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INTERNATIONAL CONSULTING DIVISION

CHEMONICS

FINAL REPORT

AGRIBUSINESS PROMOTION PROJECT

Contract No. 517-0186-C-000297-00

Prepared for:
USAID/Dominican Republic and
Junta Agroempresarial Dominicana (JAD)

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FINAL REPORT
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I. Introduction

As early as the mid-1980s, the Junta Agroempresarial Dominicana (JAD), then known as the Junta Agroempresarial de Consultoria y Coinversion (JACC), was confronting eventual cuts in USAID support and the need to become financially self-sufficient. A 1988 analysis of the organization concluded that JAD was capable of becoming self-sufficient, but would require significant institutional strengthening and a minimum of three years to make the transition. A second phase of USAID funding to JAD in 1988 called for development and implementation of a three-year self-sufficiency plan. This phase began in October 1991 with an amendment and the original project agreement. The Chemonics/InterAmericas team was contracted by AID in July 1990 to assist JAD in the process. Additional contracts were signed with Ernst & Young for installation of an accounting system and A&I Southern Agricultural laboratory.

The project strategy focused on institutional strengthening initiatives for the first year and a half with concentration on the long-range financial planning in the second half of the project. Institutional strengthening efforts dealt with the following areas of organizational activity:

- Organizational restructuring.
- Management guidance.
- Improvement in operating systems and procedures.
- Strengthening of services and service marketing.
- Improvements in member recruitment and relations.
- Staff training and development.
- Clarification/enhancement of governance and decision making.
- Improvements in budgeting and financial reporting systems.
- Strengthening of the annual and long-range planning processes.
- Strengthening of internal and external communications.
- Development of JAD's leadership potential in policy reform.

In mid 1991, work began on the financial analysis and preparation of the long-range business or financial self-sufficiency plan. During the early phase of this process, several major observations came to light.

- JAD's accounting systems were unable to provide the type of information required to assess cost and income on a service-by-service basis. These historical figures were important to the development of five-year financial projections.

- The new focus on cost-recovery was going to have an impact on the amount of development activity JAD would be able to continue providing on its own. Hence, the mission of the organization was going to shift.

- During the three-year period allocated for the JAD to achieve self-sufficiency, a combination of cost reduction and cost recovery initiatives would have to be developed to replace USAID funding for JAD's core operations. However, efforts to increase income through membership dues and service fees would not be enough to cover all of JAD's operating expenses, if JAD continued to subsidize any developmental activity. Funding from a diversified group of donors would be required to subsidize specific development projects. Fund-raising with an eye toward long-range financial security through an endowment was also going to be essential to JAD's strategy.

What also became apparent was that the original project strategy was not the most effective for achieving project objectives. The financial analysis should have taken place at the very beginning of the three-year life-of-project (LOP) for two key reasons:

- Information revealed during the financial analysis would have been valuable to know before institutional strengthening activities had been identified and designed. In essence, the self-sufficiency plan reveals what the organization must strengthen itself to do.

- During the first year and a half, the JAD staff worked with the Chemonics/ InterAmericas consultants on the many changes and improvements required to strengthen their activities. However, when the financial data clarified the JAD's long-range needs and the significant challenge required to implement the plan, the board and staff became much more involved and motivated to respond. The rationale for change and action was suddenly quite clear.

By the end of the three-year project period, the insights derived during the financial analysis and planning portion had been integrated into the strengthening activities. While the JAD staff and membership must continue efforts to refine and implement the plan, the objectives of the project were successfully achieved.

In a separate report to USAID/DR, JAD has documented that all stated project objectives were achieved. Moreover, in most cases JAD accomplishments exceeded the project agreement, and contributed significantly to the long-term sustainability and self-sufficiency of the JAD. An excerpt from the report, presented in Annex A, provides a summary of the key accomplishments and results of the JAD project to date, with a specific focus on the projected elements of the end-of-project status (EOPS) as specified in the AID/JAD Project Agreement.

It is important to note that the contributions of the JAD staff and leadership were essential to the project's success. Extensive meetings between the consulting team and JAD personnel produced many of the strategies used to develop JAD's self-sufficiency.

Furthermore, JAD personnel made the organizational changes, conducted the membership drives, refined the financial systems, and produced the printed materials required to make the organization financially self-sufficient.

II. Background

A. Purpose and Objectives

This contract was designed to provide advisory services in institutional development work intermittently over a three-year period to the key management staff of the JAD.

The objective of the technical assistance (TA) provided by Chemonics/InterAmericas to the JAD was to focus on institutional strengthening in order to enable the organization to: (1) provide technical advice and other services to private agribusinesses producing for the export and domestic market; (2) improve the policy framework within which agribusinesses operate; and (3) operate on a financially self-sufficient basis.

Chemonics/InterAmericas professionals were to:

- Provide management guidance with emphasis on organizational development, membership relations, and communications.
- Design and implement a management information and reporting system.
- Assist with the ongoing development and implementation of a comprehensive planning process.
- Assess the training needs of JAD's key personnel and staff and design specific training programs, appropriate workshops, seminars, and short courses to fulfill training requirements.
- Assist the subsectoral committees in prioritizing the objectives, prepare action plans for each objective, assess their resource requirements, and identify and screen short-term consultants.
- Assist in developing operating procedures of the committees and training JAD's staff to perform functions for the committees.
- Assist JAD in establishing a network of trade, institutional, and technical contacts in the United States.
- Identify and screen short-term U.S. consultants needed by JAD.
- Provide guidance in the preparation of industry profiles for each subsector consisting of a list of products and enterprises with an indication of size, contribution of the industry to the economy of the Dominican Republic, foreign

exchange earnings, employment, comparative advantages, and constraints to growth.

- Prepare an annual work plan that will establish the specific tasks to be accomplished during the year and a calendar of proposed trips for each of the contractor's personnel involved in the work. The first work plan was submitted for JAD approval within thirty days of signing the contract and subsequent work plans were presented for approval in November of each year.

The contract with Chemonics and InterAmericas was signed on July 27, 1990 for $491,587 and provided for 65 person-weeks for the key advisors (provided through a subcontract with InterAmericas) and 58 weeks for other advisors. The contract was amended on October 18, 1991 to increase the level of effort (LOE) to 105 weeks for the key advisors and 68 weeks for other advisors, bringing the contract total to $678,550. All of LOE required was provided by the Chemonics/InterAmericas' team.

B. Overall Approach

Chemonics/InterAmericas devised a strategy to address the need for a broad range of assistance using several key advisors experienced in project management, including a qualified management consultant and specialists in such areas as personal computer-based management information systems, marketing of agricultural products in the United States, management planning, financial planning, association management, and communications.

The project activities were carried out in two phases: (1) analysis and assessment and (2) implementation. These were designed to develop internal business and financial plans, enhance institutional capabilities, improve and expand services, improve marketing and communications, strengthen subsector committee effectiveness, and broaden JAD's sphere of influence. The phases were implemented cumulatively, streamlining basic systems and procedures and strengthening JAD's planning capabilities in several areas, thereby laying the foundation for the work to be done to develop and implement the self-sufficiency plan. The areas of concentration included:

B1. Analysis and Assessment

B1a. Organizational/Administrative Structure. Review of the organization's structure to determine its continued effectiveness in light of JAD's membership growth and services expansion.

B1b. Financial Status. Assessment of the current financial status including membership dues, fees-for-services, and other revenues and cost analysis and financial management systems for a long-range business plan for economic self-sufficiency.

B1c. Communication and Decision-making Processes. A communications audit on the internal and external communication channels and their effectiveness.

B1d. Membership Services. Evaluation of basic services and their effectiveness, as well as identification of the unmet needs of the membership.

B1e. Membership Development and Relations. Development of new member recruitment strategies and assessment of levels of satisfaction to improve relations with current members.

B2. Implementation

Design and implementation of a comprehensive work plan, in conjunction with members and staff, to bring every aspect of the operation to the level of efficiency necessary to effect a smooth transition to sustainable self-sufficiency.

B3. Work Plan

Following are the approaches identified for the ten specific tasks as outlined in the RFP.

B3a. Activity 1: Provide Management Guidance with Emphasis on Organizational Development, Membership Relations, and Communications.

B3a(1). Financial Management and Business Plan

Financial management/cost accounting. Assistance with the development of a comprehensive cost-accounting system, which is also necessary for developing a financial plan.

Financial plan. Develop plan using data from the above analysis.

B3a(2). Organizational Development. Assist staff and volunteer committees in increasing the efficiency and responsiveness of existing member services and in identifying new membership service packages; help review and redefine staff roles and capabilities to improve overall efficiency and personnel effectiveness.

B3a(3). Membership Development. Work with staff to improve existing member services and devise strategies to increase membership.

B3a(4). Communications and Marketing. Using information from the communications audit, assist staff in developing a communications plan to introduce new technology and procedures to improve the flow of information; improve vehicles for regular communications with members; facilitate the flow of communication to and from the membership; effectively disseminate information to the press; and establish computerized mailing lists to target specific groups. Advisors will also assist JAD in improving its skills in the area of government relations.

B3b. Activity 2. Design and Implement a Management Information and Reporting System. Conduct an intensive organizational evaluation and develop systems, procedures, and training sessions to address internal and external administrative procedures, including an integrated management information system with computerized reporting and data base, financial tracking, and receivable/payable systems.

B3c. Activity 3. Assist with Development and Implementation of Comprehensive Planning Process. Incorporation of systems that build long-range planning and ongoing program assessment into the annual cycle of organizational activities.

B3d. Activity 4. Assess the Training Needs of JAD's Key Personnel, Design Training Programs and Develop Training Materials.

B3d(1). Training Components. Variety of strategies including workshops and seminars, educational tours to the United States, conferences with technical advisors, etc. for administration and staff training.

B3d(2). Material Development. Development of written materials which will give clear guidelines for future operations, as well as job descriptions, mission statements, planning documents, etc.

B3e. Activity 5. Assist the Subsectoral Commodity Committees in Identifying, Prioritizing and Implementing their Objectives. Through activities such as development of action plans, training activities, support for committee priorities.

B3f. Activity 6. Assist in Developing Committees' Operating Procedures and Training JAD Staff to Perform Committees' Functions. Training for proper staff support.

B3g. Activity 7. Assist JAD in Establishing a Network of Trade, Institutional and Technical Contacts in the United States. Identification of international and national network contacts such as the Produce Marketing Association and access to same.

B3h. Activity 8. Identify and Screen Short-term U.S. Consultants. Assist in developing procedures for assessing the technical resource requirements of the organization, as well as identifying and screening short-term consultants for JAD.

B3i. Activity 9. Provide Guidance in Preparing Industry Profiles for Each Subsector. Provide assistance and training to guide staff in developing, maintaining, and disseminating comprehensive current information concerning the subsectors.

B3j. Activity 10: Prepare an Annual Work Plan. Advice on work plans was provided.

III. Summary of Accomplishments/Results

The following are brief summaries of more detailed semi-annual reports filed with

USAID and JAD during the course of the project. Additionally, trip reports, terms of reference and SOWs were filed for all of the individual consultants to document compliance with project requirements.

A. August 12-December 31, 1990

A1. Assessment Activities

A complete assessment of JAD's executive staff was conducted and grouped into the five basic operational areas covered by the annual work plan. These include: I-Management, II-Finance, III-Membership, IV-Services and V-Communications. (Semi-annual Report I., Ad. 2)

A2. Technical Assistance and Training for the Communications Department

Key elements of TA and training for the development of JAD's communications unit were covered, including the development of an organizational structure that added a desktop publishing specialist and an audiovisual aids specialist. In addition, a basic JAD print package was developed and assistance was provided to plan and develop the communications infrastructure and audiovisual equipment needed to support JAD's communications program. (Semi-annual Report I., Ad. 3)

A complete evaluation was conducted of the publication needs and other routine functions and services of JAD's departmental units. The results were presented in a report for JAD's consideration. (Semi-annual Report I., Ad. 4)

A3. Organizational Chart

JAD restructured its administrative operation to seven departments. This eliminated duplication, resulting in more efficient and effective operational units. (Semi-annual Report I., Ad. 5)

A4. Committee Program of Work

The planning process included the JAD volunteer members involved in the 12 crop and industry sector committees. Standardized formats were developed and the respective committees prepared their annual programs of work. (Semi-annual Report I., Ad. 6)

A5. Document Control System

The planning process for the development of a document control system for JAD's administrative operations included an initial survey of existing office files in each department, and recommendations for the consolidation of the documents in a unified control system. (Semi-annual Report I., Ad. 7)

A6. Organizational Structure for Membership/Committee Operations

The agricultural private sector, represented by JAD's crop and industry sector, was reorganized to include additional committee officers. The original structure evolved to form three committees focusing on membership development programs, legislative affairs activities, and finance and collection assistance programs for JAD. (Semi-annual Report I., Ad. 8)

A7. Financial Self-Sufficiency Guidelines

An implementation guidelines manual for the development of JAD's self-sufficiency plan was prepared. The manual includes operational information on financial management, membership development, service fee generators, and other agency funding. (Semi-annual Report I., Ad. 9)

A8. Department Programs of Work

Each of the JAD departments did an in-depth planning process, based on the revised organizational structure. This included the development of a program of work and a calendar of activities for each department. Standardized budget formats were developed for the budgeting process. (Semi-annual Report I., Ad. 10 & 11)

A9. Job Descriptions

The planning process included the development of job descriptions for JAD's executive staff. The job description section of an employee orientation manual was developed for the executive staff. (Semi-annual Report I., Ad. 12)

A10. Computer Network

The consulting team assessed the present computer network and made an inventory of all hardware and software available at JAD. Recommendations were made for reconfiguration of the network system and for new network software for word processing, database, spreadsheets, and network utilities. (Semi-annual Report I., Ad. 15)

A11. Computer Training Assistance Program

Consultants evaluated the JAD staff and designed training plans that included various levels of expertise in software usage. Computer training assistance recommendations were prepared. (Semi-annual Report I., Ad. 14)

A12. Computer Tracking System

Specifications for the tracking system were developed for the database. (Semi-annual Report I., Ad. 15) An evaluation of the desktop publishing system and its configuration was prepared. Software for the network and desktop publishing system was procured. Software

and configured networks for multi-user access to all packages was installed. Consultants assisted in installing desktop publishing software and hardware, trained key personnel in use of all packages, and assisted in implementation of training plan.

A13. Communications Department Plan

An annual work plan and operating procedures for JAD's communications department were developed as well as some illustrative materials to support the implementation of the work plan. The planning process included the membership development campaign strategy and details of an image building promotion for JAD. (Semi-annual Report I., Ad. 16 & 17)

B. January 1-June 30, 1991

Considerable progress was made during this period in assessing JAD's strengths and weaknesses and in developing work plans, training plans, and new systems and procedures to improve the organization's management infrastructure and increase the synergism and efficiency of the staff work. And, while the organization progressed as anticipated, this period also represented a critical implementation phase during which the JAD staff demonstrated their ability to put newly acquired skills and tools into practice.

B1. Management

Organizational structure/role clarification. A personnel/orientation manual was developed with an organizational chart and job descriptions for each of the senior management positions. This manual also includes a description of services, activities, and organizational policies.

Team building. A major emphasis on team building was incorporated into the membership campaign that was rescheduled for the first or second quarter of 1992. The effort focused on the strategic planning process, the annual planning process, and the communications campaigns and vehicles for further team building and strengthening.

B2. Finance

Design and implementation of financial self-sufficiency plan. This process is underway and is the core element of the strategic plan and the business plan.

B3. Membership Development and Retention Plan

Extensive work was done for the design and implementation of a membership campaign originally scheduled in May.

JAD's membership roster listed nearly 600 members; however, many of these had not paid dues for a year or more. A collection campaign was initiated for overdue accounts, including a comprehensive review of the existing members and outstanding dues. Prospective members were identified, a campaign plan, database, and organizational structure

were designed, and a work plan was developed. The integrated marketing and publicity plan to help recruit 300 new members involved targeted campaign events, incentives, implementation manuals, collateral print materials, and media saturation. (Semi-annual Report II., Ad. 2) The campaign recruited new members, bringing the paid membership roster to more than 660. A more comprehensive campaign was done again in 1992, recruiting 350 new members and bringing the total membership to 1,017.

InterAmericas also provided assistance to the government relations office to identify and explore a possible grant from the Center for International Private Enterprise to enhance and support political reform activities.

Membership relations. This activity is underway and will be addressed further in the implementation of operational systems and procedures for administration, service delivery, communication, finance, management and planning, and meetings and events to enhance and market services, improve service delivery, facilitate committee meetings, and generally provide more effective and efficient services to members.

Tracking system. Specifications were designed to be used by JAD to contract local TA. Chemonics/Interamericas then monitored and coordinated this local assistance. JAD staff were oriented/trained and are now operating the tracking system.

MIS for service delivery. Based partially upon Chemonics/InterAmerica's specifications and recommendations, as well as Chemonics/InterAmerica's coordination and monitoring, JAD contracted local TA to design and develop a database system for all members, prospects, etc.

Assistance to implement service delivery support activity. Chemonics consultant, Emil Belibasis, provided assistance for determining JAD's needs and making recommendations for accessing, processing, and disseminating information to support JAD's marketing services (Semi-annual Report II., Ad. 3). Dale Key provided help in installing hardware and training personnel in the use of the computer network (Semi-annual Report II., Ad. 5). Gita Maitra provided the design and staff training for implementation of a document control system (Semi-annual Report II., Ad. 7).

B4. Services

Identify and screen consultants. Consultants in poultry farming, pesticides, and frozen food transport were identified and screened for follow-up contracting by JAD.

Expand support services to committees/members. Much of the work during the six month period was focused on preparing viable committee structures for implementation of the membership drive.

Preliminary recommendations for guidelines and procedures for committee meetings and member activities were developed.

Chemonics/InterAmericas consultants assisted the executive director in recruiting and developing terms of reference for a specialist (Mary Quinlan) to assist JAD in exploring the feasibility and alternative strategies for continuation/expansion of the APHIS program.

Design and implementation of research library database. An assessment of the information needs of the association and its members was conducted by Emil Belibasis and recommendations were submitted for modifications and enhancements that will form the basis for the research library database. (Semi-annual Report II., Ad. 7)

Develop formats and process for information service/review formats and help produce reports and services/recommend process for inter-organizational information exchange/develop contacts and help produce reports/identify contacts and help develop international network. The assessment and recommendations for enhancement of the information services comprise the first phase. A preliminary identification of information and process needs was completed, numerous international contacts were established to facilitate the compilation of important information and cultivate a broad information network.

B5. Communications

Develop and help implement communications strategy and plan. While the bulk of the strategy and planning sessions during the previous six months centered on the membership campaign, many viable recommendations for the overall communications plan surfaced during these discussions. An audit of the communications department helped to identify the unit's strengths and weaknesses and evaluate its information gathering and materials production procedures. These findings provide the basis for streamlining procedures and focusing on training needs. These elements were also incorporated in a departmental procedures manual and reflected in the overall communications strategy and plan.

Develop designs for basic materials, periodicals and special reports/provide guidance and technical support for production. Design changes for JAD publications, principally the magazine, the institutional brochure, and other collateral materials were discussed during training and TA sessions. Many of these changes are reflected in the improved design of JAD's materials, as well as in the evolution of the REVISTA AGROEMPRESA. Preliminary designs for institutional letterhead and promotional materials were also submitted to JAD but never received final approval for production.

Develop and help implement special promotion projects. The emphasis over the previous six months was on the design and implementation of a membership recruitment campaign. This effort was reduced to enable JAD to bring its skills and capabilities up to the level at which it could absorb the necessary demands on its resources and the plan was implemented.

Provide training seminars to improve communications capabilities. Curricula were designed and sessions were held in July.

C. July 1-December 31, 1991

C1. Coordination, Planning and Self-Sufficiency

Alicia Grana, a specialist from Chemonics, helped develop the strategic and financial plan. This full-time, short-term specialist worked closely with JAD to identify costs, and examine new services and potential revenue and marketing approaches. Ms. Grana's work was complimented by specialists from InterAmericas who intensified efforts to accelerate the institutional strengthening process and prepare JAD staff to assume more responsibilities after the TA contract terminated. Ms. Grana was supported by a local hire secretary/translator during this period. Also, a small office outside of JAD was established to support the increased LOE provided at this time.

Annual plan. The institutional planning process was designed for implementation during the last quarter of 1991 and first quarter of 1992. The process was incorporated into the manuals as an instrument to facilitate the planing and implementation process during the coming years.

Strategic plan. The procedures for developing the Strategic Plan were developed (July/August '91 Trip Report, Ad. 2) and the first draft was presented in September. The second draft incorporated recommendations from JAD staff and was given to the executive director in October. (See JAD files.)

Reorganization. Consultants assisted with the design and implementation of an institutional reorganization.

Self-sufficiency. A framework with corresponding recommendations was developed for the implementation of the self-sufficiency plan.

C2. Communications

Training sessions. The JAD communications specialist participated in a week of intensive training sessions in Santo Domingo. The course included an analysis of JAD's objectives, key audiences, messages, and a review of the tools and strategies that the organization has at its disposal. The products resulting from the session included: (1) a frame of reference for the design of the 1992 communications strategy (July/August '91 Trip Report, Ad. 3); (2) recommendations for improving the management and production capabilities of the communications office; (3) a communications protocol for the institution; (4) the first draft of an operations and procedures manual for the Communications Office.

The JAD communications specialist also participated in English language training for three weeks in the United States. In conjunction with this training, sessions in communications training were provided four times per week during which he and the consultants developed the initial strategy for the campaign to promote agroindustry in the Dominican Republic.

Materials development. InterAmericas wrote and assisted in the design of a 12-page brochure to promote the export of Dominican products and foreign investments in the country and wrote a brochure to promote agroindustry within the Dominican Republic.

C3. Operational Procedures

The first draft of the policy manual was completed, as were 8 of the 10 sections of the operational procedures manual executive personnel, board of directors, government relations, agricultural economics, services, management of committees, and meetings. The promotional materials from the membership department were separated to form a separate manual from that of promotions and member retention. These manuals were done in close collaboration with JAD staff, including several workshops where the staff and consulting team reviewed the materials. This process, while time consuming, assured that the JAD staff agreed with the approach being taken and thus the final products (the handbooks themselves) should be seen as an integral part of how JAD operates.

C4. Document Control

Consultants designed and implemented a system of filing and codification for the organization, including a guide to assist secretaries with the design and installation of their respective systems and a general systems and procedures manual for the document control system. (July/August '91 Trip Report, Ad. 4,5,6)

C5. Management Information System and Desktop Publishing

Training guides were produced for Wordperfect and Lotus, including a training and evaluation guide, a guide for users, and an outline to track the progress of the training. Additionally, three WordPerfect courses were designed using the training guide as a basis. (July/August '91 Trip Report, Ad. 10)

Chemonics' graphic specialist made recommendations on how to improve the magazine, AGROEMPRESA. (July/August '91 Trip Report, Ad. 9)

Recommendations were also given for uniformly formatting institutional communications and for producing electronic letters. (July/August '91 Trip Report, Ad. 9)

C6. Preinspection Program

The visit of consultant Mary Quinlan was arranged for the purpose of collecting information to help evaluate the preinspection program. A thorough review of the research and reports was done, and the consultant met with numerous users of the program. The results of the site visit were included in her report and memorandum, which highlighted information about the actual condition of the program and indicated various options and conditions necessary for continuing the program. (July/August '91 Trip Report, Ad. 11)

C7. Finance

The first draft of the finance and accounting study was submitted by Ernst & Young and, with their input, a cost center framework was designed for JAD. (October '91 Trip Report, Ad. 6)

A methodology was also developed to explain how to combine several spreadsheets using Lotus 123, as was a framework for developing departmental budgets for the Annual Planning and Budgeting process. (October '91 Trip Report, Ad. 7)

C8. Government Relations

Training. The JAD director of government relations took a trip to the United States to meet with several attorneys and other experts in the area of legislative relations in New York City, Washington, D.C., and Miami.

D. January 1992-August 1992

D1. Planning and Institutional Strengthening

The JAD staff held workshops and developed the annual plan and self-sufficiency plan with the guidance of the Chemonics/InterAmericas consultants. The consultants submitted several reports with recommendations and for presentations to the board of directors. (January '92 Trip Report, Ad. 2 & 3)

Strategies were also prepared to secure sponsors and raise funds for the new auditorium (January '92 Trip Report, Ad. 4,5 & 6), as well as for development of the JAD Foundation.

Monitoring and consultation were provided for the organizational restructuring and the implementation of the self-sufficiency work plan, both of which progressed as scheduled. A standard format and specific recommendations were also developed to aid in tracking the progress of the plan. (January '92 Trip Report, Ad. 1)

Chemonics/InterAmericas helped prepare a presentation to USAID explaining that, according to the self-sufficiency plan, the organization had already developed a strategy to support the program of services without the use of donor funds to support basic administration and operations.

JAD was assisted in developing a strategy for special projects in support of the self-sufficiency plan. Consultants helped identify various USAID projects in which JAD might play a role. This information was presented to JAD in order to initiate the development of strategies and recommendations in response to these opportunities. (April '92 Trip Report, Ad. 1)

D2. Government Relations

Forestry expert Dennis McCaffrey conducted a workshop and conference with Dominican legislators to discuss national forestry issues and related legal and legislative processes and problems. (January '92 Trip Report, Ad. 8)

The government relations responsibilities of the staff were discussed and a strategy and work plan were designed to incorporate their participation in this area during the following four months and develop the 1992 government relations activities into a detailed action plan.

D3. Management Information Systems

Installation of the new accounting system was completed and recommendations for use/maintenance were developed. (May/June '92 Trip Report, Ad. 3)

The following were also accomplished in the area of MIS:

- Evaluation of MIS and tracking systems, with recommendations for the implementation of additional databases.
- Training on the use and administration of the network.
- Assisted with the design and evaluation of the tracking system.
- Assisted with the annual planning process and preparation of the budget and changes to the information system in order to accommodate these changes.
- Evaluated the desktop publishing system and assisted with refinements and installation of hardware and software for same.
- Developed various training documents, users guides and a style manual.

D4. New Building

Assistance was provided in the identification of fund-raising sources for the new building, as well as with strategies for completing the structure and ensuring the best use of the available space. Alternative uses for the building were also explored to supplement funding sources.

D5. Operating Procedures

A detailed system of meetings and reports was developed to streamline the preparation and scheduling of routine reporting activities. (April '92 Trip Report, Ad.II)

A workshop was held to help improve the staff's ability to work with committees. (May/June '92 Trip Report, Ad. 2)

D6. Membership

An updated manual of the membership campaign materials previously produced by Chemonics/InterAmericas was compiled for JAD membership director Martha Fernandez to assist with the implementation of a new membership campaign. This included a format for tracking the progress of the campaign and a system for coordinating and scheduling membership activities, meetings and other events.

D7. Fund-raising

Preliminary guidelines were drafted for the JAD Foundation. General recommendations were provided for future fund-raising programs and alternative sources of funds. (July/August '92 Trip Report, Ad. 3)

IV. Observations and Recommendations

A. Summary of Special Observations and Lessons Learned

Sequencing activities in a self-sufficiency project. The project strategy called for a general strengthening of JAD's capabilities before attempting the transition to financial self-sufficiency. After approximately one and a half years of overall strengthening work, the financial analysis began in order to develop the self-sufficiency plan. It was this process that highlighted the cnallenge facing the organization. The result was a marked increase in board and staff attention to project activities and in their motivation to achieve the objectives. The rationale for change was clarified. In addition, the self-sufficiency plan sets direction for organizational change, from the mission to the structure to the financial and administrative systems. Therefore, the Chemonics/InterAmericas team concluded that development of the financial plan should be the first step in a project of this nature.

Self-sufficiency requires a shift in focus and mission. The heart of financial self-sufficiency in a member and service organization such as the JAD is market orientation—a clear focus on membership recruitment, relations, and services. Organizations heavily funded by a single donor naturally look to the donor as a source of direction and identification of priorities. The focus must move from the donor to the market or constituency being served. Like a private sector business, the organization must take its direction from those who support its activities. This shift has a major impact on the mission, services, the organizational structure, and decision-making processes. Every one on the staff has to become more outward looking. Two-way constituency communication becomes critical. In essence, a different organization has to be created.

Phases of development as a factor in self-sufficiency planning. As the impact of financial self-sufficiency on the mission was under analysis, it became apparent that JAD's ability to engage in developmental activity would be affected. Development activity, by definition, is not commercially viable and does not lend itself to 100 percent cost recovery.

Work was done during the project to establish an evaluation process, placing services

and project activities on a scale from pre-developmental to high commercial. Activities in the pre-developmental (needs identification and assessment) and early developmental phases are costly and usually provide no financial return. As activities move along the developmental scale, fees may be added and gradually increased as the beneficiaries see returns on their investment. This phasing in of a fee structure is particularly necessary when dealing with small and medium enterprises in a developing economy.

JAD had to establish an income base which enabled them to subsidize some activities through income derived from other non-developmental activities. This need to subsidize certain services coupled with the expense of running the core operations made it apparent that if developmental services were to be maintained, continued donor support from a variety of sources was essential.

AID in general has not consistently recognized this dilemma. In Costa Rica, USAID's creation of FUNDEX, an endowment to ensure continued support to CINDE's developmental activity, is one effective approach to the problem. Another is to continue supporting developmental projects through organizations like JAD with the understanding that funding should cover overhead expenses incurred by project activities and should continue until subsidies can be phased out and cost recovery phased in.

Service installation, pricing and marketing. A key to cost recovery is effective pricing and marketing of services. Part of this process, as described above, involves assessing the service's placement on the development-to-commercial scale. Other aspects include analysis of the market profile (the number, level of need and ability to pay) and analysis of competition (other service providers in the region). But most important is the analysis of cost to the organization to provide the service, both direct and indirect.

As the Chemonics/InterAmericas team began to assess the service menu, several issues became apparent.

- Activities initially viewed as "money makers" for JAD, such as the laboratory and the Aphis program, had high up-front costs and a longer developmental cycle before generating sufficient income to cover their costs. More realistic assessments of service development and installation costs are required both by donors and by organization staff.

- Services that were heavily subsidized by USAID, such as one-on-one TA, had to be dropped from the menu. Other services required fee increases, all of which affected service use and member attitude. Communications was required on two levels: (1) to convey the rationale for fee increases and (2) to begin aggressively marketing services to all potential users.

- Quality and accessibility of services became a more important factor when higher fees were charged.

- Systematic collection of fees became a higher priority and procedures had to be developed to improve billing.

- JAD's financial accounting system was considered to be adequate to meet the reporting requirements of USAID, but was incapable of assessing costs and tracking service use in the manner required to set prices accurately and to monitor on-going cost recovery.

Systems for tracking and monitoring costs and income. Planning and implementing a financial self-sufficiency plan requires accounting systems which are capable of tracking expenses and income on a service-by-service, project-by-project or cost center basis. As indicated above, this is essential to pricing, billing, and evaluating service use. It is necessary if projects' expenses are to be separated from the organization's core operating expenses. As USAID works with other organizations, even those in the earliest stages of development, they need to establish the capability to monitor cost recovery.

Bottom-up planning to maximize participation and service use by members. Donor-supported organizations traditionally tend to be guided by USAID's project objectives/priorities with an emphasis on the role of the technical staff to plan and implement activities. The board of directors tends to fill the role of trustee. The new emphasis on constituency relations and service use required greater participation by the membership in all activities of the JAD, but particularly in the planning process. Members' needs had to take on greater importance when identifying new projects, services and activities. Sector and sub-sector committees became a vital component in JAD's planning and priority setting. The board took on a stronger leadership role, assuming some of the guidance previously provided by USAID. JAD's annual planning process was redesigned to draw more input from the members. Their input is now refined and synthesized by the staff and then approved, first by the board and then by the membership, completing the cycle.

Intensification of the decision-making process. With a decline in resources, decisions became more discriminating and more proposed activities had to be rejected. The decision-making process was intensified with more people seeking access to fewer resources. It was necessary to clarify and refine how decisions were made and conveyed through JAD. Criteria were established for setting priorities. Systems were devised to improve information dissemination within the staff and membership. In addition, procedures were outlined to formalize board operations, particularly with regard to how issues can be presented for board consideration. These activities opened access to decision making and demystified the process for members. Simultaneously, changes had to be made in how meetings were managed and responsibility delegated in order to allow more time for issue analysis and decision making.

Need for clear picture of membership status and systems to track billing and payments. When the project began, JAD had a membership roster of nearly 600, all of whom received free copies of periodicals and had access to services. Closer scrutiny revealed that many had not paid their dues in a year or more. Systems were needed to track membership payments, periodically clear out active rosters, and draw lapsed members back into the organization. Before beginning a large-scale membership drive, records were up-

dated and billing procedures refined. The drive, initiated in 1992, brought in 350 new dues paying members increasing income. Continual, systematic management of the membership roster is required in order to implement the long-range self-sufficiency plan.

The importance of policy reform in a membership-based organization. As the Chemonics/InterAmericas team looked at service use, it became clear that the larger enterprises, which are important to the economic survival of JAD, were not big service users. For the most part, they had their own means of acquiring information, training and TA. However, the role of JAD as a powerful constituency base when dealing with policy reform and government relations was a strong attraction to them. Up to this time, JAD had engaged in limited policy-related activity, particularly in the area of sector agenda setting and overt policy advocacy. Activities were outlined for JAD to elevate its leadership profile in the policy arena. Policy meetings attracted considerable participation from the members and funds were donated to pay for advocacy activities.

The role of fund-raising in a long-range self-sufficiency plan. As previously stated, income beyond membership dues and fees for service is necessary to fund core operations and subsidize developmental activities. Three important types of fund-raising activity were identified for JAD:

- International donors continue to be important to support development projects. JAD must position itself to acquire funds from a broad base of donors, minimizing dependency on a single source.

- Some activities and projects should be funded in-part by the beneficiaries. An example is the previously described contributions to policy advocacy.

- On-going fund-raising efforts are needed to establish and build an endowment. Only earnings from the investments should be spent, providing a secure source of income in perpetuity.

The role of communications in a market-oriented organization. Communications continued to arise as an important ingredient in the self-sufficiency plan. Internally, communications affected decision making, efficiency, staff motivation, and member involvement. Communication is a key ingredient in service promotion and sales, member relations, and policy agenda-setting. Externally, communications plays a vital role in JAD's impact on its environment - the government, the export community, and non-members throughout the sector. Communication is important when building coalitions to change policy and in raising funds from a diversified donor base. The Chemonics/InterAmericas team strengthened JAD's communication capability both within the communications unit and throughout the staff.

Self-sufficiency requires a period of transition. It is important that everyone adopt a realistic perspective on the time and effort required to transform an organization like JAD from dependance on a single donor to a functioning network of varied income sources. Development of the comprehensive plan takes from four to six months of assessments and

decision making. Implementing the plan will vary depending on the previous level of donor assistance, the scope of the organization, the level of constituency involvement, and many other factors. Three-to-five years is a reasonable average. When charging an organization with the task of making the transition, funding mechanisms should be devised to gradually phase out donor support for core operations while continuing to support development projects and their overhead costs.

B. Recommendations Regarding Unfinished Work and/or Program Continuation

B1. Recommendations to JAD

First, it is important to emphasize the significant progress made by the organization's staff and leadership. Many of the more difficult aspects of the transition are well underway. However, it is critical that implementation of the self-sufficiency plan be viewed as a long-range and on-going process, especially in the following areas:

- **Monitoring financial projections and making adjustments.** Due to inadequacies in the financial accounting system, historical data on costs was not precise--forcing an approximation of the calculations used to develop the five-year projections. As systems are refined, data will become more accurate. Efforts to make production more efficient and to increase service use will have an affect on per-unit costs. Inflation will also affect costs. In addition, income projections were based on predicted increases in membership, dues and fees. The financial charts prepared for JAD on Lotus can be easily adjusted periodically. Changes in cost and income will automatically flow through the charts demonstrating changes in the bottom line through the remaining years. Likewise, the shifts in financial projections will have an impact on organizational strategy and decisions.

- **Membership relations and recruitment.** As previously described, the size and active involvement of the membership is the most important key to the success of the self-sufficiency plan. JAD staff must continue listening to their membership when planning services and activities. Member needs and priorities will continue to evolve and JAD should be prepared to continually adjust their service menu and priorities in a comparable fashion.

- **Fund-raising.** Detailed strategies and plans for the three aspects of fund-raising described above should be developed and implemented and routinely updated in order to meet the financial projections in the five-year plan. Most important is the endowment and the building of relationships with other international donors.

B2. Recommendations to USAID

Many important lessons were learned during the course of the project that should be applied to similar self-sufficiency projects with other organizations attempting to decrease dependency on a single donor. Below are listed the two which most directly affect future self-sufficiency activities by USAID.

- Changes required in the organization to make the transition to financial self-sufficiency are quite significant. A very different organization must emerge. The time required to complete the transition will depend on a variety of factors and will probably not be predictable until after the financial analysis and design of the self-sufficiency strategy. It takes four-to-six months to develop this plan. Once the transition period is identified (probably a three-to-five year period), assistance will be needed to bridge the financial gap. A phase-out of financial support should be implemented, not a complete shutdown of support on a given date.

- Consideration should be given to continued support for developmental activities. USAID should view institutions as self-sufficient when they no longer require AID funding to their core operations and core services. However, developmental projects should continue to be implemented through the organization with AID funding for both direct and indirect costs incurred by the project. By being financially self-sufficient, the organization is in the best position to offer and sustain benefits from developmental activity long after AID funding is phased out. This has been the principle reason from the very beginning for using private sector organizations as implementing agencies.

V. List of Key Documents and Materials Generated during the Project

All of the following reports and addenda items are available in the files of USAID and JAD.

Semi-annual Report I

Annual Work Plan for Project - Ad. 1
Evaluation: Management, Finance, Membership, Services and Communications - Ad. 2
Communications: Print Package and Audio-Visual Needs Ad. 3
Publication Needs - Ad. 4
Revised Organizational Structure - Ad. 5
Committee Programs of Work - Ad. 6
Document Control Recommendations - Ad. 7
Committee Organizational Structure Chart - Ad. 8
Self-Sufficiency Guidelines Manual - Ad. 9
Departmental Program of Work - Ad. 10
Budget Forms - Ad. 11
Job Descriptions - Ad. 12
Network Recommendations - Ad. 13
Computer Training Recommendations - Ad. 14
Specifications for JACC Tracking System and Data Base - Ad. 15
Communications Plan and Supporting Materials - Ad. 16
Membership and Image Campaign Outlines - Ad. 17

Semi-Annual Report II

Membership Campaign Plans - Ad. II
Marketing Services Support Report, E. Belibasis - Ad. III
Computer Network Training Outline - Ad. IV
Document Control System - Ad. V
Recommendations for Modifications for Research Data Base, E. Belibasis - Ad. VII
Membership Recruitment Campaign Plan - Ad. VII

July/August 1991 Trip Report

Planning Process Graphics - Ad. I
Strategic Planning Procedures - Ad. II
Training Session for Communications & 1992 Communications Framework - Ad. III
Document Control Guidelines - Ads. IV, V, VI
Computer Training Guide - Ad. VIII
Graphics Recommendations for Magazine and Formats for Institutional Communications - Ad. IX
WordPerfect Training Programs - Ad. X
Preinspection Report - Ad. XI

October 1991 Trip Report

Reorganization Outline - Ad. II, III
Strategic Plan - Ad. V
Cost Center Hierarchy - Ad. VI
Spread Sheet Combination - Ad. VII
Departmental Budget Guide - Ads. IX, X
Agroindustry Brochure - Ad. XI
Format for Manuals - Ad. XIII

January 1992 Trip Report

Self-sufficiency Charts and Board Presentation - Ad. II, III
Responsibility Centers - Ad. I
Fund-raising Strategies for JAD Auditorium - Ads. IV, V
Recommendations for JAD Foundation - Ad. VI
Forestry Workshop and Conference - Ad. IIX

April 1992 Trip Report

Strategy for Special Projects and Support for Self-Sufficiency Plan - Ad. I
Meeting and Reporting System - Ad. II
Accounting System Recommendations - Ad. III

May/June 1992 Trip Report

Preliminary Guidelines for the JAD Foundation - Ad. I
Staff Workshop on Working With Committees - Ad. II
MIS Accomplishments - Ad. III

July/August 1992 Trip Report

Recommendations for Participation in Other USAID Projects - Ad. I
Tracking Recommendations for Self-Sufficiency Plan - Ad. II
Recommendations for Fund-raising Programs and Identification of Fund-raising Sources - Ad. III

ANNEX A
END OF PROJECT STATUS

In every instance, JAD reached all of the stated project objectives, and in most cases the institution exceeded these objectives. The JAD carried out objectives not specified in the EOPS that contributed significantly to its long-term sustainability.

Following is a summary of the key accomplishments and results of the JAD project to date, with a specific focus on the projected elements of the EOPS as specified in the USAID/JAD Project Agreement.

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LOGICAL FRAMEWORK REVIEW - December 1992
Agribusiness Promotion Project

PURPOSE: Institutionally strengthen JAD so that it can provide technical advice and other services to private agribusinesses producing for the export and domestic market and to improve the policy framework within which agribusinesses operate.

EOPS PROJECTED	EOPS TO DATE
JAD operating without need for external financing.	100% self-sufficiency achieved by December 1992.
Membership services.	Total membership reached 1,017.
TA.	1,698 members served. 136 experts contracted to provide TA.
Preinspection.	218 members served; 15,328 containers inspected.
Agricultural laboratory.	Completed and operational by end of 1992.
Communications/Information.	
Revista Agroempresa.	40 editions published.
NotiJAD.	14 editions published.
MIP Informativo.	3 editions published.
Días de Campo.	18 held.
Encuentros Agroempresariales.	15 were held and attended by 6,250 agribusinessmen.
Regular newspaper.	456 press releases articles, ads, etc. issued; 37 full-page articles published; 187 promotional ads published.
Other accomplishments not projected.	7 visits to the Dominican Republic organized for foreign investors and buyers, resulting in millions of dollars in export sales. Developed operating policies and procedures manuals that increase efficiency effectiveness, etc. Opened office in Santiago which extended national outreach and presence.
Policy dialogue underway.	Active participation in policy issues through newspaper articles and position papers summarizing JAD's perspective and through participation in public policy forums. Successes include: the elimination of laws limiting the export of coffee and cacao; the simplification of government procedures to facilitate/expedite imports and exports; and the elimination of exchange surcharges for imported equipment and materials.

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OUTPUTS:

Indicators Projected	Indicators to Date
Service delivery.	
TA to 400 members.	1,698 members served. 849 consultancies provided.
Preinspection of 2,000.	15,328 containers inspected.
Agricultural laboratory functioning.	Operational by end of 1992.
11 subcommittees.	12 committees functioning.
Management information and accounting systems functioning.	Functioning since early 1992.
Increase membership dues/fee structure as part of financial self-sufficiency plan.	By-laws revised to increase funds generated from membership dues. Fees-for-services structured for maximum cost recovery consistent with self-sufficiency plan.
Staff increase from 18 to 32.	JAD staff increased to 32, not counting MIP & preinspection staff.
Personnel trained per year.	
5 JAD staff. 3 SEA inspectors.	6 JAD members trained. In-country training for SEA is 3.

INPUTS:

Original Budget	Expenditures to Date
$492,000	JAD will utilize all budgeted funds by end of 1992.
Contract amendment dated October 18, 1991 increased budget amount by $187,000 to $679,000.	

KEY ASSUMPTIONS:

Statement	Comment
1. Policy climate for agri-business does not deteriorate.	The current situation is slightly better than at the beginning of the project.
2. Sector produces at competitive prices.	Devaluation and current stability of peso have proven to be important.
3. JAD management and staff continue effectively; board interest remains strong.	Staff functioning well; board interest high.
4. Staff commitment.	Staff interest and commitment to JAD mission remains strong.
5. Effective selection of TA.	Delays in selection and outside installation of accounting and management information systems initially hindered operations but systems are now operational to facilitate routine selection of outside TA.
6. Funds available for timely disbursements.	GODR and AID funds not always available for disbursement; JAD budget process initially ineffectual, but improved substantially in final two years of project.

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