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ACDI:
EVALUATION OF THE
COOPERATIVE DEVELOPMENT PROJECT
(CDP)

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Devres has appreciated the opportunity to conduct this assignment which went to the heart of Palestinian issues. Devres also hopes that USAID, ACDI/CDP and the persons we met enjoy lasting and positive returns from this endeavor.

LIST OF ACRONYMS AND ABBREVIATIONS

ACDI	Agricultural Cooperative Development International, Washington, D.C.
ADCC	Arab Development and Credit Company
A.I.D.	Agency for International Development
AM	Agricultural Marketing
AMIS	Agricultural Marketing Information System
AMIDEAST	American Mideast Education and Training Services
ANERA	American Near East Refugee Aid
BCRD	Bethlehem Committee for Rehabilitation and Development
BODF	Board of Directors
CARE	Cooperative for American Relief Everywhere
CDF	Cooperative Development Foundation
CDO	Cooperative Development Organization
CDP	Cooperative Development Project (ACDF)
CHF	Cooperative Housing Foundation
CIVAD	Civil Administration (Israeli Military Authority)
CLUSA	Cooperative League of the United States of America
ConGen	Consulate General
CRC	Cooperative Resources Committee
CRS	Catholic Relief Services
CUNA	Credit Union National Association
Dunam	Unit of measurement indicating area of land (4 dunum = 1 acre)
ECON	Economic
EOPS	End of Project Summaries
GOI	Government of Israel
GOJ	Government of Jordan
Intifada	Palestinian uprising or "shaking off"
IDF	Israel Defense Forces
IVO	International Voluntary Organization
JC	Joint Committee
JCI	Jordan Cooperative Institute
JCO	Jordan Cooperative Organization
JD	Jordan Dinar (\$1 = 0.68JD)
MG	Military Government
MIS	Marketing Information System

NCBA	National Cooperative Business Association
NGO	Non-profit Governmental Organization
NIS	New Israel Shekel (\$1 = 2.45 NIS)
NRECA	National Rural Electric Cooperative Association
OCDC	Overseas Cooperative Development Committee
OJT	On-the job training
OPOP	Our Production is Our Pride (from Bir Zeit University)
OT	Occupied Territories (West Bank and Gaza)
PARC	The Palestinian Agricultural Relief Committee
POL/ECON	Political/Economic
PVO	Private Voluntary Organization
SCF	Save the Children Foundation
SOW	Scope of Work
SWC	Sureef Women's Cooperative
TA	Technical Assistance
TDC	[Arab] Technical Development Corporation
TOT	Training of Trainees
UAWC	Union of Agricultural Workers Committee
USAID	U.S. Agency for International Development
VAT	Value Added Tax
VEC	Village Electric Cooperatives
Village	Place with population below 5,000 people
VOCA	Volunteers in Overseas Cooperative Assistance
WB-WB/G	West Bank - West Bank/Gaza
WBWG	West Bank Working Group
WID	Women In Development
WOCCU	World Council of Credit Unions

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EXECUTIVE SUMMARY

ACDI's Cooperative Development Program (CDP) has now completed over six years of training and technical assistance under USAID Contract No. ANE-0159-G-55-6020-00 to the cooperative sector in WB/G. Total project funding was estimated at \$9,186,759, with approximately \$1.1 million of unexpended funds at the time of Devres' evaluation. The overall goal of the CDP has been to improve and expand cooperative services, thereby increasing the income and well-being of members of Palestinian cooperatives. CDP has used a two-pronged approach: One, the provision of a variety of training and technical assistance to a large number of cooperatives. Two, the development of human resources and institutional capacity of certain WB/G "targeted" cooperatives which were designed to serve as models for diffusing innovations within the cooperative sector.

Since CDP's initial Sector Needs Assessment in 1986-87, CDP has not performed on-going or post-training program evaluations of training impact, and there has been no re-assessment of current cooperative training needs now that the cooperatives have been provided with some 36,000 participant/days of CDP training courses. The Devres' evaluation is the first overall study of ACIDI's activities in the WB/G Cooperative Sector. Conducted by a four person team, the evaluation took place within WB/G from July 17 through August 10, 1992. Additional consultations took place between Devres and ACIDI in Washington, D.C.

Devres' evaluation of CDP recognizes the importance of CDP's training programs to the cooperatives where there were none before; the evaluation applauds CDP's demonstrated ability to deliver training and technical assistance under definitely adverse local conditions; and the evaluation senses that CDP has successfully inserted itself into the cooperative sector in a serious, sincere, and professional manner so that it is now working comfortably with the cooperatives and the cooperatives now refer to CDP for discussing various needs.

The evaluation has determined that CDP needs to install basic and very important development program management systems. The existing absence of meaningful planning and monitoring practices has resulted in gaps of knowledge concerning the co-op sector and in limited awareness of what CDP's achievements have been to date. The evaluation also found that CDP's internal structuring and utilization of personnel need modification. CDP will require more ACIDI home office support to formulate clear strategies and to carry out both internal modifications and program activities to which they are jointly committed.

In this broad context, some of the specific challenges facing CDP at this time are:

- o CDP needs to establish and pursue clear sector priorities which can enhance a sense of purpose and a more certain strategy within the cooperative sector.
- o CDP needs a more coherent "training program" that obeys a convinced understanding of short and long term priorities within the cooperative sector. Specifically, CDP will have to move beyond staging "training events" to promoting more short and long term programs of "cooperative education" and "institutional development."
- o CDP needs a more clearly articulated training strategy to ensure that managers of cooperatives understand and pursue sound cooperative principles and operate within the needs and realities of the local context of development.
- o CDP needs to advance training objectives reflecting sustainability issues for cooperative strengthening. Cooperatives will need technical assistance and training to carry out their activities based upon appropriate "needs assessment," market analysis, feasibility studies and their own educational programs.
- o CDP will need to improve its budgetary and training cost information for formulating sound in-house management decisions such as the cost effectiveness of off-loading segments of its current training activities into existing local institutions and concentrating on training programs which squarely address the above points once they are prioritized and defined.
- o CDP needs to continue its efforts to establish a sound, user-friendly program management, planning, monitoring, evaluation, and reporting system. An expansion and continuation of CDP's activities will also require a better designed training data base.

In the body of this report, Devres recommends specific modifications to CDP's current set-up and operations. In particular, the closing pages of Section VII(b) provide 12 recommendations for CDP's future activities.

Right from the start, the recommendations come with the caveat that CDP urgently incorporate the suggested changes into its program. Though Devres detected an eagerness from CDP personnel to know what they could improve on, enthusiastic reaction must be quickly translated into program-transforming actions that squarely address CDP's goals and objectives.

CDP is under a new manager whose knowledge of cooperatives is valuable and whose imagination would seem up to the task of re-shaping CDP's role and performance in the co-op sector. He will need to tax his staff's imagination to see how his knowledge and experience can be mixed with their local insights in such a way as to come up with a coherent overall program strategy that not only will fly in WB/G now, but that will also be valid in the uncertain future of WB/G. Such a coming together of the minds will require current CDP management staff to produce dynamically innovative thinking. Capable minds and good professionals are there, indeed. Now a high level of conceptualization and imagination must be added to their intelligence and experience in order to give CDP the sureness of footing in the next phase of their project.

This is the CDP's moment for setting its strategy and for making well-measured (albeit sometimes difficult) decisions on how to run CDP's operation from here on in. Failure to do so will result in CDP's consuming limited development resources. Correcting CDP's system of operations should result in more imaginative and focused technical assistance and training. However, CDP's continuing to react to the co-op sector, rather than being a mover and shaker in co-op development will assure that CDP be relegated to the ranks of costly activities that are ineffectual because they are devoid of clear purpose and programs that will bring targeted, sustainable results. And the continued inability of CDP to know how to create and measure impact means A.I.D. will continue to receive reports that do not describe well the areas where there are some good things happening in CDP which, fortunately, is actually the case.

Once CDP responds to its internal, largely operational and managerial problems identified above, CDP should be in a stronger position to handle a new and continuing set of activities as recently funded. In setting its agenda, Devres recommends that:

- o CDP concentrate its commitment to strengthening the managerial, financial and marketing capability of the "targeted" cooperatives (and two unions) identified in its new proposal: "CDP Extension." Among these, the Devres evaluation team saw more possibilities for showing positive results with the three cooperatives in Gaza: Beit Lahia, Livestock Cooperative and Khan Yunis. Members of these cooperatives are severely limited in their economic opportunities and because of several constraints in mobility, appear more dedicated to making their cooperatives more business-oriented; that is, compared to cooperatives of the West Bank. In the West Bank there are cooperatives with promise of sustainability. But because WB cooperatives like "Beit Jala Olive Press," "Soureef (women's) Handicraft," and "Tulkarem Livestock," have received the lion's share of A.I.D. and other foreign assistance, Devres

recommends that CDP make plans with each to graduate or wean them in the near future.

- o CDP is also facing a very wide range of cooperatives within the West Bank which may or may not show promising results. CDP will have to continue with its efforts to select and prioritize cooperatives with the best potentials for success. That is, CDP should begin plans with other "target" cooperatives.
- o CDP is also working with cooperative unions which Devres believes are important and appropriate institutions for "cooperative strengthening" and "human resource development." Effective unions and regional groupings can achieve economies of scale and take advantage of persons trained by CDP in TOT activities. Devres recommends continued CDP attention to the Hebron Union of Village Electric Cooperatives and the WB Olive Oil Union. CDP's activities with the Hebron Electric Union and the Olive Union need considerable attention. The Election Union must resolve issues of membership, revolving loans and sustainability. The Olive Oil Press Union is still small given the importance of olive oil in the WB. But CDP must continue important work with the Agricultural Cooperative Union (ACU) of Nablus. In particular, CDP must find an appropriate time and way to off-load AMIS into the Agricultural Union in Nablus and/or transfer it to another institution of promise. CDP should first decide if AMIS is still worth funding.
- o CDP should establish a social science data base and capability to study the results of its efforts and, to some extent, the work of ANERA within the co-op sector. Devres was surprised to see activities which were costly and questionable and yet no research or documentation was done to avoid making similar mistakes in the future. In other words, important "lessons" were not learned. We need only mention the Beit Lahia (Gaza) pilot effort to market directly in Europe, a project which cost CDP a \$13,000 loss and an additional \$14,000 loss to the cooperative. What happened? Was there adequate training and preparation in the cooperative to market under the circumstances? The other example is the soap factory project at the Beit Jala Olive Press Cooperative in the West Bank. Why did the cooperative decide to produce expensive soap with perfumes and additives and only a 20 percent use of residual olive oil as opposed to the traditional "organic" soap using 40% oil as produced in Nablus? What's the market potential for this soap given that soap is not a "missing" item on store shelves? The team believes that future activities should learn from these costly activities, if anything.

- o CDP should also be prepared to disseminate more of its findings and lessons in its periodic reports to educate a broader audience of cooperatives who are planning similar enterprises. CDP needs a more "lively" Resource Center for cooperatives in WB/G.
- o CDP should continue its future activities with cooperatives by conducting more carefully planned "participatory needs assessments," market studies, and feasibility studies of cooperatives. Such efforts have helped co-op members to determine which, from among a variety of activities, is the most preferable activity given its economic constraints. CDP has done good work with its credit reports and market plans but there is still need for improvement. CDP must keep good records of its studies and have cooperatives use them on a more consistent basis for more effective planning at the cooperative level.
- o CDP's new plans to develop a revolving credit program for housing improvements/jobs are well-intentioned but need more careful attention to details. At the time of Devres' evaluation, CDP and ACIDI staff both favored the financial institution TDC to develop a revolving loan program. TDC, the suggested intermediary, is a new financial institution with some promise but is not yet a proven agent to handle large sums of A.I.D. funds in a credit system. Although CDP used an outside consultant who narrowed the field of financial intermediaries to TDC, CDP should still question the credentials, insurance and fail-safe systems prepared by TDC (or any other financial intermediary chosen) for the task. Will TDC (or other entity) "own" the revolving fund when ACIDI moves to other activities? Will TDC (or other intermediary) assure that loans will be repaid in a timely manner? Experience around the world has shown that revolving credit schemes fail where people do not learn to save and invest in their own operations. Devres wonders, who is saving or investing in the financial institution TDC? Or any other financial intermediary?
- o CDP should move gradually with its "housing improvements/jobs" project. A small scale start within a couple Gaza communities is suggested to see how "home improvement investors" will respond to "self-help" and credit schemes. Research should precede the project to see if any laws or issues with CIVAD will have to be addressed. CHF should place a full-time professional within CDP to assure that the small scale effort will pay-off. Attention should be given also to determine how much "infrastructural" improvements should accompany the housing loans. Should CDP/CHF be expected to make corrections and additional hook-ups of electricity, sewage, access roads, etc., to communities? Such infrastructure is vital to housing up-grades and

rehabilitation of neighborhoods, but who should pay? Should CDP/CHF work with "targeted" cooperatives in selecting beneficiaries of home improvement loans? Or should CHF form and work primarily with members of other "community-based organizations?" How will communities and beneficiaries be selected to begin with? Devres recommends further clarification of these issues. Devres also recommends that CDP/CHF include a resident advisor for at least the first six months, if funded.

I. INTRODUCTION AND BACKGROUND

A. USAID-Funded Support to ACDI/CDP

The Cooperative Development Project (CDP) is an A.I.D.-funded project of the U.S. cooperative development organizations (CDOs) spearheaded by Agricultural Cooperative Development International (ACDI). Other cooperative organizations that have participated in this activity are National Cooperative Business Association (NCBA), National Rural Electric Cooperative Association (NRECA), the Cooperative Housing Foundation (CHF), World Council of Credit Unions (WOCCU), Volunteers in Overseas Cooperative Assistance (VOCA), Land O' Lakes, and CARE. All of these CDOs are coordinated through the Overseas Cooperative Development Council (OCDC). OCDC is composed of national cooperative leaders which represent the U.S. cooperative community of over 70 million members. CDP became effective on January 1, 1986. Beginning with an original funding level of \$2,421,037, CDP was amended seven times by USAID with incremented funds. The total obligated amount of CDP's grant, ANE-0159-G-SS-6020-07, was \$9,186,759. Final expenditures were estimated at \$8 million through July 1992 (see Annex B).

CDP's goal has been to assist Palestinian cooperatives in the West Bank (WB) and Gaza (G) to improve economic growth and the standard of living of the Palestinians. ACDI has used a movement-to-movement approach in providing assistance between U.S. and Palestinian cooperatives. Through the life of CDP, OCDC's participants have included NCBA, NRECA, CHF, and VOCA. Many Palestinian cooperatives have benefitted from CDP's activities as indicated below.

Recently approved at USAID/Washington is a proposal from ACDI: "CDP Extension." Pending at USAID/Washington D.C. is another proposal from ACDI: "Community-Based Jobs and Home Improvement." The overall goal of each is "to improve the quality of life for Palestinians in WB/G." Project funding for "CDP Extension" is U.S. \$5,172,936 for three years. The specific goal of "CDP Extension" is: "strengthening cooperatives to enable them to operate as effective and efficient businesses, by providing disciplined credit combined with training and technical assistance to cooperatives and by transferring certain existing CDP activities to local institutions." Project funding requested from A.I.D. for "Jobs/Home Improvement" is \$1,817,329 of which \$985,000 is to establish a revolving loan fund. Both ACDI and CHF propose to obtain additional cash funding in the amount of \$428,500 from other contributors during the life of this three (3) year project.

B. CDP's Relationship to A.I.D.'s Strategy in WB/G

CDP's past and current activities support A.I.D.'s strategies are set forth here:

- (1) To promote WB/G economic growth by
 - (a) facilitating market entry, market access, management and production in the agricultural and manufacturing sectors.
 - (b) stimulating financial market development; and,
 - (c) stimulating community-based income generations.

- (2) To increase capacity of public and non-public institutions to support economic activity in the Occupied Territories (OT), particularly through
 - (a) private enterprise organization, including cooperatives;
 - (b) financial market institutions
 - (c) municipal and village government; and
 - (d) non-municipal non-profit institutions,

- (3) To improve social services in the West Bank and Gaza, by addressing
 - (a) health services
 - (b) education services
 - (c) housing services

C. CDPs Program and Mode of Operation

At the time CDP initiated its activities in 1986, there was no training for cooperative board members, staff, or cooperative members and officials. Cooperatives operated on mostly a volunteer basis. Most assets were being utilized with minimum-to-no maintenance. Financial statements of the cooperatives, such as they were, were prepared manually by external appointed officials with the files located in the offices of Jordanian Cooperative Organization (JCO) offices. Financial reports were often delayed for over a year. Most cooperative managers were on JCO salaries and the board meetings were ad hoc, crisis management-type meetings. General assembly meetings were usually not held regularly or on time. Certainly, business practices were not up to true cooperative standards.

Much has been written about the details of this general scenario, so this report will not belabor the description beyond the above. But it is important to understand the above sketch, since it is precisely this set of circumstances which determined the purposes and goals of CDP in its nascent stages.

CDP's original purpose was to strengthen and expand the West Bank and Gaza cooperatives so they could better serve their members. As such, CDP was identified as a training institute that would prepare training curricula to address immediate needs of the cooperative sector. As a beginning, CDP would form a

training and technical assistance intervention plan which would identify potential within the cooperatives, assess the level of capabilities in the existing cooperatives, and set forth a strategy for addressing the already "apparent needs" of the cooperatives.

CDP set its strategy on two parallel streams: 1) "preserve and improve on the more viable cooperatives with intensified programs of technical assistance concentrated on the areas of organization, planning, management, finance, marketing, and technical expertise"; and 2) "offer limited and qualified assistance to the less viable but investment-worthy cooperatives, and render them more qualified to actively participate in their communities."

This determined that, in 1986-87, CDP and cooperative representatives undertook a collaborative sector survey which covered nearly 200 cooperatives and which utilized a relatively extensive, detailed, computer-coded questionnaire to analyze quantitative and qualitative data on the current cooperative situation. This is what CDP calls its "Preliminary Needs Assessment".

With the assessment in hand, CDP identified cooperative directors, managers, and CDP staff and trainers. It offered training of trainers (TOT) courses to get more trainers up to speed while, according to CDP, simultaneously explored training capabilities within other, existing training organizations in the area. At the time, CDP was not satisfied that there was local capability for conducting cooperative sector training, and the training program design, materials design, and program delivery became an integrated, in-house operation.

Between 1987-92 CDP saw its role evolve with the cooperatives through different stages and levels of co-op development. First, CDP emphasized training and technical assistance to board members and then to the co-op members. Second, CDP focused its attention on official cooperative staff such as managers. Third, CDP sought ways to enhance coordination with and among cooperatives in general; with cooperative regional directors; with JCO representatives; with extension personnel of the agricultural sector (such as it was); with other PVO's, especially with ANERA, and with other international donors and local agencies. In brief, CDP personnel sought ways to integrate themselves fully into the local and development programs' activities related to "registered" cooperatives for the most part. [See Devres report: "Evaluation of West Bank/Gaza Cooperative Projects," 1992, for more details on "registered" cooperatives.]

CDP's initial activities gave it a fairly broad scope of work from the start. It had many people and cooperatives to train. As CDP expressed it, "the cooperatives were like dry sponges at the time." Also, CDP's early activities seemed to suggest that all technical assistance and training would be welcomed by the cooperatives.

CDP developed a relatively broad range of training activities which covered training for Boards and their staff members, technical training for maintenance and utilization of "ANERA equipment" (machinery, processing plants, computers, etc. for dairies, electric installations, olive press businesses and the like), training for accounting and management information systems, and TOT for key cooperative personnel, particularly in the areas of cooperative structure, laws and by-laws, cooperative roles and responsibilities, and cooperative services.

From 1989 to July 1992, 200 co-ops sent at least one person to CDP courses. The bulk of the trainees were from core co-ops with which CDP originally concentrated its activities; this number was reduced to nine "targeted" co-ops in 1991.

According to CDP, it delivered 36,396 participant days of training to over 1,356 participants in 94 courses between January 1989 and July 1992. (This number will be discussed later in the report, since Devres' independent analysis of CDP data produces different figures). In addition to local training, CDP sent over 80 individuals for overseas training to France, Cyprus, USA, and Jordan between 1987 and July 1992. This training effort during nearly four years cost almost \$500,000 for local training and about \$120,000 for participant training. (This figure may be somewhat inaccurate, since CDP says they do not know exactly what direct and indirect costs ACIDI may include in costing out training programs. This question will also be discussed later in the report).

CDP's training curricula is quite varied. Depending on how the figures are used (number of course days; number of participants in a course; or number of participant days), the "high volume" training has been in marketing, computer, accounting, finance, and management. The "low volume" training is mostly in dairy, cooperatives, livestock, and electrical topics. Judging from the general comments by cooperative personnel visited, Devres understands that CDP conducted its training in a collaborative manner with Palestinians.

CDP regularly develops course plans for each of its courses. It does not traditionally develop calendar-based annual training logframes. Its training deliveries have mainly been affected by the Intifada and the Gulf War. CDP said its training was on a "contingency basis" during this period. It is uncertain how disruptive these events actually were, since CDP's volume of courses delivered between 1989-92 stayed fairly steady.

CDP has gradually branched out from its original concept of being primarily a training institute. Since 1989 it has undertaken activities in a revolving credit system, in the Agricultural Marketing Information System (AMIS), rural electrification, and in a joint CDP-ANERA spare parts and equipment and joint data collection activity. This has been an almost unplanned evolutionary process

of providing assistance where there has been a need. In some cases, CDP explains that its interventions have been in order to "pick up some pieces" of ANERA's unfinished activities, such as the case of the eleven computers which had been purchased by ANERA but never unboxed or used by the co-ops. CDP stepped in to operationalize these cooperatives.

Considering that: 1) training consumes such a large part of the human and budgetary resources of the CDP program, 2) ACDI has proposals to expand CDP's activities into the housing area and the JOBS Project, and 3) ACDI has asked that the CDP statement of purpose to be changed (refer to ACDI's CDP Extension Proposal), it is evident that training must continue to be an important activity for CDP.

D. Scope of Work and Procedures

The Devres Teams' Scope of Work is provided in Annex A. The statement of work has two components:

1. an evaluation of the performance of the A.I.D.-funded cooperative sector activities of the PVOs, ACDI, and APERA in the context of the needs of WB/G cooperatives; and
2. an evaluation of the ACDI/CDP in WB/G.

The Devres Team was asked to submit two separate, "stand-alone" reports corresponding to (1) and (2) above. In response, Devres prepared a separate report entitled: "Evaluation of West Bank/Gaza Cooperative Sector Projects."

The purpose of this report is to address supplementary questions for the ACDI evaluation and to provide information on a larger sample of activities pertaining to CDP. The supplementary questions deal specifically with CDP in these areas: "Technical Assistance/Training," "Publications/Resource Center," "Project Design and Monitoring," and "Future Activities." The Devres evaluation of ACDI benefitted from the other Devres report of the cooperative sector which contained relevant findings and recommendations for this evaluation.

For both evaluations, the Devres Team began its work in Jerusalem on July 17 and departed from there on August 11, 1992. The Team included an "agricultural economist, Team Leader," a "cooperative management specialist," a "human resources development specialist" and a Palestinian with expertise in "development planning and administration." The Team also employed a Palestinian woman with considerable experience with "Women in Development" (WID) activities, who also served as interpreter.

Its first meetings included briefings with the A.I.D. officer in Jerusalem, the Consular General and the Economic Officer from the Embassy in Tel-Aviv and representatives of ACIDI/CDP and ANERA. The Team developed a plan and selected a representative cross-section of 17 cooperatives for in-depth study and site visits. The selection included all nine cooperatives (and Unions) "targeted" by ACIDI/CDP for its activities (See Table 1). From July 22 through August 5, the Team spent every day in the field, covering the full range of cooperatives (from village level to regional unions) spread from Khan Younis (Gaza) to Jenin and Jericho of the West Bank. The coverage included meetings with CIVAD representatives, villagers, Board members, and a few people known to be critical of the cooperative sector. All of the principle staff of CDP were interviewed, including:

Thomas Laquey	Chief of Party
Joseph J. Nesnas	Director of Finance and Administration
Aown Shawa	Gaza Representative
Nuhad Judeh	Women in Development Consultant
Daoud Istanbuli	Cooperative Education Advisor
Nabil Handal	Credit Specialist
Abdul Rahman Abu Arafah	Marketing Advisor
Nadia Handal	Publications and Resource Specialist
Haidar and Zaki	Electric Technicians
Dr. M. Al-Gharabah	Livestock Expert
Tayseer Adeas	Computer Specialist
Ali Tarshawi	Agriculture Machinery Specialist
Arafat Dajani	Marketing Assistant

In addition, the Devres Team had discussions in the United States with:

Jerry Lewis	ACDI Vice President/Near East
Rex B. Schultz	ACDI Vice President/Overall
Carol J. Yee	ACDI Project Assistant
Ernest Bethe III	ACDI Associate Project Officer
Philip L. Brown	Former CDP Credit/Finance Advisor living in Sacramento, CA
Bard Jackson	NRECA Consultant (now with CDP/Jerusalem)

The Devres Team was received with open cooperation. Although during the time in the field Devres faced communities on strike on three occasions in support of Intifada, the Team was still able to conduct its surveys with good attendance of 4 to 10 cooperative members at each place. Devres found a very frank audience of respondents at each of the cooperatives. None focused on the Israeli occupation and all got right down to business about their cooperatives. Devres

notes that its team functioned independently of the PVO organizations except for one site visit when it attended a General Assembly of the Marketing Cooperative of Kufur Ni-meh near Ramallah with Abnan Obeidat of ANERA.

II. ACDI PERFORMANCE

A. A.I.D.-Funded Goals and Mission

The Cooperative Development Project (CDP), ANE-0159-G-SS-6020-00, began in 1985. Life of project funding was estimated at \$9,186,759. The completion date was August 31, 1992. As of June 1, 1992, ACDI had an unspent balance of \$1.7 million of which \$1.1 million was for "credit/grant funds" (see Annex B). This evaluation is timely as the results will be significant for CDP's three-year follow-on project entitled "CDP Extension." A follow-on project currently is being reviewed by A.I.D entitled "Community-Based Jobs and Home Improvement."

The overall goal of the CDP is to improve and expand cooperative services, thereby increasing the income and well-being of members of Palestinian cooperatives. CDP's current Mission Statement, reported in May 1992 states that:

CDP is a responsive development organization whose mission is to empower institutions which show promise of operating with sound business practices. Guided by principles of cooperation, CDP focuses on the delivery of quality management and technical skills training and comprehensive human resource development.

In order to perform its Mission, CDP offers a two-pronged approach. Its main approach consists of offering a variety of technical assistance and training to a open number of eligible ("registered") cooperatives. Technical assistance (TA) includes an assessment of needs, the development of work plans, setting targets and creating an overall strategy for the cooperative. TA may lead to assistance in writing proposals for other organizations to consider. Training focuses on cooperative management, with courses in accounting, marketing, computers, staff and membership relations, and specialized training for village electric cooperatives. Some of CDPs training is diffused by its bimonthly newsletter "Cooperative Horizons" and by Technical bulletins such as the most recent example: "Plowing Machinery," "Processing of Cream, Butter and Ghee" and "Cooling Facilities for Fresh Fruits and Vegetables."

CDPs second approach focuses on building the institutional capacity of the WB/G "targeted" cooperatives shown in Table 1.

CDPs strategy is to work with this nucleus of cooperatives to strengthen their management and operations and to use their favorable experiences for other WB/G cooperatives to replicate.

As of April 1992, CDP established work plans and memorandum of understanding with these "Targeted Cooperatives": Sureef Women's Cooperative,

Table 1: Cooperatives Surveyed by Devres Team

Name	Type	Cooperative/Union	Approx. Membership**	ANERA	PVO Support***	CDP
WEST BANK						
1.	Beit Jala*	Olive Press/Soap	785	B, C, T		TA, Tr, MA, WP
2.	Jenin*	Marketing (Vegetables)	567	B, C, TBldg-cold storage		TA, Tr, MA, MP-Marketing
3.	Souref (Wanqa)*	Handicrafts	353	C		Tr, MA, WP, ToT
4.	Tulkarem*	Livestock	45	T, C, MD, F		Tr, MIS, MA, WP
5.	Razallah Union*(20 co-ops)	Olive Press	6,800	B, C, OBldg-Oil Canning		Tr, MA, WP
6.	Jericho	Marketing	1,700	B, C, T, Water TankBldg-cold storage		TA-marketingTr-Mechanics
7.	Hebron Union*(6 co-ops)	Electrical System	2,727	C, T, Cr, E		TA-Mgt, MA, WPTr-Mechanics
8.	Al-Nasaria	Livestock	60	T, C, MDRldg-dairy		TATr-computer
9.	Ramallah (Forming Livestock Union)	Poultry	168	T, CBldg-feed mill		TA-consultantsTr-computer
10.	Hebron	Marketing (grapes)	750	B, T, C, G(Phylloxera Pest-Control)		TA-Info, marketing
11.	Nablus Ag. Union	MarketingMIS Center	700	B, T, C		TA-MISTR-computer
12.	Kufr Ni'meh	Agriculture/Poultry	95	T, C		Tr-Marketing
13.	Sajer/Hebron	Electric	850	T, E		Tr-mechanics
14.	Tulkarem	Marketing	480	T		Tr-mechanics
QAZA STRIP						
15.	Beit Lakhia*	Marketing	448	B, C, T, Cr-OBldg-cold storage		TA-Int'l mnts, MA, WPTr-computer
16.	Gaza*	Livestock	160	Vet mobile unitCr-livestock		(New)
17.	Khan Younis*	Agriculture	456	C, G, Cr-OT-"Front-end loader"		(New), MA

*CDP Targeted Cooperative

** Membership numbers provided by CDP and/or ANERA

*** PVO support indicates partial list of A.I.D. funded activities which were surveyed

Key:

B = Bulldozer	MA = Management Audit
Bldg = Building	MD = Micro-dairy
C = Computer	MISW = Management Information System
Cr = Credit Program	O = Olive press
E = Electric generator	S = Soap manufacturing equipment
F = Feed mill	T = Tractor
G = Greenhouse	TA = Technical Assistance
	TOT = Training of Trainers
	Tr = Training
	WP = Work Plan

Beit Jala Olive Press Cooperative, Beit Lahia Strawberry Cooperative (Gaza) and Tulkarem Livestock Cooperative. As shown in Table 1, these cooperatives have been recipients of considerable A.I.D. assistance from both ANERA and CDP.

B. CDP's Logical Framework and Project Performance Indicators

ACDI/CDP admits they have not been using a formal logframe. The logframe has been confusing. Hence, ACDI/CDP has recently gone through two internal evaluations with a specialist (Richard Marrash) in monitoring and evaluation systems. CDP's staff is currently setting up the mechanisms and planning tools with which to systematically set down logframes for their overall workplans and by section.

CDP has been responsive to A.I.D. in this area. Also, the indications are that CDP's staff is serious and utilizing fundamental management planning practices.

Instead of the logframe, CDP has a stated training plan for "future years." They have outlined the lists of courses and their frequency, including participatory training events. However, it is not evident that the plan obeys any specific determination of needs which differ from those which CDP's 1988 study divulged. The courses list looks very similar to those courses which have been delivered between 1989 and 1992.

According to the Ponasik report (1989), CDP has three purpose-level objectives for which indicators have been established:

- o Purpose One: CDP's first purpose is to strengthen WB/G co-op enterprises' capability to operate as effective and efficient businesses, providing services to member-owners.

<u>Objectives</u>	<u>Indicators</u>
a. Cooperative revenue covers costs of operation	% of total operating costs covered by revenue
b. Self sufficiency of each co-op income-generating activity (model co-ops only)	% of each service's total costs covered by revenue generated (model co-ops)
c. Increased used of co-op services by community (model co-ops only)	Number of new members (disaggregated by gender)

- o Purpose Two: To improve co-op ability to market agricultural products

Objectives

Indicators

- | | |
|--|--|
| a. Increase in agricultural products sold by co-ops in domestic market (including dairy) | Value and Metric tons sold domestically by model and core co-ops (including livestock and dairy) |
| b. Increase in agricultural products exported by co-ops | Value and tonnage exported by model and core co-ops (and market value) |

- o Purpose Three: To improve co-op access to credit and improve co-op-based credit programs

Objectives

Indicators

- | | |
|--------------------------------------|--|
| a. Increased access of co-ops credit | No. of loans received by core and model co-ops.
Value of loans received by model and core co-ops.
% of loans delinquent by 3 months or more (principal past due/total principal outstanding) |
|--------------------------------------|--|

Ponasik's report also lists several Output Level Indicators for ACIDI/CDP which cover the following:

- o Training: Number and types of courses and impacts
- o Credit and Grant Program: Loans and grants given
- o Village Electricity: Level of service and sales of electricity
- o Institutional Training: Number trained in accounting, financial planning, cooperative principles, etc.

The Devres Team found it difficult to relate CDPs' data for "Output Level Indicators" and "Inputs" to the purpose level objectives for which indicators have been established. A related difficulty is that CDP's technical staff have confused "inputs" with "outputs" and vice-versa. We also found that some individual logical frameworks are not dated and consequently it is difficult to judge the rate at which CDP responds to its plans.

The main shortcoming with the above PPIs are that they are quantitative measures without a sense of quality of input and output. Some of the indicators do not relate to the purposes of ACDI/CDP, nor to the Mission Statement. Nonetheless, we have identified some other problems in CDP's performance in WB/G.

C. Anecdotal examples of CDP performance

The "model" cooperative approach has been a questionable success with more problems than replicable benefits. As yet, none of the "targeted" cooperatives is sustaining profits for producing patronage dividends as good cooperatives should. CDP has also uncovered several problems in working with these cooperatives. To understand this situation, we review these examples:

- (1) A part of this focused approach consists of installing an Agricultural Market Information System (AMIS) in the Agricultural Cooperative Union of Nablus which would be linked with other "model" cooperatives to provide daily information on prices, supplies and demands at select markets, in order to help farmers to get the best price for their produce.

While conceptually nice and needed, this activity is off to a slow start. After being shown a letter from Tom LaQuey suggesting that AMIS would be turned over to the Nablus Union, Devres learned later that the means and terms of the transition are still being discussed. The delay seems reasonable in light of related issues. Only a handful of cooperatives are linked to the system and it is costing CDP at this time. Moreover, there do not appear to be Union plans to assure the sustainability of this project when CDP support ends.

Devres recommends that CDP conduct a new "feasibility" study with current and potential users to see what the AMIS offers cooperative members and to determine if it has helped improve marketing. The study should examine the possibility of charging user fees and/or other means for generating financial support for AMIS.

- (2) Another part of CDP's focused approach involves the Union of Village Electric Cooperatives in Hebron wherein the Union has agreed to act as the administrator for CDP's Village Electric Cooperative Loan Program. The Loan Program is already underway. The first application for a loan under this program was received by CDP and the Union from Tarqumia Village Electric Cooperative. The loan activity at Tarqumia was approved by CDP's Loan Committee in early 1991 and authorized by CIVAD in the amount of U.S. \$118,920. This loan had a grant component in the amount of U.S. \$57,694.

The Electric Union has provided many services to its member cooperatives. It has purchased equipment and fuel for generators at reduced rates (although the Union learned from quality tests that the Israeli's sold them inferior fuel) and has laid plans with 5 operating cooperatives to upgrade electrical services.

CDP's revolving loan funds for electrical cooperatives were budgeted at \$435,000. The funds available for new loans and grants as of July 1992 were \$367,454. Hebron's revolving loan fund has been replenished by \$4,549 from repayments, which appear to be low and/or behind schedule.

The Devres Team was very impressed by the professional abilities and capabilities of the Union's staff which includes two engineers employed by CDP. The Union's staff expressed enthusiastic potential for this activity.

However, a key concern Devres found with the Hebron Union was with the sustainability of this activity. CDP pays for two engineers to work with the Union; one serves as the manager. CDP also pays for rented space, automobile and computer equipment. How will this level of support continue after CDP's funds end? Will the Hebron Electric Union be in a position to maintain this set-up with its own funds?

Hebron's revolving credit program was also a concern to Devres. What will happen with the loans if the Union ceases to exist? Will the funds return to CDP? Will the loans be written off? Will the member cooperatives keep these funds?

Devres recommends that CDP and the Hebron Union begin plans for developing the self-sufficiency of the Union. In particular, Devres recommends a study to estimate the actual costs and returns from the Union's services as well as an estimate of the membership needed to support the Union, i.e., how many members and hook-ups and how much electricity should be sold to achieve financial break-even? Furthermore, since the Israelies are able to sell electricity at very competitive rates, Devres asked for a determination of the Union's potential market share of electricity.

Devres recommends also that CDP and the Union address the questions raised about the revolving loan program; especially the one about the loans which are not repaid and the future of the credit program if the Union shuts down.

Note: After Devres expressed these concerns and recommendations to ACDI and CDP, it was given an in-house report prepared by Bard Jackson, January 1992. A copy of this report is in Annex G. The report noted the same concerns identified by Devres and also recommended a more comprehensive revision of the village electric program. CDP has also responded and since September 1, 1992 has had Bard Jackson in its Jerusalem headquarters with direct authorization over this activity. Bard Jackson of NRECA appears to be well qualified for the task. Jackson was the main purveyor of TA to the Electric Union and cooperative members from 1989 to date. According to Bard Jackson, future loans for village electric cooperatives will not be channeled via the Union but by TDC, "once it is determined that TDC is a suitable and reliable organization" [ACDI's words in letter to Dot Young from Jerry Lewis, September 25, 1992]. Jackson also intends to transfer the remaining loan portfolio with the Union to TDC for collection and future use in the cooperative electric sector. The transfer appears to be a good idea, although Devres prefers to have CDP know more about TDC's qualifications before the transfer takes place. Also, Taylor's report in Annex H raises the same concerns as Devres does here.

- (3) CDP devoted considerable technical assistance, training and money to the Beit Lahia Strawberry Cooperative in Gaza. CDP's TA consisted of the preparation of a feasibility study to determine if strawberries and tomatoes could be marketed in Europe (via air freight) with a profitable return and advice in the export process. Beit Lahia representatives went to Europe to study the import process and TA went to Beit Lahia to develop a management audit, workplan and budget process. CDP training provided Beit Lahia members with information on computers, marketing processed fresh vegetables and accounting software. Moreover CDP gave a guarantee to Beit Lahia in the amount of U.S. \$18,750 for the purpose of providing partial backing of a loan received by the cooperative from the Arab Development and Credit Company (ADCC). The ADCC loan was used to finance Beit Lahia's exports to London.

Although all the pieces for an effective marketing scheme appeared to be in place, the activity still failed to develop a good export program. In essence, the Beit Lahia cooperative lost \$33,000 worth of exports. Thanks to CDP's guarantee, the cooperatives' members didn't lose everything, only about \$14,000. CDP says it lost \$13,750, not the full amount of \$18,750.

Devres realizes the inherent risks of agricultural marketing. Many things can go wrong with new ventures into international markets. Moreover,

the Gulf War (1990/91) and its effects could never be anticipated or planned for. But Devres is concerned about two dimensions of the Beit Lahia export activity. One, why did Beit Lahia venture alone after having previous export success with the Israeli firm AGREXCO, the Israeli state controlled agricultural export company. Interestingly, despite this venture, Devres learned that AGREXCO still was taking and is taking large quantities of the cooperative members' strawberries. Two, what has been learned from this activity? Nearly a year has gone by and no formal report or study has been prepared by the cooperative nor CDP. Devres believes there are valuable lessons, if anything, in this costly activity.

Devres recommends that CDP conduct or contract a follow-up study of the Beit Lahia export project. That the study retrace the steps taken from the first idea to export alone to the ultimate outcome at the end of the market period. The study should be undertaken to identify lessons and needs for further marketing. This study is particularly urgent as Beit Jala opens its doors to its packing shed and cold storage facilities which portend more marketing potential. The study should also form part of CDP's Resource Center and should be provided as an example of what can go wrong in international markets despite all the advance planning and preparation.

- (4) After lengthy negotiations, and a feasibility study, CDP provided TA from a German expert, training and a financial package of about U.S. \$35,000 to the Beit Jala Olive Press Cooperative in order to help the cooperative to produce soap. (All the details are contained in Annex I). Seven years before, ANERA helped Beit Jala purchase soap making and processing equipment with the ability to use olive oil residues. The plant sat idle and was not used until CDP revived the cooperative's use of its equipment. Devres Team saw first hand nice looking soap produced at the factory.

Devres is concerned, however, that the cooperative does not have a complete marketing plan. Although there is a feasibility study, it doesn't have realistic detail of the consumer demand for soap. Also, the cooperative may even be making the wrong kind of soap because its soap requires imported components like wax and perfumes. There isn't even a label or a wrapping machine for the soap.

Devres recommends that CDP and the cooperative prepare another, more specific, market study of Beit Jala soap. The idea is to look at the competition, both in soap production and in terms of soap sold in stores, and to determine if there is a suitable market niche for Beit Jala's

product. The study should include a "consumer preference" assessment by surveying consumers and checking which soap they prefer. Labels should be tested. Such a test could be done by distributing samples and asking people to try the soap and compare it to their regular brand.

D. Summation of ACDI/CDP performance

CDP's performance is difficult to gauge from a strict analysis of its bi-annual reports and PPIs. There is limited use of logical frameworks and the apparent reason has to do with the confusing language of PPIs. It is difficult to discern inputs, outputs and project purposes let alone relate these measures to "cooperative strengthening," "institutional development" and "human resource development."

CDP also has a large variety of cooperatives to attend to and the variety spreads the talents of CDP staff in many different directions. For example, CDP's staff addresses problems with electrical cooperatives, dairy cooperatives, olive press cooperatives, etc.

Devres recommends that CDP continue its attention to "cooperative strengthening" and to teaching and disseminating information on cooperative principles. This focus is applicable to the wide variety of cooperatives, even though it may not deal with specific issues of agricultural machinery, computers, etc. CDP should continue addressing those areas in which it has the greatest strengths which ACDI can support. Appropriate areas appear to be in marketing, electric and agricultural cooperatives. CDP should also determine its capabilities within the areas of home improvements and jobs (employment generation) to prepare for such activities in the future.

Devres recommends that CDP also focus in terms of its particular strengths in its human resources. That is, Devres recommends that CDP concentrate its problem solving in those areas for which it has the best talent and back-up support from ACDI for technical assistance (TA). It may be that the best TA is in electrical cooperatives and/or marketing. For now, Devres would prefer to leave that decision to ACDI/CDP.

Devres recommends that CDP consider closure to some of its activities with cooperatives. There should be "closure" (i.e. an accord to terminate further funds) to activities like the soap factory. CDP should also arrange a graduation date for all of its "targeted" cooperatives.

III. PRINCIPAL CDP ACTIVITIES: TECHNICAL ASSISTANCE AND TRAINING

Section III provides an assessment of CDP's technical assistance (TA) and training (T). Technical Assistance is an important dimension of CDP's in-house strengthening and also of CDP's activities with cooperatives. Devres has mixed conclusions (good and bad) of the work of ACIDI/CDP's TAs. Training is the raison d'être for most of CDP's Project. It is the crucial ingredient needed today for both "cooperative strengthening" and "human resource development." Because of the overall importance of CDP's training in WB/G, Devres evaluated its training with a four-way approach.

A. Technical Assistance: What it Means

Both CDP and ANERA tend to misuse the term "technical assistance." ANERA, for example, is prone to say that any individual, that is, permanent ANERA staff, temporary part-time and full-time local consultants, Palestinians holding co-op management positions but on PVO-provided salary, etc., are all providing "technical assistance" to the co-ops. The ANERA case is discussed in the other Devres report, but the point of mentioning ANERA here is to illustrate that even among different PVO's there is not necessarily agreement on what TA means. CDP is similarly inclined to use a broad concept of TA. For example, CDP calls Marash's internal consultancy "technical assistance," whereas it is really staff development and would not come out of a TA budget. Also, Bard Jackson's report is a combination of TA and in-house reporting since Jackson's consultancy was followed by his employment at CDP.

Devres will use a definition most commonly used by A.I.D. programs. It is similarly recommended that the PVO's apply a similar definition in order to enhance their management systems. Devres' definition is as follows:

Technical Assistants are "experts" hired to perform special (perhaps unforeseen) activity-specific jobs whose level of expertise enhances project staff and local-hire capabilities. Because project designers often do not know what the requirements will be for technical expertise at the time they set up a project, a specific budget is therefore set aside which is then used on an as-needed or planned basis to satisfy the project's requirement for special advice, studies, etc. Such activities are usually performed by outside (i.e. non-local) Technical Assistants in order to support defined project needs and to encourage frank, open recommendations of a higher nature than the project can provide locally.

B. CDP's Technical Assistance Program: 1989-present

In this context, then, we discuss the type of TA utilized by CDP since 1989 and, to the degree possible, what its impact has been. To understand the data provided by CDP, Devres visited all nine CDP target co-ops as well as eight others worked in by ANERA and CDP. Remembering that the co-ops have an even more loose definition of TA than the PVO's, Devres noted that the "smile test" produced generally positive comments by the co-ops concerning CDP's TA. This general praise, however, meant everything from regular CDP staff interventions to training and locally-hired consultants. Nonetheless, the smile test showed that at least CDP's interventions with the co-ops were positive.

CDP provided Devres with TA documents on seven TA assignments (TA in line with Devres' concept) between 1989 and 1992. It was not possible for Devres to judge the complete value of the TA assignments because some documentation was given Devres on the eve of the teams' departure and after Devres' draft report. Thus, it was not possible to ask specific questions related to the documents. In addition:

- 1) No consistent sets of documents were provided for each assignment, i.e. Scope of Work, resume, in-house commentary on report, etc.
- 2) No final report was readily available on one assignment, the Pratt TA.
- 3) CDP's Scope of Work (SOW) on each assignment was not uniform. Only some had specific detail and required a final report. Other SOW's were vague.
- 4) No consultants' resumes or CV's were provided.
- 5) There was no logframe of planned TA, so Devres could not evaluate TA time on the job nor delays in CDP's efficient use of TAs.
- 6) There was no budget figure available for Devres to judge if CDP was fully or partially utilizing their TA resources.
- 7) CDP did not provide information indicating whether or not the specific recommendations from the TAs had been acted on or not and did not provide any specific evaluation as to the impact of the TA provided.

The incompleteness of the information on TA points out some of the flaws in the CDP record keeping. Unfortunately, it also meant that Devres was able to only partially evaluate this aspect of CDP's activities.

C. CDP's Technical Advisors and Comments From Their Reports

Table 2 lists CDP's TA, which took place between 1989 and 1992. Most consultancies were provided CDP through ACIDI subcontracts with VOCA and NRECA. CDP informed Devres that all their TA assignments end with training sessions with the concerned co-ops and farmers. We found only the Oldham report with information on a training session. CDP says the final reports are translated into Arabic and distributed to the interested and relevant co-ops. Devres did not see specific reports but found comments in CDP's Horizons newsletter. Recommendations constitute the bases on which CDP formulates their requests for future TA.

TABLE 2: TA PROVIDED CDP: 1989-92

FOCUS	PERIODS	CONSULTANT
1. Dairy co-ops	April 1989	Ernest Winings
2. Farmer-to-Farmer	May 1989	Garland E. Benton
3. Women-In-Development	Aug.-Oct. 1990	Linda Oldham
4. Post Harvest	Dec. 1990	Harlan Pratt
5. Livestock co-ops	June 1991	Judson Mason
6. Electric co-ops	Dec. 1991-Jan. 1992	Bard Jackson
7. Credit	Dec. 1991	Charles W. Taylor

Devres scanned each report submitted to CDP by Technical Assistants. Each left a set of recommendations for follow-up activities. Several of these recommendations are worth repeating because they confirm and relate to Devres' concerns with CDP. Here we highlight key contents of their reports:

1. TA of Ernest Winings dairy co-ops

RECOMMENDATION: form a type of cooperative "umbrella" union with dairy cooperatives. RESULT: This same recommendation is being made by Devres. The implication is that there have been no significant steps taken in this direction since the visit of Mr. Winings in 1989.

RECOMMENDATION: co-op management take responsibility for education and dissemination of information to their own members. RESULT: this heads towards a Devres recommendation concerning the sustainability and replicability of training at the individual co-op level.

RECOMMENDATION: establish guidelines for planning and a "program of progress" which would specify dates of accomplishment for each area of the plan. RESULT: This is the type of workplan activity specifically being recommended in this report. It is clear that there is no discernible progress in this area.

RECOMMENDATION: set higher standards of sanitation at dairies. RESULT: most co-ops visited by the evaluators seemed to have reasonable sanitation standards, though it was noted that the grain factory of Ramullah needs serious attention from the standpoints of sanitation and safety. In addition, cow and sheep stables at Tulkarem needed more frequent shoveling out.

RECOMMENDATIONS: dairy production records should be improved. RESULTS: the evaluators were not able to judge if this aspect has been improved or not.

RECOMMENDATION: improve the clarity or specificity of the cooperative laws and by-laws. RESULT: this observation is the same for Devres.

RECOMMENDATION: carry out educational activities to improve members' knowledge of cooperative principles and practices as well as that of agricultural production and animal husbandry. RESULT: only about 5% of CDP's participant days are dedicated to dairy, co-ops, and livestock/bees combined. If one adds in "management" courses, this would boost the total to a combined 18% of the total participant training days. This report signals that there is insufficient attention being given in this area. Therefore, the conclusion is that there has been no significant improvement in this area since the consultancy in 1989.

RECOMMENDATION: emphasize co-op member relations and philosophy through a variety of ways, such as dissemination of printed information, incentives for the farmers who excel, etc. RESULT: CDP's printed bulletins, notices, posters, etc. are ubiquitous. CDP has taken this recommendation seriously. It was also a recommendation in Leo Pastore's 1987 report.

GENERAL CONCLUSION ON THE WININGS TA: The recommendations are so similar to a number of those that Devres makes it seems fair to say that CDP has not taken advantage of the TA provided by Mr. Winings.

Since CDP did not provide Wining's scope of work (SOW) for this TA activity, it is not possible to know if the consultant produced what CDP required or not.

2. TA of Mr. Garland Benton: farmer-to-farmer

PREFACE RECOMMENDATIONS: Bring in a "qualified sheep farmer volunteer"; investigate marketing of wool; obtain TA from a dry land farmer; expand educational programs for co-op employees and farmers; have demonstrations at model co-ops. RESULTS: Devres did not dedicate time to sheep and dry land farming specifically and has not provided Devres information to show that these recommendations were carried out.

Concerning the mention of expanding the training programs for co-op members and farmers, CDP does not track its training data in such a way as to make it possible to know whether or not this was a problem before and if it is being rectified now. There is no data run on target-audience figures, though numbers of board members vs. numbers of co-op members vs. farmers could be obtained by a manual count from existing data runs.

GENERAL CONCLUSION ON BENTON TA: The CDP Scope of Work (SOW) said Benton "will be working mainly with two cooperatives at Ramallah poultry producers co-op [sic]; and Zababdeh co-op for livestock improvement." The SOW did not require a report. Benton submitted a one page memorandum to VOCA with two recommendations only. He provided CDP's Director (Edmondson) with a one page "thank you" memorandum and an attachment with one page of "suggestions" which we list above. Two other attachments listed people and places visited (many in Israel) with superficial observations. Devres did not see any suggestions of substance in Benton's TA. Devres would like to know if the consultant's interest in sheep farming was useful. Given the fact that olive growing occupies about 30% of the West Bank's agriculture and considering that the consultancy did not focused minimally on animal health issues, Devres cannot commend the TA provided by Benton.

3. Linda Oldham TA: women-in-development

Devres received only an undated report (without a title page) from ACIDI in September 1992 which was prepared by Linda Oldham. The 30 page report did not contain information about Oldham's qualifications but the report's list of references showed her to be co-author of two reports on small-scale enterprises in Egypt (1988 and 1990).

Oldham's Scope of Work was missing but her report listed 12 specific requirements. Most asked for determination of the role of women in the CDP model (with cooperatives) and the kinds of organizations, enterprises, training

and research that would benefit Palestinian women in the WB/G economy. Oldham's consultancy took place in two phases: July 29-August 19 and September 23-October 12, 1990. In addition to submitting an informative report, Oldham presented a seminar on "The Status of Palestinian Women in Production." Annex C of her report lists 25 organizations in attendance.

FINDINGS AND RECOMMENDATIONS: Oldham provided an answer to all 12 questions of her assignment. Her main findings (quoted here) are that:

The economic projects of the Palestinian women's associations are operating in nearly total isolation from the commercial and industrial sectors of the society, and have little linkage with the business support institutions which are beginning to develop in the West Bank and Gaza. The central focus of these projects is small-scale industry, with commerce as an adjunct from within the organizations which have founded them, and lack business expertise. No advantage is being taken of the skills of female entrepreneurs in the society at large, and the relevance of these women's expertise to the central issues of women and economic development has yet to be recognized.

Oldham's report dealt almost exclusively with the issues summarized above. With regard to CDP's model and the cooperative sector, Oldham notes in Annex D that:

Given the opposition of women leaders in carrying out economic development programs via male-dominated institutions, the very limited number of women's cooperatives in WBG, and the extreme difficulty of registering new [sic] insufficient attention was paid to the cooperatives to make a determination of this issue.

CONCLUSIONS ON OLDHAM'S TA: The Oldham report provided valuable information on the often neglected issue of women-in-development. The consultancy, however, left little for CDP to work with in addressing its activities in the Cooperative Sector. [Note: At the time of Devres' consultancy, CDP had eliminated its on-line staff position for "Women-in-Cooperatives." In fact, the woman who had the position was left in an ad hoc "consultant" role with CDP. It was apparent to Devres that CDP had no specific plans or strategy for working with women of the cooperative sector. In fact, CDP's organizational chart dated July 1992 had no place for women. Nor does the recently funded "CDP Extension" have in its Logical Framework Matrix the mention of women. "Women" appear to be merely added on to CDP's organizational chart at the last hour without a clear line of activities targeted at them (see Section V below).]

4. Harlan Pratt TA: post harvest handling of products

Devres was provided with a Scope of Work (SOW) that was undated and not specific. For example, the SOW says: "Present Several Sessions to deal with: handling of fruits, transportation, grading requirements, pelletizing and stacking." Also, "Co-ops to be dealt with include: "Cooperatives: Jericho Marketing, Beit Lahia (if possible)..." "Time Frame: 6-8 weeks starting in late November."

No reporting requirements were in the SOW. But Pratt (VOCA) wrote a letter stating:

The proposed "Scope of Work" was detailed, but almost none of the proposed work was accomplished, because no export efforts were being made nor were any further efforts contemplated at this time.

Devres learned that Dr. Pratt got sick while in Jerusalem and that Edmonson cut his consultancy short. Also because of the unanticipated "blizzard, cold weather, floodings and incredibly high domestic market prices - all of which have unexpectedly militated against exports from the Jordan Valley this winter," it appears that Pratt was in Jerusalem at a bad time. (Edmonson letter to Pratt, January 5, 1991.)

5. Hudson Mason TA: livestock co-ops on West Bank

CDP's SOW for Mr. Mason was reasonably specific: review the marketing practices of dairy co-ops; propose milk collection systems for expanding intake up to production capacity; devise purchase agreements for producers and co-ops; propose contracts for use between co-ops and purchasers; and explore ways for dairy producers to segment the market to mutual benefit of co-ops and other Palestinian dairy producers.

The consultant seems to have made a fairly thorough trip through a number of the co-ops and was able to list a very large number of observations on each co-op in his report. He did deliver a seminar to co-op members and mentions that the co-ops did not find anything seriously incorrect with his findings.

Because of the length and detail of the consultant's report, it is not possible to provide an item-by-item rundown on recommendations and results. An overview of Mason's report is as follows:

Findings and Recommendations: 1) there is no need for a milk collection system or for purchase agreements with members as long as the co-ops are not in position to accept all milk supplied by farmers. However, farmers should be encouraged to market through co-ops. 2) There are many ways to segment the market. The consultant provided several recommendations. 3) Investing in or seeking grants and loans for equipment should be preceded by in-depth analyses to determine available milk supplies and to see if potential sales are sufficient to obtain low enough per unit processing and distributing costs.

General Conclusions on TA: The consultancy kept to the SOW and provided CDP with everything requested. Much of the information and the ensuing recommendations seem to be right on target and apply to issues currently being discussed in other parts of this report, especially the recommendations for performing in-depth needs analyses and what their purpose is. RESULTS: It does not appear that the in-depth needs analyses performed by ANERA and CDP are yet up to the marks recommended by both Mr. Mason and this report.

6. TA of Bard Jackson: Village Electric Co-ops

Annex G contains the final (revised) report entitled "VEC Program Assessment," January 1992. This report will not be repeated here. It is a good report which provided CDP with positive recommendations for future activities with the Village Electric Cooperatives (VEC). In fact, Devres concurs with its findings and uses them within the Devres report.

7. TA of Charles W. Taylor: CDP credit program

Annex H contains the complete report prepared for ACDI by Taylor. This report shows "classic" reporting. It is well done and informative. Devres refers to the findings of this report in Section VII: Future Activities.

D. General Conclusions on CDP's Benefit from TA

- o CDP seems to have a spotty record on their TA activities. Based on the evaluator's review above, Devres recommends that CDP implement a better planning system for its TA to ensure it gets timely TA which focuses on the key issues, e.g., is sheep farming and wool export a priority? Also, CDP must maintain consistent and comprehensive files on each TA.
- o Judging from the number of recommendations made by the consultants, there is a gap between getting the recommendations and acting on them. Devres finds that CDP needs to improve the means with which to follow up on TA recommendations. Devres believes that CDP's lack of

utilization of most consultants' feedback and recommendations is due to the needed monitoring, follow-up, reporting, and analysis work in-house.

- o Since there were no financial records available, it was not possible to know the cost:benefit of these Technical Assistants. However, because they were relatively low-cost TAs through the VOCA, one could at least conclude that they were not costly in pure terms.

CDP did not inform Devres how much TA cost CDP during 1989-92, relative to the total budgeted for TAs.

E. CDP's Local Technical Assistance

CDP had better financial records on its local consultancies (which it also calls TA). Between 1990-1992, CDP hired ten individuals to perform various tasks. The activity areas were: water pumps, women in development (two assignments), management audit, Beit Jala study (two assignments), library, agricultural training (type unknown), feasibility study (type unknown), and export to EC. (Source: CDP Finance Manager).

These consultancies cost over \$42,000. The person months are not provided by CDP. The highest-cost consultancy was for management audit (\$15,480) and the lowest was \$300 for agricultural training. There were no SOWs or reports given to the evaluator, so it is not possible to determine specific benefit to CDP's programs through these interventions. (Source: CDP Finance Manager).

CDP provided the Devres team with a specially prepared summary of local consultancies. While the summary contains some general sketches on the activities, there is no information concerning the usefulness or impact of these consultancies.

CDP does not appear to have a useful central file for its reports from its consultancies, which can be read for understanding their SOW and findings and recommendations. Devres recommends that CDP initiate a management system wherein it regularly logs information on consultancies, makes regular reports, and includes consultancy findings and recommendations. Devres recommends that CDP include in periodic reports which find their way into staff meetings, information on TA and the follow-up to recommendations.

F. CDP's Training Activities: 1987-present

Training has been a major activity of CDP. Because of its relative importance in CDP's performance, Devres evaluated training activities in four ways:

- (1) We examined CDP's computer files of training.
- (2) We examined CDP's responses to Leo Pastore's recommendations of his 1987 assessment of training needs.
- (3) We examined CDP's training strategy and work with cooperatives.
- (4) We examined CDP's course materials in cooperative management, of "training of trainers" (TOT), technical training in machinery and computers and human resource development.

1. CDP's training data and related shortcomings

Devres extracted information from the data runs CDP provided and quantified some aspects of CDP's information to see how much of what is being taught; where; to whom; and for how much.

Devres found that many of the numbers on training are somewhat inconsistent from one source to another and that CDP's training data collection and computer capabilities require immediate improvement. There is a need to get CDP's training data in order, top to bottom, starting simultaneously with data systems and sound training planning and implementation practices.

This critical situation can be illustrated as follows: CDP's training person says that CDP's local training costs probably hover around \$40 per person per day. Devres attempted to determine local training costs in a straightforward way. By using a variety of print-outs, the computer data showed the total number of participants trained since 01/89 to be 924. CDP Finance gave a figure of \$471,319.54 for the same period of time. That showed that the per participant per day cost to be nearly \$13. However, this figure is not reliable. Another "hand-produced" table of costs was provided by the training department which differed quite a bit from the computer runs. CDP's Training Department showed 1,356 trained since 01/89 against the 924 reflected in the computer runs for the same period. This 30% discrepancy is too large for even estimating what CDP is actually spending per participant/day.

The interest in trying to know participant/day costs was not academic idleness. Insider: one way to weigh whether or not CDP should continue to create and deliver computer courses would have been to show cost:benefit. Since Devres could not get reliable participant/day costs, it is not possible to provide CDP with a recommendation beyond saying that computer courses, in general, are "boiler plate" programs which perhaps should be off-loaded into the local institutions available for teaching them.

Data is not the end all and be all, of course. But it is useful if it is user-friendly. If it is user-friendly it will help generate pictures of situations which can help in understanding where one has been and where one is headed. The data system should be good enough for making management decisions. It should aid in understanding what activity impact is. None of CDP's training data can be used in these ways and, therefore, it needs to be improved so that it can.

2. Using Leo Pastore's standards of performance for evaluating CDP Training: "Internal Evaluation of CDP", June 1987.

Because CDP has not produced logframes which clearly outline goals, standards of performance, End of Project Summaries (EOPS), etc. and against which we can evaluate CDP's performance in training, Devres judged CDP's response to the 1987 "Internal Evaluation of CDP" by L. Pastor. Pastore's report provided CDP with important training program guidelines and concepts and recommendations. After five years we can see how CDP has utilized them and to what benefit.

STATED NEED (1): Pastore noted in 1987, "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."

Observed Outcome: Since 1987, CDP has developed a course curriculum which offers 38 course titles, 18 of which are labeled "institutional" courses, the rest being "technical" courses. The following course titles appear to be those which support need (1) as expressed above:

- | | |
|--------------------------------------|----------------------|
| -Basic/Intro./Intermed. Accounting | -Office Management |
| -Directors' Series | -Local Marketing |
| -Manager 1&2 | -Acctg. for Dairy |
| -Accounting for Livestock Coops | -Co-op Understanding |
| -Cooperative Basics/Structure/Organ. | -Planning |
| -Livestock Directors | -Loan Policy/Adm |

Devres found the following responses to Need (1):

- 1) 268 of 326 course days were dedicated to the above topics;
- 2) Gaza received 4 of those training days;
- 3) 82 course days, or 30% of the course days were participant training;

- 4) 100 of the total 110 women in CDP's courses were in the above courses;
- 5) About 85% of the >36,000 participant days were in the above topics.

Allowing for variations in the above figures, what becomes clear is that CDP delivered courses which addressed the expressed need as stated above.

STATED NEED (2): Pastore stated that, "Through CDP the cooperatives will acquire and/or upgrade capabilities of conducting market research and analysis..."

Observed Outcome: From 1989-1991, CDP had a full-time senior staff person as a Marketing Advisor. There is now a Marketing Systems Assistant. The Agricultural Marketing Information System (AMIC) has been developed and is beginning to operate, though it is still being hand held by CDP and it is not certain that the Agricultural Marketing Union in Nablus is ready to receive the baton as planned. Unfortunately, the training data base does not allow one to know how many participants from Nablus and other user-co-ops attended CDP courses specifically related to preparing for this program. Possibly the data could be obtained manually from separate CDP data runs. In addition CDP dedicated 67 of their course days to Marketing, representing 22% of their participant training days over four years. Thus, Devres concludes that CDP adhered to addressing the need to establish a marketing information system and has competently trained co-op personnel ready to receive and operate it.

We believe that if this system is carefully nurtured and if it is passed along to the Nablus Agricultural Co-op with every effort to ensure the Union is prepared to receive it, then there is every indication that the AMIC will constitute a successful effort by CDP to prepare and institutionalize an important marketing effort in the co-op sector.

STATED NEED (3): Pastore wanted to see that there would be: "Over time...improvements in operations and maintenance of equipment and machinery."

Observed Outcome: ANERA has spent over \$2 million on co-op machinery (30% of its budget. There is not a necessary correlation, but CDP has dedicated 52 of their 326 training days, or 13% of its participant training days, on agricultural machinery courses. In the area of equipment, CDP has invested 60 days of training, or 19% of its participant training days. Combined, this represents a sizeable portion of CDP's entire training effort to date. On the negative side, however, Devres was informed by the CDF Chief of Party that the co-ops are losing the CDP-trained drivers to Israel, where the pay is higher. Considering the volatile socio-political significance of land in WB/G, and the fact that the PVO's are assisting the co-ops in their land reclamation efforts by

providing farm machinery and trained drivers, this talent flight to Israel becomes disturbing and questionable as a training impact, even considering that the salaried drivers return their money to West Bank.

Devres recommends that the CDP training department should be able to provide a quick run of information on how many drivers have been trained by CDP, on what equipment, in which co-ops, and then check to see where they are now.

STATED NEED (4): According to Pastore, "CDP should develop a long term (4 weeks) [Training of Trainers] TOT for selected cooperative individuals...not technically oriented but should focus on methodology and be held in the U.S., to include development of training materials".

Observed Outcome: CDP did not send co-op personnel for TOT to the United States, as recommended. Nor does Devres endorse the recommendation of U.S. training. Nonetheless, there were participant training programs in the United States, but TOT was not among them.

3. CDPs training strategy

This section uses CDP's own written statements of purpose, strategy, and objectives for our evaluation of its performance.

CDP has written its overall strategy in four points as follows:

- a. Prepare a training and technical assistance intervention plan that would clearly identify potentials, assess existing capabilities, and define appropriate means to satisfy some of the needs. At the same time, the intervention strategy takes two parallel streams. One is preserving and improving the more viable cooperatives with intensified programs of assistance, especially in organization, planning, management, finance, marketing and technical expertise. The second is for cooperatives with lower levels of viability and performance, but with obvious potential for improvement. Such cooperatives are offered limited and qualified technical assistance that aim at enabling these cooperatives to raise their capabilities and efficiency to a level which would eventually render them qualified for more active participation in their communities.
- b. Training will concentrate on Boards and staff members and will help them to move into a relatively higher level of management control over cooperative action plans.

- c. Training in maintenance and efficient utilization of assets, such as agricultural machinery, dairy equipment, dairy processing, irrigation wells, electric generators, olive presses, etc., and training in accounting and computer usage for better management information system.
- d. TOT for creating a cadre from within cooperatives to carry out education programs for cooperative membership in different fields, by-laws, roles and responsibilities, and using the cooperative services.

Devres finds that the basic curriculum of 36 courses produced by CDP complies with CDP's stated intent to address training needs in the same topic areas as those of the 36 courses. This is not a statement of approval for the course contents nor an endorsement of how the courses have been delivered to the co-op sector. Even though the course titles fit the description of sector needs, it is difficult to know if the variety of CDP courses and the types and numbers of participants are satisfactorily meeting the co-ops' need and demand for training.

Table 3 lists 23 cooperatives which have received training since January 1, 1989, covering 480 local persons trained in 194 courses. As such, CDP is on track as far as delivering its training as planned.

TABLE 3: CDP: COURSES TAUGHT & NO. OF PARTICIPANTS

<u>COOPERATIVE</u>	<u>LOCATION</u>	<u>Number of</u>	
		<u>Courses</u>	<u>Participants</u>
A) <u>Targeted Co-ops</u>			
Jenin Marketing	Jenin/WB	13	26
Tulkarem Livestock	Tulkarem/WB	12	22
Olive Oil Union	WB	>7*	>9*
Soureef Women's	Bethlehem/WB	7	49
Beit Jala Olive	Bethlehem	7	14
Beit Lahia Agric.	Gaza	16	52
Khan Younis Agric.	Khan Younis/WB	14	40
Gaza Livestock	Gaza	no information	
available			
Rural Elect. Union	Hebron/WB	>5**	>11**
B) <u>Others</u>			
Nassariyah Livestock	Nablus/WB	12	41
Jericho Marketing	Jericho & Valley	13	35
Ramallah Marketing	Ramallah/WB	11	19
Al Ma'arifeh Livestock	Bethlehem/WB	10	21
Hebron Marketing	Hebron/WB	11	21
Nablus Marketing	Nablus/WB	11	25
Tulkarem Marketing	Tulkarem/WB	6	12
Agri. Mktng. Union	Nablus/WB	7	13
Azzoun Land Reclam.	Tulkarem/WB	6	7
Tarqumia Olive Press	Hebron/WB	7	9
Tarqumia Electric	Hebron/WB	2	3
Fawwar Electric	Hebron/WB	3	8
Ramallah Poultry	Ramallah/WB	4	4
Nuai'meh Beekeepers	Jericho & Valley	3	39
Totals: 23 Cooperatives		194	480

NOTES: *Membership includes 20 co-ops. CDP data incomplete.

**Membership includes 6 co-ops. CDP data incomplete.

##Co-op received "many courses" before 1989. (CDP note).

(Source: CDP Training Department Data.).

As we heard, however, one complaint is that CDP concentrates its training in easy-to-reach areas from Jerusalem. Also, Gaza persons complained that CDP is not delivering a fair share of training to Gaza co-op members. It is evident that only 5.5% of total training "course days" were given in Gaza. But with 16 courses listed as delivered in Gaza, CDP has given 8% of its "courses" in Gaza. This is at least in proportion to the total above, where Gaza co-ops represent 8.6% of the 23 co-ops listed.

Unfortunately, Devres could not determine if the 45% of training time in Jerusalem is or is not a problem.

4. CDP course materials: Devres' impressions of quality

To what degree are CDP courses and overall training materials high quality? How are the courses programmed to achieve CDP's purposeful objectives?

To answer the question, Devres reviewed 14 of CDP's management-type course plans. Course names included: general management, coop management, financial and human resources management, adult learning techniques, long range planning and goal setting, MIS for planning, ratios of financial and operational planning, co-op basics, legal aspects of co-ops, co-op accounting, bookkeeping and general administration, and livestock co-op accounting.

The courses range from 3-day courses in learning the basics of business and co-op management, to a 1/2-course for co-op secretaries to learn the basic skills and tools of office management. A 1-day course teaches ratios for financial and operational planning wherein CDP suggests that participants will gain powerful tools for analyzing current status and planning future activities of cooperatives.

There are several weaknesses observed in the course plans. Some of the weaknesses are outlined here.

1) 1-day course "Ratios for Financial & Operational Planning": Is it reasonable to suppose participants will gain "powerful tools" of analysis in a 1-day course, as the course description says they will do?

2) 1-day course "Director Training III": The participants will learn to use MIS for proper planning and budgeting, monitoring progress, adjusting operations, and motivating employees. In one day?

3) 2-day course "Cooperative Understanding": CDP says that participants will be able to recognize, understand, and appreciate the co-op as a business, cooperative principles, laws and by-laws. Will become familiar with differences between cooperatives and other forms of business. An exaggeration!?

4) 2-day course "Long Range Planning and Goal Setting": The active participant will learn to develop objectives for cooperatives, develop meaningful, realistic goals (short and long term), to work towards and develop an understanding of monitoring financial ratios. The main points of the course include co-op objectives and learning how to use MIS for good reporting and decision making.

The training data base shows that this course was taught twice in Gaza in 1990 by Mr. Phil Brown. Aside from the fact that the course name is not on the CDP master-list of courses, and apart from the fact that the objectives of the course are totally unrealistic, CDP simply never got this crucial subject mainstreamed into its training program.

Overall, Devres did not observe in all of the above materials, a coherent picture of THE TRAINING PROGRAM. CDP showed its courses but gave no sense of a "program," per se, with a continuum of courses which, in its inter-related themes and incremental stages of difficulty, constitute a cohesive, unified theme or plan which will expose enough key personnel over a sufficient amount of time to bring about any real difference in the co-ops' overall technical, but mostly managerial, ability to operate co-ops on a sustainable basis.

Training of Trainers (TOT)

CDP has a couple of courses on TOT which they have given once in 1990 and once in 1991 for a total of 5 days. CDP sent one participant trainee to the United States for TOT but Devres received no more detail about: who went? why? and with what result? This simply is not serious. It also places in doubt the accuracy of CDP "estimates" that they have some 40 trainees who could now become instructors in their areas of expertise, and some 25 trainers who could continue training on their own with minimal support from CDP. If this is so, then CDP is doubly delinquent: 1) it has no strategy for institutionalizing its training and 2) it is sitting on top of 65 individuals who could now be instructors. Such a wealth of available trainer talent is highly unusual under the best of circumstances. If it is available, it should be fully utilized.

Devres recommends that CDP should have a serious, on-going TOT effort. Not only that, the trained trainers should replicate their talents by training farmers, accountants, secretaries, etc. in the newly learned skills CDP provides them. Moreover, a TOT program should be set up in an extremely professional way. It should be a modular program, minimum of four-five weeks, and should carry the trainers all the way through the aspects of training concepts (as distinct from education), to development program training, to managing of training programs, to actual stand-up training concepts and practice, as well as adult training concepts and the like.

Devres does not want to over-estimate the role of "training of trainers" (TOT) but does want CDP to strengthen the role and effectiveness of TOT in the cooperative sector. Devres recommends that work of more advanced ("second tier") trainers be closely monitored by CDP and that refresher training (and supportive materials) be frequent.

Technical Training Activities: Computers and Agricultural Machinery

CDP dedicates about 33% of its training level of effort to computers and machinery. ANERA's investment in agricultural machinery is just over \$2 million, or 30% of its budget. Prior to 1988, ANERA had purchased computers for 11 co-ops. Subsequently, eight more were purchased, corresponding to the bulk of the "model" and "core" co-ops which CDP served at the time. CDP also purchased eight computers to complete activities in this area with cooperatives.

Computer training has occupied a great deal of time and investment of CDP. A computer expert was hired by CDP in 1988, responding to the urgent need to get the eleven computers ANERA had purchased earlier out of their boxes and into the co-op offices, operational. The training for eleven co-ops, plus that for an additional eight as CDP computers came on line, has achieved the following results as shown in Table 4.

Table 4 indicates that the computer program has the appearance of progressive logic. It contains most of the basic, required courses for the co-ops to computerize their accounting systems of the computer accounting courses, CDP had 13 co-ops trained in: charts of accounts designed from co-op balance sheets; special stock code; special coding for members.

Table 4: Courses and Training in Computers

<u>Course</u>	<u>Times Delivered</u>	<u>No. Recipient Coops</u>
1. Introd. to Computers and Wordprocessing	5	16
2. Intermediate DOS	4	16
3. NASHER (Arabic WP)	1	7
4. Accounting Software	5	13
5. Communication	1	8
6. LOTUS	3	10

During 1988-92, CDP has upgraded or replaced computers for four co-ops, and has brought continually up-graded software on line for the co-ops, including arabized programs, such as Lotus, WP, and Quattro Pro. They have selected

WB/G-compatible wordprocessing, thus ensuring wide acceptability on the local market.

According to the computer trainer, the results to date are mixed. Some examples: Ramallah Poultry has completely ceased manual accounts; Jenin Marketing and Agriculture Engineering still have a mix of manual and computerized accounts; Tulkarem Livestock, Sureef Women, and Al-Tawfeeq Fisherman have not yet received training and their computers are dormant.

Some problems: different co-ops have different equipment. Six co-ops have old IBM PC's and cannot utilize the new software. Some have IBM/PS2's or IBM/AT compatible and cannot interface all the software. In addition to the problems, the CDP computer expert pointed out that, once the co-ops get on line with the current CDP programs, they start asking for upgraded accounting programs for more specific reports. It is clear that if the co-ops are asking for more, once they get some, it is clear they are benefitting and growing.

In order to avoid piecemeal replacements of hardware equipment and software programs, Devres recommends that CDP update and study computer needs in the co-ops.

Devres recommends that CDP evaluate to what degree its should be designers and deliverers of computer training program. There are many off-the-shelf, repetitive courses available to most users, certainly for the beginning programs.

Devres recommends that CDP check out the local market and see what local entities could provide computer training, especially the boiler-plate courses. Once ACDI gives CDP good training cost information, CDP will be able to evaluate the cost-benefit of off-loading a good number of their courses.

Devres recommends that ACDI relieve CDP of delivering computer courses and dedicate its computer expertise to the urgent in-house needs cited in this report-management planning, monitoring and evaluation, and reporting systems.

Agricultural Machinery (AM) Training

At slightly over 5,000 participant days, agricultural machinery (AM) courses represent 13% percent of CDP's training. CDP began providing courses in AM in early 1990 in response to the large volume of agricultural machinery being put into the co-op sector through ANERA grants and loans and the evidence that the co-ops were not able to handle the operational, maintenance, and repair needs for that equipment.

To a great extent, the AM training is a maintenance program. The different courses include maintenance programming, safety, tractor usage control, tire maintenance, tractor implements usage, and pricing policies for equipment rental.

CDP traditionally has been responding to requests from the co-ops for equipment training. On occasion, CDP notices a specific need and recommends that the co-op receive training. ANERA does not notify CDP of equipment training needs, despite the fact that ANERA performs sector needs assessments related to its agricultural equipment disbursements.

ANERA has provided over \$2 million of agricultural equipment to the co-ops. CDP dedicates 13% of its training effort to AM courses. Nonetheless, neither CDP nor ANERA has a data base on the agricultural equipment. Nor do the PVO's have any operations and maintenance (O&M) logs, records, etc. that provide an overview of the status of equipment and equipment training in the co-ops.

The PVO's are, however, creating a data base on spare parts. CDP has set up a series of workshops with 20 co-ops and has completed a detailed inventory of all equipment and spare parts. This will produce a listing of all the machinery in the co-ops, the sequence and frequency of all the spare parts and maintenance needs, what kinds of spare parts are needed for the different machines, the parts catalogue numbers, and the cost estimates.

To complement this joint effort, CDP has done a survey of the olive presses in the co-ops. They have recorded the numbers and types of olive presses in the different co-ops and have drawn up a training plan for eight persons to train for two weeks each in Italy. Those same trainees would be used to cover training needs in their own co-ops as well as in other co-ops requiring assistance. CDP has presented the following information for the olive producing co-ops:

- Seven co-ops have fully state-of-the-art presses.
- Seven co-ops have 1-line automatic presses.
- All other co-ops have semi-automatic presses.
- Eight press operators require two weeks training in Italy on olive press maintenance and related topics.
- Each trainee will cover the maintenance needs of own plus three or four other co-ops.
- If two of the eight trainees become unavailable at a later date, the co-op sector will still be able to handle maintenance, since the minimum

requirement is for six mechanics for covering six co-ops each. Thus the training plan has built in a reserve factor of two trainees.

Without question, the olive oil industry is tremendously important to West Bank. It holds about 35% of the agricultural sector's business. Therefore, it is imperative that CDP support its needs in a significant manner.

Devres recommends that CDP study the training needs of the olive producing co-ops in a thorough way and design training programs which leave in place trained personnel who can, in turn, train other. A significant endeavor in training for sustainability and replicability, using the core idea of TOT, could provide CDP with a significant training impact in the co-op sector.

Devres recommends that CDP use an outside consultant, (TA), teamed with a co-op sector person, to determine clearly what the priority training needs are for "agricultural machinery" (AM) in general and that they develop a comprehensive package approach which will leave in place a significant number of trained mechanics, mechanics shop managers, etc., all trained and trained to train, thus endowing the AM component of CDP's activities with a truly self sustainable and replicable training program.

Devres recommends that CDP work with ANERA to establish a data base on agricultural equipment. The data base should not only inventory what equipment is available (and where) but also document the care and use of equipment provided by the beneficiaries. CDP and ANERA should have assurances that the equipment is used as planned by the cooperatives. Moreover, CDP and ANERA should assist cooperatives in estimating the useful life of machinery. This information will be needed by cooperatives to help them plan for replacements.

Devres recommends that trainers should be trained not only in their mechanical skills but also in how to keep good maintenance records for the farmers' machines, maintenance schedules, and spare parts. Ideally, this effort should be dovetailed with the data-based spare parts program which is now being developed between CDP and ANERA.

Devres believes that if CDP were to develop a solid core of trained mechanics, then it would be possible to have a regional federation of cooperatives to set up the mechanic's services delivery into a type of federated agricultural extension service. CDP has a foremost agricultural extensionist on the staff who would be able to conceptualize how this would work on regional bases. With such a mechanics' extension service developed in a relatively simple but serious way, and supported by CDP in some initial types of seed money or start-up money for the extensionists, then the same individuals who were performing the mechanical services and tracking of machinery utilization and needs could also

begin to work with the farmers and train the farmers in keeping records on dunams reclaimed, crops planted, and perhaps even some information on harvests. CDP could thus take the basic idea of a simple TOT program and convert the core group of trained individuals into deliverers of mechanical services and collectors of valuable information.

Similarly, Devres observed a nascent effort being initiated with the ANERA-sponsored mobile veterinary clinic in Gaza which could be extended in the same way as suggested above. The ANERA vets who operate the mobile clinic are already keeping assiduous records of their daily services. CDP could assist in this good initial effort by helping ANERA set up information tracking efforts in the same way as suggested for the AM area. CDP could assist the vets by developing them into trained trainers so that the vets can begin to replicate this with the farmers. Then the vets can help the farmers in simple but significant techniques of information tracking in areas such as pregnancies, abortions, flock growth, disease outbreaks, etc. If this information collecting were done on a systematic-enough basis, if the vets and farmers were collecting the crucial information, and if CDP were assisting in both the collection and analysis sides of the work, then a great deal of extremely useful information could be had on not only the impact of the PVO's programs but also on questions of improvement of animal health.

Thus, CDP could help convert what would be initially only a TOT effort into a significantly more important activity of replication of training at the farmer level as well as reliable, systematic information gathering. Since the extension-type work would be regular and on-going, the PVO's could ensure that the information collection would also be done regularly, usefully, and accurately. The entire activity would also bring into the picture a little bit of the question of commitment from the recipients of PVO assistance. There would be a need to give back into the system a little bit of what they got out of it.

Devres recommends that CDP and ANERA initiate plans for linking persons trained as trainers into federated groups to serve cooperatives. The TOT participants in agricultural machinery (and TOT participants in livestock health and protection) could constitute the beginnings of such a service. Cooperatives would be expected to pay fees for their work. A "basic needs assessments" by CDP would be appropriate at this time.

IV. CDP's PUBLICATIONS/RESOURCE CENTER

CDP's Resource Center was begun for the purpose of assembling cooperative and related information in one place so as to be readily accessible by Palestinian cooperative members, staff and support personnel. The Publications component is charged with developing and distributing appropriate technology updates and cooperative education publications.

The Center is apparently designed as planned. Its resources include a variety of educational materials in a variety of different forms. Almost all materials appear to be appropriately aimed at Palestine's "cooperative sector." Included are the following:

1. 16 video cassettes covering, for example, these topics:
 - o Arab Women at Work
 - o Shammuti (Oranges) Development
 - o Serving Their Society
 - o Cooperative Principles
 - o Cooperatives Working for All of Us
 - o Cooperatives in the Jordan Valley, featuring women, olive presses, marketing, etc.
2. 14 Technical Bulletins which illustrated with explanatory pictures and captions. These are mostly on "Marketing" and "Exports" but a few are practical like "Maintenance of Tractor Tires" and "Village Cooperative Loan Manual."
3. 2 Cooperative Bulletins which focus on:
 - o How to be a Successful Director
 - o Trainers Manual on Cooperative Issues
4. 2 Brochures, high quality, promotional pieces for Gaza Produce and AMIC (Agricultural Marketing Information Committee)
5. 8 Posters (all prepared from June 1990 to June 1991).
6. 3 Flyers (all prepared in October 1990). The flyers are glossy, high quality items which promote cooperatives of WB/G.
7. 8 of WB/G Workshop Reports, 6 on "Marketing" and 2 on "Women in Development."

After scanning these resources, the Devres Team learned that the person in charge of indexing and cataloguing the materials is no longer on the staff but that a Palestinian consultant has been filling in until a replacement is found.

Devres recommends that the Center have a staff member in charge and continue building etc. resources to include information on Cooperative Laws and publications from other nations on cooperatives. CDP should certainly acquire complementary literature from ACIDI and its affiliates as well as from the United Nations which has produced literature on cooperatives for decades.

In addition, the Center should make available to cooperatives and interested parties etc. educational materials - from Universities, Regional Cooperatives, and National Cooperative Organizations, such as (US) National Council of Farmer Cooperatives, National Society of Accountants for Cooperatives, American Institute of Cooperation, Legal Phases of Farmer Cooperatives (USDA Information 100) and other available government publications by the Farmer Cooperative Service Branch of USDA. The CDP library should contain current publications available from Palestinian sources, Universities, and newsletters from cooperative organizations.

Devres recommends that the CDP Resource Center be called on to give the above-mentioned information and data collection immediate support and significance. CDP's Center should continue publishing Horizons and interesting and pertinent information, not only showing where program advances are being made but also citing problem areas and asking the readers to write in with suggestions or anecdotal information which could be useful for others to read. Thus, the publications would work not only on outflow of information, they would also obtain in-coming communications.

Devres also noticed in many of the co-ops visited that there seems to be a lack of objective knowledge or view of the big picture among the co-op sector members. For example, ANERA has developed a series of activities all connected to the issues of public and animal health-slaughterhouses, micro dairy plants, and mobile veterinary clinics. Not a single co-op person showed a knowledge or appreciation of these inter-related programs. Not one spoke of the importance of health and disease, with the sole exception of the ANERA veterinarian expert in Gaza, of course, whereas ANERA is investing over \$1,000,000 in this area alone.

The point being that there should be an awareness of what is happening, why, and what is being accomplished. An awareness brings about the possibility of greater participation. Participation is increased communication of ideas. More ideas mean more possibilities for solving problems. And so forth.

Thus, Devres recommends that the CDP Resource Center play a key support role with cooperatives; to enhance monthly or quarterly reports which would be generated as a result of programs like those of the PVO's where so much staff time is dedicated to the field. Devres envisions the possibility that the Center serve the individual needs of both cooperatives and members. The reports could help uncover where there are needs for cooperation since the reporting would show quickly where there is duplicated or complementary activity going on. The Center could even guide the PVOs' mutually complementary activities toward each other and give the PVOs' program more unity, not only in image but in fact.

V. PROJECT DESIGN AND MONITORING

A. CDP's Structure and Staff

The new Chief of Party has recently restructured the CDP office as shown in the Organigram. In fact, within two months (July-August), the Organigram was changed a few times. This restructuring is a first attempt to solve a previous problem of confused reporting and communication lines. It is an attempt to provide a sense of operating unity within CDP. The structure is simple and defines the organization in the logical key elements of technical services, training, co-op development, and administration. It is a sufficiently sound organigram. Certainly, it is a vast improvement over the previous one.

Devres cautions that the reorganization of the structure will depend on the quality of the personnel assigned to the "little boxes." It will be only as effective as the management style and the efficiency and the technical and professional effectiveness of the employees. There are some improvements to be made in these areas. Fortunately, the new Chief of Party is keenly aware of them as well as of various issues which the evaluator addresses in this report.

Devres interviewed all the CDP management staff, a good portion of the technical support staff, and many of the administration support personnel. In addition all the position descriptions, the scopes of work, and the CV's of the personnel assigned to each position were examined. This provided the basic foundation for analyzing if CDP has the right persons in the right tasks and if CDP is efficiently structured, if personnel are adequately distributed and utilized, and are the structure and personnel adequate for providing the quantity and quality of the activities for which they are responsible.

As a first statement, Devres is confident that CDP is endowed with a quality staff overall. The staff have good collective knowledge of co-ops and the educational levels and backgrounds of the personnel are solid. That said, Devres suggests that CDP is now at a moment where it will require every bit of talent from its staff it can get. One specific talent is original thinking or innovativeness. The WB/G has changed since 1987. The co-ops are no longer the same as in the mid-eighties. Even CDP and ANERA have evolved over the last five years. For this reason, and because the future in the WB/G areas is bound to bring profound socio/political changes for Palestinians, CDP will have to be prepared to move forward with a combination of knowledge and originality. They will have to provide innovative solutions to issues of sustainability and replicability of training and TA.

Date: 7.09.92

COOPERATIVE DEVELOPMENT PROJECT
ORGANIZATION CHART
MB/Q

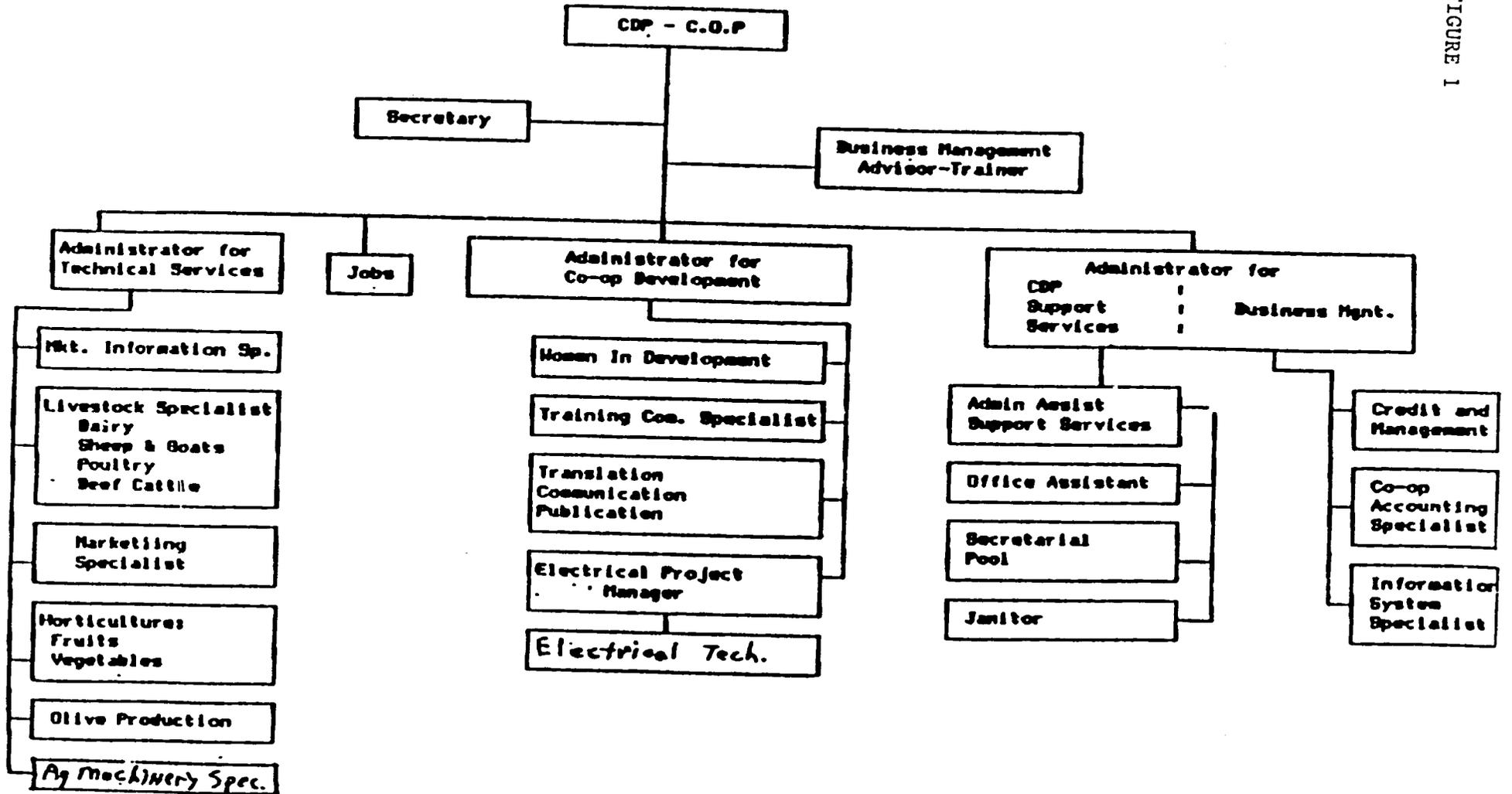


FIGURE 1

Devres recommends that the Chief of Party (COP) have his team rewrite their Scopes of Work (SOW) as they see themselves and their positions in the context of the new organigram and in the light of what are priority tasks and responsibilities they see within CDP. This could help the COP see to what extent the team understands or envisions what should be done in the program. It could assist in the analysis of how staff members should be re-assigned. Devres is aware that the COP contemplates some necessary staff changes and concurs that some changes will be necessary in order to ensure CDP's ability to perform and deliver at the level of quality and volume required over the coming years.

Devres recommends that ACIDI and CDP present a joint decision to CDP staff on any internal re-assignments or, especially in the case of releasing personnel. In general, however, Devres perceived that most of the staff are multidisciplinary, with generally good background and education. They are credible in the field.

B. In-House Needs

Devres recommends that CDP examine its resources at the administrative support level and provide a greater flexibility for those persons to assume more responsibilities and information. The administrative functions could be made more meaningful if the administrative personnel were brought more into the process of the program and how it is run. Devres found a need to have staff learn to retrieve information or files when another person is absent from the office. More cross training would be advisable, since this would get the staff fully integrated and less departmentalized.

Devres recommends installing a top-flight trainer within CDP, not just somebody who runs training programs. It could be advisable to have both a training manager and an assistant who could do effective process training in the field and work with the participants to build a type of trained cadre of co-op persons capable of replicating training in their own and other co-ops. This training function should be a key element in CDP's programs and the person(s) who hold the position should be capable of setting up CDP's strategy for institutionalizing CDP training in its new phase of activities.

In the Management Information System (MIS) area, there must be a dedicated person and an assistant to set up management reporting systems, forms, and so forth. There needs to be a training data base and other monitoring devices in the program that competent and hands-on types of persons can do. CDP needs more than a computer person. CDP needs systems persons to help them design and create the monitoring, control, and reporting tools as well as systems. CDP especially needs to ensure that the Agricultural Marketing Information System (AMIS) (established in 1989 the Agricultural Cooperative Union in Nablus) get the

monitoring and evaluation support necessary to guarantee that it become successfully institutionalized.

When considering the above options, CDP should examine also how the level of effort is spread among the managers. For example, the Director of Finance would appear to be too busy doing too many operational tasks. He is called upon by too many people to do too many things. There is a tendency to say "Ask Joseph." This is partly due to the manager's longevity in CDP and the personnel's reliance on his historic CDP memory. This should be discontinued, given the importance of the position and the desire to channel the Finance Manager's skills into getting the computerized accounting systems up and running in the cooperatives and to get the cooperatives fully versed in program standards, reporting needs, etc.

The training position's present occupant is an extremely talented agricultural extensionist, familiar with training. He needs, however, to develop an improved training management system. The issues surrounding a good training system also relate to creating data bases for management decisions and training program designs, monitoring, etc.

Devres recommends that CDP strengthen its capability to develop training programs and systems which are visionary in terms of connecting trained people with the goals of "cooperative strengthening" and "institutional development." The Devres evaluators did not have time to meet with all of the CDP technical staff. Thus, it was not possible to reach the same depth of understanding of each person and position as with the management staff. However, the Agricultural Machinery (AM) and Computer (MIS) functions were quite thoroughly checked. Since CDP's training efforts are 13% in AM and 22% in MIS, Devres looked carefully at the persons behind these programs. Devres also recognized that nearly \$2 million of ANERA's grants are for agriculture machinery too.

The person in the AM position seemed knowledgeable, but could not provide useful information on what the impact or "rough measurable benefit" of his training program has been. He literally wrote up a "back of the envelope" description of his activities and what the current needs for AM training are in four co-ops. He has no ready-to-read information on his sections's activities. Considering these aspects, it was not possible for Devres to answer if CDP was utilizing the right person in the right way and if the impact of the function justifies having a full-time AM trainer or not.

VI. CDP's MANAGEMENT AND REPORTING SYSTEMS

CDP is making more systematic efforts to have monthly or quarterly reports on CDP's monitoring, evaluation, and reporting (to whatever degree this is being done) by the technical staff. It is implementing a tracking system which allows one to know where a staff member is at a point in time and how much time a technical staff person spends in the field. Such tracking and reporting systems should help answer questions such as: Is staff field time in proportion to the percentage of funds going to a sector by ANERA and CDP? Is there a TA effort being provided in addition to training? If so, how much and in what?

CDP's technical staff do produce individual reports on their activities and on their sections. At least, AM section does. Devres reviewed a report by the AM section on Jenin Co-op. The report carries useful information on the types and specifications of co-op farm equipment, what the equipment and implements are used for, what kinds of land preparation the equipment is performing, the staff availability in the co-op (drivers, manager, etc.), how the co-op prices their rental of equipment, the annual costs of the equipment (accounting for hours worked, maintenance, revenue, etc.), an analysis of each machine's utilization, the obstacles encountered by the co-op, and basic recommendations.

The quality of the report is good. It was thorough and contains much of the necessary information for analyzing cost-effectiveness of the agricultural machinery in the co-op. The recommendations seemed pertinent: "Make a schedule for ploughing land to ensure fuel economy. Announce how this is achieved and make promotions to the co-op staff. Sell tractor #2 because of the high cost of its maintenance."

Devres recommends that this type of reporting become standard operating procedure if it is not already. Once CDP develops its system for obtaining and consolidating information from field reports on a monthly basis, then those same reports can help provide activity profiles on the technical sections which, in turn, would become meat on the bones of regular staff activity review meetings. The end result of the process and the system would be for the staff and COP to make a decision on what to do with tractor #2 and to plan how to set up a field-oriented advice-giving system to improve on fuel economy. Thus there would be a system for field commentary on problems, successes, and recommendations that results in systematic follow-up and decision making. In addition, it would ensure that the field personnel's reporting be made use of, thereby underlining to the field personnel the very importance of their work.

This regular reporting, plus a system of time sheet tracking of technical staff's time in the field, can all combine to keep CDP informed, effective, and with good management tools with which to make timely and informed decisions.

These and other types of reports provide a reason for staff to meet together. At this time, the CDP management staff meets with the COP on a semi-regular basis. There are no regularly planned staff meetings with the Chief of Party (COP) every Wednesday to report on their activities of the previous week and to discuss the coordination of future program needs. CDP's COP believes that monitoring reports must be designed so they can be used effectively by the technician performing the TA or training. The COP also believes that monitoring systems should not be used to merely satisfy the needs of hierarchy (Devres presumes he means ACDI and/or USAID) but sources of information upon which programs can be built. Devres concurs, in part, with the COP's beliefs about monitoring. What is missing in the COP's viewpoint, however, is a distinction between "monitoring" and "accountability." Devres sees effective "monitoring" as serving in-house operations and planning and "accountability" as a vital component to be built into monitoring. USAID should expect CDP to be "accountable" at all times.

VII. FUTURE ACTIVITIES

A. ACDI/CDP/CHF May 1992 Proposal

ACDI's A.I.D.-funded project entitled "West Bank and Gaza: Cooperative Development Project" (ANE-0159-G-55-6020) came to an end this year. CDP became effective on January 1, 1986 for a two year period but was amended and re-funded through August 1992.

On May 1992, ACDI/CDP/CHF submitted two new and different three year proposals to A.I.D.. One was entitled: "CDP Extension" and was estimated at \$5,172,936 for three years. The other was entitled: "Community-Based Jobs and Home Improvement" and was estimated at \$1,817,329 from A.I.D. of which \$985,000 is to establish a revolving fund for enterprises of building materials and home improvements in WB/G. According to the second proposal "Additional cash funding in the amount of \$428,500 will be leveraged to augment the revolving loan fund."

1. CDP Extension

USAID approved the first proposal in September 1992. That proposal contains a number of promising features supported by Devres:

- (1) The "CDP Extension Proposal" continues CDP's core activities of training and technical assistance.
- (2) It attempts to deal specifically with the unfinished work of the "targeted" cooperatives and the Unions for Electric Cooperatives and Olive Oil Presses, in Hebron and Ramallah, respectively.
- (3) It proposes to institutionalize some CDP functions within Palestinian organizations, making them capable of delivering goods and services to co-ops, and
- (4) It addresses the need for "disciplined credit to cooperatives."

Devres would like to point out some concerns it has with "CDP Extension." One, the "Logical Framework Matrix" has inappropriate "measurable indicators" which should be modified as soon as possible and for purposes of establishing new, improved management information systems. For example:

Under Output 1, the measurable indicators (OVI) 1.2 says "70 percent of targeted cooperatives eliminate money losing activities."

Is this referring to "curtailing" such activities and/or changing the title or nature of such activities? 1.4 says "Targeted cooperatives request training, etc." Devres asks, is any request an appropriate "indicator?" 1.5 says "CDP receives at least 10 percent of the recurring costs for presenting courses." Does CDP mean recurring absolute costs or marginal costs? What does "recurring" mean?

A second concern Devres has with "CDP Extension" is the absence of any particulars on "Women." CDP has installed "women" into its Organigram but has not specified a plan or strategy to match this unit's designated field. CDP must reconcile its Organigram's units with its objectives in the field and vice-versa.

Third, Devres is concerned with the lack of detail about its in-house monitoring, evaluation and resource center activities. As indicated above, CDP needs to get its own house in order to make effective use of its activities in the field.

Fourth, CDP will have to resolve the issue over AMIS and its relationship to the Agricultural Cooperative Union (ACU) of Nablus. In other words, CDP should have a stated plan and target for its activities with ACU. Moreover, Devres wonders why CDP excludes ACU as a "targeted" union. When Devres visited ACU, CDP, for all intents and purposes, appeared to be very interested in helping this unit become more effective in agricultural marketing. What happened to ACU?

Having commented on a proposal already funded by USAID, Devres now moves to discuss the second, very different proposal submitted by ACDI/CHF: "Community-Based Jobs and Home Improvement."

2. CHF Jobs/Home Improvement

The project goal of the CHF proposal is "to improve the quality of life for Palestinians in the Occupied Territories by stimulating economic activity through the provision of loans to lower and moderate income families to improve and upgrade their homes, to provide credit to smaller entrepreneurs to improve and expand their production of construction materials, and to create community-based jobs for semi-skilled and unskilled workers in the construction trades." The estimated budget for this three year project is \$1,817,329 of which \$985,000 is aimed at establishing a revolving fund.

With regard to the request for \$1,817,329, Devres did not find an explicit statement in the main body of the proposal's text indicating how the difference between \$1,817,329 (from A.I.D.) minus \$985,000 would be spent. The difference is \$832,329. Devres deduced that the residual will go to the items shown in the

budget (Annex, pp. 44-46.) That being the case, then it appears to Devres that ACDI/CDP requests \$832,329 to cover the following:

1. Direct Costs (36.6%)	\$401,596
A. Human Resources (CDP)	
o Project Coordinator	\$ 47,670
o Eng Coordinator (Gaza)	37,455
o Eng Coordinator (Hebron)	25,358
o Program Promotor (Gaza)	25,358
o Program Promotor (Hebron)	17,640
o Secretary	24,791
o Added Costs (25%)	44,613
B. Offices	110,534
C. Transportation	49,773
D. Local Consultants	18,225
2. Indirect Costs (CDP) (36.6%)	\$146,984
3. Subcontracts (All through CHF)	\$283,749
A. Salaries for Project Advisors	
o 50 days at \$270/day	\$ 14,118
o 95 days at \$196/day	19,367
o 120 days at \$115/day	4,492
B. Travel	\$ 92,598
o 11 trips at \$2,900 each	
o Local travel	\$ 3,000
o 220 days per diem at \$246/day	
C. Operational Research	\$ 54,000
D. Other Direct (Communication)	\$ 10,260
E. CHF Indirect Costs 142.2% of Salary	\$ 74,500
Total for Above	\$832,329

Looked at another way, A.I.D. is requested by ACDI/CHF to fund these basic budget items for CHF/CDP:

I. Revolving Fund For Palestinian Homes/Jobs	\$985,000
II. Salaries and Operational Costs for CDP	\$548,580
III. Subcontracts for CHF Visiting "Advisors"	<u>\$283,749</u>
Total, "Community-Based Job/Home Improvement"	\$1,817,329

Devres' intent in specifying the above categories is to "see" where the money really goes. Devres is particularly concerned that subcontracts to CHF for an estimated \$283,749 may be relatively high expenditures for advisors. Devres would prefer to have that money spent on a "resident" CHF advisor and TA.

The specific purposes of the grant (paraphrased by Devres) are as follows:

- Generate employment in enterprises supplying building materials and skills in construction.
- Develop Palestinian capacity to improve homes and strengthen enterprises of building materials.
- Strengthen CDP's capacity to promote and monitor home improvement programs and small enterprise loan programs.
- Mobilize domestic savings (of an unknown amount) and leverage additional resources of international donors (for an unspecified purpose).

Devres considers the direct beneficiaries of this proposal to be, in order:

- CDP Local Professionals and Staff
- CHF Advisors from the United States
- Palestinian institutions that promote and administer home loan programs and the suppliers of building materials and technical know-how
- The middle income members of 7 cooperatives and 2 unions who receive loans of \$1,000 to \$6,000 each with up to 5 years to repay
- 15 small businesses which also get loans from "revolving credit system"
- Palestinians who rent office space and transportation to CDP/CHF

Devres lists the beneficiaries this way to highlight the fact that the CDP/CHF staff and advisors are the costlier components of the project.

The proposal estimates that 352 loans will be made to homeowners to improve their houses. It figures that each home improvement loan will create employment for roughly three workers for 20 days each or approximately 1,056 jobs. In addition, it is estimated that for every \$10,000 of home improvement loans, seven jobs will be created in building materials, production and sales enterprises or approximately 737 jobs.

Devres believes that there are two very positive features in the proposal and lists them according to Devres' priority. We note that our priorities do not conform to the ACDI/CHF proposal:

1. The strengthening of CDP's local professionals and staff to expand its operations in the cooperative sector. As strongly recommended in the Devres report entitled: "Evaluation of West Bank/Gaza Cooperative Sector Projects," there is a need within WB/G to strengthen cooperatives and to develop leadership and managerial talent in the cooperative sector. CDP is playing a vital role in this area already and its capabilities must also be strengthened and extended. Branching-out into "cooperative" jobs and home improvement may help CDP to strengthen its operations.
2. The improvement of homes and living conditions of Palestinians because of the shortage of safe and healthy living environments and communities. But on this point, Devres diverges from the approach of the ACDI/CDP/CHF proposal in two respects. One, Devres sees the greatest need for home improvement within the refugee camps. The camp communities are unzoned, unplanned, and weakly serviced communities with limited utilities and infrastructure. Improving the homes in the camps may inspire other improvements. And, if autonomy for Palestine evolves, there may be a greater need to find jobs for the refugees who may lose their jobs in Israel. Two, Devres believes that self-help housing methods can develop more pride and opportunities for home builders. According to self-help methods, beneficiaries work on their own homes under the supervision of skilled technicians. They can learn skills by building themselves and can re-design their homes as they build. The Devres Team Leader (Rochin) is a member of the board of Rural California Housing Corporation, the state's second largest non-profit builder of low income homes. He has witnessed rural migrant and seasonal farmworkers build homes with minimal building materials and "sweat equity." Consequently, Rochin believes that ACDI/CDP/CHF should check to see if the proposal's plans can be changed to incorporate "self-help" techniques in order to have beneficiaries engage directly in improving and upgrading more homes for more needy persons than presently proposed? Devres believes it is possible to spread the benefits via self-help models of home-building.

With regard to the second point, Devres recommends that ACDI/CDP and CHF examine the possibilities for home improvements within refugee camps and the application of self-help models for housing improvement. Devres recommends that this assessment be funded by USAID to cover the costs of two CHF Advisors for a six month period to conduct the study.

CHF responded to a letter from A.I.D. (sent to ACDI June 24, 1992) saying that project beneficiaries will include members of community-based organizations and that "community-based organizations might include electric cooperatives and agricultural cooperatives or charitable organizations Devres believes that the "targeted" CDP cooperatives are not the ideal choice for the proposed home improvement plan. There are two reasons for this position. One, the "targeted" cooperatives are not prepared to assume this type of activity. Their functions are defined for other activities. Two, the "targeted" cooperatives are already beneficiaries of a number of subsidies and to include them in more like home improvement will be to reinforce the "grant-mentality" that they already have. (See Devres evaluation of cooperative sector projects, Part II.)

Devres is concerned that the current proposal will result in a dispersed number of applications for home improvement loans throughout WB/G and that there will be no well-planned "visible" models to learn from. Devres understands that Gaza will be targeted first but the proposal is not specific enough about having concentrated "impact" within WB/G.

Devres recommends that CHF examine the possibility of working exclusively, at first, in two rural communities, one in Gaza and one in the West Bank. CHF should also develop a model and logical framework for each community. CHF should also derive a working definition for "community-based organization" that will be targeted for the home improvement program.

The "revolving loan fund" portion of the ACDI/CHF proposal for \$985,000 will hinge upon the implementation of Devres' third recommendation. Regardless of the fulfillment of recommendation (3), Devres has serious concerns with the proposal to create a loan fund.

It should be recognized that Devres did not devote a large portion of the Teams' time on a review of the proposal to develop a loan fund. Thus, Devres' readings on the proposed "revolving loan fund" come from:

- o The CDP "Loan Administration Manual" prepared by Richard A. Neis November 1988.
- o The Consultancy Report on CDP Credit Program by Charles W. Taylor, ACDI, December 1991.
- o The report of The Arab Technical Development Corporation and The Development Policies in the Occupied Territories by Dr. S.M. Salman and S. Sa'idi.

- o The ACDI/CHF proposal "Community-Based Jobs and Home Improvement," May 1992.
- o The ACDI/CDP proposal "CDP Extension," May 1992.
- o Letter from Dorothy Young USAID to Jerry Lewis, ACDI Vice President, June 24, 1992.
- o Letter from Jerry Lewis to Dorothy Young, July 16, 1992, with comments from CHF clarifying issues in the CDP proposal.

Devres' Team Leader, Refugio Rochin, has published papers on cooperative credit systems for farmers in developing countries and his insights are included here.

Concern number one is with the need for home improvement loans. Who benefits and are loans needed? The CDP proposal aims its loans at "lower to moderate income Palestinians" there is no clear guideline for determining what that means. The proposal further requires that recipients own their homes. Do lower income Palestinians own homes? In addition, the proposed beneficiaries must provide "necessary guarantees." Again, no clear guidelines regarding "guarantees." But, would "guarantees" reduce the opportunity for lower income Palestinians to participate? Finally, don't "home owners" have lesser needs for loans than non-home owners?

Concern number two is with the administration of the loan program. Who will be accountable to USAID for the management and sustainability of the "revolving loan fund"? Will it be CDP? ACDI? CHF? or Institution? Devres realizes that the proposal has the stated purpose of creating a unit within CDP with "the capability of promoting and monitoring home improvement and small enterprise loan programs." Yet, CDP will select and "work with" Palestinian financial institutions in WB/G who "will be responsible for the disbursement of loan funds, recuperation of the loans, and maintaining special revolving funds from the repayments received from the borrowers" (p.10 of May 1992 proposal). How will CDP develop the capability for handling loan programs if CDP places that function with a financial intermediary?

Concern number three is with the selection of a financial institution and under what terms. How will the financial intermediary be monitored and what will be the sustainability of the "revolving loan fund" if CDP can not monitor the set-up? Who will "own" the fund? What will be its disposition at project conclusion? Before CDP/CHF and A.I.D. settle on a financial institution, all of these questions should be addressed and written into a formal contract.

The Taylor report (Annex H) noted that "The identification of a proper conduit for the agricultural co-op loan program is not easy and there appears to be only three insitutional candidates at this time." The candidates included ADCC, the Cairo Amman Bank (CAB) and the Technical Development Corporation (TDC). After considering the pluses and minuses of these three, Taylor adds:

After deliberation it has been decided to explore utilizing the Technical Development Corporation (TDC) as first choice. Their major strengths are: (1) very progressive management, (2) good branch locations making the use of only one conduit for WBG, (3) TDC headquarters located only a few hundred yards from CDP which would make coordination easy and (4) TDC is interested in providing loans to the Cooperative. Their weaknesses are: (1) TDC is not a bank, (2) it has been existence only a short period of time, (3) TDC would have to employ a new loan officer to staff for [sic] the CDP activities and (4) there are procedural issues which have to be resolved. (Taylor Report, in Annex H, pp. 3-4.)

When Devres met with ACIDI in Washington, D.C., it was left with the impression that TDC would be a key financial intermediary for CDP and CHF. However, Devres recommends that CDP and USAID do a follow-up inquiry on the points raised in the Taylor report. Devres recommends that TDC (or any financial institution considered for the project) provide the names, addresses and qualifications of the staff and board of TDC (or institution). Such documentation is not available within CDP's records. Devres recommends that the issue of loan accountability and disposition be resolved with a contract between USAID, ACIDI/CDP/CHF, TDC and a law firm of WB/G. Finally, Devres recommends that Price Waterhouse or a similar firm with legal and auditing background approve the contract for its soundness. In the event that other financial intermediaries are brought in to administer and/or collect ACIDI revolving accounts, Devres urges the same degree of questioning.

B. Recommendations for Improving Management

1. General needs within CDP

CDP has now completed nearly four years of training for cooperatives and it is "planning" a program of training events to carry through the next three years. The "plan" includes a local training program of some 100 days (management and computer courses holding about 30% of the activity), and a participant training proposal for 5 person/months in the USA and some 16 person/months in Europe and the Middle East, coasted at approximately \$200,000.

This is different from the "plan" presented in the ACIDI Extension Proposal, which anticipates 3,093 participant days of local training "derived from the curriculum plans developed by CDP staff". If, indeed, the ACIDI proposal is taken from CDP's plan, Devres recommends that it be re-examined to determine to what degree CDP actually has a well-thought-out training plan conceived from a serious co-op sector needs assessment. Devres issues this caveat to ACIDI since the CDP plan is incomplete. There is no evidence that it is based on an evaluation of impact of the courses already given by CDP. There has not been any needs assessments performed since 1987. There is no evidence of an overall strategy of training for sustainability. There is no evidence of evaluation of thinking since 1987. And the "plan" itself is different from the ACIDI proposal, indicating that there needs to be a closer communication between the home and field offices to ensure that everybody is pulling in the same direction.

Therefore, Devres recommends that ACIDI ensure that CDP perform another "needs assessment" and evaluation of its training to date and have this become the benchmark for a undertaking a serious needs analysis of the co-op sector. In this way, ACIDI will have the solid foundations on which to ensure that its Proposal include the necessary depth and breadth of training activities for CDP over the period of the proposed extension as well as toward sustainable and replicable training results. It would be unfortunate to lose the opportunity to request the right training program in the proposal. For example, ACIDI's proposed 10.5 person-months of TA for curriculum development, training, and marketing would seem to be substantially underpowered for CDP's needs. In addition to TA, CDP needs is a full-time training expert on board. Anything less would be insufficient.

CDP says it knows the co-op sector's training needs. Staff say they work with the co-ops on a continuous basis and that this allows them to know the needs. Of course, CDP's knowledge of the co-ops helps them appreciate what the co-ops needs may be. But it was clear to Devres that CDP did not have a full grasp of real needs nor if training is the solution for addressing the perceived needs. Could there be other types of interventions, for example? To emphasize this point, Devres asked the co-ops what their needs are. The answers were one of two: "Everything is fine", or "We need more of everything." When Devres asked the three CDP section managers what they thought the bottom-line training priorities were for the co-ops, no clear answer was given.

Yes, continued training is required. Yes, CDP has the basic wherewithal to deliver good training to the co-ops. But the above illustrations demonstrate that CDP requires some serious, basic homework to do before they can ensure that its training activities are on target. In order to offer assurances in this, the CDP training section will require substantial bolstering. If this is done, then ACIDI can confidently state that they can address institutionalization issues based

on "the success and credibility of CDP to provide needed training and technical assistance and disciplined credit for cooperatives in WB/G".

2. The need for strengthening management

The absence of good annual workplans, well laid out and activity-generated, is perhaps one of the most seriously missing management planning and activity monitoring systems in CDP at this time. CDP managers are aware of the seriousness of good planning, but until Richard Marrash's consultancy there was a lack of positive planning, monitoring, and follow-up systems. This lack is still reflected by CDP's having a training data base which is rigid and unresponsive to manipulation of data and statistics. The training data base "operators" and the training person do not seem aware of ways in which training data can be reported and analyzed for understanding a large variety of questions about the training program.

A case in point is the Beit Jala Olive Press cooperative situation. Annex I contains the February 1992 "workplan" for Beit Jala, a particularly difficult technical and management problem for both ANERA and CDP. A quick look at the "workplan" shows that the overall paper is more of a description of situation and problems than it is a workplan. For example, the summary of critical factors confuses strengths and weakness of the Beit Jala Co-op. A strength is "potential for big operations" (no definition), faced off by the weaknesses of "limited staff and expertise" and "huge investments without operations."

The two pages of suggested activities and priorities for Beit Jala give no sense of priorities. There are no activities listed. There are no End of Project Status (EOPS). There is no calendar, flow chart, etc. There is not even a start date for concrete activities.

The training data base information under Beit Jala shows only a list of 7 courses, by course name. It shows there were a total of 14 Beit Jala persons trained in these courses. But there is no date on the print-out page for Beit Jala itself to know if this is projected training, on-going, or past. There is no way to correlate this data base print-out with the workplan. For example, the workplan for Beit Jala should show at minimum which courses are planned for Beit Jala, what the dates will be, and who the target audience will be. Once these planned training activities are given, they should then be registered in the data base. In this way there is a complete, correlated, start-to-finish record of the entire training history for Beit Jala.

As indicated, CDP has just concluded a second internal evaluation by Dr. Richard Marash to assist CDP in setting in place a proper monitoring and evaluation system. CDP is receptive to Dr. Marash's reports. They also

energetically requested the evaluator to provide them with insights as to what kind of training data base constitutes a user-friendly and management decision making tool.

However, it appears that CDP still needs some initial assistance in analyzing and designing the systems which would be particularly well suited to their in-house needs and those of the co-ops, both representing quite different types of needs. Most of the staff might not be conceptually well-oriented into the rationale for complete project planning, monitoring, and follow-up. But most would probably benefit by assistance in the art of analyzing goals and objectives and in how to make well-designed, rational and realistic, activity-generated workplans.

Devres also determined that 44% of CDP's participant training days over the past three years has been dedicated to accounting and marketing courses, whereas the subjects of co-ops, livestock, dairy, electrical, and finance and loans all combined constitute 8% of the total participant days over the same period of time. CDP cannot inform the evaluator if this profile is or is not on target with sector demands and interests. Nor can CDP state if the 44% level of effort has a corresponding dollar value in the budget and if this cost to the training budget is giving them the proportionate returns according to what they hoped to get out of their training when they set out to do training.

This just goes to assert that once CDP sets their data and management systems in place, it has the talent necessary on board so that they can take raw data, like the 44% figure, and discuss it in the terms of the above evaluation questions. CDP has staff capable of setting up the systems for collecting and processing it. Hopefully, the above analysis on their organization, management systems, and personnel will help clarify for CDP what they have to do to reach that necessary level.

VIII. CONCLUSION AND SUMMARY RECOMMENDATIONS

Summary of Principal Factors Affecting CDP Management, Personnel, and Training Program Performance, with Recommendations

CDP clearly needs to act on the controllable conditions which are negatively affecting its operations. It also needs to build on its strengths. Devres has made several statements of findings and recommendations in the body of this report, all of which should be given serious review. It would seem useful to review some of the report's comments here. The summary hopes to capture the most useful recommendations for CDP, presented below with no particular order of priority:

1) Revamp the present training program

As mutually inclusive and supporting activities, there is need to: (1) perform a training "needs assessment" for the co-op sector, concentrating on the area served by the nine (model) co-ops that CDP will work with; (2) establish a training data base system which will produce various cuts of training information for management decision purposes, as appropriate to the CDP management needs; (3) analyze CDP's current training activities and make decisions concerning the training that CDP must continue versus the training that CDP should off-load into local institutions.

The training should be concentrated on the nine (model) co-ops, thereby giving CDP a chance to provide both breadth and depth of training coverage to nine, rather than a "something for everyone" attempt. Cutting off training opportunities to certain segments or members of a sector is always difficult, but CDP needs time to regroup and then get into the serious business of making its training bucks count. It will only get this by adopting the norms for Program Training which Devres has outlined in this report. It must seek the most effective way to create that critical mass of trainees for impact and change of behavior and attitude. It must also use its resources to launch significant TOT programs to complement its primary training activities. All of which is easily described on paper but which is, in reality, a mammoth undertaking when done seriously. Therefore, again, keep the primary efforts to the nine co-ops and concentrate on the concepts of program training, TOT, sustainability and replicability of training, using the ideas presented in this report.

Devres recommends that each of CDP's nine targeted cooperatives have a planned "graduation date," along with what should be accomplished for each respective cooperative for that date. Time horizons and "sunsets" are required to give CDP specific targets and to allow new cooperatives to be phased-in.

2) Update the 1987 sector needs assessment

Another training needs assessment should be conducted by an outside consultant with assistance from the co-op recipients. Much has changed in WB/G since 1987, the year of CDP's last assessment. The analyzed information should be reported immediately to A.I.D. and ANERA, to assist them in defining certain aspects of their strategy. The needs assessment should produce a clear understanding not only of what the priority needs of the sector are, but also of what the CDP possibilities for addressing them should be and can be. The assessment should draw a clear distinction between what sector problems are most ideally solved by training interventions and what ones should be approached through other types of technical assistance. The needs assessment should result in a CDP training plan which not only addresses the needs for training but which also focuses on what makes good co-ops, operating on sound co-op principles, and which of those standards can apply to the context of West Bank and Gaza not only now, but for the future.

The resulting new CDP training plan should focus on what training can right now be delivered by CDP, considering its present resources. It should distinguish between what can be done now versus what they could be done if CDP bolstered its management systems and its internal training section resources. It should distinguish what its present outreach capability is now and how it would bolster it through methodical and far-reaching TOT programs. CDP should set its program on what can be realistically achieved, considering all of the above. The training plan should include a strategy for delivering immediate impact training as well as long term, on-going training which aims at the critical mass over time aspects of long-term, sustainable training which helps modify behavior and attitude.

The CDP plan for training may have to work hard to get both the co-op sector and USAID on board with these foundations for training for sustainability. But if the CDP needs assessment and subsequent plan for training is presented with sound, realistic concepts and objectives, combined with concrete descriptions of results, then it should find a receptive ear within the program. Furthermore, CDP staff have a great deal going for them, the strongest factor perhaps being the relatively high level of social, political, and sectorial acumen of the co-op members in West Bank and Gaza. The target audience is the dream of many a development program. Build on it!

As a final note, Devres recognizes the fact that CDP conducts "management audits" of cooperatives. In fact, Devres commends CDP for the fine quality and insightfulness of this activity (see Annex J for example). But Devres recommends a "sector needs assessment," one that will yield a bigger picture of the patterns and trends of the WB/G "cooperative sector."

3) Institutionalize training

The recently funded "CDP Extension" is clearly designed to address many of the issues raised by Devres. But Devres wants to have in the record its point of view which can serve as a benchmark for future evaluations. Thus CDP should set-up and carry out a clear, feasible, step by step strategy for institutionalizing training programs. This recommendation is included in the suggestions in the above section. However, it is such an obvious ingredient for training for development, and it is so far missing from the CDP activities, that it needs to be singled out and insisted on again.

In the first place, ACDI and USAID should both insist absolutely that CDP come up with a convincing approach to institutionalizing training programs. This is not as easy as it sounds. ACDI/CDP will have to come down off the buzz-word aspects of "institutionalization of training" and sharply define what it will mean for CDP and the co-op sector. For example, one common way to institutionalize training is to get training off-loaded into locally capable institutions. There seems to be no consensus on the numbers and types of viable training entities which could take over (either totally or in increments) or assist in taking over, CDP training programs. This needs to be well studied.

A second point which has been mentioned is the aspect of self-sustained training activities which can be carried out by technically qualified individuals who have also become trained trainers. This also is a loaded program which is no panacea. It requires a careful planning phase, not just a little financial investment, and assiduous follow up assistance by CDP to ensure its effectiveness. Serious TOT can give excellent results, however, and can bring a program around to "proving" sustainability on the ground, since if there is no significant talent flight of skilled people who are trained to train in their skill areas, then a program can demonstrate that those skilled individuals, qualified to train are actually providing on-going training and on-site services to the client. A nice, replicated program, as long as it is done with a full commitment to follow up and support to those trainers who will be walking slowly before they fly solo.

4) Enhance communications/coordination with ANERA

CDP should establish meaningful communications with ANERA in areas of logical mutual interest and support. For example, CDP needs to ensure that the machinery, spare parts inventory activity succeeds. Overall, there should be a concerted effort to ensure that AM activities be coordinated. To date, there is little evidence that CDP is informed about the technology needs being created in the co-op sector by the arrivals of certain types of equipment. Devres, however was not able to determine if this is a serious lack of coordination, but it was apparent that there is little coordination.

Since ANERA knows in advance what equipment is going into what co-op, and since it performs a valuable role in the cooperative sector, then ANERA should be charged with communicating its information and recommendations to CDP on a regular basis. In this way, CDP builds into its annual training program a certain number of training events to support the ANERA-supported co-ops.

Furthermore, ANERA field technicians should provide regular feed-back to CDP concerning their findings in the field. It should be supposed that on various occasions the ANERA technical staff determine that targeted training interventions could help ensure their efforts succeed. This type of information should also apply to Technical (TA). It is a two-way street. Both CDP and ANERA should be informing each other of their activities' technical assistance needs, especially those unforeseen ones, and be able to draw off each other's data bank of available local consultants. Specific communication/coordination should be developed for monitoring the nine "targeted" cooperatives.

5) Rationalize CDP personnel/increases & reassignments

Rationalize CDP personnel utilization. CDP should consider adding a co-op expert and a training specialist as described in this report. This is a minimum recommendation for augmenting CDP staff resources just to take care of the recommendations provided in this report. If ever CDP is to get up and running the suggestions for their training programs, and if ever they are to set up management systems related to their training and their other activities like the AMIS and the credit programs, then CDP will require staff strengthening in this area.

There is also the possibility for off-loading the AMIS training activities into locally viable entities. If this were done, the AMIS person could either be assigned to helping CDP set up their data base systems in the context of this report's recommendations, or perhaps be reassigned to providing TA and TOT to the institutions who would provide computer training to the co-ops, thereby ensuring that those institutions develop outreach capabilities and that the kinds of computer training that CDP provide to the co-ops become "institutionalized"

6) Establish an in-house project planning office with resource center

Devres believes CDP should create, perhaps from within, a project planning, implementation, monitoring, evaluation, and follow up and reporting office. While this suggestion is made very strongly for ANERA, because of the sheer vastness of their disbursement portfolios, CDP also needs to have more control and overview capability in their activities and resources. CDP staff need on-going information for understanding where they are and where they are headed. The recommendations for CDP's revamped training activities, all by

itself, will involve a substantial planning and implementation effort. When CDP develops more serious TOT and institutionalization efforts to its training, this need will become more apparent.

7) Create monitoring controls and program reporting systems

Create and carry out personnel tracking systems in conjunction with field trips. Combine this with a system of field trip reporting and follow up on field trip recommendations for delivering more effective assistance to the co-ops. As pointed out, the tracking is an extremely useful way of knowing how the program requirements are being met. The reporting needs in CDP, like those in ANERA but for different reasons, are several and there needs to be a methodical and meaningful way to get report writing into the mainstream of the program so that the information get seen and the recommendations get acted on.

As a rule of thumb, the recommendations in the field trip reports should revolve around concrete suggestions for what the program will be able to solve. In other words, a program manager or USAID should be able to note that certain suggestions were made for consolidating co-ops under a regional umbrella, for example, and legitimately ask what action was taken on the recommendation. This is the purpose for which recommendations are made-to be acted on-and the program monitors have the right and the obligation to flag the recommendations and see how the program is taking care of them. If there is no possibility for the recommendations to be acted on, if the recommendations are not practical in the sense of what the program resources are, then do not include them in the field reports.

In addition to flagging program-specific recommendations for follow up and solution, reports should make recommendations on the larger issues. They can request investigation to determine if outside technical assistance would be advisable; they can report that the needs be addressed in future program extension proposals; and so forth. In all cases, report recommendations should avoid becoming wish lists the program is not designed to address or which are beyond the resource capabilities of the program.

8) Update general management systems and modifications to CDP sections

Create useful, user-friendly management planning, monitoring and evaluation, follow up and reporting systems and tools. Rationalize the MIS personnel to assist in the task of designing the computer configurations where appropriate and in designing forms for reporting. Use the forms. Consider modifying the use of the Library and Resource Center to assist in publications of the internal reports, forms, and the like. The Resource Center might also be seen

as a spun-off operation to serve both ANERA and CDP. Devres suggests considering the merits of this idea to see its advisability.

Devres has insisted a great deal on the need for acting on the suggestion to design and utilize management planning and control systems. It is recommended that Dr. Marash's work be adopted where applicable for CDP. The systems for activities monitoring, evaluating, follow up and reporting should be kept down to the significant ones. There will likely be some trial periods, seeing what serves and what is just producing information for information's sake. Those problems will settle out soon enough.

9) Reconsider ways to measure results

The idea is to ensure that the right information gets collected and that it is used. That is where the human factors enter to make sure that the information collection be sensible, that it cover real program needs, and that it allow for reporting on the co-op sector in a way that talks about what is being achieved in the co-ops and, more importantly, what is or is not happening in the co-ops which legitimately should be occurring, considering that the co-op sector programs are different from "just another" agricultural sector development program.

It is important to understand where there are special reporting needs for the co-op programs. What is special about co-ops, as opposed to a ministry or a private business will determine the types of information that CDP (and ANERA) should be collecting. Being clear on this point will ensure that the PVO's collect useful information relevant to the types of results they should be producing in order to help the co-ops achieve the standards of performance that well-functioning co-ops should be held to.

Then the PVO's, not the evaluators, will be able to take legitimate responsibility for answering, in a clear and credible fashion, the same question asked of the evaluators: "How should outputs be measured in future CDP activities?".

10) Benefit from good relations with co-ops

Build on the good public relations CDP has in the co-op sector. Improve on it by delivering a substantive, sustainable training program, not just series of courses. Get the clients involved. Get them on board in the sector needs assessment. Involve them in the prioritization of training needs. Build their internal capabilities through TOT programs which train and use co-op personnel perhaps even providing the trained trainers with job opportunities for services rendered within and without their own co-ops.

11) Improve inter/intra-program communications: ACIDI/ANERA/USAID

Improve communications with ACIDI and within the staff through planned meetings, clear agenda, and useful reports, as well as through daily oral communications. It was pointed out that one of the uses of good workplans with calendars of events, deliverables with deadlines, and end of project summaries (EOPS), is that these plans automatically provide a forum for review meetings and exchanges of ideas.

The field trip reports, utilized as recommended in this report, would also provide an excellent means for picking up on recommendations and for planning actions to address them.

Both CDP and ANERA should continue to build on the positive relations they have with USAID. Part of the building will come out of the end products of the PVO's when they deliver USAID attainable EOPS through clear, practical work plans which are feasible and which clearly focus on what sound development programs for co-ops should be and are.

In order for communication to be mutually beneficial, there first needs to be an agreement on terminologies. "Everybody needs to be singing out of the same hymn book." Sounds simple and it is. But right now people are using the terms inputs, outputs, and technical assistance in slightly different ways. In addition, nobody has incorporated the words "activity", "deadline", "deliverables", or "EOPS" into the lingua franca of West Bank and Gaza PVO's.

Devres believes these terms should become standardized within PVO management systems. They are concrete words which have real meanings and they oblige projects to peg their "activities" to "calendars" and to discuss program progress in terms of planned versus actual time. It builds in accountability for both the PVO and the clients. It allows for reviews to concretely discuss what has been "delivered", was it on time and was it on target with the final, end result originally projected.

12) Strengthen technical assistance monitoring and follow-up

Based on what Devres was shown, CDP seems to have had an under-powered TA program since 1989. CDP's overall benefit from its TA is spotty. It is recommended that CDP build in well-thought-out scopes-of-work (when needed) for TAs. The most immediate needs for TA are in the management and training systems. CDP, in cooperation with ANERA and other interested donor groups, should establish a data base of locally available consultant resources, both individuals and institutions who have been proved acceptable. And CDP and ANERA should plan for the most effective TA they can get for activities with the

nine "targeted" cooperatives and in the formation of unions and federated services for cooperatives. Finally, CDP needs to add follow-up mechanisms (reporting) on the recommendations made by TAs.

ANNEX A

Evaluation Scope of Work

SCOPE OF WORK

EVALUATION OF WEST BANK/GAZA COOPERATIVE SECTOR AND
THE COOPERATIVE DEVELOPMENT PROJECTI. PURPOSE

The purpose of this evaluation is to analyze the A.I.D.-funded assistance to the cooperative sector in the West Bank and Gaza and to examine the performance of two private voluntary organizations (PVOs) in the implementation of programs in the cooperative sector.

This statement of work has two components:

1. an evaluation of the performance of the AID-funded cooperative sector activities of the PVOs ACDI and ANERA in the context of the needs of West Bank/Gaza cooperatives; and
2. evaluation of the ACDI (Agricultural Cooperative Development International, Inc.) Cooperative Development Project in West Bank/Gaza.

The rationale for this joint evaluation is that many of the issues and questions are similar for the PVOs providing assistance to cooperatives, although the emphases of their programs are different. In fact, both PVOs may be assisting the same cooperatives. Therefore, the scopes of work for the two components of this contract are similar. The contractor will address supplementary questions for the ACDI evaluation and will examine a larger sample of projects than will be selected for the two other PVOs involved in the cooperative sector. The evaluation report for each component will be self-sufficient and will stand alone. The ACDI evaluation report will focus strictly on ACDI; however, that report will benefit from the overall sector evaluation and will incorporate the relevant findings and recommendations of that evaluation.

In addition to reports available from A.I.D./W and the PVOs, the A.I.D. Representative at the ConGen Jerusalem and the Economics Officer at the American Embassy in Tel Aviv will provide the evaluation team with records and other documentation that describe on-going and completed cooperative development activities funded by A.I.D. in WestBank/Gaza.

The following are the objectives of the evaluation:

1. Analyze the current and future needs of the cooperative sector and, within the framework of the overall strategy for WB/G, make specific recommendations on the type of

assistance A.I.D. should provide and the mechanisms for best delivering that assistance.

2. Based on objective 1 (above), analyze current AID-supported activities in the cooperative sector and determine strengths as well as weaknesses of the activities. Identify and describe any changes that should be made.
3. Assess the technical and managerial capabilities of the PVOs to successfully implement current and future activities in support of planned cooperatives programs. Assess the experience of PVO coordination.
4. Evaluate the performance of the PVOs and document their progress towards achieving project purposes and target inputs and outputs.
5. Assess the actual or potential impact of the projects.
6. Recommend a specific system to improve monitoring of CDP progress.

II. DESCRIPTION OF THE PROGRAMS TO BE EVALUATED

A. The Cooperative Sector

There are approximately 250 working cooperatives in West Bank/Gaza. They include agricultural production and marketing, housing, village electric, handicrafts and other services (transportation, domestic water supply, higher education, health). The Palestinian cooperative movement began in 1920. PVOs estimate that there are 32,000 member families and that coops effect approximately 30,000 non-member families.

B. The PVOs

ACDI and ANERA are, by far, the AID-funded PVOs that provide the greatest dollar amount of assistance to Palestinian cooperatives. The program status of each PVO is summarized in semi-annual reports, the most recent of which is the May 1992 report. These reports include updating of Project Performance Indicators (PPIs). The PPIs are the product of joint AID-PVO consultations in 1989-90.

1. ACDI

The Cooperative Development Project (CDP), ANE-0159-G-SS-6020-00, began in 1985. Life of project funding is \$9,186,759. The estimated completion date is August 31, 1992. A follow-on project currently is being reviewed by the A.I.D. This evaluation is timely as the results will be significant for a three-year follow-

on project. (A copy of the ACDI proposal for this follow-on project is provided.)

As the implementing organization for the Overseas Cooperative Development Committee (OCDC), ACDI leads the effort by the U.S. cooperative movement to assist in the development of Palestinian cooperatives serving agricultural, housing, electric power and other needs. Through provision of short and long-term technical advisors, equipment, training, and credit, ACDI is seeking to improve rural cooperative infrastructure, productivity, and access to credit.

2. ANERA

ANERA was one of the first PVOs to work in WB/G under A.I.D. funding. ANERA operations in WB/G began in 1975. ANERA has received a number of grants from A.I.D. and currently is implementing the Development Assistance IV Project under Grant No. ANE-0159-G-SS-9048-00. The project began in FY89, the project completion date is September 29, 1994, and life of project funding of \$14,293,000. Development Assistance IV activities related to cooperatives focus on agriculture (marketing, processing, irrigation, machinery, land reclamation, disease and pest control, livestock, dairy) and credit with some assistance to handicraft and health cooperatives. ANERA interventions are oriented towards capital projects (equipment and infrastructure).

III. STATEMENT OF WORK

A. General

The frame of reference for the evaluations and for assessing to what extent project purposes and input and output targets have been achieved will be the grant agreements and project performance indicators. Relevant portions of the Grant Agreements and the PPIs are attached to this SOW. Team members will familiarize themselves with these basic references and with other references cited in this scope. In evaluating PVO performance, the contractor will develop an approach based on a comprehensive examination of project purpose, inputs and outputs for both PVOs. The reference points for this approach will be the grant agreement, the PPIs and logframes. Note that there is not a uniform format for the statement of project purpose, inputs and outputs in the Grant Agreements. In general, the Grant Agreements contain a statement of purpose followed by a statement of objectives. The latter is a summary of what the PVO intends to do and may be a combination of project inputs and outputs.

There will be 3-5 team members (3 expatriates and 1-2 Palestinians). It is suggested that the management specialist be the team leader and take the lead on the Cooperative Sector evaluation. It is also suggested that a second team member (e.g.

the agricultural economist) take the lead on the ACDI evaluation.

Each team member should have a minimum of seven and preferably ten years of previous successful international development experience. Prior work experience in the Middle East, familiarity with the socio-political conditions of the area and Arabic language capability are all desirable but not required qualifications. The Palestinian team member(s) should be fluent in English and Arabic and have extensive knowledge of and experience relevant to this evaluation. Team members must be able to operate independently as well as a team for interviews, site visits, and drafting portions of the evaluation reports.

B. Personnel Requirements and Qualifications

1. A management specialist with prior experience developing, managing, and evaluating cooperative development programs. This person will have extensive practical experience working with cooperatives, will have a thorough understanding of the prerequisites for a cooperative to achieve its full potential and successful operation. It is suggested that this specialist serve as Team Leader and, as such, is responsible for managing the team schedule, the division of labor among team members and insuring the timely delivery of two well-written, integrated evaluation reports.
2. An agricultural economist with project level work experience in agriculture cooperatives, small farm production, marketing systems, agricultural and cooperative credit, and development of cooperatives. This team member will be responsible for all aspects of the two evaluations related to agriculture cooperatives needs assessment and PVO assistance to agriculture and ag marketing coops. It is suggested that this person take the on primary responsibility for the ACDI evaluation.
3. A human resources development specialist with experience in cooperatives, agribusinesses, extension services or similar background. This team member is responsible for analyzing the training and technical assistance needs of the WB/G organizations receiving AID-funded assistance and the PVO response to these needs. It is suggested that this team member take the lead in evaluating all but the agriculture cooperative assistance and in addressing cooperative and PVO management questions and questions regarding (PVO) coordination.
4. Palestinian(s) with expertise in development planning and administration, practical experience with or substantial knowledge of non-governmental organizations. Prior experience evaluating development projects and

particularly cooperatives would be particularly appropriate. Palestinian team members will have excellent knowledge on the history and operations of Palestinian cooperatives, current needs, constraints and issues. They will be experts whose views are respected by key figures in the cooperative movement. Fields of specialization may be any engineering, management, economics, agriculture, or human resource development.

5. Translator(s) to accompany the team whenever translation is needed (e.g. field visits).

C. TASKS

1. COOPERATIVE SECTOR EVALUATION

The contractor will produce a report that addresses all of the questions in this section.

a. Overview: Basic Questions

- What are the needs for cooperative development assistance? Do some types of cooperatives make more sense than others in the WB/G context? Are some types generally more successful than others? What role do cooperatives play in the economy?
- What should PVOs be doing to assist cooperatives?
- What assistance are other donors (EC, UN, IDB, etc.) providing to cooperatives and what have been the results?)
- What have been the bases for PVO selection of cooperatives with which to work? Should any changes be made in the criteria used currently to determine when and if assistance will be offered?
- Did the project analysis that preceded assistance address key issues (e.g. sustainability) and clearly stated objectives? How have Palestinians been involved in project selection and design?
- How do the needs of the cooperative sector in Gaza differ from needs in the West Bank?

b. PVO Performance: Basic Questions

The contractor will answer the following questions for ACDI and ANERA as relevant to their activities in support of cooperatives:

- Does a logframe exist and is the proposed logframe sound?

- What were the planned versus actual purposes?
- What were the planned versus actual objectives? If the objectives are not as planned, why? (See earlier note regarding objectives.)
- What were the planned versus actual inputs and, if different from planned, why? How did this affect the planned outputs?
- What were the planned versus actual outputs? If outputs are not as planned, why and how has this affected planned objectives? How do outputs accomplished relate to the purpose/objectives of the grants? In what areas have project outputs exceeded the original objectives? In which areas has performance been weakest, i.e., objectives not been met?
- What general factors (e.g. design, management, socio-political conditions, environmental conditions) have contributed to satisfactory or unsatisfactory performance? What has been done to overcome difficulties?

c. Evaluation of Specific Project Inputs

Training, technical assistance and commodity procurement/construction constitute the major elements in the PVOs activities. Based on a review of selected cooperatives, the evaluation will determine:

Has short and long-term technical assistance to cooperatives been effective and relevant?

What local sources of technical assistance be used to a greater extent?

How effective has training been in e.g. measurably improving the skills of cooperative members and staff in the use and maintenance of equipment, production techniques and management? Has it been timely, reached appropriate audience and been reinforced? Has methodology been appropriate to subject and audience?

For commodity procurement and construction, have decisions regarding the location and types of equipment purchased been technically sound and within the financial capabilities and actual needs of receiving cooperatives? Are long-term issues, such as covering recurring costs and operations and maintenance, design flexibility and cost control taken into account in the upfront analysis? Are the commodities and equipment being used and used appropriately?

Have the PVOs adequately addressed the issue and costs of mechanization versus utilization of (unemployed) manpower?

To what extent are A.I.D. "Buy America" preferences being addressed? How can the record be improved?

For infrastructure and construction, have planning and design been sound? Has there been appropriate, professional supervision of works? Are the structures appropriate, maintainable and maintained by the beneficiary institution and used for the planned purposes? (The evaluation team should evaluate such these activities in the context of original stated needed and subsequent developments such as Intifada and the decline of tax revenues.)

d. Project Impact: Expanding the Role and Strengthening the Capabilities of Cooperatives

The philosophy guiding A.I.D.'s funding of cooperative development PVOs is that in the WB/G, cooperatives are indigenous, locally accepted organizations through which economic development can be advanced on a cost-effective and equitable basis. An intermediate step in improving the well-being of West Bank/Gaza residents, therefore, is to expand and strengthen the role, functions and capabilities of cooperatives to serve the needs of their members. Based on a review of selected cooperatives, the contractor will evaluate the impact of project assistance, by answering the following types of questions and presenting supporting data or evidence:

- Has assistance to cooperatives contributed to or resulted in the intended improvements; e.g. new activities, increased production, greater volume of goods processed or marketed, expanded membership, increased levels of lending and repayments? Has the internal management of the cooperative improved; e.g., improved accounting, financial or management information systems developed, increase in number of elections held, or other improvements made? If not, why not? Has assistance helped to prevent deterioration in these areas in view of the Intifadah and other developments?

- What is the likely viability of assisted cooperatives after A.I.D. support is terminated? What actions have been taken to assure economic sustainability; e.g. user fees paid to recover costs? --

- What actions are needed to promote viability?

- Does assistance provided to cooperatives negatively affect or disrupt market competition? Are there any problems with private companies and farmer-owner enterprises (cooperatives) operating side-by-side, competing in the same areas? If so what criteria could be used to avoid this problem?

- In what sectors or sub-sectors have the PVOs and A.I.D. assistance been most effective? Least effective? What factors contributed to these results and what can be done to generate greater economic benefits in areas where performance has been weak? How can effective assistance be replicated in new areas?

e. Project Impact: Beneficiaries

Has the assistance of the PVOs resulted in or is it likely to produce quantitative economic or social benefits or services for cooperative members, users of cooperative services and others directly affected by the projects? E.g., increased net revenue per member, increased member satisfaction with services, increased farm production, employment generation, business expansion?

Have the benefits of A.I.D. assistance to cooperatives been equitably distributed through the membership of the cooperative? Have women participated in and benefitted from the projects equitably? What can be done to improve the distribution of benefits and the participation of women? Are more special projects targeting women needed?

f. Management

Are the planning and project implementation procedures followed by ANERA and ACDI generally adequate and sound? Do the PVO staffs visit project sites frequently to stay informed of implementation progress or problems? Are project management information systems developed to track implementation progress and alert managers to implementation problems? Do the reporting procedures and evaluation activities of the PVOs reflect adequate supervision and management of project activities? What improvements could be made? What data collection and/or reporting changes should be made to inform A.I.D. of project implementation status and development results?

g. Coordination Among PVOs and A.I.D.

Is there sufficient and effective coordination among ANERA and ACDI, other PVOs (e.g. AMIDEAST) and other donors active in the cooperative sector to promote either complementary activities or avoid duplication of effort? In which activities do the PVOs coordinate and cooperate with one another and with other U.S., local or international organizations or donors?

How do the PVOs carry out this coordination and cooperation? How effectively do they work with cooperative members, the military government, municipal officials, other donors and the U.S. government representatives? In what areas could improvements be made? How could A.I.D. and the PVOs themselves facilitate these improvements?

h. A.I.D. Management

The evaluation team will review the role of A.I.D. management related to cooperative assistance and identify problems or difficulties from the perspective of the PVOs, the cooperatives that benefit from AID-funded assistance, other donors, and other interested parties. The evaluation report will include specific recommendations on any changes A.I.D. can make to more effectively exercise its management role.

Is the PPI system, designed with A.I.D. assistance useful for PVO planning and management?

i. Future Activities

Based on the evaluation findings, the contractor will develop recommendations based on but not limited to the following questions:

Is PVO assistance appropriately oriented to meet cooperatives needs? What are the recommendations for improving existing or developing new activities?

Is assistance appropriately directed given what other donors are doing or plan to do? Are overall programmatic changes needed; e.g., reorient the type of assistance provided to cooperatives, focus project activities? What sub-sectors should we work with more? What sub-sectors should we work with less? Should we focus our effort on certain categories of coops or give greater attention to problem areas? How can we build on the results of completed projects? When is this appropriate?

What management improvements are needed to

strengthen the overall performance of the PVOs, their relationship with each other, and their relationship to A.I.D.?

What programmatic changes are needed to align activities more closely with A.I.D.'s WB/G strategy?

2. ACDI: Evaluation of the Cooperative Development Project (CDP)

In addition to the report on the cooperative sector, the contractor will produce a separate, stand-alone report which addresses CDP-specific questions. Upon arrival in WB/G, the evaluation team will select for site visits and data collection a number of cooperatives in the WB/G that have received intensive assistance from the CDP. The cooperatives should be representative of the CDP, fully covering the range of CDP activities. These cases will constitute an important part of the data upon which the evaluation will be based. The evaluation team will obtain information from cooperative leaders and members as well as other sources.

The contractor will carry out all of the tasks contained in the Cooperative Sector evaluation beginning with the section "PVO PERFORMANCE(b)". In addition, the contractor will address the following supplementary questions, specific to ACDI:

a. Technical Assistance/Training

Have the scopes of work for all categories of short-term advisors been specific and relevant as to the purpose, tasks and products of the assignments? Has the quality of short-term advisors been generally good? Have they been used effectively? What achievements can be attributed to the work of short-term advisors?

Are the experience and qualifications of ACDI's long-term technical assistance team relevant to the needs of the cooperative sector in WB/G?

What are ACDI's outputs beyond quantitative indicators of training days, courses delivered, number of members worked with, etc.? How should outputs be measured in future CDP activities?

b. Publications/Resource Center

The CDP Resource Center was begun for the purpose of assembling cooperative and related information in one place so as to be readily accessible by Palestinian cooperative members, staff and support personnel. The Publications component is charged with developing and

distributing appropriate technology updates and cooperative education publications. The evaluation team will answer the following questions:

Are project publications used by the cooperatives as tools for member/community education? Are those publications reaching a wider audience and helping to create an environment conducive to cooperative development?

Is the Resource Center used as planned?

What kinds of resources should be developed for distribution and for use in the Resource Center?

c. Project Design and Monitoring

The CDP is a large, complex project covering several sectors and sub-sectors of the local economy. The CDP has provided training, technical assistance and credit to many cooperatives and members. In addition to agricultural cooperatives, a major effort has been made in the area of electrification cooperatives. New areas of work such as housing and jobs creation have increased and will increase the management burden. Based on the evaluation team's review of selected cooperatives, the evaluation will:

Recommend a specific system to improve monitoring of CDP progress. What type of quantitative and qualitative indicators should be tracked? How should the information be presented and from what sources should its underlying data come?

d. Future Activities

The evaluation team will study the ACDI May 1992 proposal for the three-year extension of the CDP. Based on its findings in the Cooperative Sector and the CDP evaluations, the evaluation team will comment on the soundness of the purpose, inputs and outputs of the new proposal, make specific recommendations, and identify options ACDI should consider. For example:

Is the strategy of strengthening the managerial, financial and marketing capability of nine (model) cooperatives the most appropriate response and the best use of A.I.D. funding?

Based on past experience and current needs, is the approach to promoting sustainable institutions realistic, workable and appropriate?

Is the proposal to provide financial assistance to

cooperatives via a revolving loan fund managed by a Palestinian organization workable and sound?

Generally, what management improvements are recommended to improve the overall performance of CDP and A.I.D.'s relationship with CDP and ACDI? What programmatic changes are needed to align CDP activities more closely with A.I.D.'s WB/G strategy?

IV. SCHEDULE OF WORK AND MINIMUM LEVEL OF EFFORT

The evaluation will work a total of four weeks in Jerusalem, Tel Aviv and the Occupied Territories. The U.S.-hired members of the team, excluding the team leader, will work up to four additional days in the U.S., with two days prior to departure reserved for briefings from A.I.D., State, and the PVOs and review of documents and two days upon return reserved for briefings to A.I.D., State, and the PVOs. The team leader will work up to nine additional days in the U.S., including the four days of briefings and up to five days to incorporate into the report comments collected and provided by A.I.D.

At the beginning of its fourth week in Jerusalem, the team will provide an annotated outline of the evaluation report and an oral briefing to the interested parties at a meeting organized by the A.I.D. Representative. A separate briefing will be provided to the Embassy Economics Officer if he is not involved in the A.I.D. coordinated meeting. Prior to its departure from Jerusalem, the team will present copies of its draft evaluation report to the A.I.D. Representative and to the Embassy Economics Officer. Upon its return to the U.S., and one week prior to the scheduled briefings in Washington, the team will present the copies of the same draft to A.I.D., State, and PVOs.

Not more than two weeks after the briefings, to A.I.D and the PVOs, A.I.D. will present written comments on the evaluation reports to the contractor. The written comments will represent the coordinated views of the field and home offices of A.I.D. and the PVOs and the views of the Embassy. Upon receipt of the written comments, the contractor, in the person of the team leader, will work up to five days to finalize the evaluation document. The contractor will submit ten copies of the final report to A.I.D. not later than two week as after the contractor receives the written comments.

An illustrative schedule follows:

Week 1: Discussion with AID/W and PVO representatives on Scope of work and program background. The team will fly to Tel Aviv and travel to Jerusalem. The contractor will organize two days of team planning meetings and resource reading in Jerusalem. The meetings will include briefings by A.I.D. and

the Consular General and the Economic Officer from the Embassy in Tel Aviv, and representatives of the PVOs (ACDI/OCDC, ANERA). The team, in consultation with the A.I.D. Representative will develop a plan and a system for selecting cooperatives for in-depth study and site visits. The team will begin site visits to projects by the end of the first week.

Weeks 2-3: Focus effort on site visits and interviews with cooperative representatives and beneficiaries. The team will function independently of the PVO organizations, arranging its own meetings. The team will make weekly progress reports to the AID Representative.

Week 4: At the beginning of the week, the team will present a detailed oral briefing and annotated outline of the evaluation reports to the AID Representative, the Embassy Economics Officer, and the PVOs. Based on comments from these interested parties, the team will produce two draft reports (4 copies of each) and deliver them to the A.I.D. Representative and the Embassy Economics Officer prior to departing Jerusalem. Upon its return to Washington, the evaluation team will provide copies of each draft report (same as above) to interested AID/W and State Department staff and to the PVOs.

Week 5-6-7: Team will brief A.I.D. and the PVOs, A.I.D. will provide its comments as well as input from the State Department and the PVOs on the drafts within 2 weeks of the oral briefing. The evaluation team leader will produce two final reports within two weeks of receipt of written comments.

V. LOGISTICAL AND ADMINISTRATIVE SUPPORT

The contractor is responsible for all logistical support for the evaluation team and contracting arrangements with the Palestinian team members. Office space, transportation (vehicle, chauffeur, etc), word processing, translation, typing, printing will not be provided by the AID office. Team members are advised to carry with them their own word processing equipment. The contractor is authorized to use funds provided in this PIO/T to secure adequate word processing and micro-computer support and to hire services as required.

VI. DELIVERABLES

The team will be responsible for producing two evaluation reports that complete the tasks presented in this scope of work. At the beginning of the 4th week, the team will submit to the AID Representative and to the State Department Economics Officer an annotated outline of the evaluations and will make an oral presentation to the AID Representative, the ConGen Jerusalem, Embassy representatives, and to representatives of the PVOs evaluated. (Copies of the draft CPD outline will be provided to

ACDI and not to other PVOs.) Based on comments from the briefing and review of the outlines, the team will make appropriate revisions. The team leader will submit four copies of the final draft reports to the AID Representative and the Embassy Economics Officer prior to departing West Bank/Gaza.

Upon its return to Washington, the evaluation team will provide a copy of the draft report and oral briefings to interested A.I.D. and State Department staff and to the PVOs. A.I.D. will provide coordinated, written comments on the draft within two weeks of the oral briefings. The evaluation team will produce a final reports and deliver ten copies of the final printed reports to the AID/W Program Coordinator within two weeks of receiving A.I.D. comments.

The contractor will provide AID/W with a disc containing the text of the two reports in Word Perfect 5.0 or 5.1.

The format for the reports should conform to the following guidelines and will contain the following sections:

1. Basic (Project) Evaluation Sheet , part 2 (one page)
2. Executive Summary (3-5 pages, single spaced)
3. Contents-Main text. (Maximum 40 pages single spaced). Describe briefly the context in which the projects were developed and implemented. N.B. The impact of the Intifadah, the Gulf War and general operating constraints are well-documented. Therefore, the team should not devote more than 1-2 pages to background on these subjects). Provide evidence and analysis which form the basis for conclusions and recommendations. The evaluators will clearly distinguish between their findings and their conclusions and the recommendations that follow. Appendices may include additional supporting analyses and data.
4. A short and succinct statement of conclusions and recommendations that are mutually supporting. When possible, recommendations should indicate who should take responsibility and when for the recommended action.
5. Appendices will include the following:
 - a. Evaluation scope of work
 - b. Logical frameworks and PPIs
 - c. Description of the methodology used in the evaluation (e.g. indicators for measurement of impact)
 - d. Bibliography of documents consulted
 - e. List of person contacted/interviewed
 - f. Other

Preliminary List of Key Documents

Relevant Sector Assessments or summaries

Grant Agreements (relevant sections) and Program Performance Indicators for ACDI, ANERA.

May 1992 Semi-Annual reports for ACDI, ANERA.

Cooperative Development Program/JOBS proposal, May 1992 (CPD extension 3-year extension)

"Evaluation of the WB/G Cooperative Sector Projects" April 10, 1989

(CDP) "Final Report: Evaluation of West Bank/Gaza Cooperative Sector Programs," by Bruce H. Kratka, Gene F. Miller and Dave E. van Tijn, TvT Associates, 1989

"Palestinian Cooperatives: A Development Strategy," Joint ACDI/ANERA statement 2/92

Letter to ACDI from Dr. Stephen H. Grant, April 6, 1989.

Letter from ACDI to Dr. Stephen H. Grant, May 1, 1989.

Evaluation of ANERA program, TvT, 4/92.

ANERA proposals: "Cooperative, Municipal and Business Development Projects in the West Bank/Gaza," October, 1987 and 1988.

ACDI proposal: "West Bank and Gaza Cooperative Development Project, Project Expansion/Extension Proposal," ACDI, 1989.

ACDI: "Consultancy Report on CDP Credit Program," by Charles Taylor, December, 1991.

ACDI: "Village Electric Cooperative Program Assessment," by Bard Jackson, January, 1992.

"Audit of A.I.D.'s Monitoring System for the West Bank and Gaza Program," Audit Report No 0-000-00-000, February, 1992, A.I.D. Inspector General's Office.

Attachment 2

ACDI Cooperative Development Program

- A. Purpose
Improve/Expand cooperative services thereby increasing income and well-being of members of Palestinian cooperatives.
- B. Objectives or Output level indicators
 - 1. Marketing
 - a. Information bank concerning domestic markets.
 - b. Increased volume of produce marketed by cooperatives:
 - i. In the domestic market.
 - ii. In the export market.
 - 2. Livestock/Dairy
 - a. Increased # of member owned livestock.
 - b. Increased sales of cooperative livestock products.
 - 3. Farm Machinery
 - a. Increase use/hrs for cooperative machinery.
 - b. New types of equipment used by cooperatives.
 - c. Machinery used more efficiently.
 - 4. Olive Press
 - a. Improved quality of olive oil.
 - b. Increased member services and sales.
 - c. Introduction of various sized containers to meet market demand.
 - 5. Women-in-Development
 - a. Women participate in cooperative decisions

ANNEX B

ACDI/CDP Budget Status, June 25, 1992



ACDI / CDP BUDGET STATUS

Cooperative Development Project ♦

مشروع التنمية التعاوني

Facsimile Cover Sheet

To: Ms. Suzanne Olds
US Consulate
From: *Thomas A. Laquey*
Thomas Laquey
CDP - Jerusalem

Date: June 25, 1992

6 pages

1. Attached for your information is a copy of the resume for Issai Abdulhadi. He is a very knowledgeable young man who is available.
2. A copy of budget status from ACIDI. As you will note the balance is \$1,770,586.00

I have made the following Calculation:-

Balance May 31, 1992	\$ 1,770,586.00
Unspent Credit/Grant Funds	<u>112,776.00</u>
Sub Total	\$ 667,809.00
Minus ACIDI Overhead 39%	<u>260,445.00</u>
Sub Total	\$ 407,364.00
Minus 13th month estimated	<u>150,000.00</u>
	\$ 257,364.00
Estimated June Expense	<u>90,000.00</u>
Estimated Balance	\$ 167,364.00

Estimates are high to be on safe side.

Fax- 259 270

B-1

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Agricultural Cooperative Development International

ANE-C159-G-SS-6020-00
WBG1, Project 33

Statement date:	24-Jun-92	(1) LOP Budget	(2) Obligated To Date Budget *	(3) Cumulative Expenses to 4/30/92	Diff.
LINE ITEMS					
Salaries		698,655	696,655	675,070	21,585
Payroll Added Costs		250,948	250,946	218,881	34,265
Allowances		247,041	247,041	228,339	18,702
Travel and Transportation		250,852	250,852	319,827	(68,975)
Consultants		503,777	503,777	386,897	117,080
Training		779,290	778,290	540,689	238,601
Eqmnt/Commodities		180,900	180,900	277,380	(96,480)
Local/ODC		1,852,793	1,852,793	1,942,887	(90,094)
Subtotal		4,762,254	4,762,254	4,587,569	174,685
Indirect Costs		1,807,114	1,807,114	1,735,337	71,777
Credit/Grant Funds		1,250,000	1,250,000	131,219	1,118,781
ACDI Subtotal		7,819,368	7,819,368	6,454,125	1,365,243
Subcontractors		1,367,391	1,367,391	832,079	535,312
Total		9,186,759	9,186,759	7,286,204	1,900,555

* Budgeted amounts by line-item for total obligations to date through amendment 7.

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ACDI

Thru May

TOM LaQuey^{ACTING}
TO WBG-1

Job number 33
West Bank and Gaza 1
Cooperative Development
Expenditures thru May 31, 1992

ASFACF
FRLC

	Fudget	Actual	Unliquidated
Salaries	696,655.00	687,517.86	9,137.14
Post Differential	0.00	24,841.92	24,841.92-
Other Payroll Added Costs	250,946.00	195,148.66	55,797.34
Other Allowances	247,041.00	228,712.73	18,328.27
Other Travel	250,852.00	328,909.43	78,057.43-
Consultant Fees	503,777.00	391,139.97	112,637.03
Participant Training	779,290.00	544,628.31	234,661.69
Equipment / Commodities	180,900.00	281,224.29	100,324.27-
Other Direct Costs	1,852,793.00	1,982,921.85	130,128.85-
Project Advances	0.00	2,000.00	2,000.00-
Indirect Costs	1,807,114.00	1,764,425.09	42,688.91
Subcontractors	1,367,391.00	847,479.19	519,911.81
Credit Funds	1,250,000.00	137,223.02	1,112,776.98
	<u>9,186,759.00</u>	<u>7,416,172.32</u>	<u>1,770,586.68</u>



Cooperative Development Project

مشروع التنمية التعاوني

Facsimile Cover Sheet

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US Consulate
From: *Thomas A. Laquey*
Thomas Laquey
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PAGE.00!

Tom LaQuey
TO WBG-

ACDI

Thru May

Job number 33
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ASPACF
FRLC

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ANNEX C

Evaluation Methodology

ANNEX C. EVALUATION METHODOLOGY

The Team began its work in Jerusalem on July 17 and departed from there on August 11, 1992. Its first meetings included briefings with the A.I.D. Officer in Jerusalem, the Consular General and the Economic Officer from the Embassy in Tel-Aviv and representatives of ACDI/CDP and ANERA. The Team developed a plan and selected 17 cooperatives for in-depth study and site visits. The selection included all nine cooperatives selected by ACDI/CDP for "targeted" activities. The same cooperatives are also beneficiaries of ANERA. Another eight cooperatives were selected to widen the range of coverage. They included cooperatives in Al-Nassarín, Jericho, Nablus and villages near Ramallah and Tulkarem. Field trips and interviews began on July 22 and ended on August 5, 1992. Although some communities were on strike on three occasions in honor of Intifada and/or in response to the deaths of Palestinians, we were still able to conduct our surveys with good attendance of 4 to 10 cooperative members at each site we visited. We found also a very frank audience of respondents at each of the cooperatives. None harbored on the Israeli occupation and all got right down to business about their cooperatives.

The range of activities covered by CDP and ANERA is immense. Hence the tasks of our assignment were equally difficult. To handle the chores, the Devres Team made a division of labor in terms of questions and responsibilities. Following the guidelines set forth in the scope of work, the work allocations were as follows:

Refugio I. Rochin, Team Leader: Agricultural economist responsible for all aspects of the two evaluations plus the final drafts of the two reports.

Izzat Abdul Hadi: Palestinian with expertise in "development planning and administration," responsible for history and operations of WB/G cooperatives.

Jonathan Smith: "Human resource development specialist" responsible for analyzing the training and technical assistance needs of cooperatives and the PVOs.

Stanley A. Wells: "Management specialist" responsible for management operations and principles established by cooperatives and regional organizations within the WB/G.

It should be noted that each site was visited by each member of the Devres Team. In addition, the Team functioned independently of staff of the PVO organizations except for one site visit we attended with Abnan Obeidat, a General Assembly meeting of the Marketing Cooperative of Kufur Ni'meh near Ramallah. And Team members carried out independent evaluations of CDP and ANERA staff and operations in accord with their responsibilities.

ANNEX D

Bibliography

ANNEX D. BIBLIOGRAPHY

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ANNEX E

List of Persons Contacted/Interviewed

ANNEX E. LIST OF PERSONS CONTACTED/INTERVIEWED
WB/G Cooperative Sector Evaluation Project
List of Persons Interviewed in Order of Meetings
(July 20-August 7, 1992)

<u>No.</u>	<u>Name</u>	<u>Institution</u>	<u>Title</u>
1.	Ibrahim Matar	ANERA	Deputy Director
2.	Adnan Obeidat	ANERA	Coop Development Consultant
3.	Lance Matteson	ANERA	Director
4.	Thomas LaQuey	CDP	Project Director
5.	Daoud Istanbuli	CDP	Coop Education Specialist
6.	Abdel Rahman Abu Arafah	CDP	Director of Technical
7.	Nuhad Joudeh	CDP	Women Coop Advisor
8.	Joseph Nesnas	CDP	Director of Finance & Economics
9.	Richard Morash	CDP	Consultant
10.	Domian Al-Alam	Beit Jala Coop	Chair of the BOD
11.	Elias Jahshan	Beit Jala Coop	Director
12.	Farouq Al-Mozafer	Bethlehem Coop	Coop Consultant
13.	Adel Al-Ansari	Ramallah Coop	Coop Consultant
14.	Khaled Al-Kutub	Jericho Marketing Cooperative	Chair of the BOD
15.	Jehad Haddad	Jericho Marketing Cooperative	Director
16.	Ahmad Sawafteh	Jericho Marketing Cooperative	Member of the Coop
17.	Ali Radwan	Jericho Marketing Cooperative	Member of the BOD
18.	Hamzeh Salameh	Olive Oil Union	Secretary
19.	Daoud Hawareth	Olive Oil Union	Chair of BOD Chair of Ein-Sinia Coop
20.	Muhammad Diab	Olive Oil Union	Member of BOD Chair of Deir Sharaf Coop

21.	Samir Hulieleh	Economic Develop. Group	Director
22.	Ismail Deiq	PARC	Director
23.	Kayed Janazrah	U.A.W.C.	Director
24.	Ghada Zidan	PARC	Secretary
25.	Mustafa Jabarin	Hebron Electric Coop	Secretary
26.	Mousa Al-Shyokhi	Hebron Electric Coop	Chair of BOD
27.	Zaki Afaneh	Hebron Electric Coop	Director
28.	Ahmad Qubajeh	Hebron Electric Coop	Treasurer
29.	Hidar Al-Akhras	Hebron Electric Coop	Electrical Engineer
30.	Yousef Jebreen	Hebron Marketing Cooperative	Director
31.	Ali Shalabi	Hebron Marketing Cooperative	Director
32.	Yahia Hindi	Tulkarem Livestock	Chair of BOD
33.	Taiseer Hussain	Tulkarem Livestock	Director
34.	Ibrahim Salman	Tulkarem Livestock	Member of BOD
35.	Ali Barakeh	Tulkarem Livestock	Secretary
36.	Muhammad Melhem	Jenin Marketing Cooperative	Chair of BOD
37.	Muhammad Hamzeh	Jenin Marketing Cooperative	Director
38.	Firas Sawalheh	Agriculture Coop. Union	Director
39.	Abdel Latif Zawati	Agriculture Coop. Union	Member of BOD
40.	Amid Al-Masri	Agriculture Coop. Union	Agriculture Consultant
41.	Ismail Ghanam	Nablus Coop. Dep.	Coop. Consultant
42.	Abdallah Sarhan	Jalazone Bakery Coop.	Secretary
43.	Ali Orabi	Jalazone Bakery Coop.	Member of BOD

44.	Ahmad Khalid	Jalazone Bakery Coop.	Treasurer
45.	Juma'ah Sa'id	Jalazone Bakery Coop.	Member of BOD
46.	Mira Rizek	SCF	Program Manager
47.	Eileen Kuttab	OPOP	Chair of BOD
48.	Mahmoud Samarah	Ramallah Poultry Cooperative	Chair of BOD
49.	Wajeih Tulaib	Ramallah Poultry Cooperative	Secretary
50.	Ahmad Ibrahim	Ramallah Poultry Cooperative	Director
51.	Fathi Salah	Ramallah Poultry Cooperative	Member of BOD
52.	Ibrahim Lutfi	Ramallah Poultry Cooperative	Member of BOD
53.	Jihad Al-Ash'hab	Ramallah Poultry Cooperative	Accountant
54.	Ibrahim Daqaq	Arab Thought Forum	X-Director
55.	Othman El Deik	Kofr Nimeh Coop (Ramalleh)	Chairman
56.	Mohammad Zaida	Kofr Nimeh Coop (Ramalleh)	Member
57.	Khalil Hanini	Kofr Nimeh Coop (Ramalleh)	Member
58.	Muhammad Said	Kofr Nimeh Coop (Ramalleh)	

ANNEX F

CDP Training

TRAINING

I.

The overall responsibility of CDP's Training Department is to create, manage, supervise, and implement training programs that meet human resource development needs of targeted cooperatives and other relevant Palestinian business enterprises.

Training needs are identified through scrutinization of expressed needs by cooperative leaders, evaluations of CDP consultants, and daily contacts by CDP staff. When technical, managerial and organizational problem areas are identified in targeted cooperatives, training curriculum and courses are prepared to address these problems. All efforts are made to increase the knowledge and skills of trainees in order to be more capable to run the cooperative enterprise in a business oriented manner.

II. Four assumptions were put for the training Department in its future plan:-

1. Lower cost of residential training to \$50 per participant/day.
2. Follow "Train-of-Trainers" approach to member training. CDP trains 6-10 individuals per cooperative.
3. Consultants and returned participants deliver courses as appropriate.
4. Additional funding for training can be obtained from:-
 - a. Nominal fees for technical training. (Extra attendees pay full rate).
 - b. Other external donors in "high profile" training activities.

III. In-Country Training Curriculum:-

Type of course	Res/Non Res.	Proposed Length (Days)
* Accounting		
Basic	r	4
Intermediate	r	4
* Member Education	n	6
*Marketing		
Post Harvest(quality standards)	n	1 x (4crops)
Workshops	r	2x(8 workshops)
Dairy	n	1

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* Dairy Production		
Fresh Milk	N	1
Modified Yoghurt	N	1
Butter	N	2
Cheese	N	2
Hygiene	N	1
Quality Control	N	1
* Equipment Operations and Maintenance		
Olive Press	N	1 (x2)
Tractors	N	2
Farm Equipment	N	3
Dairy	N	2
* Electrical		
Generator Maintenance	N	2
Operations	N	1 (x3)
Safety	N	2
* Computer		
Accounting	R	3
Communications	R	3
Lotus	R	3
DBase	R	3
Word Processing	R	3
* Management		
Roles & Responsibilities	R	3
Communications	N	1
Time Management	N	1
Effective Meetings	N	1
Decision-Making	R	2
Planning	R	3
Budgeting	R	2
Feasibility Study	R	2
Management Information	R	2
* Inventory Control		
Ag. Inputs	N	1
Dairy	N	1
Electric	N	1
IV. Training to U.S		
Training cost Accounting and Management, estimated at 5 person months.		
V. Third Country Training		
Dairy - Holland, Turkey, Egypt, or Israel.		
Marketing - Cyprus, Morocco, and Jordan.		

Includes:

Information systems, Quality Control, Storage/Cooling, Packing, and shipping documentation.

Olive Press (Maintenance) - Italy.
Cooperative Management - Egypt.
Estimated at 16 person months.

V COSTS FOR U.S. TRAINING:

	Year I	Year II	Year III	Year IV
ppts	3	2	2	1

Airfare total:
8 @ 1800 = \$14,400

Domestic Travel:
8 @ 675 = \$5,400

Per Diem:
\$85p/d x 35 days x 8 = \$23,800

HAC:
\$34/month— Total \$ 238.00

Tuition:
\$4000/Course x 8 = \$32,000

Miscellaneous:
\$300 X 8 = \$2,400

Total \$78238

COST FOR EC TRAINING:-

Year I	Year II	Year III	Year IV	
6	5	5	4	= 20

Airfare:
20 x \$600 = \$12,000

Per Diem:
20 x \$110 x 35 = \$77,000

Tuition:
20 x \$ 750 = \$15,000

Misc:
\$300 x 20 = \$6,000

Domestic Trans:
675 x 20 = \$13,800

Total \$123,500

CDP TRAINING (01/89 - 06/92)

OVERVIEW

Course Classification	Total No. Course Days	Days in Jerusalem (%)	Days in Gaza (%)	Days other Dist. (%)	Days USA/Europe (%)	Total No. Partic.	Total No. Women	Total No. Participant (%)
1. Marketing	67	15	-	-	52	120	21	(17.5%)
2. Computer	60	36	7	17	-	115	20	(17.4%)
3. Accounting	53	53	-	-	-	152	18	(11.8%)
4. Agric Machinery	52	15	4	33	-	99	0	-
5. Finance (Loans)	39	8	-	1	30	43	0	-
6. Management - Office Management - Planning - Etc.,	30.5	18	6	6.5	-	158	20	(12.7%)
7. Dairy	11.5	9	-	2.5	-	74	1	-
8. Coops	7	6	1	-	-	72	23	(25%)
9. Livestock/Bees	3.5	3	.5	-	-	64	0	-
10. Electrical	2.5	-	-	2.5	-	7	7	(100%)
Totals	326	147.5 (45%)	18 (5.5%)	88.5 (27%)	82 (25%)	924	110	(12%)

Source: Training Department Training Data Base (See Annex)

Note: (1) Figures for Total Number of Course Days varies from Finance Department's total.

(2) Total varies from separate figure provided by Training Department, which was 1,300+.

TABLE

Three Ratings of CDP's Training Program

Rating of Courses by No. of Course Days		Rating of Courses by No. of Participants		Rating of Courses by No. of Participant Days		% of Total Participant Days
1. Marketing	(67)	1. Management	(158)	1. Accounting	(8,056)	22%
2. Computer	(60)	2. Accounting	(152)	2. Marketing	(8,040)	22%
3. Accounting	(53)	3. Marketing	(120)	3. Computer	(6,900)	19%
4. Agr. Machinery	(52)	4. Computer	(115)	4. Agr. Machinery	(5,148)	13%
5. Finance (Loans)	(39)	5. Agr. Machinery	(99)	5. Management	(4,819)	13%
6. Management	(30.5)	6. Coops	(92)	6. Finance (Loans)	(1,677)	4%
7. Dairy	(11.5)	7. Dairy	(74)	7. Dairy	(851)	2%
8. Coops	(7)	8. Livestock/Bees	(64)	8. Coops	(644)	< 2%
9. Livestock/Bees	(3.5)	9. Finance	(43)	9. Livestock	(244)	< 1%
10. Electric	(2.5)	10. Electric	(7)	10. Electric	(17,5)	< 1%

Total Course Days = 326

Total Participant = 924

Total Participant Days = 36,396.5

Note: Without drawing specific conclusions, it is interesting to compare some of CDP's volume of training by total participant days with volume of ANERA's investments in the same or roughly equivalent areas. (Refer to other Annex materials for ANERA expenditure data).

- 1) ANERA/Agric. Prod. + Irrig. + Livestock/Dairy = 37%
CDP/Dairy, Livestock = 4%
- 2) ANERA/Credit Funds = 16%
CDP/Finance & Loans + Coops = 4%
- 3) ANERA/Agr. Machinery = 30%
CDP/Agr. Machinery = 13%

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YEAR 1989

	Local Training	US and Third Country
1.89	5244.46	
2.89	1490.64	
3.89	2199.04	
4.89	19237.12	
5.89	3144.81	
6.89	6099.14	
7.89	13648.37	
8.89	30038.05	
9.89	3492.11	
10.89	10472.39	
11.89	24631.03	
12.89	18658.47	
		\$ 137,751.63

YEAR 1990

	Local Training	US and Third Country
1.90	12022.70	
2.90	17470.29	
3.90	21814.58	
4.90	53329.76	
5.90	6193.82	4086.93
6.90	7317.99	1000.00
7.90	34049.24	2458.56
	41734.74	
8.90	6151.71	8539.56
9.90	36877.76	
10.90	14183.92	
11.90	9935.84	3500.00
12.90	17459.38	512.50
	\$ 278,541.72	

TRAINING COURSE IN FRANCE	62381.82	(IMPORT PROCESS)
NABIL'S COURSE IN US	3500.00	(CREDIT)
SAWALHA TRAVEL TO US	3458.56	(FORT COLLINS)
TRANSPORT PROCEEDS	2530.00	(AMMAN - JORDAN)

\$ 91,917.92

YEAR 1991

	Local Training	US and Third Country
1.91	9224.18	
2.91	9412.02	
3.91	1272.75	
4.91	9225.92	
5.91	5818.25	
6.91	4518.25	
7.91	35836.84	
8.91	4983.35	
9.91	945.41	
10.91	23179.13	1000.00
11.91	5471.20	
12.91	16714.38	
US-COST ACCOUNTING	<u>176,176.60</u>	<u>1000.00</u>
		<u>26,000.00</u>

YEAR 1992

	Local Training	US and Third Country
1.92	3964.71	
2.92	1393.91	
3.92	20693.38	
4.92	5186.44	
5.92	17104.60	
6.92	6079.14	
	<u>54,422.18</u>	

TABLE

COMPARITIVE COSTS OF LOCAL U.S. PARTICIPANT TRAINING
CDP (01/89 - 06/92)

Year	# Local Training Days	# Participant Training Days (%)	# Cost Local Training	Cost Participant (%) Training
1989	47	-	\$138,355.63	-
1990	70	83 (54.6%)	\$278,541.73	\$91,697.73
1991	86	Unknown	\$126,601.68	\$26,000
1992 (to 06/92)	31	-	\$ 54,422.18	-
Total	234 (1)	83 (35.4%)	\$471,319.54 (2)	\$117,697.93 (20%)

- Note: - Table figures provided by CDF Finance Department.
 - (1): Total varies from CDP Training Department total.
 - (2): CDP does not know what direct U.S. indirect costs ACIDI uses for calculating local training costs.

TOTAL TRAINING COURSES, PARTICIPANTS &
PARTICIPANT DAYS BETWEEN 1989 - JUNE 1992

YEAR	# OF COURSES	COURSE CODE	# OF PPTS	# OF PPTS DAYS	# OF WOMEN
1989	30	59-89	538	796	2
1990	37	90-126	444	1033	73
1991	18	127-144	251	1177	43
(June) 1992	9	145-153	123	419	17
TOTAL	94	- - -	1356	3425	135

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TABLE

CDP LOCAL TRAINING COSTS (01/89 - 06/92)

Year	# Course Days	# Participants	# Participants Days	Total Cost	Cost per day per participant
1989	47			\$138,355.63	
1990	71			\$278,541.73	
1991	86			\$126,601.68	
1992 (to 06/92)	31			\$ 54,422.18	
Total	317	924	36,396.5	\$471,319.54	\$12.95

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ATTACHMENT 1

CDP CURRICULUM

Course Name -----	Type ----	Tech Area -----	Length (Days) -----
Introduction to Accounting	I	accounting	1.0
Economic Operations of Power Systems	T	electric	1.0
Trainers' Course	I	training	5.0
Directors Series	I	directors	3.0
Manager 1 & 2	I	management	6.0
Dairy Operations	T	dairy	1.0
Maintenance of Well Equipment	T	ag mach	.5
Accounting for Livestock Coops	I	accounting	3.0
Basic Accounting	I	accounting	5.0
Cooperative Basics	I	co-op	1.0
dBase III+	T	computer	3.0
Computer Familiarization	T	computer	2.0
Livestock Directors	I	directors	5.0
Electric Safety in the Home	T	electric	.5
Accounting Software	I	accounting	3.0
Dairy Processing	T	dairy	1.0
Intermediate Accounting	I	accounting	5.0
Loan Policy Seminar	T	credit	1.0
Loan Administration	T	credit	3.0
Office Management	I	management	.5
Milk Adulteration	T	dairy	2.0
Factor Maintenance & Safety	T	ag mach	2.0
Factors affecting Milk Quantity	T	dairy	2.0
Skills for Local Marketing	T	marketing	2.0
Basic Beekeeping	T	livestock	.5
Cooperative Organization	I	co-op	.5
Accounting for Dairy Operations	I	accounting	3.0
Cooperative Understanding	I	co-op	3.0
Training Methods for Local Trainers	I	training	3.0
Quality Control for Dairy Products	T	dairy	2.0
Planning Workshop	I	management	3.0
Olive Press Maintenance & Operations	T	ag mach	5.0
Electric Directors	I	directors	4.0
Computer Communications	T	computer	5.0
Training Methods Review	T	training	2.0
Cooperative Structure	I	co-op	1.0

¹ T = Technical I = Institutional

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ANNEX G

Bard Jackson Consultancy Report on
CDP Villages Electric Program

MEMORANDUM

Date: January 8, 1992
To: Suzanne Orl's
AID Representative, Jerusalem
Through: Jack Edmondson, Director
CDF
From: Phil Brown and Bard Jackson

Subject: CDF's Village Electric Program

Pursuant to your discussions with Jack Edmondson on January 14, 1992 we have revised along the lines you suggested Bard Jackson's paper titled "VEC Program Assessment". Our current draft provides more details concerning new potential project beneficiaries and addresses CDF's selection criteria for choosing new clients.



VEC PROGRAM ASSESSMENT

Bard Jackson
Revised January, 1992

Summary

Several unfortunate developments in the Village Electric Cooperative (VEC) project have prompted an assessment and re-design of the project. Major conclusions of this assessment are:

- o The Union no longer has the membership foundation to be a viable self-supporting organization, nor is it likely that this will develop in the near future;
- o Having placed the revolving fund in the Union has complicated the role of the staff greatly, requiring them to wear different "hats" as an advisor, employee, banker, and loan collection officer of the member cooperatives; the role of these technical advisors must be simplified;
- o While senior representatives of the CIVAD may agree in principle with our assistance to the electric cooperatives, direct actions and inactions by the administrative personnel have nearly halted progress; and
- o The program has shown some positive impact on the member cooperatives although not enough; and these benefits are often unappreciated by the Palestinians due to a basic difference between CDP objectives and the cooperatives' objectives.

The program has unfulfilled commitments to the Union members to duly consider their requests for loan funds. Preliminary expressions of intent to request a loan will be submitted to CDP by mid-January 1992. These small loans should be processed by the summer of 1992. Then the program should be re-directed to serve as a responsive resource for the village electric cooperatives throughout the West Bank.

Project Background

The objective of the VEC program has been to strengthen the operations of the electric cooperatives by improving their financial position, reducing their losses, and improving the quality of service to their consumers. Recommendations in these areas were presented to the VECs in 1986 along with a training course. The recommendations were basically ignored and no impact

within the system operations could be attributed to training. In 1989 CDF offered a loan/grant program to the VECs in the Hebron area for those systems that would agree to implement our recommendations.

The VECs wanted the grant funds and only half-heartily agreed to the loan component and the operational recommendations.

The Union of Village Electric Cooperatives was re-activated to implement the program, to organize a "voice" for the VECs, and to channel necessary technical assistance to the systems. Although officially registered as a cooperative, the CIVAD insisted that the Union apply for re-activation. After more than 14 months of meetings, letters, repeated requests, and discussions at the highest level in CIVAD the Union was finally authorized to function in August 1991. Since no other Palestinian organization could be identified to manage the revolving funds, the Union was given this responsibility.

Tarqumia Village Electric Cooperative was selected as the model cooperative to concentrate initial effort. The Union plus all the other members of the Union were designated as core cooperatives to be eligible for assistance after the model cooperative demonstrated improved operations. Members were informed of the purpose, amount, and structure of the revolving fund. They were told that CDF would first concentrate efforts on the model cooperative, Tarqumia, and then would handle their loan request. In the two years that CDF concentrated on Tarqumia, the other member systems continued to participate and support the Union.

The program encountered numerous delays beyond the control of CDF. With the severe economic depression and political conditions during and after the Gulf Crisis, it became apparent that the project would not meet the outputs set in the logframe. In fact, emergency assistance was necessary to keep the cooperatives solvent. Small emergency "working capital" loans were made to two cooperatives.

Problems Encountered

Every significant attempt to improve the VECs has been thwarted by "outside factors". Major problems were:

- o Tarqumia was effectively dissolved by direct actions of the CIVAD and Village Council;
- o The importation of 11 kV line materials hit an impasse between AID "buy American" requirements and CIVAD approval;
- o Loans to the Saier VEC were not allowed by the CIVAD for "security" reasons;



- o Until just recently the Shiyouth Board was opposed to loans with interest for religious reasons;
- o The Sikka VEC's new Board went unrecognized by the CIVAD Hebron regional cooperative director for almost two years preventing their participation in the Union;
- o It has only been in recent months that three new cooperatives have been registered by CIVAD. Otherwise during the past two years no new village cooperative systems were allowed to be registered thus preventing their gaining membership into the Union; and
- o Possible grant funds available through CRS are much more attractive to the cooperatives than CDP's loan funds.

With Tarqumia effectively dissolved and Saier not allowed to significantly participate in the loan program, the consumer base (cooperative members) of the Union, even if the three new cooperatives are allowed to join, is cut by almost two-thirds. This, combined with restrictions on new cooperative development, undermines any possibility for the Union to support two employees without outside grant assistance.

Progress Observed

The VEC program has made some progress in improving the operations of cooperatives that are listed:

- o Two qualified Palestinians are trained and capable of assessing the operations of village electric systems and making recommendations, creating workplans, and implementing improvements;
- o A loan program has been developed and in place to allow necessary improvements in the village electric systems;
- o The electric systems are slowly (one by one) recognizing the need to reduce losses, charge appropriate rates, and provide reliable service to small enterprises;
- o Data that the VEC management can understand is being collected to demonstrate the amount of losses, the financial status, and system improvements needed;
- o Losses have been decreased by simple techniques such as balancing the load on each feeder phase, installing capacitors to correct power factor, and purchasing more efficient generators (see Table I "VEC Performance Indicators");



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- o The core cooperatives have significantly increased the hours electric service is provided;
- o Other donors (primarily UNDP and the Canadian Embassy) have recognized the value of technical assistance and oversight provided by the Union and have increased their grant contributions to the member systems;
- o The Union provides a platform for rural villages to express their opinions and energy needs in Palestinian strategy formulation; and
- o Cost savings have been obtained through bulk purchases.

Short-term Recommendations

It is recommended that CDP and the Union concentrate on fulfilling the loan requests from the core cooperatives. The VECs should have a cutoff date of January 15, 1992 to present Board resolutions requesting loans. CDP and the Union should then develop a schedule to process the viable requests. This would end the formal CDP/Hebron Union program.

New loans should not include 11 kV construction. Rather, the systems will be planned for future grid connections at multiple 33 kV/440 volt delivery points. Construction materials can then be local "off-the-shelf" purchases, not from an American source.

The Union staff should no longer devote time and efforts towards self-supporting activities. In addition to items on the current workplan, the Union staff should do more to organize and report on the program performance indicators. The data collected from the kWh meters need to be reconciled with fuel consumption and sales data for closer estimates of system losses.

Long-term Recommendations

Assuming AID's continuing support, the VEC program will change to become more responsive to a wider range of village electric systems throughout the West Bank that embrace the management concepts CDP represents. Then, the VESs and CDP would share objectives and work in a more cooperative environment than the "carrot and stick" approach now being used. As part of this move the following changes are recommended:

- o Management of new loans will be placed in another Palestinian organization (TDC);
- o The Union will be urged to transfer management of their revolving fund collections to TDC;



- o The technical advisors (Union Manager and Technical Supervisor) will be transferred, organizationally, to CDP under direct supervision of an expatriate Project Manager;
- o Remaining revolving loan funds will be offered to other operating village electric cooperatives and village electric systems requesting cooperative status from CIVAD that share our objectives (See Table II, "Project Beneficiaries" for current and potential beneficiaries); and
- o The program will be re-evaluated in 18 months to decide if additional funds should be sought for the revolving fund and technical assistance continued.

The CDP Advisors should stay close to the village electric systems - in Hebron or Nablus - so that they can monitor performance, be available for emergency situations, and accessible to the cooperative members. This is too difficult to maintain from a Jerusalem office.

The village electric systems have been repeatedly told that CDP is not a grant agency; that CDP exists to assist their management and operations; and that CDP loan funds are available to improve their operations. CDP should retain this posture thereby representing that AID (and perhaps other donors) fully expect grant recipients to eventually wean away from their dependence on grants and become sustainable. Unfortunately, this concept threatens the standard mode of conducting business and is not so popular with the recipient organizations.

There is a need for grant assistance, especially for new village systems needing to make the initial large capital investment in facilities where loan funds would make the consumer cost of electricity significantly higher than all surrounding towns and villages.

In the past CRS has made grants available to cooperatives but now concentrates on assisting non-cooperative systems. An agreement should be established between CRS and CDP defining when and where respective programs will target AID assistance in regard to pre-cooperative systems.

It is recommended that CRS or other donor agencies provide grant funding to new village electric systems, and CDP provide loan funds for up-grading or improving operating cooperative systems.



Re-defined VES Project Parameters

- GOAL** - To improve the quality-of-life and economic conditions of village Palestinians by providing basic infrastructure.
- PURPOSE** - To strengthen the operations of village electric systems in the West Bank.
- OUTPUTS** - Six additional village electric systems would reduce their losses by over 10% and increase the number of new residential and small commercial enterprises by over 7% per year.
- INPUTS** -
- o Revolving loan/grant funds of approx. \$200,000*
 - o Management/Loan Advisors - 18 personmonths
 - o Technical Advisor 18 personmonths
 - o NPECA Support 5 personmonths
- * Remaining amount from existing revolving fund after core cooperatives' loan requests are processed.

IMPLEMENTATION AND PROJECT BENEFICIARIES

CDP will offer assistance which is now provided only to the members of the Union of Electric Cooperatives in the Hebron area, to village electric cooperatives and village electric systems requesting cooperative status throughout the West Bank. Most of the new project beneficiaries will be existing electric cooperatives in the Northern part of the West Bank. As a minimum there will be twelve new potential cooperative beneficiaries representing an aggregate membership of 2,570 consumers and an as yet undetermined number of pre-cooperative electric systems.

Among potential beneficiaries CDP shall select those VESs to receive assistance on the basis of their willingness to maintain networks and reduce network losses, expand service for new consumers (especially small enterprises), extend hours of service, employ sufficient and qualified staff to operate the system, implement suitable collections and cut-off policies, and charge rates adequate to cover operating costs including depreciation and bad debts. Loan/grant funds will be available from the existing revolving fund to implement the necessary system improvements.

CDP will employ an Electric Management Advisor and a technical Advisor to assist the VESs and prepare management audits, feasibility studies, and revolving loan/grant applications for eligible cooperatives. In addition, the Advisors will help the VESs in developing written policies, standards and guidelines for cooperative rural electric systems on topics such as maintenance, rate structure, financial performance, budgeting, employee compensation and training, as well as collection procedures. They will also provide training and technical assistance (but not routine maintenance) as requested by members and within CDP's capability to conduct.

As loan applications are approved, the Advisors will monitor the materials and contractor bidding, construction progress, workmanship, progress payments, and changes in the systems' operational performance.

The Village Electric Revolving Fund will be managed by TDC, a private Palestinian organization. It will disburse funds, service loans, and maintain payment and default records. The electric revolving funds will be held in separate accounts so that they are not mixed or in any way compromised with revolving funds for agriculture or other sectors.

VEC PERFORMANCE INDICATORS

	1988	1989	1990	1991	% Change 88 - '91	Notes
FAWAR						
Membership - residential	395	388	388	413	7%	
Membership - commercial			3	7	133%	
Losses (%)	75	44	13	8	-82%	
Hours/Day Service	10	10	24	24	140%	
Operating Balance						
SAIER						
	1988	1989	1990	1991	% Change 89 - '91	
Membership - residential	790	824	720	792	-1%	
Membership - commercial			3	7	133%	
Losses (%)		35	28	22	-37%	
Hours/Day Service	7	5	6	8	60%	
Operating Balance						
RHIA						
	1988	1989	1990	1991	% Change 89 - '91	
Membership - residential	158	158	160	164	4%	
Membership - commercial			1	1	0%	
Losses (%)		35	28	22	-37%	
Hours/Day Service		8	24	24	200%	
Operating Balance						
CHOYOUH						
	1988	1989	1990	1991	% Change 88 - '91	
Membership - residential	400	440	450	478	19%	
Membership - commercial						
Losses (%)	44	63	34	40	-57%	2, c
Hours/Day Service		7	7	7	0%	
Operating Balance						



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NOTES

General

The purpose of the village electric cooperative program is to strengthen the operational performance of the model and core cooperatives thereby providing more affordable and reliable service to residential and small commercial consumers. Performance indicators are the percent losses, the number of new consumers (residential and small enterprises), hours of service, and the annual financial operating ratio.

Losses - are measured as a ratio of the total kWh sales as taken from consumer meters divided by the kWh input to the system. The input kWh was determined by billing records for those cooperatives connected to the IEC grid and from generator kWh meters and fuel purchases.

The most significant drop in losses occurred in systems that had inefficient diesel generator units at the beginning of the project and were replaced with newer unit correctly sized for the system load. Other drops in losses are attributed to loads being balanced, meters calibrated, service drops replaced, and greater attention to billings.

Number of Consumers - has grown in each system as Palestinians have returned to the West Bank and seem to have a greater degree of freedom (less curfews and road blocks) in villages compared to the cities. The number of new commercial consumers was growing significantly until the Gulf Crisis.

Hours of services - have increased significantly in those systems that have connected to the IEC grid and receive 24 hour service. The grid was recently extended to Tarqumia and 24 hour service should be available soon.

Revenue to cost ratio (Operating balance) - basically measures if the electricity rates are keeping up cost, and include non-cash expenses such as depreciation, sinking funds for major overhauls, etc.

1. The cooperatives do not have a system to track all small commercial loads. Hence these values are the number of three-phase (large motor) loads.
2. Efficiency is based on annual records of liters of fuel purchased and a conversion factor of 3 kWh/liter.
3. Saier - The membership dropped in 1990 when an area in the southern part of the village was connected to

the Hebron network.

4. Fihia - Losses were reduced when the system was connected to the grid.
5. Tarqunia - data was not collected after Sept. 1991.



Table II - PROJECT BENEFICIARIES

Current Project Beneficiaries	Membership/Consumers	Comments
Hebron District:		
Tarqumia	850	Model Co-op, now dissolved. CIVAD opposes CDP assisting co-op.
Saier	850	
Fawar	415	
Rihia	160	
Shyoubh.	400	
Total	2,755	Including Tarqumia and Saier.
Total	1,055	Excluding Tarqumia and Saier.
Projected New Beneficiaries		
Projected New Beneficiaries	Membership/Consumers	Comments
Hebron District:		
Sika	50	Newly formed co-op.
Beit Imra	120	"
Hasha	80	"
Nablus District:		
Asserah AlSamaliyeh	600	
Asserah Algibliyeh	130	
Bizarya	150	
Jenin District:		
Zabuba	140	
Bartaa	NA	
AlFameh	65	
Taiba	185	
Anim	250	
Tulkarem District:		
Ateel	800	
Total	2,570	

Other new electric cooperatives and pre-cooperatives as yet to be identified by CDP.

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ANNEX H

Taylor Consultancy Report on CDP Credit Workplan

CONSULTANCY REPORT ON
CDP CREDIT PROGRAM

Prepared by:

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December, 1991

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LIST OF ACRONYMS

ACDI	Agriculture Cooperative Development International
ADCC	Arab Development and Credit Corporation
AID	Agency for International Development
ANERA	American Near East Refugee Aid
BP	Bank of Palestine
CAB	Cairo Amman Bank
CDP	Cooperative Development Project
EDG	Economic Development Group
SCF	Save the Children Federation
TDC	Technical Development Corporation
WB	West Bank
WBG	West Bank and Gaza

EXECUTIVE SUMMARY

The purpose of this assignment has been to review the grant and lending programs conducted by the Cooperative Development Project (CDP) and determine their effectiveness in meeting the development needs of targeted cooperatives. Any recommendations for improvements or increased effectiveness are to be made including matters relating to policies, procedures and reporting systems. In addition advice and recommendations are sought on how CDP might channel loan funds through conduits including recommendations for policies, procedures and reporting systems for potential loan fund conduits.

At this juncture a grant program for agricultural cooperatives exists at CDP but the lending program is still in formation. An adequate policies and procedures statement is in place for this grant program and this statement will most likely have to be expanded upon as the program grows. A loan manual for agricultural cooperatives is being drafted and completion is estimated within a few weeks.

A major item needed for successful implementation of the agricultural loan program is for the senior staff to determine how this program will be executed. There is presently not agreement on the content of work plans, the effective use of feasibility studies, the role of the Finance/Credit function and other such considerations. Once these factors are mutually agreed upon, a coordinated strategy can be implemented towards targeted cooperatives. Compromise is needed by all parties if these problems are to be successfully addressed.

Concerning the electric cooperatives a grant and leading program is established and there is a thorough manual in existence which provides effective guidelines for executing these programs. The major questions here are: (1) Are there a sufficient number of electric cooperatives in the West Bank to develop a sustainable program and (2) Do the existing electric cooperatives have the financial and managerial depth to support a loan or are they more qualified for a grant program? This writer is concerned that the answers to both questions are in the negative but further time is needed to evaluate this segment of the program.

The identification of a proper conduit for the agricultural co-op loan program is not easy and there appears to be only three institutional candidates at this time. After deliberation it has been decided to explore utilizing the Technical Development Cooperation (TDC) as first choice. Their major strengths are: (1) very progressive management, (2) good branch locations making the use of only one conduit for WBG, (3) TDC headquarters located only a few hundred yards from CDP which would make coordination easy and (4) TDC is interested in providing loans to

cooperatives. Their weaknesses are: 1) TDC is not a bank, 2) it has been in existence only a short period of time, 3) TDC would have to employ a new loan officer to staff for the CDP activities and 4) there are procedural issues which have to be resolved.

If a program with TDC cannot be negotiated satisfactorily it is recommended that an attempt be made to arrange a lending program via Cairo Amman Bank (CAB) and Bank of Palestine (BP). The strengths here are that (1) CAB and BP are banking institutions with reputations as serious lenders, (2) have existing staff to administer programs, (3) are willing to provide finance to cooperatives and (4) for the most part would be comfortable with CDP lending procedures. The negatives here are two fold and present the major reasons why they are recommended as second choice. First, there would have to be two conduits as one can only do business on the West Bank and the other in Gaza. Second, one is headquartered in Nablus and the other in Gaza making the administration of the two conduits more difficult. This factor is heightened by the curfew problems associated with Nablus. These negatives considerably outweigh the positives.

As the choice of a potential conduit was the focus of the current assignment there was little time left to recommend policies, procedures and reporting systems for potential conduits. Rather time was employed to get as close as possible to the selection of the best conduit with these other issues to be determined and established once the conduit is ultimately selected.

SCOPE OF WORK

The scope of work was as follows:

1. Review CDP's past and current lending and grant programs and make recommendations, as appropriate, to improve the effectiveness of these programs in meeting the development needs of targeted cooperatives. This includes reviewing the following documents: 1989 Project Proposal, Project Organization Chart, Electric Loan Manual, Grant Policy for Agricultural and Other Cooperatives, Saier Credit report and Loan Commitment, Follow-up Report to Loan and Grant Committee on Beit Lahia Grants, and Management Audit of Beit Lahia Cooperative.
2. Advise CDP on how it might channel loan funds through conduits. This would include identifying any inducements necessary for CDP to work with a conduit and studying who should have responsibility for the collection of loan payments.

3. Make recommendations for improving policies, procedures and reporting systems of the loan and grant program as it now exists and also provide recommendations for policies, procedures and reporting systems for potential loan fund conduits.

METHODOLOGY USED

The methodology used to complete each segment of the Scope of Work was as follows:

1. Effectiveness of Lending and Grant programs:

A review of CDP lending and grant procedures and policies was conducted. This included examining the way in which the Credit and Grant Loan Committee is used to review and approve requests for funding and the examination included a review of appropriate loan committee minutes. This also included reviewing documentation on the various grants and loans given to date. Site visits were also conducted to loan and grant recipients such as Beit Lahia, Beit Jala and Saier Cooperatives. Meetings were also held with senior staff members at CDP and all documents referenced under the Scope of Work section were reviewed.

2. Channel Loan Funds via Conduits:

Meetings were held with representatives of current and potential loan program conduits and several PVOs. These included the Union of Electric Cooperatives (UNION), Arab Development and Credit Corporation (ADCC), Economic Development Group (EDG), Technical Development Corporation (TDC), American Near East Refugee Aid (ANERA), Bank of Palestine (BP) and Cairo Amman Bank (CAB).

3. Recommendations for Policies, Procedures and Reporting Systems:

Meetings were held with senior staff members at CDP and existing policies, procedures and reporting systems were reviewed.

FINDINGS

1. Effectiveness of Lending and Grant Programs:

At this juncture the lending and grant programs are having minimal impact on meeting the development needs of targeted cooperatives. When examining this matter one must separate the programs for agricultural cooperatives from those of the electrical cooperatives so first coverage in this report will be given the agricultural cooperatives.

The program design as envisioned in 1989 has not materialized. There can be various reasons for this, one of which is that senior staff members have differing views on the development of the necessary process required to create the work plan. There are also differing views on the use of feasibility studies prior to the commitment of funds. Among senior staff there is also not a common view of the role to be played by the Finance/Credit Group. All of these factors leave open to question how much up-front work must go into the decision-making process of approving a grant or loan request.

Compounding this problem is the fact that a conduit has yet to be selected for the loan program, and it was determined between the Agency for International Development (AID) and Agriculture Cooperative Development International (ACDI) that such a requirement for a conduit was essential for the CDP initiative. There have been external and internal reasons why this conduit has been slow to appear but the fact that it has been so slow has led to frustration on the part of all parties at CDP.

What is thus needed now is to establish a common view of the process to be followed in the approval for loans and grants. At the same time an appropriate conduit must be put in place expeditiously so that such programs are operative.

The conflicting views regarding the process to be followed evidences itself with the Credit and Grant Committee. It has been established to approve policy and procedures for the lending process. Differing opinions that take away from the value of the committee are evidenced in the minutes of the group. Differing opinions on credits and grants can be healthy in the approval process but not when they detract from the committee process itself. Once there is a common view of the overall process this committee should be able to function in the positive manner it is intended.

The result of all this and other factors is that a manual for loans to agricultural cooperatives is not yet complete but will soon be finished. A statement covering policies and procedures for grants to agricultural cooperatives has been in place for some time and is adequate for today's purposes. It will, in all likelihood, have to be expanded upon as usage grows.

Concerning grants and loans to the electrical cooperatives a very thorough manual does exist and there is activity in the program. The manual is of such quality that no recommendations regarding policies and procedures need be made.

The two questions relative to the electrics are whether there are enough of them to ever have a sustainable program and whether they have the credit requisites to qualify for a loan program

over the long term. Concerning the former there are twelve electric cooperatives in the West Bank. Six are in the north in the vicinity of Nablus and six are in the south near Hebron. CDP works with just those in the south and it is anticipated this factor will not soon change. Thus with such a small universe of clients it is doubtful a sustainable program can be achieved.

With regard to the credit component, the nature of the electric activity and their size raise the question of whether grants are more applicable than lending activities. Time will give the appropriate answer but there is sufficient doubt to be keenly and constantly aware of this limitation.

For the purpose of this report documentation on grants and loans to date was reviewed both for the agricultural cooperatives and the electrical cooperatives. This material appears to be in good order and appears to have been arranged properly.

Site visits at Beit Lahia, Beit Jala and Saier were most informative and provided good input. Management in each case gave a positive view of themselves and provided credible positions on their cooperative. The projects appeared to be properly maintained and operating in manners commensurate with their levels of activity.

2. Channel Loan Funds via Conduits:

To determine the appropriate conduit the list of visitations included ADCC, ANERA, EDG, TDC, CAB and BP. The significant portions of the conversations with each are presented below:

A. ADCC

ADCC is focusing on the agricultural sector and thus is a candidate as a conduit for CDP lending. There are not too many procedural issues which would give us a problem as they are comfortable with our loan pricing structure, agreeable to joint loan committees and have qualified staff to implement a program. There are two major negative points which must be emphasized. The first is that they have not worked with funds from the United States and have looked solely to Europe for funding. Their chairman indicated a willingness to reconsider this constraint but said that his board would not be agreeable to U.S funding if Israel received the housing guarantee program currently under review in Congress. Second, he stated he believed CDP should use CAB/BP for its program because having a bank as a conduit increased the likelihood a borrower would repay the loan. He had a concern that a group such as ADCC gave too much an image of grant money that need not be repaid.

For these two negative responses ADCC is not one of the conduits currently under consideration.

B. ANERA

A meeting was held with ANERA to explore their program utilizing CAB as a conduit. The purpose of that program is to target commercial businesses not the agricultural sector but since CAB is used there was value in this discussion.

It took three years of negotiation for ANERA to finalize this package with CAB which is an incredibly lengthy time. ANERA will initially deposit \$100M with CAB and these funds will be to guarantee for principal and interest payments. More funds will be deposited later as necessary. The loans will be up to \$25M for the purpose of importing raw materials, equipment and working capital. Repayment terms are over a four year period with a 3.5% loan fee. CAB will take mortgages on equipment and there will be a loan committee comprised of an ANERA representative, a CAB person and someone from the private sector. CAB has their own lending person who can be responsible for the administration of this program.

The result of this visit was to confirm that CAB was a viable conduit for the CDP lending initiative as the ingredients of the ANERA program are close enough to CDP's to be comparable.

C. EDG

EDG commencing January, 1992, will focus on industrial credits and leave agricultural credits to ADCC. The Director also informed us that his group is viewed not as a banking institution but rather as more of a donor group and this makes collection difficult. While it was difficult to determine his collection rate, he stated perhaps as low as 60%, there is no doubt this is a problem for EDG. (It is difficult to accept so low a rate but he did use that figure at one point in the conversation).

Further statements from the Director indicated EDG cannot take collateral back in the manner they would like and cannot charge late fees the way a bank can do. He commented that as a result of all these factors EDG relies on social pressure for collection to a greater extent than they might wish.

For the reasons mentioned it has been determined EDG is not a candidate as a conduit for the CDP lending facility.

D. Bank of Palestine

Bank of Palestine is a candidate as a conduit but with limitations. BP finances principally agriculture and related trade activities. The Israeli government is making their ability to do business difficult. The bank does not make loans beyond

one year and lending is on an overdraft basis. BP is the conduit for Save the Children Federation (SCF) and the Spanish government assistance program.

The bank has been trying to open on the West Bank but cannot get approval. Their Chairman stated one condition for approval would require a name change for the bank.

Since the bank only does business in Gaza this is a significant weakness for CDP as it means a second conduit must be found for the West Bank. The second major weakness is the distance from Jerusalem where BP loan processing and administration would take place. This makes use of them as a conduit not as attractive.

E. CAB

Cairo Amman Bank has various strengths and weaknesses as a potential conduit. First, the bank has the appropriate staff to manage the CDP loan program. As a bank it is also a serious lender with a history of successful loan collections and the bank is willing to provide finance to cooperatives. It is also believed that as a result of the ANERA/CAB loan program CAB is able to manage programs such as CDP's according to compatible procedures and terms including a joint lending committee.

However, there are various major negatives to using CAB as a conduit which make the bank a second choice. First, the bank does not operate in Gaza which thus necessitates the choice of a second conduit for that area. Second, and perhaps more importantly, the administrative headquarters for CAB is in Nablus which could make administration and management very difficult. The impact of curfew laws alone could seriously detract from having CAB as a conduit.

In addition to these factors CAB does not have a desire to increase its lending to the agricultural sector and while it is willing to provide loans to cooperatives it will only do so with 100% guarantees from entities such as CDP. This basically means CAB would not pick up the program from us and we would be supporting it indefinitely. Finally it is important to consider that the bank is headquartered in Amman and thus the CDP/CAB relationship will always be subject to the fluctuating involvement between Jordan and WBG.

F. TDC

Technical Development Corporation has offices in Jerusalem, Gaza and Nablus. Each office has a manager, an accountant and a secretary. This group believes proper accounting is an essential ingredient to their success and enforces rigid accounting procedures including the use of their own software package. They do not take real estate as collateral as they are concerned

Israelis may confiscate it. They also believe they can collect as well as a bank because of the manner in which they structure transactions to include stock ownership, board representation, local capital contributions and other considerations.

They are most interested in working with CDP and are agreeable to many of our points including a joint loan committee and their direct collection of loan payments. There are several procedural issues which must be resolved including:

- 1) The accounting procedures used by CDP with its cooperatives must be compatible with the accounting software of TDC,
- 2) TDC board must approve financing charges above 5%.
- 3) They have a policy that any loan over \$40m requires a 50% contribution from the borrower.

The strengths of using TDC as a conduit include:

- 1) Authority to make loans in both West Bank and Gaza. This is a significant advantage over dividing the program between CAB and BP.
- 2) TDC is interested in providing finance for cooperatives and shows a strong desire to work with CDP. Management is quite proactive and this will greatly increase the chances of success for CDP.
- 3) They are willing to manage loan programs according to CDP procedures subject to those items mentioned above.
- 4) Most importantly of all their administrative headquarters is only a few hundred yards from the CDP office which would make coordination with the CDP effort much easier. The importance of this fact cannot be underestimated. This factor alone makes the chances for a successful lending program much higher.

The weaknesses associated with TDC as a conduit are:

- 1) While they do have experienced loan offers who understand the CDP program, an addition to their staff would be required to manage CDP activities.
- 2) Most importantly TDC does not have a demonstrated history of successful loan collections due to the recent date of their start-up. Said start-up only transpired during 1991.

3. Recommendations for Policies, Procedures and Reporting Systems

The grant and lending manual containing policies, procedures and reporting systems for the Union of Electric Cooperatives is a very thorough document. It appears quite adequate for its use to this point and can be modified as experience dictates. It may be that the requirements contained in the manual will be more than can actually be realized in practice but it is better to commence with more restrictive policies and procedures and modify towards a lenient approach than a reverse strategy of trying to increase requirements later.

The policies and procedures for the grant program regarding agricultural cooperatives is brief but concise. It appears adequate in its present form and can be modified as experience dictates. At this juncture there is not a manual for a lending program with the agricultural cooperatives but one is being drafted with anticipated completion in the next few weeks. It is being designed using the same criteria as that used in the manual for electric cooperatives and thus should be quite acceptable. It has a focus on intermediate term lending and construction financing similar to the electrics. In addition it will also focus on working capital financing which is an essential program requirement for the agricultural cooperatives. Such a case was not necessary for the electrics.

With the completion of the manual for loans to agricultural cooperatives CDP will be in a position to commence activities via the conduit selected for this activity. As the conduit will administer both the electric and agricultural programs the two completed manuals will provide the requisite standards regarding policies, procedures and reporting systems for both programs.

CONCLUSIONS AND RECOMMENDATIONS

1. Effectiveness of Lending and Grant Programs

A. A program is in effect for grant and lending programs to electrical cooperatives. The program is working satisfactorily.

B. Due to the limited number of electric cooperatives in WBG the universe of such clients is too small to give sustainability for a lending program to this category of client. In addition, the lack of financial capacity evidenced by these electrics makes a sustainable program very unlikely.

C. Several grants have been extended to agricultural cooperatives but the grant program is still embryonic. The lending program is not in place but hopefully will be in the next 90 days if approvals are forthcoming from AID. This needs to be finalized as soon as possible.

D. In order to successfully implement a loan program for agricultural cooperatives senior staff must determine how this program is to be executed. Specifically, how in-depth is the work plan to be? To what extent and in what depth must feasibility studies go prior to approval of loan requests? What function will the Finance/Credit group play in the drafting of work plans? If they do not play a key role how will the financial management aspects of the work plan be satisfactorily addressed?

E. As the lending program to agricultural cooperatives has yet to begin it is too early to determine if there are a sufficient number of such cooperatives to support a sustainable loan program. If not, an expanded universe of clients will be required. As this is a serious question the earlier a determination is made the quicker a larger universe of clients can be established. As an example, a representative of TDC commented that a larger universe than cooperatives was essential and that the program should commence by seeking clients from a broader field. It is important to note the inclusion of borrowers beyond cooperatives will require the approval of AID.

2. Channel Loan Funds via Conduits

A. There are a limited number of potential conduits for the loan program. The choice narrows to selecting TDC as the conduit for WBG or separating the program and having CAB administer the program on the West Bank and Bank of Palestine administer the program in Gaza.

B. The initial choice is to attempt to establish TDC as the conduit. Progressive management, multiple branch locations and ease of administration are the reasons for this choice. They outweigh the facts that TDC is not a banking entity and has only been in business a short period of time. An attempt should be made to establish this conduit relationship within 60 to 90 days.

C. If for some reason a program cannot be established via TDC an attempt will be made to work with CAB and BP. They are banking institutions with competent lending staff and would be comfortable with CDP lending procedures. The problem with having to establish and administer two programs plus having the banks far from CDP headquarters contribute

towards utilizing TDC as the first choice. Curfew problems are an additional concern regarding their selection.

3. Recommendations for Policies, Procedures and Reporting Systems

A. The loan manual for agricultural cooperatives should be completed by the end of December. This manual will be similar in many respects to the existing loan manual for electric cooperatives. The major addition will be a section outlining policies and procedures for working capital loans. Such a program was not a requisite for the electric cooperatives.

ANNEX I

Beit Jala Olive Press Cooperative Workplan

WORKPLAN

FOR

BEIT JALA OLIVE PRESS COOPERATIVE

COVERING THE TWELVE MONTHS ENDING

DECEMBER 31, 1992

February 20, 1992

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ANNEX

WORKPLAN FOR BEIT JALA OLIVE PRESS COOPERATIVE Output Manager: Arafat Dajani (Feb. 20, 1992)

The CDP team consisting of Abed Abu Arafah, Daoud Istanbuli, Joseph Nesnas, and Arafat Dajani suggest the following workplan for the Beit Jala Olive Press Cooperative for the calendar year 1992, subject to approval and commitment of both CDP and the said cooperative. A meeting will be scheduled between the co-op and the team to discuss and approve the workplan and agree on commitments of both sides.

PURPOSE OF WORKPLAN:

To develop and set a short term CDP strategy for intervention in this targeted co-op.

METHOD:

1. To ensure full coordination and support for the workplan to be, the CDP team met internally to discuss CDP intervention possibilities and plan before meeting the board of directors.
2. The team then met with the co-op board and staff and discussed the following agenda items:
 - a. Identification of co-op strengths and weaknesses and suggest ways to overcome these weaknesses.
 - b. List future development plans of the co-op and prioritize them in accordance with available resources.
 - c. Areas of cooperation between the co-op and CDP.
 - d. The basis of cooperation between the two parties including its objectives, contents and timetable.
3. Preparation of a one year (mutually agreed upon) workplan divided into two six-month parts.
4. Distribution of tasks and responsibilities among CDP staff.

OBJECTIVES:

1. Increase olive pressing efficiency by 10% (by programming the pressing schedule).
2. Increase use of ag. machinery unit by at least 15%.
3. Study the feasibility of the soap factory.

GENERAL INFORMATION:

1. Management:

The co-op has thirteen active board members and three active supervisory committee members and well experienced staff with a big potential. The staff consists of an acting manager (accountant), a chemical

engineer, a seasonal tractor driver, and a guard. In addition, ten to fifteen seasonal workers are hired to help with the olive press season.

2. Membership:

The co-op has 776 members representing the entire area of the Bethlehem district including almost fifty per cent of the olive growers in the district (about 32,000 dunums of olives). On the average, every farmer holds 26 dunums. This co-op has had regular general assembly meetings.

A. Current Activities:

The co-op activities includes three main components:

1. Olive Press: This consists of a 1981 Paralizi one line full automatic press. The pressing capacity is one ton per hour. During a good season the press works for two shifts of 11 tons each daily. The range of the total annual production is 400 to 1000 tons of olives'. Being the only efficient press in the area, farmers have to wait between 7 to 10 days for their turn. Last fees for olive pressing was NIS 300 per ton for members and NIS 350 per ton for non-members. The rate for previous year was NIS 200-250 respectively". Additional minor income are generated from the selling of the press olive residue (JIFT) at a rate of NIS 15 per ton, last year sale of this item was JD 1680 equal to \$ 2600.

Olive pressing is currently considered the best business activity, last year net profit of the olive press was JD 27.583 (almost US 42,000).

2. Machinery unit: This unit was established in 1989 and consists of one heavy caterpillar bulldozer model 963 and two 1989 tractors of 73 HP. Tractor implements consist of the following:

XXXXXXXXXXXX

The original feasibility study for the bulldozer showed that a loss of xxxxx was expected.

Currently this unit is well maintained however very

' The range of length of the season is 18 to 60 days starting from October 16 through to December 16.

" Total revenue from pressing arranging between NIS 120,000 NIS 500,000 or almost NIS 60,000 to 250,000, the actual revenue for 1991 was JD 74,000 or US 110,000 Dollar.

limited activity is being undertaken, no staff is available to operate the unit temporary drivers are hired for single missions. During 1990 the tractor's total loss was US 2200 while the total annual income didn't exceed \$ 2500. The bulldozer was almost not operating with total income limited to US\$ 1200, no profit was recorded.

The none efficient function of the machinery unit is attributed to several factors:-

- a. The new board paid little attention to this new activity being intensively involved in reorganizing the cooperative business and administrative activities, mainly the olive press, the soap factory and the overall managerial needs.
- b. Directing most of the cooperative financial resources towards reactivating the soap factory, leaving very little resources to the machinery unit.
- c. Lack of time and resources left the unit without a plan and staff.
- d. The heavy bulldozer, although, it is very efficient, couldn't compete with other lighter bulldozers available in the market.
The high operational costs of the bulldozer make the rate of the work costing at least double than the lighter bulldozers.
- e. The transport cost for the bulldozer reaches up to US. 250 regardless of distance. This cost element affects negatively the profitability of the unit.
- f. The board views land reclamation as a long term investment project, accordingly it sees little opportunities for the bulldozer, especially that farmers are considered financially weak to afford joining such a program.
- g. Tractor implements are limited; additional implements are badly needed.

In their deliberations to solve these issues, the board took the following steps:

- a. ANERA has agreed to cover a six months salary of the unit manager to be employed by the cooperative in the early summer.
- b. Applying for ANERA to provide the cooperative with a grant for completing the needed ag. machinery implements.
- c. The board is planning to conduct a research study in the Bethlehem area concerning the needs assessment of the unit's services.
- d. A preliminary contract was prepared with Tarqumia Olive Press cooperative in Hebron in order to lease the bulldozer to them. The contract has not been implemented yet.

- e. An idea was raised to replace the existing bulldozer with a lighter one.
 - f. A joint small campaign for eradication of external parasites on sheep, with the union of work committees has been implemented. Similar activities are currently proposed.
 - g. Negotiations with ANERA are still in the process concerning ANERA's credit portfolio.
3. The Soap Factory: Reactivation of this factory has been a challenge for the newly elected board. Serious intensive efforts were made in this respect, including a grant agreement with CDP and a comprehensive evaluation of the present status of this factory. The cooperative also succeeded to release a JD 12,500 from the cooperative accounts at JCO. This process has reached a stage where an expert from a German well known company is most probably due within the next few weeks to help in the trial runs of the factory. Arrangements were also made with the same company to provide the factory with needed raw materials.

At the end of this effort four alternatives will be evaluated:

- 1. Obtaining positive results regarding technical obstacles which will pave the way for regular operations.
- 2. Obtaining negative results which requires restarting the whole process over again with the ICA company in Jordan.
- 3. Obtaining positive technical result but negative economical results requires reevaluating the whole idea of the factory including equipment, methods, and type of output.
- 4. Obtaining positive economic results requires further marketing, packaging, operations and management programs, in addition to new sources of funds.

B. Proposed Activities:

- 1. ANERA loan program: as an integral part of the ANERA loan program \$250,000 were allocated for Beit Jala to be used as a revolving loan fund. The co-op has a completely different approach for this program which does not meet ANERA's criteria.

The main difference of opinion is in the collection of repayments. ANERA wants the co-op to be in charge of this process and bear the responsibility while the co-op is unwilling to get involved in collecting repayments and having to sew members if need be, since being an olive press co-op,

SUMMARY OF CRITICAL FACTORS:

Strengths

1. Efficient and capable BOD
2. Successful press operation
3. Regular BOD meetings
4. Timely financial statements
5. Potential for big operations

Weaknesses

1. Huge investments without operations
2. Unused machinery unit
3. Limited staff and expertise
4. Unavailability of spare parts and technical expertise for olive press maintenance
5. Use of profits of one profit center to finance another

SUGGESTED ACTIVITIES AND PRIORITIES:

<u>Item</u>	<u>Est. Cost</u>	<u>Source</u>	<u>Comments</u>
Add line for olive press	100,000	loan??	feasibility study/Programing
Spare parts unit	to be decided later		Maintenance course
Startup of soap factory	18,100	CDP	Previous commitment
T.A. for soap Factory (German)	4,000	CDP	consultant
Research/Observation Jordan	3,000	CDP	If TA not workable
Packing machine for soap	10,000	??	Feasibility study
Extraction of oil from "Zibar"	5,000	CDP (Loan)	Feasibility study
Farm machinery staff for one year	6,000 500	ANERA CDP	Training Survey
Computer upgrade	450	CDP	News to Members

RESPONSIBILITIES:

<u>Item</u>	<u>CDP</u>	<u>Co-op</u>
Olive Press new line	Feasibility Stud	Look for loan sources

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<u>Item</u>	<u>CDP</u>	<u>Co-op</u>
Spare parts unit	Facilitation/ coordination	Initiate joint project with other co-ops
Startup of soap factory	Funding (18,100) on-going monitoring and evaluation	Phasing and programing, f o l l o w consultant's recommendations, share info with CDP
T.A. for soap Ftry	Funding	S p e e d u p arrangements for consultant's arrival and l o d g i n g arrangements
Observation tour	Funding and 2 staffers	Arrangements with ICA - Jordan
Packing Machine / soap marketing	Feasibility study	Look for donors
Oil from Zibar	Feasibility study Loan considered	Technical study
Farm machinery staff	Assistance in Survey Programing of activities (\$500)	Survey
Computer upgrade	Funding/T.A.	\$ 4 5 0 and publications

ASSUMPTIONS:

1. Full commitment to assigned responsibility by CDP and co-op.
2. Availability of funds for different projects
3. No major changes in prevalent external policies and regulations.