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COOPERATIVE DEVELOPMENT PROJECT  
ON  
THE WEST BANK AND GAZA

A Grant Proposal  
Submitted to the  
Agency for International Development

by

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June 7, 1985



# Agricultural Cooperative Development International

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June 7, 1985

Mr. Bernard Salvo  
NE/TECH/SARD - Room 6678  
U.S. Agency for International Development  
Washington, D.C. 20523

Dear Mr. Salvo:

Attached is a proposal entitled "Cooperative Development Project on the West Bank and Gaza" for \$2.4 million over three years prepared as a result of the Indefinite Quantity Contract, PDC-0100-I-04-2071-00.

This proposal is presented on behalf of U.S. cooperative development organizations (CDOs) which have a long history of working with AID worldwide and in the Middle East. The project will be administered by Agricultural Cooperative Development International in order to simplify relationships with AID. ACDI will subcontract activities to other CDCs, where appropriate.

We request early project approval, if possible, with funding in this fiscal year. We anticipate that a Project Leader can be selected quickly and, in fact, we have candidates in mind. We do not anticipate major difficulty in securing proper clearances given the positive reception in our discussions with government officials in Jordan and Israel.

The three year time horizon of the project is appropriate given the uncertainties of operating in the area. We have provided for yearly evaluation and, following AID review, and approval we anticipate incremental funding based on project progress. It may become necessary to extend the three year period for achieving the goals set forth.

Mr. Bernard Salvo  
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On behalf of the study team of Samuel Bunker, Ted Weihe, Robert Fischer and myself, we stand ready to discuss the proposal with you and others at AID and the Department of State.

Thank you for the opportunity to undertake this effort which we believe can have a significant impact on the quality of life of Palestinians living on the West Bank and Gaza.

Sincerely,



Bartlett Harvey  
Executive Vice President

BH/cdl

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## COOPERATIVE DEVELOPMENT PROJECT ON THE WEST BANK AND GAZA

### I. INTRODUCTION

A team of four U.S. cooperative representatives travelled to Jordan, Israel and the occupied territories during March 24 to April 4, 1984, to assess the status of cooperative development on the West Bank and Gaza. The team was composed of Gordon E. Lindquist, president and chief executive officer of MSI Insurance, Arden Hills, Minnesota; Samuel E. Bunker, administrator of international programs for the National Rural Electric Cooperative Association, Washington, D.C.; Ted Weihe, executive director of the U.S. Overseas Cooperative Development Committee, Washington, D.C., and Phil Hein, chairman of the board of Farm Credit Services of St. Paul, Minnesota.

"Palestinian Cooperatives on the West Bank and Gaza: Findings from a Study Tour by U.S. Cooperative Representatives" is a report based on this visit. The report was shared with U.S. leadership concerned with Middle East issues -- in and out of government. The report offered some general observations concerning cooperatives on the West Bank and Gaza, noted problems facing Palestinian cooperatives, made recommendations and detailed discussions with Palestinian cooperatives, government officials and others.

In March 1985, another four-person U.S. cooperative team was formed, including Samuel Bunker and Ted Weihe of the earlier effort and Bartlett Harvey and Bob Fischer, Executive Vice President and credit specialist on the Egyptian Small Farmer Production Project, respectively, of Agricultural Cooperative Development International, Washington, D.C. They spent two weeks in Jordan, Israel and the West Bank to examine the types of training and management assistance which U.S. cooperatives could provide to strengthen Palestinian cooperatives. The team explored modalities, difficulties and interest by Palestinians and others in the provision of such assistance.

In general, the team began meetings with Jordanian, Israeli, Palestinian and U.S. officials with comments on the earlier report and then moved into a general discussion on ways U.S. cooperatives could provide technical and managerial assistance to Palestinian cooperatives. All those the team spoke with found aspects of the report useful and, in general, evenhanded. The report had been "well-thumbed." Some took exception to certain comments and recommendations in the report, but most saw it as an honest effort to lay out the issues.

The Palestinian cooperative officials and managers and those in the governments involved were supportive in principle of technical and managerial assistance to Palestinian cooperatives by U.S. cooperatives. They noted the complexities of providing assistance in an occupied territory, but none said these difficulties would prevent

such assistance. Various constraints were clearly articulated by government officials of all sides, but none of these constraints precluded management and technical assistance -- though the constraints set out various parameters for its delivery.

The approach and proposal below is the outcome of these discussions. It can be stated fairly that the team provided the general outlines of this proposal to all parties and, while there were differing concerns and emphases expressed, those the team met were supportive. Thus, this proposal tracks the discussions held with the key actors -- governmental officials and Palestinian cooperatives -- who are directly involved in such assistance. It will be important to maintain flexibility in any proposal working in the occupied territory with its competing perspectives and interests.

Four weeks is too short a time to fully deal with the great complexities of the area and difficulties in undertaking constructive programs for assistance to Palestinians. But U.S. cooperatives make this proposal with the guarded optimism necessary to enter into a difficult undertaking and the patience required to take a long-term view which starts with modest steps.

## II. STATEMENT OF THE PROBLEM

There are approximately 280 active Palestinian cooperatives on the West Bank and Gaza. The Jordanian Government looks on cooperatives as one of the closest linkages between the West Bank and Jordan. Their origins are generally Jordanian, and many were initiated between 1948 and 1967 when Jordan controlled the West Bank. In Gaza, only about five cooperatives remain with their origins during Egyptian rule.

Today, there are 39 employees of the Jordanian Cooperative Organization on the West Bank, some of whom also work for the occupation authorities. Some of them hold quasi-governmental cooperative development positions. Others are cooperative managers. In general, these JCO employees are highly motivated and committed to cooperatives but lack even the rudimentary training and management development which is essential to operating a strong cooperative enterprise. The cooperatives are severely understaffed, but their other employees (about 80) also lack cooperative and management training, although they may have had agricultural or other technical preparation. Likewise, there are about 1,500 members of cooperative boards of directors, almost none of whom have received any training in the responsibilities and duties of governing a cooperative on behalf of its member-owners.

Further, there is a notable lack of education and training provided to cooperative members who must understand their cooperatives in order to fully benefit from their services and participate in their operations. Also, there is a dearth of understanding by non-cooperative members who are potential members and by community leaders whose general support is particularly helpful in cooperative growth.

Prior to 1967, support services to cooperatives on the East and West Banks of the Jordanian River were integrated, including management training and technical assistance. Since 1967, the Jordanian Cooperative Organization has been able to maintain its cadre on the West Bank and to provide occasional funding for cooperatives there, but has provided essentially no cooperative and management training because of limited resources and other complications. Over the years, JCO has provided critical staff for the Palestinian cooperatives. But this staff itself has received only technical training prior to assignment on the West Bank and little or no continuing education and training over the years. Universally, they expressed interest in receiving training -- from simple operations, such as cooperative bookkeeping, to highly complex technical issues involving marketing. For the most part, they urged that such training should be provided on site in the West Bank, though they were also interested in some training in Jordan and the U.S.

The agricultural extension service on the West Bank and Gaza has steadily declined since 1967, with particular erosion in recent years. Some of the regional cooperatives have tried to fill the gap, but, with limited staff, they have been unable to provide the ongoing extension work essential to strengthening Palestinian agriculture.

Several U.S. private and voluntary organizations are involved with cooperatives on the West Bank and Gaza. For the most part, they provide financial assistance to cooperatives. They may use short-term technicians, often Palestinians, in cooperative project design and evaluation. However, they are not equipped to assist the Palestinian cooperatives in their general management and technical needs. These U.S. PVOs are supportive of assistance from U.S. cooperatives -- both in coordination with their own programs and independently. They realize, as do the cooperative leaders, that programs and cooperative institutions need to be strengthened so they can effectively utilize outside U.S. financial support and, eventually, gain self-sufficiency.

In addition to management and technical needs, the availability of credit for Palestinian cooperatives is central. There are multiple channels of financial assistance to cooperatives -- grants and, in some cases, modest revolving funds or loans from Jordanian financial

institutions; but there are no Palestinian financial institutions on the West Bank and no sources of disciplined credit for the Palestinian cooperatives and their members. In some cases, cooperative officials hold attitudes that cooperatives should receive highly subsidized loans from government or donor sources.

Such financing as has come to Palestinian cooperatives has not been provided in a disciplined fashion. In some cases, it has been provided more for political objectives than to strengthen the cooperative financial system.

There is no lack of funds on the West Bank from worker remittances and other outside sources. However, funds are not directed to productive activities. Therefore, the situation must be approached with care after study, training and strong "coaching" of Palestinian credit managers before the provision of large sums of funds.

There has been an apparent shift in attitude and some optimism about the creation of a financial institution on the West Bank. The provision of a credit component to the project envisions working with such a stable source of disciplined credit. In the meantime, the credit advisor would play a critical role in training Palestinian cooperatives in the management of credit such as the various revolving funds which are in place for cooperatives. It is a goal of the project to develop a strong outside credit institution; however, the proper mechanism and feasibility of such an institution will take a step-by-step approach and long-term perspective.

III. OBJECTIVE

The purpose of this proposal is to enhance the quality of life for the Palestinians through strengthening existing cooperatives and assisting in the development of new cooperatives serving agricultural, housing, electric power, savings and other needs of the Palestinians on the West Bank and Gaza.

IV. GENERAL APPROACH

The proposal calls for the initial stationing of two U.S. cooperative experts in East Jerusalem who will be the focal point for the provision of management training and technical assistance. One will be a senior U.S. cooperative representative for the West Bank and Gaza -- with coordination and liaison responsibilities to Jordan and Israel -- who will be in charge of the overall program. This representative will have extensive background in cooperatives and previous overseas experience. The representative will be selected based on his ability to operate under the very complex circumstances on the West Bank and Gaza.

The second cooperative expert will be a management trainer. He will train Palestinian trainers; organize, participate and supervise in-country training programs and select candidates and programs for overseas training. At least one of the two experts will be fluent in Arabic, which is considered essential in assessing the needs and working with the less well educated Palestinian cooperative members.

A third cooperative expert is proposed in the second year with extensive background in agricultural and cooperative credit programs. This individual will develop a credit program designed to build on the management and technical assistance programs which will

already be under way. A competent, bilingual local administrative and secretarial staff will be provided to assist the U.S. cooperative team.

A work plan for the training and education activities was extensively discussed with the Jordanian Cooperative Institute, which has responsibilities for these activities in Jordan. To date, they have focused their training at the "community college" level rather than on more practical and advanced courses appropriate for cooperative managers and personnel.

However, the JCO Institute has proposed an appropriate program for the project and will be the location for training of some cooperative staff. Three ten-day courses, each presented twice within the three-year grant period, will be provided in (1) cooperative management and extension, (2) cooperative accounting and auditing, and (3) cooperative credit, loans and financing. Each course would have about 15 students who have responsibilities in cooperative extension, management, accounting and auditing. Some students may take more than one course.

In addition to these formal courses, the proposal provides for management training on site, initially run by consultants and the training advisor and gradually turned over to local trainers from the cooperatives or outside institutions such as a local university.

Training will also be provided to groups of about 25 cooperative directors in elements of business principles, director responsibilities, etc. Some director training might also be provided in Jordan. In either case, the training would be initially undertaken with consultants with declining supervision as such programs are institutionalized into the cooperative systems. This training will be provided by cooperative sectors: agriculture, housing, electric, consumer, etc.

More specialized training will be provided on the West Bank in such areas as cooperative marketing, cooperative supply, value-added taxes, agricultural machines, animal production and agro-industry. This training will be undertaken using short-term consultants and targeted toward the best farmers and cooperative leaders who would put the new knowledge and technology into practice. These training programs would accommodate about 25 attendees for about a week:

In addition, at least 20 Palestinian cooperative managers and officials will be given a month or more of hands-on training in U.S. cooperatives. Those receiving hands-on training will have to have at least limited English capability; others can be given study tours in small groups accompanied by an interpreter.

During the project, the U.S. team will more fully explore the possibility of the creation of a training institute on the West Bank. However, establishment of a permanent institution will not

hold up initial training activities but is seen as a potentially more efficient and long-term facility to meet ongoing training needs. Practical and hands-on training, rather than academic training, will be the focus of the programs geared to addressing the immediate needs of West Bank and Gazan cooperatives.

These training activities will be coordinated with U.S. PVOs and donors active on the West Bank and Gaza and, where possible, will be designed to meet mutually-agreed-upon objectives in terms of strengthening self-help, cooperative institutions.

In the second year of the grant, a U.S. cooperative credit expert will join the team. Working with the training person, the credit expert will initiate a training program to build a stronger capacity in the cooperatives to handle outside financial resources and member credit. At first, this effort will be directed to the management of existing financial resources in the cooperatives.

The proposal does not provide for the creation of a financial institution nor revolving funds which will be a subject for further discussion, given current uncertainties about proposed financial institutions or alternative approaches. Supplemental funding to the grant may be requested for revolving funds or alternative funding mechanisms in out-years of the grant.

The proposal contemplates funding local extension agents -- on a limited time basis, after which their salaries will be paid by the cooperatives themselves. These agents will be trained to serve the financial credit systems. However, their primary purpose will be to provide member education and technical extension services from the cooperative as a vehicle for strengthening the cooperative institutions and their outreach to members.

Through training, technical assistance, and extension, the proposal will reach the 132 employees and at least one-half of the 1500 board members of the 280 active cooperatives on the West Bank during the three year program. In addition, another 50 cooperatives are in the process of being registered in late 1984 and early 1985. These cooperatives, their employees and boards will also benefit from the proposal.

With improved cooperative development on the West Bank, indirect beneficiaries of the proposal are the approximately 170,000 people (or 20% of the population) who utilize cooperative services. For example, the three large regional agricultural marketing cooperatives are essential to the prosperity of the largely agrarian West Bank economy. Many key agricultural services, such as the 20 olive oil processing cooperatives, also play a critical role in agriculture.

The impact of the project in service sectors such as housing, electricity, water supply, transportation, consumer and credit, thrift and school savings will be particularly significant in improving the quality of life on the West Bank. These cooperatives depend more heavily on voluntary management. Thus, the proposal can have a strong impact through broadened understanding of cooperative development and better management by the board of directors. The proposal can help move these service cooperatives into more economically significant activities, such as converting school savings cooperatives into credit unions which can meet short-term credit needs of families and small entrepreneurs.

While only a few cooperatives exist in Gaza, there is a potential to build new cooperatives to reach its 475,000 population. Citrus, fishing and small industry are the backbone of the local Gazan economy. These sectors have been historically strong areas for cooperative development in other countries.

The building blocks for cooperatives in Gaza are present: an experience with cooperatives prior to 1967 (albeit government-dominated cooperatives) and successful cooperatives operating in Gaza. There is a limited institutional base -- such as the role of the Jordan Cooperative Organization on the West Bank -- which this proposal can help create. However, impacts in Gaza must be viewed more modestly and in the longer term.

V. PROGRAM COMPONENTS

Training - During the three-year proposal, managers of the "regional" marketing cooperatives will be fully trained in cooperative and financial management. There are 13 senior JCO-funded managers and supervisors of cooperatives on the West Bank. A selected number of these and others will receive several on-site "training of trainers" courses on detailed management and financial analysis. These officials, with some project assistance, will, in turn, train the additional 22 JCO employees and 80 direct employees of cooperatives (non-JCO funded). New employees of cooperatives will receive initial cooperative training through the project.

At least two training courses will be held at the JCO Institute in Amman for each of the project years. These workshops will focus on upgrading cooperative skills in the fields of management, extension, accounting, auditing, credit and financing.

Specific training will be provided in cooperative marketing, cooperative supply, value-added taxes, agricultural machines, animal production and agro-industry. This training will involve a U.S. expatriate and Palestinian counterparts in which specialized assistance will be provided to specific cooperatives. Four-day workshops will also be held for about 25 participants in each of the fields above.

In addition, the project will attempt to reach one-half of the 1,500 members of cooperative boards of directors, including all officers through at least a dozen courses for 350 participants over the three-year period. These one-week courses, with about 25 participants each, will focus on basic cooperative and business principles and the relationship of the board to management in the cooperatives and will be designed around cooperative sectors. Again, the approach will be to use training of the officers of boards of directors (chairman, secretary and society cashier) and board members for outreach further into the cooperative and the community. A central focus for such training will be to establish ongoing cooperative education programs for reaching members and potential new members, as well as influential leaders of the community.

At least 25 senior Palestinian cooperative officers will receive hands-on training at U.S. cooperatives for an average of two months, at the rate of seven or eight participants per year, or one-month study tours, as appropriate to their English language capabilities.

In each training component, the project staff will participate and arrange for outside consultants (usually, only one expatriate instructor with local trainers -- though two- or three-person teams may be needed for some initial workshops). Also, the project will provide for knowledgeable cooperative escorts (in some cases, senior retired U.S. cooperative officials) to accompany participants for at

least part of the hands-on training programs in the U.S. and for the entire study tours for non-English speaking groups.

The project staff will coordinate with other PVOs (specifically, AMIDEAST) towards placing a few junior cooperative officials in academic programs, usually at the Master's level, to upgrade technical skills.

Further, during the course of the program, the project staff will undertake a thorough analysis of the creation of a permanent cooperative training institute as an adjunct of Bethlehem University or other suitable arrangement. If it appears feasible, the staff will prepare full documentation for an institute, including a financial plan and possible sources of funding.

Technical Assistance - The focus of technical assistance will be towards increasing the capacity of agricultural cooperatives to function more efficiently and to market their produce in domestic and international markets.

An example of an initial technical assistance project is to bring to the West Bank an expert in grading and packaging of fresh vegetables, suitable for export into international markets. The project will also provide for some funding of exploratory missions to potential markets, especially to the Gulf States.

The project will bring in short-term U.S. agricultural and other technicians to consult on critical export and other problems, and to train cooperative agricultural field workers/extensionists. This assistance will be carefully targeted to technical bottlenecks. For example, a large regional agricultural cooperative wants assistance in the development of a packing and grading station for the marketing of fresh vegetables. For the most part, U.S. consultants will be used. However, on occasion, Arabic-speaking experts from the region may also be utilized.

A second emphasis will be on service cooperatives in terms of their expansion and potential to create and upgrade employment opportunities. For example, technical assistance will be provided to electric cooperatives so they can provide more reliable electricity to homes and small shops, using the cooperative structure as a mechanism for creating village-based jobs (e.g., small carpentry shops).

In addition, technical assistance will be provided towards exploring the possibility of providing small construction and materials production centers in conjunction with cooperative housing projects. Technical assistance may also be provided to convert "family" savings and education cooperatives into credit unions for serving a wider clientele and providing a regular program of thrift and credit.

The provision of short-term technical assistance will try to take advantage of opportunities through the infusion of technical knowledge, critical to the undertaking of new or different approaches to cooperative development. Such opportunities are not easy to anticipate and require a fully knowledgeable field staff, familiar with the particular situation and people involved. In general, the goal of such assistance is to put into the hands of "entrepreneurial" cooperative managers and leaders the knowledge and confidence to test and adapt appropriate technologies or analysis for their set of circumstances for new endeavors.

Credit - In the second and third year of the grant, the project will add a credit expert for expanding financial training, initially in each of the three large regional marketing cooperatives. After improving financial skill levels of cooperative officials charged with credit responsibilities, the credit expert will develop a program for modifying current or establishing new revolving funds for the three regional marketing cooperatives. These revolving funds will serve as a model for similar funds where sound management can be developed. The expert will also try to develop a centralized source of credit and credit supervision, when that becomes possible in the future.

Extension - The focus of the extension program will be the development of a cooperative extension system. A plan will be developed for the training and hiring of up to a dozen extension agents who will have multiple responsibilities for introducing improved agricultural practices; developing member understanding of cooperatives; providing feedback to cooperative management concerning member needs; helping members with farm plans and credit applications and collecting credit repayments. These extension agents will be initially funded by the project, with a projection for becoming fully funded through the cooperative system itself.

Analysis - In addition to their specific training, technical assistance and credit activities, the project staff will also undertake to develop objective data about cooperatives on the West Bank, e.g., information as to the number of active cooperatives, the number of pending registrations and reasons for delay in their approval. This analysis should help clarify various conflicting claims concerning critical issues facing cooperatives on the West Bank and Gaza.

VI. PROJECT ADMINISTRATION

The project will be administered by Agricultural Cooperative Development International on behalf of U.S. cooperative development organizations. ACDI will call on the expertise of other cooperative organizations, especially when technical assistance or training involves non-agricultural sectors. These U.S. cooperative development organizations focus on all types of cooperatives, agricultural and non-agricultural. The project will be coordinated through the Cooperative Resources Committee composed of the international directors of U.S. cooperative development organizations as well as an advisory committee involving other Middle East experts who can help with the project.

Because of the complexities of working on the West Bank and Gaza, the project will involve extensive oversight by Washington-based senior staff of U.S. cooperative development organizations. The success of the project may depend more on how the project team goes about developing its program than program content. Various safeguards will be built into the project to assure a regular review of decisions and alternative approaches to achieving the aims of the project. Such supervision will also be important in terms of keeping AID/W fully informed, particularly during early stages of project development. Thus, the project provides for three supervisory trips per year.

It will be important for the project field staff to communicate fully with the various U.S. cooperative development organizations towards successfully tapping U.S. cooperative expertise for training and technical assistance programs on the West Bank as well as the proper design of hands-on training in the U.S. Therefore, the project provides for one trip per year of the team leader to the U.S.

For project coordination among U.S. cooperative development organizations, PVOs working on the West Bank and others, a project advisory committee will be formed to coordinate the program. This advisory committee will meet periodically to review the overall project and make suggestions for providing integrated U.S. assistance to cooperatives in a fashion to build truly self-sufficient cooperatives.

Finally, adequate Washington-based backstopping is included in the project.

## VII. EVALUATION

The team will prepare a "beginning of project report" setting forth in qualitative and, to the extent feasible, quantitative terms the cooperative situation as they find it on the West Bank and Gaza. Gathering material for this report will be their first major task and the backbone of their initial months of learning on the job "what" and "who" they have to deal with and something of "how." This report will establish the information base from which project impact may be judged in future years.

There will be two types of evaluation -- process and end-of-project. The project team will develop baseline data and a management system to track this data throughout the life of the project. A questionnaire will be designed for gathering data from which to assess the current status of cooperatives and management skills. This data will be used in the design of training programs and will become a source for end-of-project evaluation.

As part of the process evaluation, adequate documentation will be prepared prior to and after each training session and, where appropriate, for the provision of technical assistance. Supervisory visits will document project progress. Feedback to the project will

be provided by an advisory committee, composed of cooperative specialists with Middle East experience from each of the cooperative development organizations and representatives from other agencies working in the area.

Outside evaluation is built into the project in annual reviews. In the third year, an end-of-project evaluation, with evaluators chosen in consultation with AID, will undertake an overall analysis of the project. This more extensive evaluation will not focus on an assessment of each component of the project, but a broader evaluation of cooperative performance on the West Bank and Gaza. Thus, more general indicators will be gathered, such as number of cooperatives, total membership, share investment per member, production levels, outputs, etc., by cooperative sector. The objective will be to gather existing data rather than undertake the costly effort to develop new data. This data will provide the basis for determining project results.

VIII. BUDGET

The budget reflects the expectation that, while Agricultural Cooperative Development International (ACDI) will be the grantee and responsible for administering the project, it is doing so on behalf of the cooperative development organizations supported by AID and will be drawing on them for technical assistance and training outside ACDI's areas of expertise.

Thus it is assumed that the training advisor will be provided by one of the other organizations on a sub-contract basis. For this reason a somewhat higher level of general administrative support is budgeted than the 13.5% of total direct costs which is the agreed basis for ACDI's charge. Also for this reason, consultants and participants are budgeted on a burdened rate basis, rather than being included under the general administrative support charge, in anticipation that a number of the consultants will be provided and participants taken care of by other CDOs with expertise in savings and credit, housing, rural electrification, fishing, handicraft, insurance, etc. Local training costs are also excluded from the general administrative support charge, since the office handling them is part of the project.

A detailed budget worksheet calculation of the costs of the three long-term advisors is attached to the budget.

Extension/loan staff are assumed to cost \$10,000/year each, with five engaged in the first year to supplement cooperative staff and ten subsequently. They would be provided to cooperatives under agreements providing that the cooperatives would share the cost progressively as their membership and financial strength increased, taking over at least half the cost in the third year, and all in due course.

Marketing trips are for two or three persons to the Persian Gulf area, and possibly also to Europe for the purpose of expanding sales especially of fresh produce.

Supervisory trips are budgeted for the beginning of the project and then three times a year subsequently, for two weeks each. They will be made by senior officers of ACDI and of the Cooperative Resources Committee.

It is assumed that the advisory committee will meet twice a year and that four members coming from other parts of the country will need reimbursement for travel cost and one day per diem.

WEST BANK COOPERTATIVE DEVELOPMENT PROJECT

BUDGET

LINE ITEM -----	YEAR I -----	YEAR II -----	YEAR III -----	TOTAL -----
ADVISORS	225,450	308,925	321,974	856,349
Support Staff (2)	20,000	22,000	24,000	66,000
Project Office	10,000	10,000	10,000	30,000
Project Vehicle	12,000	-	-	12,000
Office and Training Equipment	18,000	-	-	18,000
Miscellaneous	10,000	10,000	10,000	30,000
Extension/loan staff	50,000	100,000	50,000	200,000
LOCAL SUPPORT	120,000	142,000	94,000	356,000
MARKETING TRIPS	3,000	4,500	4,500	12,000
SUPERVISORY TRIPS (@\$3000 travel & PD)	12,000	9,000	9,000	30,000
ADVISORY COMMITTEE	3,000	3,000	3,000	9,000
PROJECT EVALUATION	3,000	6,000	15,000	24,000
SUB-TOTAL	366,450	473,425	447,474	1,287,349
GEN ADMIN SUPPORT (15% of above)	54,970	71,010	67,120	193,100
CONSULTANTS (@\$13,300/mo)*	159,600	199,500	199,500	558,600
PARTICIPANTS (@\$8,000 each)**	48,000	64,000	64,000	176,000
Trainee per diem	50,000	50,000	50,000	150,000
Local Trainers	10,000	15,000	15,000	40,000
Manuals & materials	8,000	4,000	4,000	16,000
IN-COUNTRY TRAINING	68,000	69,000	69,000	206,000
TOTAL	697,020	876,935	847,094	2,421,049

\* Assuming average burdened rate of \$350/day.

\*\* Assuming arrangement and support fees of 20%.

West Bank Cooperative Development Project

Budget for Long Term Advisors

LINE ITEM	YEAR I	YEAR II	YEAR III	TOTAL
1. SALARIES:	90,000	145,400	154,124	389,524
2. PAYROLL ADDED	23,400	37,800	52,000	113,200
3. TRAVEL & TRANSPORT	37,800	44,200	48,775	130,575
4. ALLOWANCES:	74,250	81,525	67,275	223,050
5. TOTAL	225,450	308,925	321,974	856,349

1. SALARIES:	90,000	145,400	154,124	389,524
(6% increase per advisor each year)				
Sen. U.S. Coop Rep.	50,000	53,000	56,180	159,180
Training Advisor	40,000	42,400	44,944	127,344
Credit Advisor	-	50,000	53,000	103,000

2. PAYROLL ADDED	23,400	37,800	52,000	113,200
COSTS:				
Retirement	-	-	-	
Health Ins.	-	-	-	
Life Ins.	-	-	-	
Work. Comp.	-	-	-	
Unemp. Ins.	-	-	-	
Liability Ins.	-	-	-	
FICA	-	-	-	
Medevac				
(26% of salaries)	23,400	37,800	40,000	101,200
Terminal Leave	-	-	12,000	12,000

LINE ITEM	YEAR I	YEAR II	YEAR III	TOTAL
3. TRAVEL & TRANSPORT	37,800	44,200	48,575	130,575
A. TRAVEL	10,900	21,200	14,700	46,800
Team leader, 2 adults; Seattle/Amman @\$1200				
to post	2,400	-	-	2,400
homeleave	-	4,800	-	4,800
from post	-	-	2,400	2,400
Wash consultation	1,600	1,600	1,600	1,600
Training Advisor (2 adults; 2 children) Midwest/Amman @\$1100				
to post	4,400	-	-	4,400
homeleave	-	8,800	-	8,800
from post	-	-	4,400	4,400
Credit Advisor (2 adults; 1 child) Midwest/Amman @\$1100				
to post	-	3,300	-	3,300
from post	-	-	3,300	3,300
In-country travel				
POV mileage	1,000	1,000	1,000	3,000
Project vehicle POL	1,000	1,000	1,000	3,000
" " maint	500	700	1,000	2,200
B) PER DIEM:	8,625	8,250	7,875	24,750
CRC/ACDI supervisory 15 days/year @\$100	1,500	1,500	1,500	4,500
Advisors				
Wash Orientation \$75/day x 5 dys x 2	750	-	-	750
Credit	-	375	-	375
In country 5 dys/mo @\$100	6,000	6,000	6,000	18,000
Wash Consultation	375	375	375	1,125

LINE ITEM	YEAR I	YEAR II	YEAR III	TOTAL
C) TRANSPORTATION:	18,275	14,750	26,000	59,025
Air freight				
Team leader, 450*@\$3.5	1,575	1,575	1,575	4,725
Trainer, 700*@\$3.50	2,450	2,450	2,450	7,350
Credit, 600*@\$6	-	2,100	2,100	4,200
Surface freight (2500* @\$2.25)				
Team leader,	5,625	-	5,625	11,250
Trainer	5,625	-	5,625	11,250
Credit	-	5,625	5,625	11,250
Three PO Vehicles	3,000	3,000	3,000	9,000
5. ALLOWANCES:	74,250	81,525	67,275	223,050
Pre/post departure 5 days @ \$75/person				
Team leader	150	-	150	300
Trainer	300	-	300	600
Credit	-	225	225	450
Temp Quarters 90 days @\$53+6/person				
Team leader	10,800	-	-	10,800
Trainer	21,600	-	-	21,600
Credit	-	16,200	-	16,200
Housing Allowance \$1,333/mo				
Team leader	12,000	16,000	16,000	44,000
Trainer	12,000	16,000	16,000	44,000
Credit	-	12,000	16,000	28,000
Ed. Allowance:				
Trainer (2 chldrn)	10,000	10,000	10,000	30,000
Credit	-	5,000	5,000	10,000
Storage \$100/ advisor/month	2,400	3,600	3,600	9,600
Misc. Allowances (Installations, house fix-up \$2,500/advisor)	5,000	2,500	-	7,500

**IX. WORK PLAN FOR TRAINING AND EDUCATIONAL ACTIVITIES FOR WEST BANK COOPERATIVES**

	Activity	Period	Target Groups	Number of Participants (per course)	I	II	III
<b>A.</b>	<b><u>Training of Cooperative Staff</u></b> <b>(To be held at Jordan Cooperative Institute Amman)</b>						
	1. Cooperative Management & Extension Course	Ten days	-Cooperative Extension Officers -Society Managers -Assistant Society Managers	15	One course		One course
	2. Cooperative Accounting & Auditing Course	Ten days	-Society Accountants -Auditors	15	One course	One course	
	3. Cooperative Credit, Loans & Financing Course	Ten days	-Cooperative Extension Officers -Society Managers -Assistant Society Managers	15		One course	One course
<b>B.</b>	<b>Training of Cooperative Board Members</b> <b>(including Chairman of Society Board, Board Secretary, Chairman of Control Committee and Society Cashier)</b>						
	4. Course for Agricultural Societies	One week	-Cooperative Agricultural Board Members	25	Two courses	Two courses	Two courses
	5. Course for Housing Societies	One week	-Housing Cooperative Board Members	25	One course	One course	One course
	6. Course for Cooperative Services Societies	One week	Board Members of: -Electricity Societies -Consumer Societies -Other Service Societies	25	One course (for electricity societies)	One course (for consumer societies)	One course (for other service societies)
<b>C.</b>	<b>7. Course for Handicraft &amp; Artisan Societies</b>	One week	Handicraft and Artisan Societies' Board Members	25	One course		One course
	<b><u>Specialized Training Courses</u></b> <b>(to be held on the West Bank)</b>						
	8. Cooperative Marketing	Four days	Society Staff	25	One course		
	9. Cooperative Supply	Four days	Society Staff	25		One course	
	10. Value-added Taxes	Four days	Society Staff	25	One course		
	11. Agricultural Machines	Four days	Society Staff	25	One course		
	12. Animal Production	Four days	Society Staff	25			One course
	13. Industrialization or Agricultural Production	Four days	Society Staff	25			One course

Source: The Cooperative Institute (Jordanian Cooperative Organization)

X. LOGICAL FRAMEWORK

Goal

Improve quality of life and income of Palestinian residents of the occupied territory of the the West Bank and Gaza.

Measures

- Interview with members
- Sample survey of members

Assumptions Relating Purpose to Goal

1. The Israeli and Jordanian authorities will continue to permit existence and growth of non-partisan, business-oriented cooperatives on the West Bank.
2. The U.S. and the Palestinians will continue to prefer cooperatives as a form of business organization for the West Bank due to their democratic organization and diffusion of the benefits of organization to members.

3. The constraints on Palestinian organization by the Israeli occupation authorities will not be so tight as to prevent growth and strengthening of non-partisan cooperatives.

Purpose

Strengthen existing cooperatives and assist the development of new cooperatives serving the agricultural, housing, electric power, savings and other needs of the Palestinians on the West Bank and Gaza.

End of Project Situation (three years)

1. Trained managers in charge of all "regional" marketing cooperatives.
2. Standard, computer-assisted accounting systems in use in all "regional" marketing cooperatives.
3. Effective, professionally competent extension agronomists serving the members of all "regional" marketing cooperatives.
4. West Bank produce moving from cooperative packing stations and under cooperative contracts to export markets in the Persian Gulf and Europe in sufficient volume to support the above and provide a good return to producers.

### Inputs

1. Senior Cooperative Management Advisor/Chief of Party
2. Training Advisor (one of these to be fluent in Arabic)
3. Agricultural Credit Advisor
4. Consultants on specific aspects of agricultural production and marketing, low-cost housing, local power production and distribution, cooperative education and training
5. Two-month (average) on-the-job and short course training trips to the U.S. for seven to eight cooperative leaders per year
6. Partial local cost funding for up to 200 person/weeks of in-country training workshops a year
7. Travel and per diem funding for two to three person/trips per year to the Persian Gulf and other potential export markets
8. Salaries (on a declining share basis) for five to ten agricultural extension staff of agricultural marketing and other cooperatives
9. Maintenance of a small project office in East Jerusalem

Measures .

- Project reports.

*Davidson*

(For Immediate Attention)  
PROJECT DOCUMENT AND MEETING NOTICE TRANSMITTAL

FOR ACTION: PDPR/IPD, KPeipmeier

Date 6/17/85

FROM: PPC/PDPR/SPD: ldb

SUBJECT: Project Proposal West Bank/Gaza  
Document Country Project Number  
Cooperative Development Project On The West Bank And Gaza  
Project Title

	\$	\$	\$ 2.4M	\$
	Amount	Loan	Grant	Other
	(Review)			
Project (Issues) Meeting:	Mon.	6/24/85	2:00 pm	4440A NS
	Day	Date	Time	Room No.

Executive Meeting: \_\_\_\_\_  
 Day Date Time Room No.

Other Type of Meeting: \_\_\_\_\_  
 Day Date Time Room No.

Comments of PDPR/SPD or Additional Information: The purpose of this proposal is to enhance the quality of life for the Palestinians through strengthening existing cooperatives and assisting in the development of new cooperatives serving agricultural, housing, electric power, savings/other needs of Palestinians, etc.

1. Your division is responsible for assigning a PPC Project Review officer (PRO) for this project. Please review the document and take all necessary actions in accordance with current PPC guidance (See Eriksson to PPC Staff memo "PPC's Review of PIDs, PPs, HGs and PL 480 Proposals", dated August 26, 1982.) Please provide, at the earliest, copies of any PPC staff issues paper/ memoranda (with notational comments if any made by the DAAA or AAA/PDPR) prepared on this project, citing the project number and title.

2. PPC issue papers should be cleared with the appropriate PB regional coordinator and AAA/PDPR before the Executive Committee meeting at which time PPC is expected to present its position on a project. As a general rule, bureaus are required to provide PPC with project documents a week in advance before executive committee meetings, and if possible, at least seven calendar days before issues meetings if possible. Exceptions may, however, have to be accommodated. If circumstances warrant, we may request via the AAA/PDPR, that bureaus delay executive meetings or advise them that PPC will respond within two working days after an executive committee meeting.

- Distribution:  
 PPC/PDPR/EPD .  
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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON D.C. 20523

June 17 JUN 17 1985  
RECEIVED

MEMORANDUM

TO: West Bank/Gaza Project Review Committee (PRC) Meeting

FROM: ANE/NE/TECH/SARD, Bernard J. Salvo

SUBJECT: Cooperative Development Project Proposal - Agricultural  
Cooperative Development International (ACDI)

The West Bank/Gaza PRC will meet to review subject proposal (attached), on June 24, 1985, at 2:00 p.m., in Room 4440A-NS.

The Overseas Cooperative Development Committee (OCDC), representing the key U.S. cooperative development organizations involved in international development, made two exploratory trips to the West Bank and Gaza on the possibility of becoming involved with development of cooperatives there. The first trip (March/April 1984) was completed with its own funding, and the second trip (March 1985) was funded by A.I.D. Please let me know if you wish to see the report of the first trip, "Palestinian Cooperatives on the West Bank and Gaza."

If you are unable to attend this PRC meeting, please have someone else in your office/division attend or provide me with your written comments prior to the meeting.

Attachment: a/s

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ANE/NE/PD, S. Lintner  
ANE/NE/MEUR, G. Kamens  
GC/ANE/NE, G. Davidson  
ANE/NE/PD, L. Thompson (22)

Project Review Committee  
Chairperson: Bernard Salvo  
ANE/NE/TECH/SARD, William R. Miner  
ANE/NE/TECH/SARD, Paul A. Bisek  
ANE/NE/MEUR, Ann Gooch  
ANE/NE/TECH/AD, Gary Bittner  
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