

A.I.D. EVALUATION SUMMARY

PD-ABF-772

ISA 82074

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE

IDENTIFICATION DATA

| | | | | | |
|--|--|---|--|---|--|
| A. Reporting A.I.D. Unit: Mission or AID/W Office (ESR) <u>NE/ME</u> | | B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Stopped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY 92 @ <u>3</u> | | C. Evaluation Timing Interim <input type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/> | |
|--|--|---|--|---|--|

D. Activity or Activities Evaluated (Use the following information for project(s) or program(s) evaluated. If not applicable, fill in the end date of the evaluation report.)

| Project No. | Project /Program Title | First PROAG or Equivalent (FY) | Most Recent PACD (Mo/Yr) | Planned LOP Cost (000) | Amount Obligated to Date (000) |
|-------------|--|--------------------------------|--------------------------|------------------------|--------------------------------|
| 29-0159.23 | ACDI: Cooperative Development Project in the West Bank and Gaza | 2/86 | 8/92 | 9,186,759 | 9,186,759 |

ACTIONS

| E. Action Decisions Approved By Mission or AID/W Office Director Action(s) Required | Name of Officer Responsible for Action | Date Action to be Completed |
|--|--|-----------------------------|
| needs assessments of target cooperatives completed and results submitted to AID | CDP:Lewis AID:Young | 5/7/93 ¹⁴ (274) |
| comprehensive training plan based on needs assessment submitted to AID | CDP:Lewis AID:Young | 5/30/93 |
| CDP action to promote sustainability: - cooperative sector advisory committee organized and operational - report, advisory committee meeting submitted | CDP:Lewis AID:Young | 5/30/93 |
| decision made on what, if any, additional service will be provided to Hebron Electrical Union | Bart Jackson & Jerry Lewis | 5/1/93 |
| plan and timetable for off-loading computer training submitted to AID | CDP:Lewis AID:Young | 6/15/93 |
| effective monitoring and evaluation system installed and operational | CDP:Lewis AID:Young | 6/15/93 |

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) 10 (Day) (Year) 92

G. Approvals of Evaluation Summary And Action Decisions:

| Name (Typed) | Project/Program Officer | Representative of Borrower/Grantee | Evaluation Officer | Mission or AID/W Office Director |
|--------------|-------------------------|------------------------------------|--------------------|----------------------------------|
| | Dorothy Young | Rex B. Schultz | | |
| Signature | <i>[Signature]</i> | <i>[Signature]</i> | | |
| Date | 4/13/93 | 4/22/93 | | |

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A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Purpose of evaluation and methodology used • Purpose of activity(ies) evaluated • Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> • Principal recommendations • Lessons learned |
|--|--|

Mission or Office:

NE/ME

Date This Summary Prepared:

3/93

Title And Date Of Full Evaluation Report:

ACDI: EVALUATION of the Cooperative Development Project 10/12/92

- PURPOSE/METHODOLOGY

The evaluation team submitted separate, stand-alone reports: "Evaluation of West Bank/Gaza Cooperative Sector Projects" and the Evaluation of CDP. For both evaluations, the team carried out its work in WB/G July 17-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.

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 ACDI/CDP. 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. Most of the principle staff of CDP were interviewed.

- FINDINGS

- 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 based on short and long term priorities within the cooperative sector, moving beyond staging training events to promoting more cooperative education and institutional development.
- o CDP needs a clearly articulated training strategy to ensure that managers of cooperatives understand and pursue sound cooperative principles.
- o CDP training objectives should reflect sustainability issues for cooperative strengthening. Cooperatives need technical assistance and training to carry out their activities based upon appropriate needs assessment, market analysis, feasibility studies and their own educational programs.

SUMMARY (Continued)

- 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.

Recommendations

- o CDP concentrate its commitment to strengthening the managerial, financial and marketing capability of the targeted cooperatives (and two unions) identified in its 5/92 proposal: "CDP Extension."
- o CDP should continue its future activities with cooperatives by conducting more carefully planned participatory needs assessments, market studies, and feasibility studies of cooperatives. 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 should begin plans with other target cooperatives. There is 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 prioritized cooperatives with the best potentials for success.
- o Effective unions and regional groupings can achieve economies of scale and perhaps take advantage of persons trained by CDP in training of trainers activities. Evaluation recommends continued CDP attention to the Hebron Union of Village Electric Cooperatives and the WB Olive Oil Union. CDP must continue important work with the Agricultural Cooperative Union (ACU) of Nablus and 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.
- o CDP should 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.

ATTACHMENTS

K. Attachments (list attachments submitted with this Evaluation Summary. always attach copy of full evaluation report, even if one was submitted earlier. Attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

ACDI Comments: **ATTACHED**

Complete evaluation report submitted 11/18/92; no additional copies are available.

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

ATTACHMENT TO PES

C.C. Swain
G. Turner

DRAFT



Agricultural Cooperative Development International

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February 3, 1993

Ms. Dorothy Young
AID/NE/ME
Room 102, SA-2
515 22nd St. NW
Washington, DC 20523-0219

Dear Dot:

Enclosed you will find ACDI's response to the "ACDI: Evaluation of the Cooperative Development Project (CDP)" prepared by Devres, Inc., dated October 12, 1992. We felt it was important to put this in your hands now, with the understanding that we fully intend to respond to the "Evaluation of West Bank/Gaza Cooperative Sector Projects" in the near future.

ACDI is gratified that in this version Devres has taken into consideration critical documentation whose absence was conspicuous in the first draft. We have some specific and then general observations to make.

First, Devres states on page 6 that "All of the principal staff of CDP were interviewed," but this was not the case as evidenced in the Devres "List of Persons contacted/interviewed." Regretfully, CDP secretarial staff seemed to have provided much information (or misinformation). They were asked technical questions that more appropriately should have been directed to the management or technical staff. At least five of our key professional staff were not interviewed, including two marketing people, the dairy specialist, the CDP Gaza Representative, and the Publications and Resource Center Specialist. Critical information about the Resource Center could have been provided by discussions with her supervisor.

Moreover, the terminology employed by the evaluators was not commonly used by the CDP Palestinian staff and we were informed they did not fully understand the questions or issues raised.

Second, there were large and important documentation gaps which manifested themselves in the first draft of the evaluation and this seems to have skewed conclusions both in the first draft and final evaluation under discussion here. At the time of the A.I.D./W evaluation debriefing in September, Devres was unaware of the pending CDP Extension proposal of early 1991 to say nothing of the WID proposal presented to A.I.D. at that same time.



Chairman of the Board

Vice Chairman

Secretary

Treasurer

ACDI/CDP also feel that the overall tone of this evaluation dismisses and plays down the very pillars upon which CDP is based. Many recommendations merely confirm what CDP is already doing and yet are phrased as if they were new concepts or approaches. Devres repeatedly proposes that CDP now should concentrate on "cooperative strengthening," "institutional development" and "human resources development" as if these were not the core of our current and future program.

As discussed in the body of our reply, ACDI/CDP take exception to Devres' analysis of our external technical assistance program which has included both volunteer and paid experts. The evidence simply does not support the conclusions drawn. Considerable supplemental information was provided Devres after the September meeting to rectify earlier misunderstandings, and yet much of this does not seem to have been taken into consideration. Had there been in-depth discussions on the spot in Jerusalem with CDP management and the concerned technical staff, most all of these misunderstandings could have been avoided.

Finally, following the disapproval of the JOBS Project, ACDI will submit a revised budget to A.I.D. In revising the budget, ACDI plans on adjusting a number of the line-items in light of various recommendations from the Devres evaluation team. In order for ACDI to adequately address these, additional funding is required.

We would like to discuss the evaluation and our reply at your earliest convenience. As mentioned above, we will reply to the Cooperative Sector Evaluation shortly.

Sincerely,



Jerry Lewis
Vice President
Asia, Near East & Pacific Region

Encl.



DRAFT

ACDI: EVALUATION OF THE CDP

RESPONSES TO RECOMMENDATIONS

IN BODY OF REPORT

2/3/93

II. ACDI PERFORMANCE

C. Examples of CDP performance

Page No.

13 1 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.

Response: CDP has already undertaken two marketing surveys of users of the AMIS and the results are included in Annex A to this response. The surveys, conducted in June and September 1992, show that farmers want marketing information and are using it to determine where shortages and higher prices are in the WB/G; half of them asked to get information through their cooperative and the rest through the local newspapers, and many wanted additional information. In short there was a very positive response with helpful suggestions from the users concerning the content and frequency of the reports.

CDP and the Agricultural Cooperative Union (ACU) in Nablus will carry out a follow-up feasibility study to assess the extent to which user fees might be instituted. This activity is included in CDP's implementation plan and is expected to be completed in early 1993.

14 2-4 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. Devres also recommends that CDP and the Union address the questions raised about the revolving loan program; especially questions about the loans which are not repaid and the future of the credit program if the Union shuts down.

Response: In responding to these recommendations, it is important to review developments in this sector over the past three years. The Union was established as a means of providing professional management to the small village electric cooperatives. CDP and NRECA (the organization providing specialized expertise to CDP and the Union) felt the best structure for funneling technical and financial assistance to the member cooperatives was by strengthening the Union through the placement of management and engineering expertise in the Union. Hence, CDP funded two positions for three years and demonstrated the advantages and benefits.

The cooperatives welcomed the resources, used the services and improved their operations. In January 1992 NRECA's project advisor determined that because of the forced dissolution of ~~Tarqumia Village Electric Cooperative, the Union did not have sufficient membership base to~~ support two employees. Moreover, the Union and its members never fully accepted the concept of self-sustainability.

The Union Board stated at a meeting in September 1992 that they needed more time to develop a consensus on the services for which the members are willing to pay. They asked CDP for an additional three months of grant funding support to develop their own plan. This was granted. When CDP receives the plan of the Board, outlining the activities and staffing size the membership will support, CDP will develop a study to determine sustainability.

As indicated in the earlier NRECA memorandum, CDP intends to transfer the village electric revolving loan fund servicing duties to TDC as soon as the TDC agreement is executed. Until that time, the CDP electric management advisor will act on behalf of the Union in servicing outstanding loans.

The Union membership has exerted its influence and expressed its concern for the future of the loan program to systems delinquent in payment. The current Village Electric Loan Policy Manual states that financing will be a blend of loan and grant funds. CDP intends to modify this policy to make the revolving funds 100 percent loan with no grant component. In other words, future grants to electric cooperatives will no longer be linked to loan funding.

Page

No.

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Devres recommends that CDP conduct or contract a follow-up study of the Beit Lahia export project.

Response: In the text leading up to this recommendation, Devres asks "why did Beit Lahia venture alone [into the export business] after having previous export success with the Israeli firm AGREXCO.....?" ACIDI is surprised that such a question was raised. Had the evaluation team visited and spoken with the Board of Beit Lahia, the CDP representative in Gaza, or asked any CDP staff person, this question would not have been raised. Let it be said that in 1988 after lengthy and arduous negotiations with the Israeli government by Palestinian leaders, and with the strong support of the European Community (EC), Palestinian cooperatives and other farmer organizations were accorded the same preferential export rights to the EC as those accorded Israel. This was a major political victory for the Palestinians, and it was important for the few marketing cooperatives to demonstrate to their members and to the Palestinian people as a whole that they could conduct exports directly, without the dependence on Israeli intermediaries.

CDP has already completed the in-house follow-up study. The final output will be available in the resource center and to be discussed with Beit Lahia Cooperative Board and with other interested cooperatives. This study will be completed in February 1993.

Page **No.**

16 6 ~~Devres recommends: that CDP and the cooperative prepare another, more specific, market study of Beit Jala soap.~~

Response: A marketing study for Beit Jala, in Arabic, was indeed completed at the outset of the CDP intervention and a copy of this was given to the evaluators. Based on CDP review of this study, CDP believes that the study is solid and there is no need for a new one. ACDI senses that this recommendation was made without having read the study. A copy of this study in Arabic is available at ACDI/Washington.

However, the situation in Beit Jala has deteriorated. Recently the production line equipment was found not to be in working condition and requires expensive replacement parts. At this time CDP has no plans to proceed further with this enterprise. CDP is discussing this problem with Beit Jala Cooperative Board and a joint decision will soon be taken concerning the current feasibility of the project. This study will be completed in March 1993. If the Beit Jala Board decides then to proceed with the project and the replacement of equipment, additional financial support will be needed. The additional financing will be through non-CDP sources. It should be noted that a new Board was elected for Beit Jala Cooperative. This Board is more progressive than the old Board, and we anticipate it will play a more active role in the cooperative's activities and will carefully assess this soap factory investment.

D. Summation of ACDI/CDP performance

17 7 Devres recommends: that CDP continue its attention to "cooperative strengthening" and to teaching and disseminating information on cooperative principles.

Response: ACDI/CDP wish to underscore here that "cooperative strengthening" has been the very pillar upon which CDP was established. We obviously agree with the recommendation and will continue to maintain this foremost in our strategy, including the dissemination of cooperative principles, to increase the target audience and enhance the democratic process. To the extent feasible, CDP will involve non-targeted cooperatives for training courses and other TA and become vigorously involved with cooperative unions, like the Village Electric Cooperative Union, the ACU, the Olive Press Union, and the new livestock cooperative union. In addition, it is possible to "weave" cooperative principles and practices into technical training programs including subjects such as computer training, mechanics, etc.

17 8 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 TA.

Response: CDP believes that its existing inter-disciplinary team is competent to address most on-going training needs. The emphasis on human resource development has been strengthened

with the reorganization of CDP. Additionally, ACDI will be able to support all of CDP activities. However, due to budget limitations in the new CDP extension proposal, ACDI was ~~not able to build an adequate level of effort for short-term technical assistance. Therefore,~~ ACDI intends to request a budget amendment to provide for an increase in local staff development and short-term technical assistance, as well as to strengthen the olive production and communications components with full-time local staff specialists. Professional staff from ACDI's Training Department may be very appropriate and effective, as well as augmented technical assistance inputs, including the use of more VOCA volunteers, should the budget be revised. In addition to the olive oil specialist who commences work on February 1, 1993, CDP is recruiting for a horticulturalist for Gaza and a librarian.

Page **No.**

17 9 Devres recommends: that CDP consider closure to some of its activities with cooperatives.

Response: CDP concurs with this recommendation. CDP's strategy is to gradually decrease support to all of the targeted cooperatives. For example, Beit Lahia manager support is declining from 70 percent to 50 percent, also the support for Beit Jala soap factory is on hold.

ACDI/CDP would like to add that its new three year implementation plan includes a proposed schedule for cooperative graduation dates. (See Annex B).

III. PRINCIPAL CDP ACTIVITIES: TECHNICAL ASSISTANCE AND TRAINING

General comments on this chapter:

ACDI/CDP was pleased to see that the revised evaluation took into account the reports of all the VOCA volunteers, NRECA and that of WID consultant, Linda Oldham. Surprisingly, Devres gives equal weight to the VOCA volunteers as with the latter two consultants. While we consider the volunteer interventions important, they are short-term and focused on a narrow set of issues. On the other hand, the interventions of Oldham and NRECA had a much broader purpose and corresponding impact since they looked at entire sectors in WB/G.

We wish also to clarify for the record several assertions by Devres at the bottom of page 24 concerning WID. The report states:

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.

The facts are not as stated and could have been ascertained had the question been raised with CDP staff. What is more surprising still is that CDP's then part-time WID advisor was an interpreter for the Devres team for more than a week and could have provided this history had she been queried.

In 1990 CDP presented a concept paper to AID/Washington for a WID project which resulted in a full-fledged proposal the following spring. Oldham's two technical assistance visits provided much of the basis for that proposal. ACDI/CDP were led to believe by officials at AID/W that this project was considered one of the most innovative they had received in that round of proposals. In spite of its high ranking it was ultimately turned down to the great disappointment of CDP, CDP's WID advisor and the intended beneficiary organizations.

To conclude this point, ACDI/CDP does have a WID position and the WID advisor has recently completed a workshop aimed at women within cooperatives (viz. regular cooperatives that have women members) and several women's cooperatives.

D. General conclusions on CDP's benefit from TA

| <u>Page</u> | <u>No.</u> | |
|-------------|------------|---|
| 26 | 10 | CDP seems to have a spotty record on their TA activities. Based on the evaluator's review above, <u>Devres recommends</u> that CDP implement a better planning system for its TA to ensure it gets timely TA which focuses on key issues, e.g., is sheep farming and wool export a priority? Also, CDP must maintain consistent and comprehensive files on each TA. |

Response: ACDI/CDP take exception to the assertion that the record is "spotty", especially as it relates to Oldham's and NRECA consultancies. The facts are to the contrary; namely, that the Oldham consultations resulted in an excellent proposal submitted to USAID and which was almost approved, and NRECA reports have provided the basis for the CDP village electric program.

On the matter of sheep, CDP did not act on VOCA volunteer Benton's recommendation regarding sheep. The issue will be considered by a sheep shearing specialist at a more appropriate time in the future.

For the record, CDP's technical assistance planning system for VOCA volunteers and other short-term consultants will include:

- a. A detailed scope of work for each assignment and the assignment of an appropriate staff support person.
- b. A report from each Volunteer and TA Consultant before they leave the country ensuring they respond to the scope of work.
- c. CDP staff written follow-up to discuss all of the Volunteer and/or TA Consultant

- recommendations with the appropriate personnel in the respective cooperative.
- d. CDP will maintain comprehensive files on each and every short-term TA intervention.
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E. CDP's local technical assistance

Page No.

- 27 11 Devres recommends: that CDP initiate a management system wherein it regularly logs information on consultancies, makes regular reports, and includes consultancy findings and recommendations.

Response: CDP recognizes that follow-up is essential for consultancies. We concur with the recommendation, and will institute the system outlined above in which each TA report will consist, at a minimum, recommendations for action, items that need follow-up and who will provide follow-up, how progress will be monitored and how impact will be measured.

- 27 12 Devres recommends: that CDP include in periodic reports which find their way into staff meetings information on TA and the follow-up to recommendations.

Response: CDP will strengthen the use of periodic reports on TA in technical staff meetings.

F. CDP's training activities: 1987-present

- 31 13 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 cooperatives, and then check to see where they are now.

Response: CDP has detailed information for each and every training course conducted, including trained drivers, who they are, from which cooperatives, where are they now, and on which equipment they have been trained. This information will be computerized in the near future in order to facilitate its easy access. However, it should be pointed out that the purpose of the detailed information in CDP's database is to use it to measure the impact of training programs and provide management information regarding scheduling, cost, etc. The gist of the recommendation from Devres implies that CDP ought to be able to keep up with the whereabouts of training participants from now on to the extent that participants comply with requests for information.

- 35 14-15 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.

Devres recommends: that work of more advanced ("second tier") trainers be closely monitored by CDP and that refresher training (and supportive materials) be frequent.

Response: ACDI/CDP understands the importance of this recommendation, but is frankly surprised that Devres gives this notion such prominence considering the level of competency and economic wherewithal of WB/G cooperatives at this time. While creating a cadre of trainers within cooperatives is one of the four CDP strategies, it is low on the scale of priorities. The major focus of CDP training at this stage must be improved performance and technical skill building for staff and key board members. The major focus of CDP, at this time, cannot be and should not be the creation and development of a professional extension service or an academy of lecturers.

A serious Training of Trainers program, by definition, includes developing individuals that understand adult learning theory, facilitation skills, giving and receiving feedback, writing and delivering case studies, training program design concepts, evaluation of training etc. The major technical competence of well-prepared trainers is in the field of adult education. Directors, members, managers and staff among most WB/G cooperatives have very different priorities at this time. In addition, most of the cooperatives cannot afford the time or money to develop a professional training person or staff. Accordingly, the development of sophisticated trainers in each of the targeted cooperatives is not a realistic strategy. However, in the case of federations or unions, it may be feasible to develop training staff expertise and provide training services to member cooperatives of the union. That concept will be considered at the appropriate time in the future.

CDP has used the TOT approach in the Soureef Women's Cooperative successfully where it trained 12 women who in turn trained the rest of the membership of 300 on cooperative principles. CDP made a special effort with this cooperative in order to instill a sense of ownership by cooperative membership which had hitherto been missing. The result of this training was the cooperative's first board election in a decade.

It should be noted that CDP training programs are designed so that participants have materials to take home and share with their colleagues and possibly present briefings to other cooperative members and staff. Moreover, accountants who were participants in overseas training programs are now training others. It is a policy that all of the trained accountants sign an agreement to train other members after they finish the course. Quite obviously, not every bookkeeper/accountant has the capability to become a formal trainer.

37 16 Devres recommends: that CDP update and study computer needs in the cooperatives.

Response: CDP concurs with this recommendation and will include this area of operations

during the training needs analysis that will be carried out this Spring.

Page **No.**

37 **17-18** Devres recommends: that CDP evaluate to what degree it should be designers and deliverers of computer training program.

Devres recommends: that CDP check out the local market and see what local entities could provide computer training, especially the boiler-plate courses.

Response: CDP will assess and evaluate local computer training institutions in order to determine the feasibility of off-loading its introductory computer training. A needs analysis is also being conducted by CDP to ascertain targeted cooperatives' future requirements in this sector. CDP's computer specialist is now devoting a significant portion of his time to developing a computerized data base for technical assistance reports by field educators.

37 **19** Devres recommends: that ACDI relieve CDP of delivering computer expertise to the urgent in-house needs cited in this report-management planning, monitoring and evaluation, and reporting systems.

Response: Whether CDP continues or stops computer training should be determined by the training needs analysis. We agree that CDP staff can and has been useful in developing and implementing in-house MIS needs. ACDI recognizes the problems identified. As mentioned directly above, beginning in November 1992, CDP's computer specialist reduced his training workload and is now assisting CDP staff with the identified in-house needs.

The Project Monitoring System discussed in this evaluation will require the input and assistance of MIS staff. That does not necessarily mean that CDP staff will have to be relieved of all computer training, should computer training continue as part of CDP's program of courses offered. In addition, it is possible that CDP can carry out both functions — solve the management information system needs and provide specialized computer training courses to appropriate cooperative staff.

39 **20** Devres recommends: that CDP study the training needs of the olive producing cooperatives in a thorough way and design training programs which leave in place trained personnel who can, in turn, train others.

Response: As noted by Devres on page 38, CDP already has made a survey and prepared a training program for WB cooperative technicians. CDP concurs with the recommendation that the needs of the olive sector should be supported in a significant manner. Recognizing that olive production is a major asset in the WB, CDP has begun to address the sector in a more forceful manner and has recruited a full-time olive specialist to start in February 1993.

Because of the complexity of this field and the strong demand for services within the sector, CDP intends to undertake a training needs assessment and then develop a comprehensive strategy involving TOT at the olive union for the technical participants in the up-coming technical training. These actions to adequately address the needs of this vital sector will have an impact on the budget.

| Page | No. | |
|-------------|------------|--|
| 39 | 21 | Devres recommends: that CDP use an outside consultant (TA), teamed with a cooperative 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 manager, 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. |

Response: CDP recognizes the importance of a comprehensive intervention in this sector and intends to, with ANERA, conduct a training needs assessment relevant to agricultural machinery. To this end, and as a first step, CDP/ANERA has conducted a workshop with key technicians and cooperatives to study this more thoroughly. Neither CDP nor ANERA feels outside consultants are needed. CDP would also like to reiterate that all trainees cannot be seen as future trainers.

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| 39 | 22-23 | Devres recommends: that CDP work with ANERA to establish a data base on agricultural equipment. 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. |
|----|-------|---|

Response: CDP agrees with this and will collaborate with ANERA.

| | | |
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| 40 | 24 | Devres recommends: that CDP and ANERA initiate plans for linking persons trained as trainers into federated groups to serve cooperatives. |
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Response: ACDI/CDP does not totally understand the concept that Devres is recommending. If they are talking about keeping track of trained staff across the cooperative sector in an orderly fashion, we agree and CDP will do so. However, if Devres is recommending that these mechanics would, in a sense, become a self-perpetuating extension service, available throughout the West Bank and Gaza, prepared to train cooperative staff and farmer-members, we urge distinct caution. ACDI/CDP does not believe that this loose-knit group could substitute for a more conventional agricultural extension service. Agricultural extension services, in most countries, are provided by federal, state and local governments at little or no cost to the public. To expect WB/G cooperatives to fund conventional extension services seems unrealistic for the

cooperatives and inappropriate for CDP.

~~On page 40, Devres suggests that "CDP could assist ANERA mobile clinic veterinarians in this good initial effort by helping ANERA set up information tracking efforts....", train the vets, and coordinate, collect and analyze the data. This would be a completely new area of operations for CDP and not within the current or planned scope of work for this project. Besides, it would seem that ANERA, who according to Devres is spending \$1 million on this program alone, would be in a much better position and would prefer to gather, monitor and analyze the data from their efforts.~~

IV. CDP's PUBLICATIONS/RESOURCE CENTER

General comments: During the evaluation, the CDP staff member with responsibility for publications and the Resource Center was out of the country. The inventory of publications listed on page 41 is but a small portion of the library's collection, which contains voluminous material from the USDA, NCBA, National Council of Farmer Cooperatives, the ILO Cooperative Training Center in Turin, and UNIDO, as well as significant cooperative documentation in Arabic from the Egyptian and Jordanian cooperative movements. The Resource Center has subscriptions to the major U.S. cooperative journals as well as those from the ICA, ILO and UNIDO. Cooperative legal documentation is also available, including the USDA publication mentioned by Devres. All of the materials are card catalogued for easy access.

Page

No.

42-43

25-27 Devres recommends: that the Resource Center have a staff member in charge, and continue building resources to include information on Cooperative Laws and publications from other nations on cooperatives.

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.

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 PVOs where so much staff time is dedicated to the field.

Response: At this juncture CDP plans to hire a full-time staff person to be responsible for strengthening and maintaining the Resource Center. The plan is to expand the Resource Center

to include translating and/or publishing important cooperative educational materials and distributing them to cooperatives, interested institutions and individuals. The Resource Center is open daily to all interested parties.

We would like to add here that CDP's Arabic language bi-monthly Horizons already incorporates those suggestions made by Devres. Moreover, space is allocated in each edition for guest columns which are designed specifically for comments and criticisms from the cooperative and agricultural communities as a whole. CDP feels it is the foremost (and really only) "communicator" of cooperative development experiences, concepts and innovations in the WB/G.

V. PROJECT DESIGN AND MONITORING

A. CDP's structure and staff

| <u>Page</u> | <u>No.</u> | |
|-------------|------------|--|
| 47 | 28 | <u>Devres recommends:</u> that the Chief of Party (COP), have his team rewrite their scope 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 responsibilities they see within CDP. |

Response: This has already been accomplished as part of the CDP personnel evaluation in December 1992. A comprehensive performance evaluation system has been implemented. All of the staff were given an evaluation format, and each staff member developed or revised his scope of work and discussed it with his manager. Adjustments were made where necessary.

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| 47 | 29 | <u>Devres recommends:</u> that ACDI and CDP present a joint decision to CDP staff on any internal re-assignments or, especially in the case of releasing personnel. |
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Response: It is not clear what Devres had in mind in this recommendation. If the evaluators are suggesting that CDP not make any personnel decisions without consulting the CDP staff, that is impractical and not good management. One of the primary functions of management is decision making and personnel decisions are particularly difficult in any culture, but especially so in WB/G. Some staff changes have already been made. The revised organization chart is attached in ANNEX C. Any future changes will be carefully considered and appropriately communicated to staff.

B. In-House needs

Page

No.

- 47 30 **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.

Response: The development of management systems is a process that requires the passage of time and considerable effort before being fully integrated into the organizational culture. CDP has been making changes to its structure and staff. A new management style has been introduced with the change of COP. CDP agrees that an examination of administrative resources as well as assignment of duties is necessary. As this examination is completed, functions and processes will be introduced to make CDP operations more effective. Cross-training is generally always a good idea and will be carried out.

- 47 31 **Devres recommends:** installing a top-flight trainer within CDP, not just somebody who runs training programs.

Response: ACDI/CDP acknowledge this need. In November 1992, CDP hired a highly qualified, senior management staff person to become its new Cooperative Development and Training Administrator. This Palestinian has a Ph.D. and 11 years of experience in teaching and training in the WB with Beir Zeit University, the UNDP and the Ma'an Agricultural Development Agency. He has responsibilities for invigorating CDP's training programs, in-house training of staff, and conducting training at the cooperative level.

We also wish to point out that CDP intends to add a second cooperative training specialist, at the field educator level, to work under the Administrator. This can be seen on the organizational chart.

Finally, ACDI/CDP wish to note that a senior ACDI training specialist will conduct in-house training for CDP staff in connection with the cooperative sector training needs assessment.

- 48 32 **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.

~~Response: ACDI/CDP were disappointed that the Devres team did not make the effort nor take the time to meet with a significant number of CDP trainers/field educators. The team met only with two. We therefore question Devres' ability to honestly evaluate or pass judgement on CDP's "in-house" needs.~~

However, ACDI does wish to note that it has reorganized the Training and Cooperative Development Department and this is explained in detail in the response to the previous recommendation.

VI. CDP's MANAGEMENT AND REPORTING SYSTEMS

| <u>Page</u> | <u>No.</u> | |
|-------------|------------|--|
| 49 | 33 | <u>Devres recommends:</u> that this type of reporting [by CDP field educators] become standard operating procedure if it is not already. |

Response: Every CDP staff member prepares a standard monthly report which provides the information discussed in the recommendation. These types of reports were available at the time of the evaluation, but were not seen by the evaluators.

VI. FUTURE ACTIVITIES

General comments: ACDI/CDP is pleased to note that Devres has received and read the "CDP Extension Proposal." We wish to state that CDP is in the process of redesigning its logframe.

Devres is puzzled by the absence of WID components in the extension. We are and were surprised at Devres' lack of understanding about this. Please refer to our General Comments following our response to chapter "III. Principal CDP Activities: Technical Assistance and Training," above.

Devres expresses concern about CDP's plan to work with the ACU in transferring the AMIS to the ACU. As indicated in our response to recommendation #1, CDP and ACU have such a plan to gradually turn over functions and management of the AMIS to the ACU. See ANNEX B for details of the plan and schedule.

2. CHF Jobs/Home Improvement

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| 55-56 | 34-36 | <u>Devres recommends:</u> 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 AID to cover the costs of two CHF advisors for six month period to conduct the study. Devres recommends that this be done exclusively, at first, in two rural communities, one in Gaza and one in the West Bank.

Response: The "Community-Based Jobs and Home Improvement Project" was accepted and then disapproved by AID. Because of this, ACDI will not respond to this recommendation.

Page **No.**

58 37-38 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).

Response: The recommended action has been taken by ACDI/CDP to provide AID with the names, addresses and qualifications of the staff and board of TDC.

58 39 Devres recommends: that the issue of loan accountability and disposition be resolved with a contract between USAID, ACDI/CDP/CHF, TDC and a law firm of WB/G.

Response: CDP/ACDI has the final say in approving loans and disbursing funds, thus we do not feel that loan accountability and disposition is an issue. There is also a Loan Portfolio Servicing Agreement between CDP and TDC governing the loan fund. A copy of the signed contract between CDP and TDC is attached in ANNEX D.

58 40 Devres recommends: that Price Waterhouse or a similar firm with legal and auditing background approve the contract of its soundness.

Response: ACDI/Washington's legal counsel and a lawyer in Jerusalem reviewed the contract and recommended only minor changes.

B. Recommendations for improving management

General comments: Prior to answering the specific recommendations in this sub-chapter, ACDI/CDP would like to make these observations. Since the field evaluation took place last summer, CDP has developed a new implementation plan for the entire program, and this is included as part of this response as ANNEX B.

Devres asserts there has been "no evidence of evaluation of thinking [about the training program] since 1987." This is not an accurate depiction of CDP history. For example, in 1988 the TVT¹

¹ The authors of the Cooperative Sector Evaluation Team did have copies of this evaluation and made specific reference thereto.

company conducted an evaluation of CDP and ANERA. To a considerable extent, that evaluation was the starting point of CDP's "focused" approach. Instead of targeting a large number of cooperatives, it was decided to concentrate our efforts on Model/Core or targeted cooperatives. We still think this strategy was and is correct.

On this very point, Devres says on page 63 that "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.'" We concur with this. However, it stands in dramatic contrast to the final two recommendations in the Cooperative Sector Evaluation where Devres says that CDP (and ANERA) should devote 25% of their resources on strengthening nine targeted cooperatives, and that roughly 75% should be directed to "reaching more cooperatives within the cooperative movement..." Conflicting recommendations such as these tend to confuse the vital issues brought out in the Devres Report.

While CDP will continue to focus on the nine model cooperatives, an effort will be made to have a wider impact within the cooperative sector of the WB/G.

Page **No.**

59 41-42 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 cooperative sector needs assessment.

Devres recommends: that ACDI ensure that CDP perform another "needs assessment" and evaluation of its training to date and have this become the benchmark for undertaking a serious needs analysis of the cooperative sector.

Response: CDP is making arrangements to bring in a consultant to assist the staff learn more about the techniques of training needs assessment and will use the targeted cooperatives as a case study for that hands-on staff training program. In the end, CDP will have a more definitive training needs assessment and staff will have the process of training needs assessments in much sharper focus.

CDP will plan and then conduct a comprehensive training needs assessment in early 1993. Once this is complete, the existing CDP training program will be expanded or modified to take into consideration the findings.

VII. CONCLUSION AND SUMMARY OF RECOMMENDATIONS

1. Revamp the present training program

| <u>Page</u> | <u>No.</u> | |
|-------------|------------|--|
| 63 | 43 | <u>Devres recommends:</u> that each of CDP's nine targeted cooperatives have a planned "graduation date", along with what should be accomplished for each respective cooperative for date. |

Response: In ANNEX B we have set forth the implementation plan for the project. As part of that plan we have set down a five stage development plan which will form the basis for "graduation."

2. Update the 1987 sector needs assessment

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| 64 | 44 | <u>Devres recommends:</u> a "sector needs assessment," one that will yield a bigger picture of the patterns and trends of the WB/G "cooperative sector". |
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Response: CDP will plan and then conduct a training needs assessment in early 1993. ACDI intends to send some of its headquarters training staff to Jerusalem to work with and train CDP staff on the methodology for conducting such an assessment. Once this is complete, the existing CDP training program will be modified to take into consideration the findings.

3. Institutionalize training

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| 65 | 45 | <u>Devres recommends:</u> that CDP should set-up and carry out a clear, feasible, step by step strategy for institutionalizing training programs. |
|----|----|---|

Response: We agree that, to the extent possible, CDP training programs ought to be institutionalized. However, institutionalization of training programs is a distinct and specific process that is outside the scope of CDP's training activities. The principle purpose of CDP's training programs is to enhance the performance of targeted cooperatives. To the extent it is practical, CDP intends to off-load training programs to capable local organizations.

Additionally, two years ago ACDI/CDP submitted its proposal for the CDP Extension with a concrete plan for the institutionalization of CDP within a relative short time frame. AID preferred a more deliberate approach, and that approach was then set forth in a revised "CDP Extension" proposal submitted in mid-1991. The plan as presented is sound and calls for the establishment of a CDP advisory committee. The outline and time frame for the plan are set forth as part of ANNEX G.

4. Enhance communications/coordination with ANERA

Page No.

66 46 Devres: 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 consultants. Specific communication/coordination should be developed for monitoring the nine "targeted" cooperatives.

Response: CDP and ANERA do have frequent meetings, most recently a joint workshop on cooperative development. ANERA and CDP are working together on the orderly transfer of the AMIS from CDP to ACU. CDP and ANERA are holding joint planning meetings with all targeted cooperatives.

5. Rationalize CDP personnel/increases and reassignments

66 47 Devres: CDP should consider adding a co-op expert and a training specialist as described in this report.

Response: ACDI has taken action. In November 1992, CDP hired a highly qualified, senior management staff person to become its new Cooperative Development and Training Administrator. This Palestinian has a Ph.D. and 11 years of experience in teaching and training in the WB with Beir Zeit University, the UNDP and the Ma'an Agricultural Development Agency. He has responsibilities for invigorating CDP's training programs, in-house training of staff, and conducting training at the cooperative level.

We also wish to point out that CDP intends to add a second cooperative training specialist, at the field educator level, to work under the Administrator. This can be seen on the organizational chart.

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

66 48 Devres recommends: CDP should create, perhaps from within, a project planning, implementation, monitoring, evaluation, and follow up and reporting office.

Response: These functions have been included within CDP's Business Management/Support Services division. CDP is looking into adding another staff member who would be responsible for these activities. To fully implement this program, new equipment would be needed. Please refer to ANNEX B.

7. Create monitoring controls and program reporting systems

Page No.

67 49 Devres: Create and carry out personnel tracking systems in conjunction with field trips.

Response: Every CDP staff member prepares a standard monthly report which provides the information discussed in the recommendation. These types of reports were available at the time of the evaluation, but were not seen by the evaluators.

8. Update general management systems and modifications to CDP sections

68 50 Devres recommends: that Dr. Marrash's work be adopted where applicable for CDP.

Response: ACDI's training staff and CDP management reviewed Dr. Marrash's report and will continue to implement the appropriate procedures recommended by Dr. Marrash.

9. Reconsider ways to measure results

Response: AID and the PVOs are working jointly to agree upon a way to measure results.

10. Benefit from good relations with co-ops

68 51 Devres: Build on the good public relations CDP has in the co-op sector.

Response: CDP plans to do this.

11. Improve inter/intra-program communications: ACDI/ANERA/USAID

General comments: Devres suggests continued and closer communication between these parties and the use of a common language. To the extent feasible, CDP will endeavor to enhance its communication with ANERA and USAID. To this end, it is understood that in the near future AID/Washington will send a consultant to WB/G to develop a coherent and mutually agreeable monitoring and reporting system for the PVOs.

12. Strengthen technical assistance monitoring and follow-up

69 52 Devres recommends: that CDP build in well thought-out scopes-of-work (when needed) for TA.

Response: CDP will devote more attention to strengthening the SOWs.



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March 3, 1993

Ms. Dorothy Young
AID/NE/ME
Room 102, SA-2
515 22nd St, NW
Washington, DC 20523-0219

Dear Dot:

As we have discussed, enclosed you will find ACDI's response to the "Evaluation of West Bank/Gaza Cooperative Sector Projects" prepared by Devres, Inc., dated October 12, 1992.

We look forward to receiving any comments or questions you may have before we finalize it.

Sincerely,

Jerry Lewis
Vice President
Asia, Near East & Pacific Region

Chairman of the Board
Arthur J. Fogerty

Vice Chairman
Curtis W. Anderson

Celebrating  1963 - 1993
Making a World of Difference

Secretary
Carroll H. Gilbert

Treasurer
Vern J. McGinnis

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DRAFT

EVALUATION OF WEST BANK/GAZA

COOPERATIVE SECTOR PROJECTS

ACDI/CDP COMMENTS

3/3/93

General comments:

Prior to responding to the specific recommendations, ACDI has several broad comments. As stated in our response to the CDP evaluation, we feel that in both evaluations Devres does not recognize the concepts upon which the CDP program was established. It is ACDI/CDP who constantly underscored the importance of "cooperative strengthening," "institutional development" and "human resources development." These program precepts have been basic ingredients of the project from the beginning.

On page three, Devres says it concurs in the ANERA/CDP joint strategy, and yet also says "They [the cooperatives] need strengthening and sound business practices to enhance their roles." That is exactly why CDP is on the scene.

We quote briefly from page 11 of the joint ANERA/CDP Palestinian Cooperatives: A Development Strategy, concerning our overall development philosophy:

The watchword of development is empowerment. This means *institution building and human resource development*. ... Sustainable development suggests frameworks based on the democratic process and organizational and financial accountability. Wide participation implies the utilization of such processes at all levels, and cooperatives are among the best examples of just that. (Emphasis added)

Along with institutional empowerment comes the strengthening of economic self-sufficiency, a standard development objective. This means increasing net incomes and jobs.

In sum, healthy and well functioning primary and secondary cooperatives, based on sound cooperative principles, are at the very core of long-term cooperative and economic development for the Palestinian people. ACDI/CDP agree with many of the recommendations surrounding these concepts. However, they are often presented in the Devres evaluation in a manner suggesting they are absent from our present development philosophy.

After the September 14, 1992 meeting at A.I.D./Washington, ACDI provided Devres with additional documentation, including the 1991 Proposal for the Extension of CDP. In reviewing the new October 12, 1992 draft, we note that very few changes in the original draft have been made to take into account this new information about CDP's plans for institutionalizing training and CDP's historical work with women.

- 20 -

On the methodological side, ACDI/CDP calls attention to the fact that Devres team did not interview many key CDP professional field educators and inadequate time was spent with the management staff. This was particularly regrettable recognizing that CDP is a training organization and that CDP staff are the ones that carry out the training. Those key staffers not interviewed included the following: Aown Shawa, Gaza Representative; Arafat Dajani, Marketing Field Educator; Maha Hussein, Data Processor for Marketing; Dr. Mansour Al-Gharabah, Dairy Expert; and Nadia Handal, Publications and Resource Center Director.

Finally, some conclusions about the cooperative movement appear to be based on complaints from representatives of the so-called "popular" cooperatives.

Our comments on the specific recommendations of Devres beginning on page 24 follow.

II. THE COOPERATIVE SECTOR

F. Recommended Actions for West Bank/Gaza Cooperatives and PVOs

1. Foster multi-purpose cooperative organizations

Page

No.

24

1

Devres recommends: that the PVOs attempt to broaden and integrate the scope of cooperatives that serve overlapping farmers in given area.

Response: CDP has seriously considered the desirability of promoting the multi-purpose cooperatives. Much international experience points out that in the early stages of development, the cooperatives do not have the management capability required for multi-purpose enterprises. It is more desirable to focus on strengthening single purpose cooperatives. When such cooperatives become viable, well-managed businesses, they will be able to expand and take on other enterprise activities in the WBG. A principal role that unions play is to coordinate single enterprise cooperative activities and much support is still required to strengthen unions. However, CDP will work with strong cooperatives to broaden services.

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Devres recommends: that steps be taken wherever possible to combine the activities of some of the smaller cooperatives serving farmers, thereby increasing the potential profitability and thus the probable success rate of these organizations.

Response: Some of the most successful cooperatives in the WBG are small ones with 50 to 100 members.

Where there are two cooperatives in the same village with the same type of activities, it may be possible to combine activities. However, we do not plan to force this issue. CDP will try to

address this through education. Some cooperatives are based on family ties, and bringing in another family that is not related to the core group may cause more problems than it solves. Khan Younis is an example: one of its problems is that there are several dominant families within the cooperative, each vying for control of the board. It might have been more advantageous over the long haul to have had two cooperatives.

CDP does plan on identifying those cooperatives where there would be an advantage in joint efforts.

2. **Focus on improved market potential through further processing of agricultural products**

Page No.

24 3 **Devres recommends:** focused attention towards helping cooperatives to augment production, processing, and storage facilities, in order to market excess supplies of agricultural commodities when profitable to do so.

Response: CDP concurs with this recommendation. However, we wish to add that when a cooperative does engage in processing, it will require new management skills and resources. For example, CDP is helping Beit Lahia assess the feasibility of producing strawberry jam from excess production. If production is found to be economically feasible, the cooperative's current management would have to be significantly strengthened.

3. **Strengthen regional organizations by networking**

25 4 **Devres recommends:** that every effort be made by ANERA and CDP to encourage and facilitate the development of the regional structures by creating centralized or federated cooperatives.

Response: ACDI/CDP concur in this recommendation, and would merely point out that we are already doing this where practical. Examples include the Agricultural Cooperative Union (ACU), the Union of Electric Cooperatives, and the Union of Olive Press Cooperatives. CDP does coordinate with ANERA, and on-going joint workshops and meetings are held between CDP and ANERA, and between the two PVOs and the cooperatives. We would add that unions (or secondary cooperatives) are as healthy and strong as their primaries, and accordingly CDP places much emphasis on the latter.

25 5 **Devres recommends:** that many of the management support services now provided by the PVOs need to be provided by the Regional Cooperative Organizations, such as the unions currently being developed.

Response: CDP agrees with the recommendation and has included this in its workplan. The purpose of forming a union is to provide support services. The ACU is a good example where

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CDP will train ACU staff to assist with management problems of their member cooperatives. Other unions, such as the Union of Electric Cooperatives and the Union of Olive Press Cooperatives, are also developing plans to provide support services to their member cooperatives. Additionally, CDP is assisting with the organization of a livestock union that will have 55 member cooperatives. However, as mentioned directly above, the primary cooperatives must have the membership and economic base to sustain a secondary structure and pay for the staff and services they render.

4. Build members' ownership equity in cooperatives

| <u>Page</u> | <u>No.</u> | |
|-------------|------------|--|
| 26 | 6 | <u>Devres recommends:</u> that CDP and ANERA work jointly to establish equity financing systems for each of the cooperatives served, that these systems be incorporated into the bylaws of cooperatives and used as criteria for further loans and grants. |

General Comment: Devres suggests that WBG cooperatives should initiate "equity building schemes" which are being used successfully elsewhere. We agree that it is vitally important for WBG cooperatives to build equity capital. The traditional methods used elsewhere will be difficult and slow. But it must be done.

Devres also suggests that Palestinian cooperatives should be paying dividends on equity capital.

Response: CDP does not have authority over cooperatives' bylaws. These are in the hands of the members, and changes in equity contributions are controlled by the bylaws which in turn must be approved by the Registrar of Cooperatives of the CIVAD.

Additionally, the suggestion to pay dividends on equity capital is contradictory to what Devres recommends above. Dividends erode, versus build, equity capital. However, as cooperatives become economically viable, there will be pressure by members to pay dividends. For example, Tulkarem Livestock Cooperative plans to pay a dividend this year.

5. Improve management capability of cooperatives

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| 27 | 7 | <u>Devres recommends:</u> that future Regional Cooperative Organizations maintain up-to-date industry averages, showing significant trends reflected by the financial statements of primary cooperative organizations in their respective areas. |
|----|---|--|

Response: Because of the infancy level of sophistication of the cooperatives as businesses, CDP does not project that this will be possible for at least three to five years. The activities that CDP carries out in developing cooperatives as viable businesses will contribute to the development of industrial averages at some future date.

6. Improve membership understanding of cooperation

Page No.

27 8 **Devres recommends:** that for cooperatives that have had difficulty, and in which the PVOs have already invested money, that future planning for their needs not only involve the management and the Board of Directors, but also the general members.

Response: CDP agrees that training should include the members in future training activities. For example, CDP will conduct a training course for 60 members of Khan Younis Cooperative in Gaza. CDP encourages each cooperative to issue a newsletter to the members. We would also note that CDP's recently concluded training of trainers (TOT) for the Soureef Handicraft Cooperative impacted on the general membership and resulted in the election of a new board, the first in many years.

27 9 **Devres recommends:** the enhancement of "cooperative education" activities within cooperatives. That CDP and ANERA continue to provide cooperatives with educational materials and encourage cooperatives to generate funds for educating youth, community leaders, and potential members about cooperation, etc.

Response: A new cooperative education training course will be included in the CDP implementation plan (see Annex A). In addition, CDP publications will continue to be distributed to all active cooperatives and the resource center will be promoted more actively. CDP is working to encourage cooperatives to establish their own continuing education units. However, we wish to add that few cooperatives have sufficient net margins or reserves to warrant their own education programs.

In the last CDP newsletter, CDP and ANERA started an activity to pick a "cooperative of the month" and "cooperative board member of the month." This activity is being utilized to help improve internal operations by motivating cooperatives and their staff.

7. Have PVOs focus on cooperative in which they have already invested

28 10 **Devres recommends:** that a crucial step towards targeting model or pilot cooperatives should be a workshop between the two PVOs in which they identify those cooperatives which need attention and which can produce reliable results with PVO activities.

Response: These activities were addressed during an A.I.D.-funded workshop held in October 1992 attended by CDP and ANERA. During this workshop, joint strategies and plans were developed.

Page **No.**

28 11 **Devres recommends:** that if additional financial assistance is required, for facilities or operating capital, it should be in the form of both grants and loans, rather than entirely grants. Support should also be extended with conditions which would permit the PVOs to maintain management oversight and the cooperation of the Board of Directors in directing and carrying out the plan which is adopted.

Response: This is essentially the manner in which CDP's village electric program, and others in the agricultural sector, currently operate. There is always a memorandum of understanding entered into between the cooperative and CDP. CDP agrees and will maintain oversight in assuring that both loans and grants will be used for additional financial assistance, rather than solely in grants.

28 12 **Devres recommends:** that before a loan or grant is arranged, the PVOs with the cooperative management must concur on market conditions with a keen understanding of what cooperatives can or cannot do.

Response: CDP agrees. All these points and more are covered in the CDP loan manuals. CDP's current policy requires thorough feasibility studies before making a decision on any grant/loan. Loan repayment schedules will also reflect what the cooperatives can and cannot do.

8. **Address the need for structural improvements**

30 13-14 **Devres recommends:** that the PVOs respond to cooperative requests by conducting "basic needs assessment" analysis.

Devres recommends: that the PVOs continue conducting "management audits" and "feasibility studies" to determine the degree to which cooperatives are able to manage their own affairs and have economically feasible activities.

Response: CDP conducts "management audits" and "feasibility studies" as part of its standard operating procedure. For example a feasibility study for Tulkarem Livestock Cooperative has been completed to study the economic and technical feasibility of adding a milk pasteurizing filling line to the cooperative dairy project. Such a line would utilize more membership milk, increase sales and better serve its members. Training needs assessment, specific to the individual cooperatives, will be done in early 1993.

9. **Lead cooperatives to achieve basic tenets**

31 15 **Devres recommends:** that PVOs discuss, improve upon and develop the "tenets" listed above for establishing "true cooperatives in the

"cooperative sector".

Response: CDP agrees and is working with the targeted cooperatives to achieve the "tenets" of true cooperatives. At present, CDP is working in close collaboration with ANERA toward achieving this goal by training cooperative staff, trainers and board members on the "tenets" of developing true cooperatives. CDP produced three publications in September 1992 on "tenets" to be used in training meetings.

On page 30, Devres also proposes cooperative "investments by its member-patrons of portions of their savings, or through per-unit retains, be withheld from the proceeds of products marketed for them." Please see our response to recommendation 6 on page 26 of the Devres' evaluation concerning the build-up of owner equity. Retained earnings not distributed to members would immediately be seen by the CIVAD tax authorities as a prime source of revenue. ACDI/CDP do not feel that this recommendation has merit given the current adversary role of the CIVAD on tax matters.

10. **Rewrite future cooperative laws**

Page

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Devres recommends: that the cooperative leaders in WBG begin, as soon as possible, to study favorable cooperative tax laws from other countries, and that discussion groups be formed, when permitted, to provide knowledgeable input to future cooperative legislation.

Response: CDP agrees with the recommendation that more consideration be given to cooperative tax laws. Despite recent changes in the WBG, no new amendments to the cooperative tax laws have been made in 36 years. However, this is an extremely delicate issue which touches on the rights of the Israelis to exercise their jurisdiction over the WBG on tax matters, registration and monitoring of cooperative institutions. These are highly contentious issues between Palestinian institutions and the CIVAD.

ACDI/CDP recognize the importance of conducting this legal research for the future, and yet this must be done at the right time.

G. **Assistance provided to cooperatives by other donors**

General comments: In this section, Devres cites the JCO, the Joint Committee, UNDP, EC and a variety of other PVOs as having made rather substantial contributions to WBG development. We merely add here that the bulk of these resources has been invested in the West Bank as opposed to Gaza, at a disproportionate level. With the exception of the UNDP and EC, insufficient training and technical assistance accompanied many of these development efforts.

This sub-section has no recommendations.

III. PVO PERFORMANCE: BASIC QUESTIONS

A. ACDI performance

3. Anecdotal examples of CDP performance

a. Agricultural Marketing Information System (AMIS)

| <u>Page</u> | <u>No.</u> | |
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| 44 | 17 | <u>Devres recommends:</u> that CDP conduct a follow-up study with current and potential users to see what AMIS offers cooperative members and to determine if it has helped improve marketing and participants' income. |

Response: CDP and the Agricultural Cooperative Union (ACU) in Nablus will carry out a follow-up feasibility study to assess to what extent user fees might be instituted. This activity is included in CDP's implementation plan and is expected to be completed in 1993.

CDP has already undertaken two marketing surveys of users of the AMIS and the results are included in Annex B of the response to the CDP evaluation. The surveys, conducted in June and September 1992, show that farmers want marketing information and are using it to determine where shortages and higher prices are in the WBG; half of them asked to get information through their cooperative and the rest through the local newspapers, and many wanted additional information. In short, there was a positive response with helpful suggestions from the users concerning the content and frequency of the reports.

b. Union of Electric Cooperatives

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| 45 | 18 | <u>Devres recommends:</u> that CDP and the Hebron Union begin plans for developing the self-sufficiency of the Union. There should be 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. |
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Response: In responding to these recommendations, it is important to review developments in this sector over the past three years.

The Union was established as a means of providing professional management to the small village electric cooperatives. CDP and NRECA (the organizations providing specialized expertise to CDP and the Union) felt that the best structure for funneling technical and financial assistance to the member cooperatives was by strengthening the Union through the placement of management and engineering expertise in the Union. Hence, CDP funded two positions for

three years and demonstrated the advantages and benefits.

The cooperatives welcomed the resources, used the services, and improved their operations. In January 1992, NRECA's project adviser determined that because of the forced dissolution of Tarqumia Village Electric Cooperative, the Union did not have sufficient membership base to support two employees. Moreover, the Union and its members never fully accepted the concept of self-sustainability, but expected continued grants.

The Union board stated in a September 1992 meeting that they needed more time to develop a consensus on the services for which the members are willing to pay. They asked CDP for an additional three months of grant funding support to develop their own plan. This was granted. When CDP receives the plan of the board outlining the activities and staffing size the membership will support, CDP will develop a study to determine sustainability.

As indicated in an earlier NRECA memorandum, CDP intends to transfer the village electric revolving loan fund servicing duties to TDC after the CDP/TDC agreement is executed. Until that time, the CDP electric management advisor will act on behalf of the Union in servicing outstanding loans.

The Union membership has exerted its influence and expressed its concern for the future of the loan program to systems delinquent in payment. The current Village Electric Loan Policy Manual states that financing will be a blend of loan and grant funds. CDP intends to modify this policy to make the revolving funds 100 percent loan with no grant component. In other words, future grants to electric cooperatives will no longer be linked to loan funding.

Page No.

45 19 Devres recommends: that CDP move ahead with its plans to employ an Electric Management Advisor and a Technical Advisor to assist the Union and its affiliates and to address the concern with "sustainability".

Response: CDP has hired, beginning in January 1992, an Electrical Management Advisor (Zaki) and a Technical Advisor (Haydar) to work with the Union and the member cooperatives.

45 20 Devres recommends: that the CDP and 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.

Comments: CDP intends to transfer the electric revolving loan fund servicing duties to TDC as soon as the CDP/TDC agreement is executed. Until then, the CDP Electric Management Advisor will act on behalf of the Union in servicing outstanding loans.

The Union membership has exerted its influence and expressed its concern for the future of the

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loan program to systems delinquent in payment. This pressure has helped in reducing outstanding balances.

The Electric Loan Policy Manual, which is currently in effect, states that financing will be a blend of loan and grant funds. CDP has modified this policy to make the revolving funds 100 percent loan with grants to be considered separately. In other words, grants to electric cooperatives will no longer be tied to loan funding. The Electric Loan Manual is being amended to reflect this policy.

c. Beit Lahia Strawberry Cooperative

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No.

46 **21** **Devres recommends:** that CDP conduct or contract a follow-up study of the Beit Lahia export project. ...The study should also form part of CDP's Resource Center....

Response: CDP has completed a follow-up study. The final output is available in the resource center and has been discussed with Beit Lahia Cooperative's board and with other interested cooperatives.

d. Beit Jala Olive Press Cooperative

47 **22** **Devres recommends:** that CDP and the Beit Jala cooperative prepare another "market" and "feasibility" study to market Beit Jala soap, etc.

Response: A market study for Beit Jala, in Arabic, was indeed completed at the outset of the CDP intervention and a copy of this was given to the evaluators. Based on CDP review of this study, CDP believes that it is solid and there is no need for a new one. ACDI senses that this recommendation was made without having read the study. A copy of the study, in Arabic, is available at ACDI/Washington.

However, the situation in Beit Jala has deteriorated. Recently the production line equipment was found not to be in working condition and requires expensive replacement parts. At this time CDP has no plans to proceed further with this enterprise. CDP is discussing this with the Beit Jala board and a joint decision will soon be taken concerning the current feasibility of the project. This non-CDP funded study will be completed in March 1993. If the board decides then to proceed with the project and the replacement of equipment, additional financial support will be needed. The additional financing will have to be through non-CDP sources.

It should be noted that a new board of directors was elected for Beit Jala Cooperative. This board is more progressive than the former board, and we anticipate it will play a more active role in the cooperative's activities and will carefully assess this soap factory investment.

4. Summation of ACDI/CDP performance

| Page | No. | |
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| 47 | 23 | <u>Devres recommends:</u> that CDP concentrate its attention on "cooperative strengthening" and to teaching and disseminating information on cooperative principles. |

Response: ACDI/CDP wish to underscore here that "cooperative strengthening" has been the very pillar upon which CDP was established. We obviously agree with the recommendation and will continue to maintain this foremost in our strategy, including the dissemination of cooperative principles, to increase the target audience and enhance the democratic process. CDP will also involve a limited number of non-targeted cooperatives in training courses and other TA and will continue to work vigorously with cooperative unions, such as the Union of Electric Cooperatives, the ACU, the Union of Olive Press Cooperatives, and the new Union of Livestock Cooperatives.

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| 48 | 24 | <u>Devres recommends:</u> 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, etc. |
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Response: CDP believes that its existing inter-disciplinary team is competent to address most on-going training needs. The emphasis on human resource development has been strengthened with the reorganization of CDP. However, due to budget limitations in the new CDP extension proposal, ACDI was not able to build an adequate level of effort for short-term technical assistance. Therefore, ACDI intends to request a budget amendment to provide for an increase in short-term technical assistance, as well as to strengthen the olive production and communications components with full-time local staff specialist.

In addition to the olive oil specialist who commenced work on February 1, 1993, CDP is recruiting for a horticulturalist for Gaza, a cooperative development specialist/field educator and a librarian.

IV EVALUATION OF SPECIFIC PROJECT INPUTS

1. CDP's technical assistance program: 1987-present

a. Non-local TA

General comments on this sub-section: The section is almost identical to the first draft and incorporates little, if any, of the additional materials and information provided to Devres after

the discussion on the first draft in September 1992.¹ Especially noteworthy for their absence here are the reports prepared by NRECA's technical assistance consultant. A.I.D. should review ACDI's response to a similar section in the CDP Evaluation. (See CDP's General Comments in response to Chapter III of that evaluation.)

Devres criticizes on page 63 that VOCA volunteer Benton spent "more time with Israeli cooperatives than with cooperatives of WB/G." First, this is not factually correct, and second, the reasons to investigate milk production in nearby Israel were to:

- better understand Israel's highly competitive and efficient milk producing sector;
- expose CDP's dairy expert to current practices; and
- examine several Israeli dairies to look at marketing and processing innovations, and their applicability to WBG.

On page 65, Devres contends that "CDP seems to have a spotty record on their TA activities." ACDI/CDP see no rationale for this assertion. As mentioned above, Devres has overlooked various key consultations, namely the frequent and vital NRECA visits and the Charles Taylor visit. Nor is there any real analysis by Devres of the purposes and results of the WID visits of Linda Oldham.

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65 **25** Devres recommends: that CDP implement a better planning system for their TAs to ensure they get timely TA which focuses on the key issues.

Response: CDP already has a planning system for its TA, which includes:

- a. A detailed scope of work for each assignment and the assignment of an appropriate staff support person.
- b. A report provided by each TA consultant before leaving the country responding to the scope of work.
- c. CDP staff written follow-up and discussion of all the TA recommendations with the appropriate personnel in the respective cooperative.
- d. Maintaining comprehensive files on each and every short-term TA intervention.

With the next TA assignment, CDP intends to institute a stronger follow-up procedure, which will provide for periodic progress reports on each of the TA's recommendations.

¹ In the rewrite of the CDP Evaluation, Devres did take into consideration some of the new information provided at the time of and after the September 14, 1992 meeting at A.I.D./Washington.

| Page | No. | |
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| 67 | 26 | Devres recommends: that the PVOs establish a data base of locally available TA resources', both of individuals and institutions, which have been used and are proven acceptable. |

Response: CDP is agreeable to collaborate with ANERA on this.

b. Local sources of TA

General comments on this sub-section: Devres lists many local institutions that might, in theory, provide some training resource in lieu of CDP. First, what is lacking here is any analysis of the competence of these institutions to conduct training or provide technical assistance.

Second, there is continuing talk of "off-loading" CDP training on others as if this were the sole solution. "Off-loading" will be dealt with as part of ACIDI/CDP's plan for institutionalization of training which is not even referred to by Devres. Institutionalization is treated in our reply to the CDP Evaluation, in our Proposal for Extension, submitted to A.I.D. in mid-1991, and in the CDP Implementation Plan. Let it be said here briefly that as the process gets underway, "off-loading" will be one of many issues addressed. Other more important issues include: from whence will the resources be derived; what types of training courses should be offered; to what degree can cooperatives finance training and technical assistance; and what institutional form(s) should it take.

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| 67 | 27 | Devres recommends: that the PVOs establish a data base of locally available TA resources, both of individuals and institutions which have been used and are proven acceptable. This information should be shared, etc. |
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Response: CDP does have a local pool of consultants comprised of Palestinian experts in financial management, accounting, and agriculture (various sub-sectors), and is continually upgrading the pool. With the exception of the Arab Development Society, CDP has not traditionally relied on local institutions for training in cooperative development matters. Devres asserts that "neither ANERA nor CDP are actively engaged in sourcing institutions and local entities which could take over their training." Again, ACIDI/CDP wish to underscore that institutionalizing cooperative development training is more complex than "sourcing" institutions. Please refer to our treatment of this subject above.

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| 67 | 28 | Devres recommends: that CDP seriously explore the advantages of off-loading their off-the-shelf computer courses and possibly others into local institutions and thereby free-up their relatively scarce staff resources for other activities. |
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Response: ACIDI/CDP do agree with the Devres' recommendation as far as it may make sense

to off-load some basic introductory computer training courses to local institutions. However, "off-loading" components here and there may not be the most desirable approach for a well coordinated, long-term and comprehensive cooperative development training effort.

ACDI would observe that, with the exception of the Arab Development Society in Jericho, none of the other institutions referred to by Devres is an appropriate custodian for the bulk of the training CDP currently offers for its cooperative constituency. Institutionalization of training is made yet more complex by the absence of conventional agricultural extension and information services offered by most all developed and many less developed countries. CDP will look into this issue more closely.

Finally, CDP does intend to evaluate local computer training institutions in order to determine the feasibility of off-loading its introductory computer training.

| <u>Page</u> | <u>No.</u> | |
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| 67 | 29 | <u>Devres recommends:</u> that CDP train core (model or target) cooperative personnel to train their own cooperative members. Provide TA support to the trainers until they can perform well solo and then assist the trainers in lining up training activities with other nearby co-ops, perhaps for a modest fee, etc. |

Response: ACDI/CDP understand the importance of this suggestion, but is frankly surprised that Devres gives this notion such prominence here (and in the CDP Evaluation) at a time when WBG cooperatives are in their infancy. While creating a cadre of trainers within cooperatives is one of the four CDP strategies, it is low on the scale of priorities. The major focus of CDP training at this stage must be improved performance and technical skill building for staff and key board members.

Training of trainers by its very definition includes developing individuals that understand adult learning theory, facilitation skills, giving and receiving feedback, writing and delivering case studies, training program design concepts, evaluation of training, etc. Managers and staff among most WBG cooperatives are extremely thin at this juncture. Accordingly, the development of sophisticated trainers in each of the targeted cooperatives is not a realistic strategy.

As discussed earlier, CDP has used the TOT approach in the Soureef Women's Cooperative successfully where it trained 12 women who in turn trained the rest of the membership of 300 on cooperative principles, which made a dramatic impact on the cooperative's elections. CDP made a special effort with this cooperative in order to instill a sense of ownership by cooperative membership which had hitherto been missing. The result of this training was the first board election within this cooperative in a decade.

B. Training by CDP and ANERA

1. CDP's training activities

General comments on this sub-section: On page 72 Devres states:

that CDP needs to set-up and carry out a clear, feasible, step-by-step strategy for institutionalization of training programs. ...However, it [institutionalization] is such an obvious ingredient for training for development, and *it is so conspicuously missing from the CDP activities, that it needs to be singled out and insisted on separately.* (Emphasis added)

This assertion is just contrary to fact and at odds with the materials provided to Devres. We have discussed this above in our Response # 26 (on page 67) and we dealt with it substantively in our Response # 65 to the CDP Evaluation. We would urge A.I.D. to review the recent history of the 1991 Proposal for Extension submitted to the agency in mid-1991. This is also treated in the new CDP Implementation Plan which is attached as an annex to this response.

Page No.

73 30 Devres recommends: that CDP and ANERA continue to operate in accord with their joint statement entitled Palestinian Cooperatives: A Development Strategy, February 1992.

Response: Yes, ANERA and CDP will continue to work jointly accordingly.

VI. PROJECT IMPACT BENEFICIARIES

B. Regarding the distribution of benefits

85 31 Devres recommends: more equitable representation of women in technical roles within CDP and ANERA.

Response: CDP already has three women in key technical positions with prime responsibility for program development.

85 32 Devres recommends: having more educational, outreach, programs to attract women into cooperatives.

Response: While CDP has focused its WID efforts on the Soureef Cooperative, in late Fall 1992 CDP expanded its programs for women in agriculture. Much of the agriculture work is carried out by women, but their husbands are the ones receiving CDP training since the men are the members of the cooperative. CDP is intent on getting more women to attend courses, either

by having them participate along with the men, or by offering courses just for women. As the women begin to benefit from CDP intervention, they will be able to play a greater role in the cooperatives.

In September 1992, CDP expanded its training programs to include women who are involved in the cooperative sector. CDP agrees that as women become more informed as to the role of cooperatives in development and the role they can play, they will become more active in the decision-making process.

VII. MANAGEMENT

A. ACDI/CDP Management and Operations

Page **No.**

89 33 Devres recommends: that field reporting from technical staff become standard operating procedures if it is not already.

Response: Every CDP staff member prepares a standard monthly report which provides the information discussed in the recommendation. These types of reports were available at the time of the evaluation, but were not seen by the evaluators.

VIII. COORDINATION AMONG PVOs AND A.I.D.

94 34 Devres recommends: that ANERA and CDP review the March 1988 agreement and up-date its stipulations regarding the coordination between them needed to improve the revolving loan fund program to the cooperative sector.

Response: The ANERA/CDP agreement related to CDP provision of TA and training in setting up a system for the revolving loan fund which ANERA placed in selected cooperatives, was completed in early 1990. ACDI/CDP wish to add that the joint 1992 paper, Palestinian Cooperatives: A Development Strategy, sets forth a coordinating mechanism between the agencies.

94 35 Devres recommends: a more direct involvement of A.I.D. in the coordination among PVOs with regard to cooperative sector projects.

Response: This has been done. At present, A.I.D. is more active in coordinating PVOs through A.I.D.-sponsored workshops and monthly meetings.

IX. A.I.D. MANAGEMENT

Page No.

96 36-37 Devres recommends: that A.I.D./Washington proceed quickly with an A.I.D. replacement in the Jerusalem office and that the next person assigned to the post become more familiar, first hand, with the in-field and local operations of the PVOS.

Devres recommends: that the next person(s) be prepared to work directly with the PVOs in handling problems or complaints regarding their activities.

Response: A.I.D. has already taken action.

X. FUTURE ACTIVITIES

98 38 Devres recommends: that CDP and ANERA work concertedly towards the establishment of at least nine cooperative successes.

Response: CDP concurs and will work toward realizing this goal. In the A.I.D.-sponsored workshop held in October 1992, CDP and ANERA jointly selected nine cooperatives to focus their activities on.

98 39 Devres recommends: that the staff of CDP and ANERA confer to plan for the future with select cooperatives.

Response: CDP and ANERA staff are already working on this.

99 40 Devres recommends: that USAID underwrite the costs needed to hold a conference of CDP and ANERA and to assist the development of a management information system aimed and strengthening cooperatives via the PVOs.

Response: A.I.D. has taken action.

99 41 Devres recommends: that CDP and ANERA continue their efforts towards reaching more cooperatives within the cooperative movement but that the additional activities be based on "needs assessments," feasibility and market studies.

Response: CDP will endeavor to work with ANERA in extending its outreach in accordance with its resources, but will not loose sight of its "strategy of concentration."

| Page | No. | |
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| 99 | 42 | Since the PVOs have general roles to play in serving the greater Palestinian population, <u>Devres recommends</u> that the PVOs [CDP and ANERA] communicate more frequently with and become more interested in the NGOs operating within the cooperative sector. As a guesstimate, <u>Devres believes</u> that about 75 % of time and money allocated to CDP and ANERA should be devoted accordingly. |

Response: CDP intends to continue its high profile role of communicating frequently with NGOs operating within the cooperative sector. It should be noted that many of CDP's staff are members of various NGO committees and the boards of Palestinian NGOs. They give many hours after work and on weekends to meeting with NGOs.

ACDI/CDP do not agree that 75 % of our resources should be directed away from the targeted cooperatives and rather towards the wider cooperative community. The thrust of CDP's program since 1989 points in the opposite direction. The conclusions of the TvT evaluation, various in-house consultancies, and the Devres CDP Evaluation support ACDI/CDP's strategy of concentration. We feel this recommendation is not consistent with a careful look at our program. We called attention to a similar suggestion in our response and general comments to the CDP Evaluation in Section V.B., Recommendations for Improving Management.

LIST OF ANNEXES

- ANNEX A** **CDP Implementation Plan**
- ANNEX B** **AMIS Market Study**
- ANNEX C** **Publications List**

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