employment rather than totally focus on the women of the community as a whole.

By way of conclusion, I would suggest what needs to be done is, first, to improve the situation of these organizations by developing already existing productive projects. For example, the sewing and knitting workshops can improve the quality and style of their products in order to better meet local demand. This requires expert supervision and quality control, as well as improved machinery with higher capacities. If local improved quality is to compete with existing products on the market, the workshops must produce on a large scale. This also demands new marketing approaches, a wide and effectively organized contact network and channels, as well as cars and other infra-structural needs. Finally, it is much more profitable and desirable even workshops perform all the basic stages of production instead of depending on outside merchants for pre-cut fabrics, as is the case in the Hebron Women Union.

Undoubtedly, it will be difficult to induce changes within these organizations, but it is feasible to make a great deal of progress through a combination of training and financial incentive. Expert can be recruited for consultation sessions, as (generating) productive

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REPORT ON VISITS TO THE DAIRY AND LIVESTOCK COOPERATIVES

Through my interviews with more than fifty women and men in six different communities (Beit Nuba, Jenin, Tulkarem, al-Sawaher al-Sharqiyyeh, Nassariyyeh and Hebron), I learned that women play a primary role in dairy and livestock production. Although both women and men participate in feeding, milking and caring for livestock, as well as assisting at birthing time, it is primarily women who produce dairy products, especially Jibna, Laban, and Labna.

In general, the buying and selling of livestock is carried out by men, though women can influence such decisions. Slaughtering is also carried out by men, because women in Islam are prohibited from doing so with rare exceptions. On the other hand, primarily women, but also men, participate in the marketing of dairy products. Depending on community traditions, women may or may not go to the market. For example, in al-Nassariyyeh, Tulkarem and Beit Nuba, women do go to the market, while in al-Sawaher al-Sharqiyyeh, Hebron and Jenin, women do not generally do so, but rather use their place of residence to sell their products. Although in some cases, the market location seems to be inconvenient or problematic, for the majority of women,

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only one out of the six cooperatives that I visited has women members (seven out of thirty-five to forty). These women members do not hold any administrative positions. Even their informal involvement is limited. In those cooperatives that are in the operational stage (Beit Nuba, Tulkarem and Nassariyyeh), a total of three women are hired to produce laban and jibna in the traditional way. Also, in at least one case, Tulkarem, women buy milk from the cooperative.

In most of the communities that I visited, the majority of women I met, did not know about or understand the nature of the cooperative. Those who did know, identify it as a "farm" run by men. This lack of knowledge on the part of women is due, it seems, to a considerable gap that exists between the cooperatives and the local communities. This gap is a result of several factors:

a) The lack of effort on the part of cooperative leaders and members to inform the local communities about the nature of the cooperative, its function and possible membership.

b) Membership is purposely limited to a select few,* which makes it especially difficult for women to participate.

c) An unconscious, traditional attitude that considers women as incapable of carrying out such projects.

d) Geographical isolation in some cases. For example, the Tulkarem cooperative is located outside the town of Tulkarem in a small village called Irtah. On the one hand, Tulkarem residents

must be stressed, have a strong relationship with the production of dairy goods. The fact that this process is time consuming and requires a great deal of effort and attention, does not mean that women only see it as an unwelcome chore. Far from it, for through their production role, women have access to the livestock, in the sense of influencing decisions concerning them, as well as unrestrained use. Also women have access to, sometimes even command of, the benefits derived from the livestock, especially the income generated from the sale of dairy products. Finally, through their marketing of the products that they make, women have access to the marketplace and the entire nexus of relationships that revolve around it.

All the above, constitute leverage that women can choose to use inside and outside the household. This leverage is lost if women do not produce anymore, and their status in the household might be adversely affected. Some of the men interviewed noted that the micro-dairies as a labor saving device that will "rest" their women. Indeed, it would not be surprising if many women felt the same way. But when asked about the new saved time, women expected to spend it on non-productive domestic work. Similarly, while these projects might increase the family's income in general, women will lose the immediate access and control over the income that they used to generate themselves.

participate in the production process is a most desirable development goal.

Structurally, ^{4*} the cooperatives seems to be controlled by the traditional male leadership and the well to do members of the community. Al-Nassariyyeh cooperative, for example, is supposed to be open to any farmer from Nablus to the Jordan valley. Those who meet the qualifications, and pay their dues, are supposed to be accepted. This has not always been the case. In this cooperative, there are only forty-one members. I met with two farmers from Marj N'ajeh village in the Jordan valley who declared that they went to al-Nassariyyeh cooperative in order to join, and were rejected on the basis that this cooperative is only for residents of al-Nassariyyeh village. Furthermore, it appears that this cooperative is controlled by the mukhtar of the village, Abu Salem, and his family. His two sons are the only employees in the cooperative, and his daughter in-law is in charge of making Jibna.

In the Tulkarem cooperative, most of the members that I met with were business men and merchants. In al-Sawaher al-

^{4*} The following comments are not based on a scientific and detailed evaluation of the cooperatives' structure, the most important aspect of which would be the economic, social and geographical composition of the members.

Rather, it is based on general information gathered, and some impressions resulting from my field visits. As an outsider, that is not a person in an official position either with ANERA or the Jordanian JCO, I believe that I was able to elicit a considerable number of frank opinions, especially when talking to community members who are NOT in charge of the cooperatives.

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be assigned a quota, or allowed access to the micro-dairies for certain hours, with a flexible system of fees and so on. The current system used at olive presses might provide a working model. In the long run, however, even if a fair system is found and/or self-sufficiency is achieved, the major unanswered question remains: how will the cooperative relate to the majority of the community who are non-members (women, and farmers in general who qualify but lack the "correct" clan, class, or geographical background), and who remain excluded from its activities through no fault of their own?

household, micro and small scale enterprises.

HOUSEHOLD ENTERPRISES: The most common household enterprises are tailoring, knitting, needle crafts, baking and pastry and biscuit making -all extensions of traditional female tasks, and all primarily located in urban areas. These businesses are easy to establish because they require little capital and are built upon knowledge and skills acquired in the family. Women from poor families, or women-headed families tend to be involved in such businesses. The marketing of their products or services is usually done through intermediary channels (basically male relatives) to local stores in the neighborhood, or to local street vendors.

A new development, involving younger, more well-to-do women, is the catering business, especially rooted in Jerusalem and Nablus. This business seems to be highly profitable. At the same time, it does require greater social mobility and overhead for raw materials and processing machines.

In the rural areas, household based enterprises usually revolve around manufacturing products made out of locally available raw materials related to agricultural and/or livestock production. Straw based crafts are prevalent in the Nablus region, carpet-making in Hebron, dried fruit in the Hebron and Jerusalem areas, and soap making all over the countryside (sold locally). Many village women also generate income through

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Best Available Document

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(Production Promotion Center in Ramallah), Salfest Handicraft Cooperative and Ramallah Handicraft Cooperative. The Salfest and Matteen cooperatives are run by men that control management, preparation of raw materials, designs and marketing. The Soreef cooperative to a certain extent, is financed and directed by the MCC. Only the Ramallah and Qalandia cooperatives are completely operated by women.

The Women Work Committee has established some new productive enterprises. An example is a bakery in Gaza producing pastries and biscuits that are highly competitive. There are other similar committees operating all over the occupied territories.

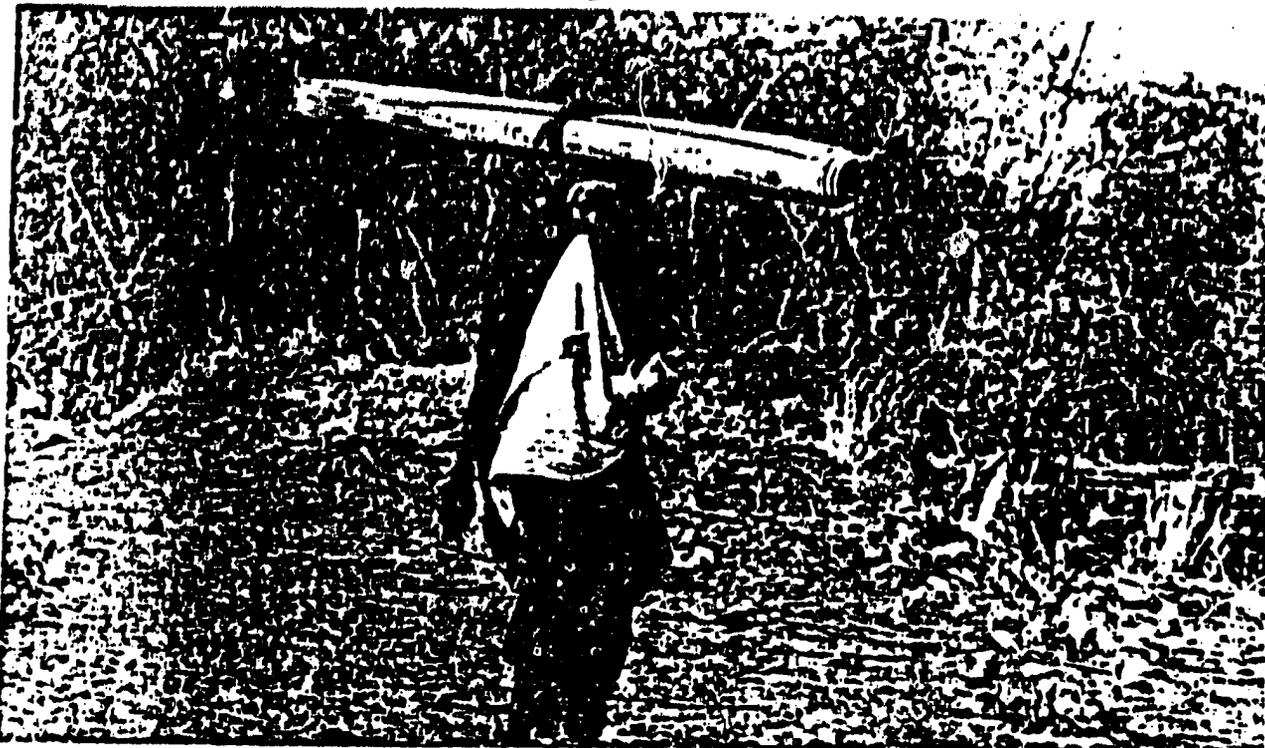
A different category altogether are privately owned small scale enterprises that provide services for a profit. For example, it is becoming somewhat common for women college graduates to establish kindergartens and pre-school centers.

It remains to mention a sewing workshop in Gaza city established with the help of the Quakers. Apparently successful, it produces school uniforms for refugee children in area enrolled in UNRWA run schools.

The two most common difficulties faced by women based small scale enterprises are finance and marketing. Lack of capital restricts expansion and, in some cases, the maintenance of normal operations. Marketing problems are numerous in a climate of uncertain, restricted demand, limited (if any) cooperation, and unequal competition from Israeli and imported products that are

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**According to statistics,
she's not working.**



Improving statistics and indicators on women



INTERNATIONAL RESEARCH AND TRAINING INSTITUTE
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Economically active women in different regions of the world (1975-1985)

Region	1975		1985	
	Economically active women ('000)	% of world total	Economically active women ('000)	% of world total
World	575,705	100	676,471	100
USSR	63,058	11.0	66,671	9.9
Other socialist countries (Europe)	29,282	5.1	31,807	4.7
European market economy countries	46,841	8.1	52,306	7.7
North America	39,010	6.8	45,986	6.8
Oceania	2,929	0.5	3,595	0.5
Africa	49,366	8.6	61,321	9.1
Asia	322,466	56.0	382,144	56.5
Latin America	22,753	3.9	32,639	4.8

Source: ILO: Labour force estimates and projections 1950-2000 (Geneva, 1977). Also see: INSTRAW/ILO: *Women in Economic Activity: a Global Statistical Survey (1950-2000)* (Santo Domingo, 1985).



מדינת ישראל
STATE OF ISRAEL
MINISTRY OF DEFENCE

COORDINATOR FOR GOVERNMENT OPERATIONS
IN JUDEA, SAMARIA AND GAZA DISTRICT

Tel-Aviv, January 20, 1987

0060

✓ Mr. D.L. Hovendick
Director
Cooperative Development Project
P.O.Box 21.759 - Beit Hanina
Jerusalem

Dear Sir,

I have the pleasure to acknowledge receipt of your letter dated December 1, 1986.

We have no objection to your extending your activities to the Gaza District, within the limits suggested in your letter and provided you maintain a thorough coordination with the Civil Administration's relevant officials, as well as you do in Judea and Samaria.

J. d.

Yours faithfully,


Brig. Gen. F. Zach
Deputy Coordinator

cc. Major Ely Horowitz, Gaza
Mr. E. Zagha, Gaza
Mr. Y. Zamira, Gaza
Mr. E. Tsur, Jerusalem
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מדינת ישראל

מסרד העבודה והרווחה

15.1.1986

30206

Mr. BARTLETT HARVEY
 Executive Vice - President
 Agricultural Cooperative Development International
 600, Centinantal Building
 1012, Fourteenth Street, N.W.
 Washington D.C. 20005 -

Dear Mr. Harvey,

1. The Ministry of Labour & Social Affairs and the Civil Administration in Judea & Samaria have approved your request to operate as a P.V.O in accordance with the existing laws and regulations that pertain to all P.V.O that work in cooperation with us. Your initiative to assist in the development of the cooperatives in Judea & Samaria will augment our efforts in developing the services and in improving the quality of life in this area.
2. During your tour in Judea & Samaria & Gaza district, December 15 to 17, 1985 and the meeting which have been held under the hospice of the Deputy Coordinator for the activities in Judea Samaria and Gaza, we learnt from you that your intention, in the first stage, is to examine the state of the cooperative associations in Judea & Samaria, their problems and their needs and then to begin with a basic training program. It is understood that in the first stage it is not your intention to establish a training center nor is your intention to deal with the subject of funding and marketing. Nevertheless, if and when the need arises to work in this above mentioned subjects, you will have to submit to us a special and detailed request for our approval.

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ADDITIONAL RESEARCH NOTES:

1. Vertical organization building in Cooperatives in the West Bank and Gaza appear to have followed the pattern of Francophone Africa and applicable French Law of the 60's and earlier. That is, the duty of fostering the growth of cooperatives and their organization has been placed, in the main, on the shoulders of governmental or quasi-governmental organizations that began by concentrating on the development of primary cooperatives. (JCO?).

The cooperative laws provided for the formation of vertical organizational structures but, subjected these to special governmental control. Vertical organizations or the formation of central cooperative organization and/or association at national level in the West Bank and Gaza were never given the opportunity to develop. One very good reason could be that the tasks and duties that could have been taken over within the cooperative movement by a central or apex organization, in the interests of their members, have been taken over and are still being handled within the cooperative movement by the quasi-governmental cooperative development organizations, but, not always to the advantage of the cooperatives and their members, (i.e., the role of the 3 main marketing cooperatives in the West Bank). As a result of this policy the formation of secondary cooperatives and central institutions is made very difficult if not impossible-if a vertical cooperative structure springs-up, a competitive situation will develop between the cooperatives and their central institution on the one hand and the governmental cooperative organizations on the other.

2. Establishing a PVO Coördinating Committee-well wishers are not always aware of the complexities of the relationships involved. The challenge is to share sufficient information to:

- share experiences and help understand the problem at hand
- identify a practical and efficient approach to get the job done
- consider complimentary resources and expertise that can be applied to achieve the project and /or program goal and not simply the goal of the implementing organization, (often the two are not contiguous).

As the Coordinating Committee evolves there should be a fairly consistent view of the technology transfer processes and how each of the PVOs experiences can complement the other in achieving this. All shared ideas provide a coherent progression of principles, ideas, guidelines and procedures. Each of the PVOs can contribute to different aspects of the understanding of program planning, management training and project implementation. Initially one should expect that application of the coordinating committee approach is complex, especially if the goals and the objectives of the group are not clearly spelled-out well beforehand, i.e.,

- goals of the committee clearly defined and broadly understood.
- performance parameters of each of the members clearly defined.
- target audience(s) and its (their) environment specified.