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**EVALUATION OF THE
IWACU COOPERATIVE TRAINING
AND RESEARCH CENTER PROJECT**

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Rural & Regional Income Generation &
Resources Management IQC**

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LIST OF ACRONYMS

ADF	African Development Foundation
AID	(U.S.) Agency for International Development
BACC	Cooperative Commercialization Service
BP	Banques Populaires
CAU	Consulting and Advisory Unit
CLUSA	Cooperative League of the U.S.A.
CTRC	Cooperative Training and Research Center (IWACU)
DS	Documentation Service
EOPS	End of Project Status
FRw	Rwandan franc (US \$1.00=FRw 140, November 1993; US \$1.00=FRw 70 prior to 11/90 devaluation of FRw)
GOR	Government of Rwanda
INADES	Institut Africain pour le Developpement Economique et Social
IWACU	Cooperative Training and Research Center
KOPISYAHKA	Cooperative Union of Kibungo
MIJEUMA	Ministry of Youth and Cooperative Movement
MIS	Management Information System
NCBA	National Cooperative Business Association
NGO	Non-governmental Organization
PDAG	World Bank-funded project in Gikingoro
PVO	Private Volunteer Organization
RDU	Regional Delegation Unit
S ₀ CC	Support Office to Commercial Cooperatives
SOW	Scope of work
TU	Training Unit
USAID	U.S. Agency for International Development

EXECUTIVE SUMMARY

This evaluation took place from October 26 to November 12, 1993, with the objective of reviewing a variety of issues regarding the organization and staffing, financing, and program impact of the Rwandan Cooperative Training and Research Center (IWACU), its subgrant from the National Cooperatives Business Center (NCBA), and the USAID grant to NCBA. This Executive Summary will highlight general findings of the evaluation, set out our major recommendations *in italics*, and discuss some lessons learned.

Impact. It is difficult to directly assess IWACU programs' impact on coops, due to many other variables—such as weather and agricultural prices—that come into play; nevertheless, visits, interviews, and documents attest to the fact that IWACU is having a positive effect. By helping coops prepare business plans, brokering access to credit, and providing management training, IWACU has helped coops **increase revenue** and has contributed to their sustainability; moreover, **social benefits** have been generated by giving coop members experience in the democratic process, enhancing their credibility in the community, and fostering an exchange of ideas leading to new initiatives.

Women account for 30 percent of IWACU's participants, and they benefit through greater earnings, more interaction with other women, greater confidence to speak out in the community, and access to credit otherwise unavailable. Since coops are in the private sector, IWACU is also contributing to private sector development, and stimulating new business by "pioneering" new activities.

We now turn to our findings and analysis regarding various IWACU units and pertinent issues.

Training Unit. Field visits and interviews demonstrate that IWACU training is widely applied, especially regarding the way meetings are conducted, minutes are kept, and coop finances are managed. On the other hand, the impact of IWACU's management training has been limited, largely because it is overly generic and rarely addresses specific needs. The major shortcoming of IWACU training programs is that they do not follow a systematic approach combining needs assessment, development of management tools adapted to specific economic activities, development and documentation of training materials, and regular follow-up. They also rely primarily on a lecture approach, which leaves much to be desired for adult education. *We consequently recommend developing a systematic training approach and conducting a comprehensive Training of Trainers workshop for IWACU staff.*

Consulting and Advisory Unit (CAU). IWACU set up a loan guarantee fund with ADF funding in 1986, which acted as a broker with the Banques Populaires (BP), referring coops for loans and providing a financial guarantee. The fund operated with some success through 1991 but was depleted by 1992 due to bad loans made in 1989 and 1990; no loan guarantees have been made since. The problems were attributed to lack of follow-up by

IWACU and Banques Populaires, and the fund was also seen as promoting minimal commitment from BP, IWACU, and borrowers, since they all felt they had nothing to lose. *We recommend that the IWACU limit itself to "character reference guarantees" in the future and to encourage self-financing by the coops.*

The Support Office to Commercial Cooperatives (SOCC) was set up in 1990 to help coops purchase and sell agricultural commodities; it has evolved, however, into a subunit of CAU that collects and disseminates information on agricultural prices. It has been plagued with difficulties with data collection personnel, inaccurate information, and problem solving. *Key recommendations are to review techniques of data collection, develop an action plan, reduce turnaround time, assess interests of end-users, and reorient the program or abandon it altogether if it proves unfeasible.*

Regional Delegation Units. The three regional delegation units (RDUs)—in Gisenyi, Cyangugu, and Gikongoro—are playing an effective role in coop development through more aggressive follow-up and on-the-spot ability to identify local needs. IWACU's strategy is to continue its decentralization, although it is likely to have trouble getting current Kigali staff to move to the regions. *Our recommendation in this regard is two-pronged: setting up a multi-year calendar with anticipated dates for Kigali staff to move, and seeking funding sources for the decentralized units to develop a sustainable funding base.*

Organization and staff. IWACU's organizational strengths include internal evaluation and control systems, a well-educated staff, openness to questioning and criticism, an efficient Restaurant and Lodging Unit, and financial reserves. Weaknesses include overly compartmentalized units, the relatively low status of regional delegation heads, high overhead costs, and the lack of a diversified funding base. *The evaluation team recommends combining units and developing multi-disciplinary teams for research, systems development, training, and follow-up. Also, IWACU should gear itself to handle "activity" as opposed to "institutional" grants, pursue a more diversified funding base, increase the status of RDU heads, and consider streamlining through attrition to reduce overhead.*

Financial self-sufficiency. Self-sufficient income should be the "margin between revenues and costs associated with 'income-generating activities' of the institution as well as contributions from beneficiary groups." It should not be considered a "percentage of total revenue," the current definition used by IWACU and several of its funding organizations. IWACU's very mandate has it working with groups without the means to pay for professional services and who need outside funding. *Thus IWACU should not be held to self-sufficiency, but it should analyze cost and revenues for purposes of control.*

Findings regarding NCBA interventions. NCBA has provided a variety of short-term technical assistance, including computer training, pedagogical training, participation in the IWACU general assembly meeting, and general advice on grant and monitoring issues. Both the IWACU staff and the evaluation team found such interventions useful. NCBA should have done more, however, to shore up IWACU's training and follow-up programs, as these constitute IWACU's principal services to coops, and to give IWACU an effective training methodology.

Cost-effectiveness of IWACU programs. Quantifiable benefits of IWACU's programs measure increases in coop revenue, while non-quantifiable benefits gauge social, economic and policy benefits. Based on these criteria, the quantifiable benefits are negligible, but are counterbalanced by significant non-quantifiable benefits. Overall, albeit with room for improvement, IWACU programs are cost-effective.

Success in meeting outputs. Output targets specified in Amendment 7 were generally met except for the number of participant training days (74 percent achieved), the shortfall due primarily to civil strife in the north. These outputs were not always appropriate—the emphasis on numbers trained detracted from follow-up and implementation in the field.

Recommendations for Future Funding. *IWACU could benefit from funding to develop its training methodology, training programs grouping similar coops, activities geared towards small coops, sub-contracting of technical services to coops, and a costing system for contracts. Funding should not be provided for promoting coop unions, loan guarantee funds, or institutional management issues.*

1989 Evaluation Follow-up. An evaluation in 1989 focused on procedural issues through Phase II of the grant agreement; as a backdrop to the present evaluation, we examined progress toward meeting its recommendations. IWACU did in fact implement some of them, including a limited MIS, an increase in salaries, a training program for coop field agents, and progress with the regional delegation units. It was not able to—or decided against—instituting others, including cost recovery systems, promotion of unions, an information network for agricultural prices, and a comprehensive MIS.

Lessons Learned. In addition to the findings given above, lessons learned include:

- Progressively withdrawing technical assistance from an indigenous organization such as IWACU is a good strategy as long as it has the fundamental skills it needs to run its programs. Until that time, the necessary technical assistance should be provided.
- USAID's hands-off policy regarding grants is understandable. It is important, however, that the local implementing agency have someone available locally for discussing program issues.
- IWACU should not develop excessively compartmentalized units, as these detract from the continuity of operations and integration of activities.
- Training activities should emphasize application in the field as opposed to theory. Training organizations need to go beyond generic training and adapt their programs to specific needs—for example, those of individual economic activities.
- Program outputs should be designed to encourage implementation in the field, not just tabulate numbers of people trained.

SECTION I INTRODUCTION

A. Objective

The objective of this evaluation was to review a variety of issues relative to the Cooperative Training and Research Center (IWACU) cooperative training center, its subgrant from the National Cooperatives Business Center (NCBA), and the USAID grant to NCBA. Issues reviewed include IWACU's impact on cooperatives, its training and consulting methods, its organizational structure and staff, and the cost-effectiveness of its programs. We also reviewed the effectiveness of NCBA assistance and recommended future forms of funding to IWACU.

In addition, this evaluation focused on IWACU's efforts to implement the recommendations from the Phase II evaluation. It is worth noting that the focus of the 1989 evaluation was on monitoring and evaluation, cost recovery methods, the loan guarantee fund, and miscellaneous administrative issues, whereas the present evaluation concentrates more on organizational structure, the impact and weaknesses of the training programs, financial self-sufficiency, cost-effectiveness, and the training and follow-up process. In general, it focuses more on IWACU's future now that the grant agreement has ended.

We also reviewed IWACU's success in meeting targeted outputs under the subgrant to NCBA, and responded to more than 30 specific questions from USAID in the scope of work.

B. Methodology

This evaluation took place in Rwanda from October 26 to November 12, 1993. Research began in Washington with a review of documentation on IWACU and visits to NCBA and the cooperatives support unit at AID's PVO office. Upon arrival in country, we held meetings with USAID to review the scope of work and set up meetings, followed by visits to a variety of organizations familiar with IWACU and its programs. We continued reviewing documentation throughout the assignment.

We held meetings at IWACU, first with its senior staff as a group, then individually; meetings were also held with all of IWACU's operational units. This was complemented by visits to nine different cooperatives in four different prefectures (Kigali, Gisenyi, Gikongoro, and Butare). We visited two of IWACU's regional units, and met all of the regional unit heads in Kigali.

Report writing began in week 3, and a draft report was submitted to USAID Rwanda on November 11. A debriefing was held with senior IWACU staff on November 8 and another with the mission prior to our departure on November 12. Final comments from the mission were sent to Washington where they were included in the report.

The evaluation begins with a brief Introduction and Methodology, followed by an analysis of Actions Taken to Address Recommendations from 1989 Evaluation and Project Outputs, and Program Impact. We then discuss IWACU's major groups in the Training Unit, Consulting and Advisory Unit, and Regional Delegation Units sections, followed by Organization/Staff, and sections on Financial Self-Sufficiency, NCBA Interventions and Cost-Effectiveness. Recommendations for Future Funding is the final section.

C. Acknowledgements

The evaluation team would like to thank all those who helped make this a successful mission. The USAID project development officer provided valuable support to the team throughout the assignment, and the USAID project manager for IWACU provided the team with useful insights and documentation. The IWACU staff made great efforts to accommodate our visits despite their busy schedules and a yearly planning meeting that took place during the second week of our stay. Thanks are also in order to the Chemonics support staff who prepared us well and kept in touch with us in the field.

SECTION II
ACTIONS TAKEN TO ADDRESS RECOMMENDATIONS
FROM THE 1989 EVALUATION

In 1989, IWACU was evaluated to assess project effectiveness and constraints in meeting EOPS. The following is a brief synopsis of each recommendation and action taken.

A. The Center

Recommendations

Action Taken

The Center should continue to pursue efforts to diversify revenue sources.

The Center has tried to diversify revenues but with limited success.

The Center must pursue other avenues to recover costs for services.

Cost recovery for services to beneficiaries outside of current charges for lodging and meals was seen as unrealistic and was not instituted.

The Center should install a database management system that includes at least the impact data recommended in Annex C.

Efforts have been made to begin a database management system but it is incomplete. A filing system exists for field visit records.

The Center should study the current workload of the staff to evaluate whether additional personnel are needed in the technical units.

After reflection, Center's unit coordinators decided to hire more staff.

Conclusions from the employee compensation study that the Center is currently undertaking should be immediately implemented in an effort to address staff workload.

The employee compensation study was completed and approved by the Board of Directors. Salaries were raised in both 1991 and 1992 to lower staff turnover.

The Center should continue to cultivate a collaborative relationship with GOR and other development organizations. It also must continue to play a proactive role promoting the Rwandan cooperative movement.

The Center has continued to cultivate collaborative relationships with the GOR. MIJEUMA is on the Board of Directors, but participation depends on the individual assigned to the post.

If USAID chooses to directly fund the Center for a Phase III, USAID should take a more active role in following the activities of the Center.

Since this is a grant agreement, USAID pursued a "hands-off" policy and relied on NCBA for any coordination and intervention.

The Center must continue to dedicate resources and time to the establishment of regional delegations.

Three regional delegations are now operational.

The promotion of associations and unions and eventually a federation of cooperatives is a long-term objective of all Center activities and should be emphasized in all training and follow-up activities.

The promotion of unions is seen as an undesirable goal at this time due to the Center's negative experiences with unions in the last few years.

B. The Consulting and Advisory Unit (CAU)

Recommendations

Action Taken

The Center as a whole and the unit in particular should concentrate efforts on measures to reduce staff turnover and accelerate current staff training.

Turnover rate of staff has been reduced in the last two years.

CAU staff must adequately plan to submit loan documentation in a timely fashion. In addition, a tracking system should be implemented.

Documentation was not submitted to the Banques Populaires in a timely manner since no new loans were being approved. No need for tracking system to monitor loan approval process.

The Center should continue to pursue policy discussion with Banques Populaires and other organizations to enlarge the existing guarantee funds. In addition, the union Kopishyaka, which borrowed 75 percent of funds available under the Center's guarantee for its coffee campaign, should be moved to a different sort of loan program.

The Loan Guarantee Fund was not expanded because it had been depleted. Kopishyaka defaulted on its loan.

CAU should explore ideas to become more self-financing. One idea would be to charge a certain percentage of the loan amount that it obtains for cooperatives through Banques Populaires.

Self-financing for services by the CAU was seen as unrealistic.

Revise and upgrade record-keeping practices.

No database on field visit activities was developed. CAU developed a report called "Financial Situation of Cooperatives" that is supposed to be sent in every year. It is questionable how many cooperatives actually complete this information.

CAU should continue to expand its efforts to explore new activities that cooperatives can undertake.

Efforts were made to assist cooperatives to diversify their economic activities through the Training Unit for Manioc Transformation.

CAU should work more closely with the RDU to explore actual cooperative problems and investigate potential commercial activities. In addition, CAU should accelerate its efforts to obtain, update, and disseminate timely market information on commodity and input prices, as well as on improved storage and marketing techniques.

The BACC has been largely unsuccessful in establishing an information network on agricultural prices. This information has not been disseminated on the radio.

C. The Training Unit

Recommendation

All unit personnel should begin immediately to record time sheets on their activities.

Action Taken

A limited system to track labor spent on different activities has been established.

Reorganize the management information system for the Training Unit (TU), which has been neglected for years.

A limited management information database has been developed but it has not been fully exploited.

The TU should immediately identify data necessary to track its activities and impact, and work with d-Base consultant to create a management information system.

A limited database tracking TU activities has been developed but it has not been fully exploited.

The Center should decrease the number of cooperatives served directly by TU personnel, and increase the number of training programs, the frequency of follow-up assistance, and materials for use by other organizations involved in cooperative training.

The TU organized a training program for coop field agents for two years between 1989-1991. 22 participants started the 16-week training; 17 completed it and are working in the field.

The TU should decrease the time training staff spends on theoretical types of studies, and concentrate more heavily on producing training guides and other materials that other service providers can use.

The TU should evaluate the market potential for these guides.

Service contracts with other organizations may be feasible, providing them not only participation in a series of training-of-trainer activities, but with field follow-up as well.

The TU should be more willing to experiment with technical materials suggested by field personnel, such as the monthly financial report format suggested by the Gisenyi Delegation.

The TU coordinator should concentrate resources on decentralizing training activities rather than increasing AV production. Limiting video production to one or at most two per year appears reasonable, but these should be less promotional and more technical training in nature.

The current level of video and radio production is too low to justify the purchase of any more equipment.

Related to the above recommendation, the TU should research the marketability of training videos it considers producing.

The TU should de-emphasize production of long radio programs and instead collaborate with MIJEUMA to introduce a new format.

The amount of time the TU spends on theoretical types of studies has recently decreased and it has begun to implement training based on needs identified through the TU's "Participative Plan for Training."

Sale of training products seems to have a limited market and not be a strong prospect for income generation.

Follow-up services in the field to other organizations through service contracts are not yet taking place.

This recommendation was not clear to Training Unit staff.

Video production has continued to include both technical and promotional materials.

No major purchases have been recently made.

Training videos are for sale but demand is limited.

IWACU currently conducts a 20-minute radio program once every two weeks in cooperation with MIJEUMA.

D. The Research and Documentation Unit

Recommendations

The RDU should work with the CAU to promote the INADES correspondence course. This valuable resource to date has been squandered.

The high personnel turnover rate must be reversed.

The RDU should decrease the number of theoretical research activities and increase the number of applied research activities.

The RDU should experiment with ways to re-dynamize the library.

The RDU should research the demand for the Center library services by other development organizations in Rwanda. Consider the possibility of subscriptions to library services and adding a "New Publications Arrived" section to their current newsletter.

Action Taken

INADES has continued promoting its correspondence course on its own.

Turnover rate for staff personnel has been reduced in the last two years

The arrival of new personnel to URD helped make their services more useful.

The library is currently being expanded. In addition, a member of the staff was trained in France and is implementing ideas learned in the IWACU library. A display next to the reception area was set up to showpiece information from the library as one way to market the library's services.

People currently subscribe to the newsletter but IWACU feels a subscription fee for library services would not be well viewed by users.

SECTION III PROJECT OUTPUTS

A. Introduction

According to the project implementation report (PIR) prepared by USAID, the outputs from the original grant agreement had been achieved by March 1991. Activities funded under the extension of the grant agreement (Amendment #7, June 3, 1991) represented, primarily, a continuation of ongoing activities.

The amendment to the grant agreement spells out the anticipated outputs that IWACU is expected to achieve (see Annex A). Most of these outputs are clearly defined and easily measurable.

The Training Unit's outputs included:

- Providing training to a wide range of participants
- Producing 10 video films
- Ensuring that 30 percent of the beneficiaries of training activities are women

The Consulting and Advisory Unit and the Regional Offices' outputs included:

- Providing training to a wide range of participants
- Preparing technical studies
- Completing a number of tasks related to helping coops obtain credit
- Assisting coops to prepare for the agricultural season
- Establishing a data bank for at least 10 agricultural products

IWACU provided USAID with an activity report every six months, which formed the basis for AID's project implementation reports, although we found some inconsistencies between the two groups' information. IWACU staff also said that they would like to have more interaction with USAID to discuss project activities and activity reports, and for USAID staff to visit the Center more often and make more frequent trips with them to the field.

USAID did not have direct interaction with IWACU because the grant was to NCBA. This was explained, but IWACU would still welcome input on an informal basis.

B. Training Unit Success in Meeting Outputs of the Grant Agreement Amendment

B1. Number of Person-Days of Training

15,470 person-days of training were to be provided by the Training Unit. At the end of the Grant, the Training Unit had provided 11,463 person-days of training, or 74 percent of the target output.

The inability to work in war-torn zones was the main reason why the target output was not reached.

B2. Production of 10 Video Films

The Audio-Visual group produced more than 10 video films under grant agreement #7 dated June 3, 1991, on such diverse topics as:

- Food Technology (Cassava)
- Coops That Commercialize Coffee
- Producers of Potatoes
- The Participative Approach
- The Rwandan Artisan
- Why Form a Coop?
- How to Hold Meetings
- Wood and Its Use in Rwanda
- Mill Management

The Audio Visual group also produced audio cassettes, posters, and transparencies.

B3. Beneficiaries of Training Activities—More Than 30 Percent Women

As of March 1993, an estimated 32 percent of beneficiaries were women. Although consultants did not have percentages for the final semester, the types of projects did not significantly change and there is no reason to believe that the percentage went down.

C. Consulting and Advisory Unit/Regional Offices Success in Meeting Outputs of the Grant Agreement Amendment

Number of person-days of training. 7,120 person-days of training were to be provided by the CAU and RDUs. At the end of the grant, they had provided 5,945 person-days of training, or 84 percent of the targeted output.

The inability to work in war-torn zones was the main reason why the target output was not reached.

Technical studies completed. Technical studies on the commercialization of potatoes, a profitability study on grinding mill projects, and a diagnostic study on potential

service coops and needs were completed.

- At least eight small project feasibility studies were undertaken as of September 1993, with 12 more studies analyzed by September 1993 (see Annex A)
- An inventory of loans was completed
- Member coops were assisted in preparing for the ag season, a difficult output to quantify
- A database for at least 10 agricultural products was completed
- A Banques Populaires loan management system was implemented
- IWACU did not collaborate with the Banques Populaires to begin operations of the credit guarantee organization, "Société Populaire de Cautionnement." IWACU learned from mistakes made in the Loan Guarantee Fund and decided not to start this project

D. Appropriateness of Outputs

The output measurements in the Grant Agreement #7 dated June 3, 1991, were appropriate in some cases and not in others. In general, outputs should have reflected more quantifiable results related to the coop's ongoing activities, and could have better measured the intended outcome of the proposed intervention. For example, IWACU was to provide 720 person-days of training in accounting and management. A more appropriate output would have been for IWACU to provide 720 days of training in the area of accounting and management, resulting in quarterly income statements being produced in 20 groups and an action plan for increasing revenues in each group.

In some cases the numbers were too high to insure adequate follow-up to get concrete results.

Some outputs were not clear. For example, one output was to assist members of coops in preparing for the agricultural season. How was this output to be measured? There needed to be a quantifiable measurement associated with it.

Despite the shortcomings mentioned above, the outputs were useful in that they gave IWACU goals to shoot for.

Based on project implementation reports supplied by USAID, six-month activity reports from IWACU, and discussions with IWACU, we calculated estimated success in meeting outputs.

E. Recommendation

Under the grant agreement, USAID did not have direct interaction with IWACU; IWACU was to work through NCBA for all its programmatic and financial issues. This became problematic when IWACU had an issue that needed to be discussed or resolved, since NCBA was too far away (and often uninformed of the issue), and USAID maintained a "hands-off" approach. In the future, a contracting mechanism should be devised that allows the local implementing organization to have greater contact and interaction with a local representative of the funding institution (either USAID staff or institutional contractors). This could enrich the local program and reduce inconsistencies between the two institutions' information.

SECTION IV PROGRAM IMPACT

A. Effect on Cooperatives

IWACU's interaction with coops is so pervasive throughout Rwanda that when people speak of coops, the name that immediately comes to mind is "IWACU." IWACU has become the primary channel for communicating with coops; in fact, the very term "IWACU" has become synonymous with cooperatives.

This channel of communication works in both directions. If a donor, an NGO, or the government wants to interact with a coop, it involves IWACU. If a coop needs help, it does the same.

IWACU has had an input on coops through its training and consulting programs. These include:

- Organization of the Cooperative
- Principles and Rules by which the Cooperative Holds Meetings
- Accounting and Financial Management
- Development of New Project Ideas
- Access to Credit
- The Role of the Cooperatives' Members in the Community

IWACU's impact on coops can be seen in both the coops themselves and in the community as a whole. For instance, one woman became a representative of IMBARAGA, the Agriculture and Animal Raising Union, not only because she was president of a women's coop, but because she had received training at IWACU.

B. Effects on Beneficiaries

B1. Financial Effects on Beneficiaries

It is difficult to find a direct correlation between IWACU and the financial impact on coop members, primarily due to numerous other factors influencing the finances of the beneficiary. Variables such as political instability, the weather, and world prices of agricultural inputs, to name just a few, can tremendously affect the profitability of a member's economic activity.

On a more micro level, it is sometimes hard to isolate the assistance IWACU provides to a coop that is also receiving interventions from other sources.

Direct interactions from IWACU that had a positive effect on cooperative finances include:

- Access to credit
- Use of accounting systems to help make better financial decisions

It is very hard for an individual to receive credit from a bank or other lending institution. Through IWACU's Loan Guarantee Fund or with IWACU's technical assistance to prepare a business plan, on the other hand, a coop has a much better chance of receiving credit from the Banques Populaires. From 1986 to 1989 IWACU assisted nearly 100 coops to get credit through its Loan Guarantee Fund.

Examples also exist where coops, with IWACU training, developed accounting systems that led to better management. This in turn contributed to increasing revenues, decreasing expenses, rotating stock more often, etc.

IWACU does not keep records on the number of coops assisted in a specific time frame. Nonetheless, its programs are extensive and far-reaching.

B2. Social Effects on Beneficiaries

Field visits and interviews attest that IWACU has had a positive effect on the social lives of its beneficiaries. Members of coops stressed that participating in a coop helped them to gain control over their lives. The training they received from IWACU has also helped them to understand the democratic process, including the right to question authority and have a say in both their coop and the community.

Participating in IWACU's programs has in addition given the beneficiaries credibility within the community. Participants who visited other coops, attended a training course in Kigali, or traveled to another African country for a workshop, all came back with experiences to share. This led to respect from within their coop as well as from others in the community.

B3. Impact on the Democratic Process

Many of the basic principles that IWACU teaches through its classes on cooperatives organization and management are based on notions fundamental to the democratic process. These include the idea that each person is entitled to his/her idea and should be free to express his/her opinion, that each person has an equal vote in decision making, and that conflicts can be resolved by an orderly democratic process.

During visits to cooperatives, we saw members run meetings putting the principles learned at IWACU into practice. Members of the cooperative had a right to express their opinions and were encouraged by the president to do so; at the same time, the president made sure that no one person dominated the meeting. If members wanted to speak, they were recognized by raising a hand, not by interrupting someone else.

These principles are not only important to the cooperative itself, but can be applied to the political system that has recently evolved in Rwanda. Field visits and interviews with cooperative members exposed to democratic principles in their cooperatives often use these principles in the political process of electing local government officials, expressing opinions, etc.

C. Participation of Women

Women participate in both mixed coops—where their participation is usually somewhat limited—and in women's coops, where they comprise both the general membership and management. Women's interaction with IWACU is very strong. For example, women received more than 30 percent of resources expended by IWACU's Training Unit's activities.

A number of specific benefits to women's involvement in coops became evident during field visits as well as interviews with IWACU staff, including:

- Women have a better chance to direct where money is spent in their households if they earn it themselves. Traditionally, the responsibility to provide money for the households rests with men; however, women from the Abashakamata Cooperative stated that the money they earned went directly to improve their houses and to provide school tuition for their children.
- From a social standpoint, women have gained from their participation in a coop. Their involvement has helped them to leave their houses and fields and interact with other women, leading to exchanging ideas with other women in the community. Women from the Abashakamata and Cobankuli Cooperatives said that coops gave them more control over their lives, more confidence, and made them less submissive.
- Women benefited from receiving credit from both the Loan Guarantee Fund and funds made available to women's groups only. This is very important for women because in most instances, according to a representative from the Banques Populaires, they are very unlikely to receive credit on their own.

D. Sustainability of Cooperatives

IWACU cannot insure the sustainability of coops by itself; too many external factors come into play such as war, drought, and changes in government policies. Internal factors such as death or sickness of members, lack of commitment to the project, and misappropriation of funds are only a few internal factors that may also affect the coop.

IWACU has, however, helped offset these problems and be a contributing factor to cooperative sustainability.

Generating suggestions for financially sound income generating projects/assisting with business plan development. Most coops continue their activity only when it is profitable. If a coop starts to lose money, members tend to become disinterested and the coop may fold. By generating suggestions for financially sound income-generating projects and helping develop business plans, IWACU has helped members of coops redirect their energies into viable economic activities.

Teaching basic financial management. IWACU has taught the financial and accounting techniques necessary to maintain clean accounts in coops and thereby reassure members about how the coops are managed.

E. Effect on Private Sector Development

By definition, strong coops help to develop the private sector, as they are a part of it themselves. Coops can indeed shape and help stimulate the private sector; for example, IWACU has worked with coops to help them set up shops and grain milling operations. Discussions with coops in the field and IWACU staff showed that individuals copied ideas originally promoted by the cooperative as soon as they saw how successful they had been. While this may work to the detriment of the coops, the overall community benefits.

F. Elitism in Cooperatives

Experience in Rwanda, as evidenced through reports and interviews, shows that there is the possibility of creating an undesirable elite in coops that control the coops' affairs and may not manage them to the members' benefit. IWACU has actively addressed this concern and since 1991 has made a special effort to train coop members in addition to their managers.

The basis of IWACU's "Principles of Cooperatives" training revolves around teaching ethics, the democratic process, and the right to obtain information. Members are taught to ask for information and take an active part in management of the coop. IWACU teaches that all the coop's operations should be transparent, and this has helped reduce the emergence of "elites" within the organization.

SECTION V TRAINING UNIT

IWACU's Training Unit is responsible for providing a wide range of highly visible services to coops. It is divided into four sections: Cooperative Training, Women's Groups, Audio-Visuals and Transformation of Agriculture and Food Products.

A. Responsiveness to Cooperatives' Needs

In general, coops feel that IWACU has been responsive to their needs. If they have a request, IWACU will provide training if it can do so; if not, it will try to find someone who can.

Problems arise when the coop's perceived need is not its real need. When a coop asks for training in bookkeeping and coop principles, IWACU will give it to them, regardless of what their primary need may be. Other needs are not being met due to a lack of a needs assessment.

IWACU now recognizes that the basis for designing a training program is a training needs assessment, and they have recently taken steps to be more responsive to cooperatives' actual needs. In early 1993 IWACU adopted the "Participative Plan for Training," a new approach used to analyze the training needs of a cooperative. The participative plan links IWACU with the coop to help meet its needs. To date, IWACU has used the plan to conduct needs assessments with 35 groups and coops, but as yet no training programs have been designed or delivered.

B. Application of Training in the Field

Widespread evidence of training applications in the field exist principally in two major areas: cooperative principles, and bookkeeping and financial management.

B1. Training in Cooperative Principles

We saw evidence of this training in the way coops hold meetings, on several occasions witnessing application of the principles of one-person-one-vote, the president chairing the meeting, and everyone having a chance to speak. Notebooks also exist in which the minutes of meetings and attendance are recorded.

B2. Training in Bookkeeping and Financial Management

Two financial systems are evident in the field: the first consists of maintaining a cash book and stock cards; the second is more complex and includes a general ledger, as well as a method for recording and classifying the coops' debts, credit owed to the coop, etc.

While there is significant evidence of bookkeeping and financial management records in the field, these records were not always kept up-to-date or fully completed. Frequently, the manager of the records and the general membership could not explain the concepts behind why the information was being kept. And, as one would expect, they were not able to make management decisions based on the information they had collected.

Therefore, while there was considerable evidence of application of training in bookkeeping and financial management, its effectiveness was limited. This is primarily due to the generic nature of training and a lack of follow-up (see Section IV).

B3. Other Training Applications

Applications of training were also seen in two other areas: "Exchange Visits" and "How to Start a Small Project."

One coop visited a cooperative in Mali and brought back the idea to make curtains; curtains made as a result of the exchange visit now hang at IWACU. Other coops mentioned how they had begun small projects after having participated in the IWACU training on that subject.

C. Conclusions

C1. Overall Shortcomings of Current Training

IWACU has no systematic approach to training and as such does not address the needs of the cooperatives, does not focus on specific economic activities, has inadequate documentation, and does not have measurable objectives. Classes tend to be centralized with very little follow-up in the field. Follow-up is usually limited to one visit after the first year, though more visits were made to groups with loans.

IWACU has begun to address these shortcomings and has instituted the participative plan to better address the needs of cooperatives. However, it is still too early to tell how IWACU will use this information.

IWACU did not employ a systematic approach to training since no one in the organization has experience in such an approach. One of NCBA's shortcomings is that it did not see this need and provide IWACU with the technical assistance to fill this void.

In the absence of substantial technical assistance along these lines from either NCBA or elsewhere, IWACU relied on its own resources. IWACU personnel, naturally enough, used their "francophone" education system—making heavy use of lectures—as their model. (Fortunately, IWACU did modify the lecture approach by adding a few participatory activities.) The lecture format leaves much to be desired for adult learning and does not take into account the basics of non-formal education that would be better adapted to IWACU's target groups.

C2. Suggestions for a More Appropriate Training Process

A systematic approach to training is of utmost importance, as it is IWACU's primary institutional mandate. It appears that IWACU focused its energies on meeting the output demands placed on the organization and did not have the technical knowledge to focus on the training process itself.

During the debriefing with IWACU, we worked with IWACU's management committee and developed what this systematic method should be. This part of the debriefing was participatory in nature and very well received by IWACU.

The objective of the debriefing was not merely to suggest a better way to approach training. Rather, it was an opportunity for the management committee to experience "participative" learning sessions in which they themselves would identify the elements of a systematic training approach based on their own experiences. As expected, the management committee developed this approach with the help of a consultant as facilitator. By the end of the session, it was clear to them that they needed to approach training using the method illustrated in Figure V-1, found on the following page.

Before beginning this cycle, IWACU needs to do a "pre-selection" process by which they identify the type of coop *economic activity* they want to work with (vegetable farmers, grain mills, etc.). They must also identify the coops engaged in that activity.

It is unreasonable to think that IWACU can work effectively with all 9,000 coops in Rwanda. IWACU must also develop criteria to better focus its efforts. Possible criteria include:

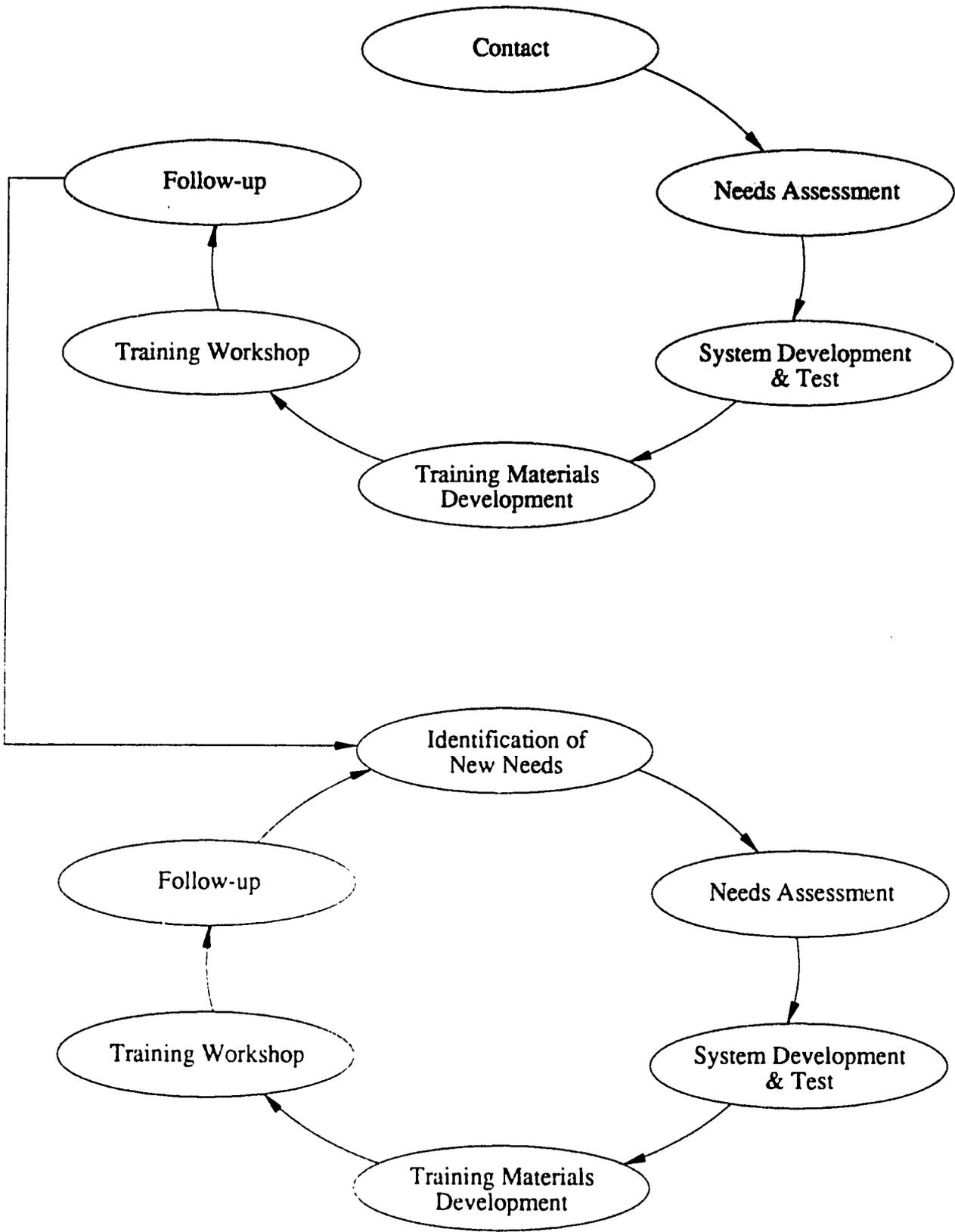
- Forming small groups to address a common need
- Concentrating on widespread, viable economic activities by bringing together coops engaged in the same economic activity to achieve economies of scale for system and material development
- Rethinking the cost-effectiveness of follow-up, which could be handled either by IWACU or by another PVO

Once the type of activity is identified, the cycle begins. A brief summary of the steps involved follows.

Step 1: Contact. One should contact the coops and explain the program.

Step 2: Identify their needs. At this point one goes into an in-depth needs assessment relative to the chosen economic activity.

**Figure V-1:
Comprehensive Training Methodology**



Step 3: System development and test. A vehicle for meeting the needs of the target group must then be developed, tested, and refined, specific to the economic activity at hand. For example, financial management for agricultural coops involved in buying agricultural inputs differs significantly than that for a woodworking cooperative, a welding cooperative, a leather processing coop, etc. The system should then be tested with a few groups before going further.

Step 4: Training materials developed. A full set of training materials then needs to be developed based on the systems that have been designed. Key components are measurable objectives and detailed session plans. (See Annex G for an example.) Session plans should be detailed so that sessions can easily be duplicated in the field.

Step 5: Training workshop conducted using appropriate training techniques.

Step 6: Follow-up and evaluation. Follow-up needs to take place to assist the target group to successfully implement their new skills and knowledge. It should take place every one or two months until the group shows they are mastering the material. Follow-up also serves to measure if training objectives have been met and to identify supplementary needs. At that point the cycle starts again.

D. Recommendations

- IWACU should adopt a systematic approach to training as described in the previous section.
- IWACU should contract with a qualified training institution to conduct a Training of Trainers (TOT) workshop for its staff and introduce them to all the steps of a systematic approach to training. IWACU staff would also benefit from an exchange visit with an institution currently using such an approach.
- IWACU should continue its effort to train field agents (MIJEUMA and NGOs). Long-term training should be focused on specific economic activities.
- IWACU needs to continue sub-contracting for technical training services to coops (i.e., potato production, beekeeping, poultry raising) as a means to complement their management training.
- The Audio-Visuals Unit should investigate doing work with democracy/governance, as it may be new source of funding for IWACU.

SECTION VI
CONSULTING AND ADVISORY UNIT

A. Current Activities

IWACU's Consulting and Advisory Unit (CAU) is involved in the following activities: (1) facilitating coop access to credit; (2) providing accounting and management training; (3) facilitating the purchase and sale of commodities between coops; and (4) studies and evaluations.

B. The Guarantee Fund

B1. History

The IWACU guarantee fund began in 1986 with a \$200,000 (18 million FRw) grant from the African Development Foundation. There was some initial success and payback of loans until 1989, when a very large loan was made to a union of coops called Kopishyaya and to several other coops who subsequently defaulted. Although lending continued with some success through 1990 and 1991, the loan fund was drawn down and totally depleted in 1992; there have been no more loan guarantees since. Some of the delinquent coops are currently being pursued by legal means and there is some sporadic payback taking place.

B2. Problems/Comments

Many feel that payback problems were due in a large part to a lack of follow-up by IWACU and the Banques Populaires (BP). According to both sides, the responsibility for follow-up was never clearly defined. Another contributing factor was a government-appointed manager to Kopishyaya who misappropriated the funds.

Overall repayment (in terms of number of loans) has been estimated at less than 40 percent. There is no separate data regarding the repayment rate of men versus women. In response to questions about increased management problems and impact on revenues, one could say that management problems increased for cooperatives who defaulted on their loans. However, those who had loans to market coffee, and who repaid them, saw an increase in revenue.

Coops in Rwanda, as in many parts of Africa, have a bad reputation when it comes to loan repayment. One of the major reasons for this is that overenthusiastic governments and donors set up programs that assume a level of organizational maturity and solidarity in the coops that does not exist. To obtain a loan they often require no more than that the coop be registered somewhere and that it submit a proposal. People in the rural areas sometimes take advantage of this situation and see it as a means to benefit from aid money the same way that

government officials have. They sometimes contract loans without any intention of paying them back, seeing nothing to lose in the process.

This situation can be remedied by requiring that the coops show a certain level of organizational maturity before giving them loans. One measure of that maturity is that the coops succeed in implementing their activities and that they generate savings. These savings can then be used to finance new economic activities either partially or wholly. A lending institution can feel more confident giving a loan when the coop has invested its own resources, and the chances of repayment will be increased due to the coop's vested interest in the activity at hand.

B3. Current Willingness of the BP to Lend

The BP central office states that they are willing to lend to coops but are more cautious now than in the past. They claim that they will continue lending to coops with the "character reference guarantee" of IWACU and who will be followed up by IWACU. They are currently not receiving many loan applications, due to several factors, including:

- coop problems
- weather conditions
- lower sale prices
- higher transport prices

Loans at the local level depend on the credit committees of the local BP branch. They often hesitate lend to coops due to their poor reputation.

B4. Business Plans Done by CAU For Coops

The coop business plans that we reviewed varied in length and complexity; they were generally good but lacked a standardized format. A representative from the Banques Populaires felt that the plans needed to put more emphasis on the profitability of the proposed activity rather than "the history of the coop." It also seemed that the coop reps were not as fully involved in the development of the plans as they might have been.

C. Support Office to Commercial Cooperatives

C1. Introduction

The Support Office to Commercial Cooperatives (SOCC) was set up in 1990 as a semi-autonomous unit with a mandate to assist cooperatives in purchasing and selling agricultural commodities. It was poorly managed and the unit head apparently used the position for personal affairs, so it was reorganized in 1992-93 as a sub-unit of the CAU. Since then it stopped buying and selling and has taken on the role of an information provider.

Representatives from coops (three per prefecture) collect data on agricultural prices in their area from coop members and private sellers, and communicate it to IWACU, which

consolidates it. The information is then sent back to the reps who are supposed to share the information with the members in their coop as well as with the local public. In principle, the information can lead to inter-coop trade. One of the coops we visited (coop Jyamberisuka from Gikongoro) explained how they had traveled to the neighboring prefecture to purchase sorghum based on the information they received from SOCC. According to the SOCC staff, other examples exist but are infrequent.

The SOCC is supposed to receive information, consolidate it, and send it back every two weeks. In reality, the latest consolidated statements are over three months old. This is apparently due to several factors including:

- coop reps demanding payment to collect the information
- difficulties in collecting accurate information

The delay in producing statements means that the information is of limited value to the end users. According to a USAID source, a coop in Butare that had received information in 1991, complained that the prices and quantity of products had already changed by the time they received the SOCC information. It was therefore useless.

D. Management Services

D1. Results in the Field

The CAU has a mandate to provide training and follow-up in financial management to coops. Visits to coops and testimony show that documents are being kept by a high proportion of coops who have participated in the IWACU training, showing that they got the message about basic cash management. We observed, however, that coops rarely produce regular financial statements, and that managers are often unable to say whether the coop's activity is profitable or not. Financial information is generally not being used for management decision making.

The CAU and IWACU in general still use generic management tools in their training programs (e.g., cash journal, stock cards, and sometimes a general ledger). It is difficult for most coops to adapt this generic material to their specific economic activities.

In most coops, there only seems to be one person (the manager) who understands the bookkeeping system and financial statements. The "internal controllers" (*commissaires aux comptes*) are often in name only and are not able to exercise a control function.

D2. Problem Coops

Management services are currently being provided to all types of coops. Often, coops receiving assistance are remnants of past coops that were government-imposed entities (used primarily for marketing cash crops). These coops are usually large (several hundred to several thousand members) and the majority of members have little or no say in what goes on, as they tend to be dominated by small "elites." Local government officials and/or

political figures are often on the board of these coops even though they are not engaged in agricultural activities. There have been several cases of corruption, and these are the coops that have defaulted on loans for commercializing coffee or other crops.

Other coops have been created with the encouragement of projects offering warehouses, working capital, and/or loans. These projects inject credit into the coops who have neither a solid organizational base nor a legitimate reason for being other than to receive "assistance" from the project, which has often led to defaulting on loans and the subsequent problems involved (one example of this type of project was the World Bank-funded "Programme de Développement Global de Butare").

D3. Current Strategy

The current strategy of the CAU is to promote "rural entrepreneurial activities." The objective is to work with coops engaged in specific economic activities (e.g., poultry farming, vegetable growing, beekeeping, etc.). As this program has just begun, there are as yet few concrete results.

E. Conclusions/Recommendations

Loan Guarantee Fund

- It is generally seen that the guarantee fund promoted a lack of commitment from BP, IWACU, and the borrower (they all felt they had nothing to lose). We therefore recommend that such funds not be encouraged in the future. IWACU should instead give its "character reference guarantee" to a potential lending institution when it is confident in a coop's abilities.
- There is a greater need for at least partial self-financing among the coops (this is the current strategy of IWACU). This will foster greater commitment from the coop and will help reassure potential lenders.
- Future loan programs should follow standard banking practices, such as diversifying the loan portfolio.
- Future loan programs with BP should clearly stipulate the follow-up responsibilities of each party.
- IWACU should recommend coops with "bankable" projects. Coops should also show proof of their organizational capacity through prior success with economic and/or self-help activities before being recommended for a loan.
- Feasibility studies should be developed in a participatory manner with the borrower. One suggestion is to have borrowers come once a week to IWACU to be introduced/trained in a single aspect of the study; they then go home to research

the necessary information (input prices, competition, sale prices, etc.) before coming back to address the next aspect.

- IWACU should work to develop standardized business plan formats for specific economic activities (poultry farming, coffee marketing, retail shops, etc.). This will facilitate the work of the IWACU staff and provide quality control with the decentralized offices.

Support Office to Commercial Cooperatives (SOCC)

- The SOCC has enough staff; the problems collecting and disseminating the information seem rather to be due to recalcitrance of the coop reps and the staff's inability to handle the issue. We recommend that the SOCC staff identify the needs and problems of the coop reps and develop an action plan to address those needs.
- The SOCC should proceed with its strategy to assess the impact of its program on end users and insure that information is appropriate to their needs. If reports show no end-user interest or use, IWACU should consider abandoning or reorienting the program.
- Information from the SOCC should be shared with private traders as well as coops. The SOCC strategy to disseminate the information of the radio should be pursued.
- SOCC should document trade deals that result from the program.
- The SOCC should reduce the turnaround time to a matter of days for information dissemination, so that the information is timely and useful.

Management Services

- Efforts must be made to go beyond generic financial management training. Management tools (for example, a set of bookkeeping documents or organizational procedures) and training materials (the training plans and support materials) for specific economic activities should be developed and used. The strategy for promoting rural economic activities is a good one, and this recommendation builds on that strategy.
- Coops should be encouraged to produce financial statements on a more regular basis (every one to three months) and follow-up assistance should be provided to ensure that the statements are produced and discussed in the coops. Visual aids that depict the line items of the financial statements with images can be developed so that illiterate members are able to understand them.
- IWACU should limit its interventions to smaller groups (7-30 members). These groups are more dynamic/participative in nature and can be more successful in

managing economic activities as a group. Efforts should be made to assist the large, nonparticipatory, and inefficient coops to create small groups that could do the same activities on a smaller basis and perhaps use the larger coop for certain economies of scale. An example would be collecting coffee at the group level (without loans, since the members know one another) and bringing it together at the coop level, or having small boutiques at the group level that supply themselves at the coop level.

SECTION VII IWACU REGIONAL DELEGATION UNITS

A. Introduction

The three regional delegation units (RDUs)—in Gisenyi (started in 1987), Cyangugu (1989), and Gikongoro (1991)—conduct training, consulting, and follow-up on a decentralized basis. They have programmatic autonomy but must submit a budget and action plan to IWACU center every year, and are monitored by IWACU's Decentralization and Structuration Unit. There exists another decentralized coop training structure, the CSC Gitarama. This structure began with IWACU support and has since become an autonomous NGO with its own funding.

IWACU's current strategy is to progressively decentralize its operations over the next four years, and to staff the regional units with the current staff in Kigali.

The evaluation team visited two units, Gisenyi and Gikongoro. Meetings were also held with all three RDU unit heads in Kigali.

B. Effectiveness in Meeting Coop Needs

B1. Field Observations

Visits to RDU zones confirmed that coops were receiving a variety of assistance from the RDU staff. Many had received management training and were being followed up periodically; the RDUs had also organized training in agricultural techniques that was cited on several occasions as being of great benefit. The RDUs had in addition promoted good linkages between regional projects (e.g., PDAG) and local coops. For example, several coops in one RDU zone had built warehouses on a self-help basis with material assistance from a project. In general the coops within the RDU zones had a closer affinity with IWACU than those located elsewhere; they all expressed satisfaction with the services they were receiving but emphasized the need for additional services.

B2. Additional Needs Cited by the Coops

The coops requests for additional services revolved around seven areas:

1. technical training (e.g., potato production, produce conservation, poultry farming, vegetable growing)
2. (for large coops) assistance in decentralizing their activities
3. exchange visits with other coops
4. credit with reduced or no interest
5. additional management training for managers, controllers, and members

6. small project assistance
7. training to improve member collaboration

B3. Regional Delegation Unit Resources

The RDUs seem, in general, to have adequate resources to address the needs of local coops. Each unit has two or three trainers, one secretary, a driver, and a guard; they also have a vehicle, photocopy machine, and computer. Each unit is allocated an operating budget at the beginning of the year.

B4. Problems/Needs

The RDU heads cited the following problems and needs in relation to IWACU's decentralization strategy:

- Difficulty in getting the IWACU Kigali staff to transfer to the rural areas
- Expense of running an RDU (e.g., vehicle, office supplies, etc.)
- Lack of a "systematic" training approach for adults
- Deficiency of knowledge of alternative training methods
- Exchange visits with other training/consulting institutions
- Lack of systematic/harmonized approach to developing proposals for potential partner (funding) organizations

C. Conclusions/Recommendations

- Decentralized operations are more effective for coop development by permitting more active follow-up and a greater ability to identify local needs. IWACU should accelerate its timeline of decentralization from four years to two or three.
- A multi-year calendar should be established to fix specific dates for the Kigali-based staff to move to the decentralized units. Efforts should be made to promote the idea with them until it becomes internalized (this is not the case at present).
- A systematic training methodology is needed, as is paying closer attention to expressed needs of coops (see recommendations in Section V, Training Unit).
- Efforts should be made by both decentralized units and IWACU Center to identify additional funding sources for the decentralized units so that they may develop a more diversified and sustainable funding base.
- IWACU should develop a standardized format and procedure for developing contract/funding proposals.
- Efforts should continue to develop linkages with regional projects (e.g., PDAG).

- **IWACU should consider purchasing motorcycles for use in the regional units. They are cheaper, easier to maintain, and often more practical for the rural roads.**

SECTION VIII
IWACU ORGANIZATION/STAFF

A. Organizational Overview

A1. General Assembly

The IWACU General Assembly is made up of 15 members, of whom two represent IWACU management, two come from IWACU funding partners, four from local NGOs/institutions involved in rural development, four from the Rwandan government, and three individuals who have played a special role in IWACU's development. The General Assembly meets two or three times per year, depending on the need, to review accomplishments and set the organization's overall orientation. It should be noted that the coops assisted are not "members" of IWACU.

A2. Board of Directors

The IWACU Board of Directors, comprised of seven individuals elected from among the General Assembly, meets quarterly to review IWACU operations and make general policy decisions. The board receives activity reports from IWACU every six months. It also plays an ongoing monitoring role; individual board members meet frequently with IWACU management to discuss various issues and problems.

A3. Finance Commission

The Finance Commission is made up of two individuals elected from among the General Assembly members (they cannot be on the Board of Directors). Their primary role is to coordinate and analyze the biannual financial audit of IWACU, conducted by a local accounting firm.

A4. Management Committee

The Management Committee, the primary decision-making body of IWACU for day-to-day operations, is composed of seven individuals, the IWACU Coordinator and six unit/service heads. It meets one day a week.

A5. Units/Services

IWACU is organized into the following units and services: Administration, Consulting and Advisory Unit, Research and Documentation, Decentralization and Structuration Unit, Training, and Lodging and Restaurant Unit.

B. Organizational Strengths

B1. Internal Systems

Several internal systems contribute to IWACU's ability to manage its staff and resources. These include:

- a monthly activity programming exercise in which all of the staff participate
- an annual staff evaluation system
- regular meetings of the Management Committee, typified by open discussions, a willingness to address problems, and decision making by group consensus
- a computerized accounting system that provides information on all imputed account categories. Its weakness is that it is not currently configured to provide an analysis of costs and revenues for specific contracts, especially a comparison of costs and revenues related to outside use of IWACU's lodging and restaurant facilities.

B2. Staff

The members of the IWACU staff are generally very impressive: they present themselves well, have a good motivation level, and are willing to put in long hours. They are also well-qualified academically, although some lack experience with coops and rural development in general. Most have done stand-up training, but all cited the need for a "Training of Trainers" workshop (in adult learning techniques) and know-how regarding implementing a comprehensive training and consulting methodology.

Past evaluations have cited the high turnover rate of IWACU staff as an institutional problem area, but this has become much less of an issue over the last two to three years, partly due to salary increases at IWACU, and also to a lack of alternative, higher paying employment on the Rwandan job market.

B3. Openness to Questioning and Criticism

One of IWACU's organizational strengths is its openness to questioning and criticism. Staff members do not hesitate to bring up problem areas and difficulties they are encountering with their programs, many of which correspond with findings and recommendations made in past evaluation exercises, both internal and external. This reflects an effort to deal openly with problems rather than covering them up. It is unclear, on the other hand, how often this intellectual openness gets translated into effective problem solving in the field. It is a positive trait, however, and one that is not often found in organizations, and we consider it an important attribute of IWACU's organization.

B4. Restaurant and Lodging Unit

The center's lodging and restaurant facilities have a very good reputation both in Rwanda and abroad. The Restaurant and Lodging Unit is also in charge of maintaining the IWACU Center, which it does very well, keeping all its facilities functional. Much credit is due to IWACU management, especially the woman manager in charge of the unit.

B5. Financial Reserves

As of December 31, 1992, IWACU had uncommitted cash reserves of approximately 75,000,000 FRw (approximately \$500,000). It is estimated that these reserves have grown during 1993.

Financial audits of the USAID grant to NCBA/IWACU state that financial reports and systems were in conformity with generally accepted accounting principles. Although there were no specific comments relative to the cash reserves, they were not constituted with USAID funding. Based on discussions with the IWACU administrative officer and examination of their financial statements, we understand that the reserves are generated primarily through contracts with organizations other than the Swiss and USAID. The fact that most of its overhead has been covered by Swiss/USAID funds has allowed IWACU to execute contracts with other organizations that generate revenues, resulting in reserves.

IWACU's cash reserves contribute to its organizational strength by allowing it to:

- weather periods when donor funding lapses
- make investments towards upkeep and improvement of the center
- generate bank interest and thus contribute to covering costs

C. Organizational Weaknesses

C1. Compartmentalized Units

The IWACU organization is too compartmentalized with its different training, consulting, decentralization and research units, which leads to a lack of coordination and exploitation of knowledge among the staff.

Support services to coops require a multi-disciplinary approach, including management systems development, training, and follow-up—disciplines that are closely linked and should not be separated among units. When someone develops a bookkeeping system for grain mills, for example, it is only logical that that same person use his or her in-depth knowledge of the system to prepare the training materials and conduct the training. It follows suit that someone who conducts training should be involved in follow-up to insure that training is applied and to evaluate if the training materials are appropriate. Along the same lines, trainers who have assisted coops develop improved management systems are well-placed to help them draw up business plans as well. All of these activities are closely

intertwined; knowledge from one is crucial to success in the other. Separating these functions is not desirable.

Another problem with the current departmentalized system is that it does not correlate with IWACU's decentralization strategy, which expects regional trainers to be multi-disciplinary. Having the Kigali staff in specific units doing isolated tasks is not contributing to their preparation for becoming trainers in the decentralized units.

C2. Status of Regional Delegation Heads

IWACU's regional delegation heads are currently given no more status than other trainers. This is problematic since the delegation heads' responsibilities are much greater, as are the skills required of them. This could lead not only to frustration but also to reluctance of Kigali staff to move to the regions.

C3. High Overhead Costs

IWACU's overall staff has nearly doubled since 1989 (see Appendix F), with its training staff going from 13 to 37, and support staff from 28 to 45. This has created very high overhead that could be difficult to sustain if current funding levels drop. Such a drop would entail using up reserves, cutting back on field programs, and eventually laying off personnel.

With the end of the NCBA subgrant to IWACU on September 30, 1993, IWACU's revenues have been greatly reduced, and until funding comes in to take its place, expenditures will be greater than revenues. This can continue for some time (a rough estimate would be one year) thanks to IWACU reserves, but not indefinitely.

C4. Lack of a Diversified Funding Base

An analysis of IWACU 1992 financial statements shows that the center depends on Swiss and USAID funding for 70 percent of its program activities. The Swiss provide approximately 25 percent—primarily for the Research and Documentation Unit—and USAID 45 percent; the rest is generated by contracts with other donor organizations. (Until a thorough analysis is made of the profitability of IWACU's restaurant/lodging facilities it is best to assume that it is covering its own direct costs, some overhead, and nothing more). This is a precarious position, as at any time funding from one or both of the major donors could decline, as is in fact currently the case with USAID.

C5. Lack of an Action Plan with Quantifiable Outputs

Under the NCBA subgrant, IWACU strived to achieve a number of quantifiable outputs, but now that the grant has ended, IWACU finds itself without a replacement set of objectives and outputs. This could leave certain units with a lack of direction and focus.

D. Conclusions/Recommendations

- IWACU should not only proceed with its plans to combine the Training and Consulting and Advisory Units, but should in fact go further by combining all its units except the Documentation Service (DS) and the Lodging and Restaurant Unit. Those functions that require full-time specialists (audio visual, BACC) can be put in the DS.
- IWACU trainers should be multi-disciplinary—able to handle systems development, training, and follow-up. We recommend that four "project teams" of five or six people, each with a team leader, be established to replace the current departmentalized system. The teams would have the same skills and do similar work, but would concentrate on developing programs for different economic activities (grain mills, coffee marketing, poultry farming, etc.). Each team would be capable of doing feasibility studies and of managing individual contracts with donors. Team members would be progressively farmed out to regional units in line with IWACU's decentralization strategy, meaning that the number of teams in Kigali would diminish to the point where only one remaining team would cover activities around Kigali and provide support to the decentralized units.
- Given IWACU's institutional status and the current funding preference of donors, grants in the future are likely to be "activity grants" for specific field programs as opposed to "institutional grants." IWACU should prepare itself for this by 1) developing a standard approach/format for proposal development; 2) delegating more responsibility for proposal development and management to unit heads; 3) improving its accounting system to be able to monitor and report on specific contract revenues and expenses; 4) managing contracts/projects on a project team basis, using an organizational structure similar to that described above.
- IWACU should continue its efforts to develop a more diversified funding base by increasing contacts with potential funding organizations.
- IWACU should upgrade the status and skills of its regional delegation unit heads to reflect their increased responsibilities. Examples (apart from financial incentives) could include greater decision making in the overall management of IWACU, status equal to that of current unit heads in Kigali, and priority for training activities (in-country and abroad) that would assist them in performing their functions.
- IWACU should freeze all new hiring and consider down-sizing the number of its professional staff in the future through natural attrition.
- Trainers/consultants should receive training in (and exposure to) a comprehensive training/follow-up methodology that emphasizes participatory methods, structure, and results in the field.

- **IWACU should establish an action plan with quantifiable outputs to replace the outputs of the NCBA subgrant. These outputs should be in line with IWACU's current strategy of working with smaller groups and emphasizing qualitative results in coops as opposed to simply tabulating the number of people trained.**

SECTION IX FINANCIAL SELF-SUFFICIENCY

A. Introduction

Financial self-sufficiency should be defined as the ability to generate revenues that contribute to the program and overhead costs of an institution. This definition differs markedly from the one presented by IWACU and understood by several of its partner (i.e., funding) organizations. This section will present what we believe is a correct measure of self-sufficiency and then discuss whether in fact self-sufficiency is an obtainable goal.

B. IWACU's View of Financial Self-sufficiency

IWACU defines self-sufficiency as "the percentage of revenues not covered by institutional grants." This idea contains two flaws—one related to institutional grants, and the other involving self-sufficiency as a percentage of total revenue.

B1. Self-sufficient vs. Non Self-sufficient Funding

IWACU includes "activity grants" and contracts from donor institutions as self-sufficient income. This is highly debatable, however, since such funding can be virtually indistinguishable from "institutional grants" (that themselves often stipulate quantifiable outputs). IWACU explains the difference between self-sufficient and non self-sufficient income in the following way:

- self-sufficient income is income derived from funding where the donor (client) stipulates the product, service, or activity
- non self-sufficient income is derived from institutional grants in which IWACU is the initiator

Given the frequent similarity and fine line between these two types of funding and the fact that both come from the donor community, this explanation of self-sufficiency is questionable.

B2. Self-sufficiency as a Percentage of Total Revenue

IWACU measures self-sufficiency in terms of a "percentage of total revenue" rather than a contribution to the program and overhead costs of the institution. This is problematic in that the cost side of the "self-sufficient" revenue is ignored. In other words, the costs associated with a contract could very well use up all of the revenue, leaving nothing to contribute to other program or operating costs. The same can be said of the restaurant/lodging facilities at IWACU; although the revenues represent 25 percent of total

revenues, the costs involved in paying salaries, buying food, transportation, etc. are ignored. These costs could very well consume most of the revenue.

Thinking of self-sufficiency as a percentage of revenue is thus misleading, since people believe that the revenue is contributing to the program costs of the institution and its associated overhead, but this is not necessarily the case.

C. Correct Measure of Self-sufficiency

A more correct definition of self-sufficient income would be "the margin between revenues and costs associated with 'income-generating activities' of the institution as well as contributions from beneficiary groups." In this case the self-sufficient income being generated at IWACU would be contributions made by coops who stay at the Center (very small in comparison to costs) and the margin between the revenues and costs of the restaurant and lodging facilities for outside contracts. According to this measure, IWACU's true "self-sufficiency" would be considerably less than the 48 percent presented for 1992 (IWACU's current accounting system does not have the ability to produce the information necessary to calculate a revised percentage).

D. Self-sufficiency as an Achievable Goal

It is not realistic to believe that NGOs can be self-financing according to the definition we have proposed above, because they are working with groups who have little or no resources to pay for the services they receive. Thus, by definition, an NGO needs outside funding to support its assistance activities.

It is also unrealistic to expect an NGO to conduct enough "income-generating" activities to support its program costs and overhead; if they were to devote all their time to making profits on different business activities, they would have no time to spend on their development programs.

It is therefore more reasonable to accept the fact that NGOs need to be subsidized and will never attain "financial self-sufficiency." They are non-profit institutions, working with disadvantaged beneficiary groups without the means to pay for the services, so this should be an acceptable situation. NGOs should still strive to cover as much of their costs as they can, but should not be held to self-sufficiency.

It would also be a mistake to stop funding an NGO institution once it attains a certain level of maturity and competence; on the contrary, this should be the time that donor contributions will be the most cost-effective. Funding levels could perhaps be reduced, and more devoted to "program activities" as opposed to "institutional support," but donors would be missing opportunities to get maximum mileage from their money if they stopped funding altogether.

IWACU is an NGO with a viable income-generating activity on its central premises—the restaurant and lodging facility, which should be able to help defray some

overhead costs. However, it is unlikely that it will be able to generate enough resources to cover all overhead, let alone program costs.

E. Recommendations

- IWACU should pursue its plans to conduct an analysis of the costs and revenues of its restaurant and lodging facilities to determine its profitability and set realistic prices.
- As an additional form of income generation, IWACU should consider subletting available office space to other institutions. This should become more feasible as the decentralization process takes place. IWACU should also pursue providing administrative services to these institutions on a fee basis.

SECTION X NCBA INTERVENTIONS

A. Introduction

After the departure of the long-term technical advisor in January 1988, NCBA's role changed from project implementor to provider of periodic technical support. From this point forward, it was anticipated that the Rwanda staff would successfully manage all of IWACU's activities, and that IWACU, not NCBA, would take the lead in implementing the recommendations from the 1989 evaluation.

B. Types of Interventions Provided by NCBA since the 1989 Evaluation

The NCBA has provided a variety of short-term services to IWACU since the 1989 evaluation, including:

- Computer Applications—4 weeks, 1989
- Training Specialist—2 weeks, 1991
Taught training methodology, role playing, active vs. participative training, and using skits in training. This led to improvements in some areas; however, a systematic approach to training has not been achieved.
- Regional Director for Africa Programs
An NCBA representative is a member of the General Assembly and attends a yearly meeting at IWACU. During these visits he also provides technical advice on issues pertaining to the grant agreement, and ongoing advice to IWACU's management team, especially in the areas of budgeting and internal monitoring. He made an additional visit to IWACU in 1992 to assist them in preparing for the present evaluation.
- NCBA provided a consultant (spring 1993) to work on negotiating future grants with USAID under the PVO Umbrella Project.
- At least one member of the IWACU senior staff has participated in the University of Pittsburgh Francophone Management course every year.
- Members of IWACU travelled to Mali to participate in an exchange program with another NCBA program.
- The IWACU administrator has twice gone to NCBA offices in Washington to work with NCBA on financial matters concerning the IWACU grant.

- NCBA has supplied IWACU with general support via frequent exchanges of faxes to meet needs for information related to grants, financial matters, or other subjects.

In addition to the above interventions, NCBA is responsible for "routine project monitoring" as outlined in the grant agreement.

C. Effectiveness of NCBA's Interventions

C1. IWACU's Perspective

The IWACU staff members are satisfied with NCBA's interventions since the 1989 evaluation, saying that NCBA has been a good partner and has supplied competent people to work with them. They specifically praised four areas:

- Visits of Regional Director for African Programs were especially helpful in improving IWACU's overall monitoring and evaluation activities
- Trip to Mali to see another NCBA project was enlightening
- Pedagogical training was good
- NCBA was effective at promoting IWACU's interest with international organizations, particularly the African Development Foundation.

In addition, it was noted that the IWACU Administrator had implemented an employee evaluation system that he had learned at the University of Pittsburgh Francophone Management course. As stated previously, this activity falls under NCBA interventions under the grant agreement.

While the short-term technical assistance has been effective, some areas could be improved. The regional director's trips were well received by IWACU, but they felt that they could have been more frequent and of longer duration, which would have enabled him to spend more time collecting information at both IWACU and in the field.

C2. Perspective of Consulting Team

We were impressed with IWACU's overall organizational management. Although it is difficult to say who is directly responsible for this, NCBA, as a major partner, should share in the credit. It was also clear that NCBA's interventions, in general, were appreciated by the IWACU staff.

However, while IWACU did receive some pedagogical training, in our opinion it was not enough to establish a comprehensive training methodology to support IWACU's activities. Rather than teaching a systematic approach to training, the short-term technical assistance provided "isolated" techniques to improve certain aspects. It helped IWACU's

staff understand why a more participative approach to training is important, but it did not help the trainers see how this fit into a comprehensive methodology.

In conclusion, NCBA should have done more to address IWACU's weaknesses in the training area. It should have assisted IWACU to develop:

- Training programs more appropriate to coop needs
- Enhanced adult learning skills through additional training interventions of trainers
- Improved training materials and documentation of those materials
- Training follow-up methodologies

In general, NCBA should have provided technical assistance of more frequent and longer duration, although this statement, in all fairness, should be qualified by the fact the NCBA perceived its role to be "on-call" in response to stated needs of IWACU and that requests for such assistance were not forthcoming. In addition, there were periods when travel was restricted due to civil strife.

Another area where NCBA's interventions were lacking concerns "routine project monitoring." As spelled out in the grant agreement, NCBA must provide quarterly financial reports and six-month performance reports, with their content and format clearly spelled out in the grant agreement (see excerpt in Annex C). Currently, IWACU submits project progress reports to USAID every six months describing IWACU's activities over this period; however, they are not designed to meet the reporting requirements of NCBA under the grant agreement.

It is the responsibility of NCBA, not IWACU, to submit reports to USAID. USAID reminded NCBA of this on November 27, 1991, and requested NCBA to send complete reports on a timely basis. According to USAID, NCBA has ignored this request.

C3. Recommendations

Since NCBA no longer provides assistance to IWACU, we cannot make any specific recommendations for interventions by NCBA. However, NCBA may want to assist IWACU by helping to meet the needs outlined in Section XII, Recommendations for Future Funding.

SECTION XI COST-EFFECTIVENESS

A. Introduction

Cost-effectiveness can be defined as "the ability to achieve project objectives at a reasonable cost." It involves comparing the costs of assistance to the end results and, in the process, assumes that the end results are sustainable. An in-depth cost effectiveness analysis is beyond the scope of this evaluation; nonetheless, certain hypotheses can be drawn based on cost-effectiveness principles and criteria. (Much of the approach used in this section is taken from *Cost Effectiveness in the Nonprofit Sector*.)

A1. Cost Per Participant

Calculating cost per participant can be approached several different ways, for instance, a calculation based on individuals regardless of the number of times they participated, or count instead the "person-days" of intervention. We did not attempt cost-per-participant calculations for two reasons: it is a time-consuming process beyond the scope of this evaluation, and furthermore is an unreliable indication of the overall effectiveness of a program. It therefore cannot in itself be an adequate measure of program cost-effectiveness.

B. Cost-effectiveness Criteria

Cost-effectiveness can be measured by variety of factors, including:

- Providing ready markets for locally produced goods
- Increasing enterprise profits
- Producing additional jobs or sources of wages for local workers
- Ensuring equitable ownership of enterprise assets
- Ensuring enterprise sustainability
- Increasing participants' sense of control over their lives
- Increasing and sustaining agricultural productivity
- Improving linkages with other areas of the economy
- Affecting national policy
- Being consistent with the NGO's skills and resources

One should also look at both quantifiable and non-quantifiable benefits.

B1. Quantifiable Benefits

Quantifiable benefits can be measured through the following "cost effectiveness ratio":

	(with assistance)	(w/o assistance)
<u>NET BENEFITS</u>	= Coop members income	Coop members income
	+ Coops income	+ Coops income
<u>COSTS</u>	=	<hr style="border-top: 1px solid black;"/>
	Project costs	

* Incomes are projected out over ten years and given a present value

This ratio looks at the difference in income (coop + coop members) between coops that have received assistance and those that have not. This difference is then compared to project cost to see if the correlation is greater than one. If so, one can say that the program has been cost-effective.

B2. Non-quantifiable Benefits

In measuring cost-effectiveness it is important to measure non-quantifiable benefits as well—social, economic, and policy. They can be summarized as follows:

Social Benefits

- improved managerial and technical skills
- increased access to public services (banking, extension, health)
- increased control over quality of life
- greater participation for marginal groups (women, minorities)
- increased community solidarity

Economic Benefits

- increased and sustainable productivity
- enterprise replicability
- increased enterprise sustainability
- increased employment
- improved backward/forward linkages

Policy Benefits

- improved national policy environment for coops/rural enterprises
- regional/commodity sector policy impact
- institutional policy impact

C. Conclusions

Given the cost-effectiveness measures above, and based on the information gathered during this evaluation, we hypothesize the following:

- IWACU's program cost-effectiveness ratio would be less than one. In other words, the change in coop and coop member income would not be greater than the project costs. Thus, one could say that quantifiable benefits would be negligible.
- IWACU programs would, on the other hand, earn high marks in the category of non-quantifiable benefits. Examples of these include (but are not limited to):
 - agricultural techniques learned as a coop member and transferred to individual holdings
 - greater participation of women in social and economic activities
 - the replicability of coop economic activities by private individuals
 - an improved national policy toward coops and rural development due to IWACU's ongoing dialogue with government and donors
 - experience in democratic principles through participation in coops, carried over into local government and politics
- In the overall analysis IWACU programs are cost-effective, albeit with room for improvement.

D. Recommendations/Areas for Improvement

The following recommendations would help improve revenue growth in coops and therefore bring increases to quantifiable benefits:

- Limit work to groups with viable economic activities
- Provide follow-up to groups to attain application of training in the field
- Limit work to groups that can be followed up in an efficient manner, i.e., those within a relatively short radius of IWACU offices (for example, within 50 km, or a one-hour drive). This assumes that coops outside that range would not have access to services until an office were set up in their area. IWACU should accept the fact that, with limited resources, they cannot work with every coop in the country.
- Improve the training and consulting methodology (see recommendations throughout this report)
- A full-fledged cost-effectiveness analysis would be worthwhile as a training exercise, in that it would provide IWACU staff with a conceptual framework for their program development. If it is done, it should be done with this objective and not just as an intellectual exercise.

E. NCBA Cost-Effectiveness

A similar analysis of NCBA's services would likely result in the same conclusion—quantifiable benefits in terms of increased revenues in coops would be negligible. That would be counterbalanced, however, by non-quantifiable benefits, especially the existence today of IWACU as an autonomous, well-managed institution.

SECTION XII RECOMMENDATIONS FOR FUTURE FUNDING

The following types of funding are recommended for future interventions by appropriate organizations to:

- Provide training/consulting in the development of a systematic approach to training, including a comprehensive TOT in adult learning methods and developing materials specific to economic activities
- Develop management tools, training materials, and business plan models for specific economic activities
- Support training and follow-up that focuses on specific economic activities and brings together groups engaged in similar activities. This training should be done on a decentralized basis with special emphasis on follow-up field visits and quantifiable results
- Support activities geared towards small coops (7-30 people) as opposed to large coops
- Allow IWACU to subcontract technical services to groups already receiving its funding assistance (for example, beekeeping or poultry raising). IWACU does not have a mandate to provide these technical interventions and will need to subcontract to other groups
- Institute a project costing system that would match costs to associated revenues
- Funding should *not* be used for promoting unions of cooperatives, loan guarantee funds, or institutional management issues

OUTPUT TARGETS

**ANNEX A
OUTPUT TARGETS**

Output Targets (Logframe)

**Status (inc'l est. %
of completion)**

Training Unit

1. 4,200 person-days of training needs assessment and training follow-up provided to 70 cooperatives and groupements.	36%: 1497 person-days provided.
2. 10 video films produced. Although the topics are still to be defined, the films will be used as training and pedagogical material for cooperative members.	100%: 10+ video films produced.
3. 1,800 person-days of training provided to cooperatives administrators.	51%: 917 person-days provided.
4. 1,800 person-days of training provided to cooperatives and groupement members.	158%: 2840 person-days provided.
5. 3,600 person-days of training provided to groupements' advisors and to leaders among farmers.	57%: 2041 person-days provided.
6. 2,100 person-days of field training provided to 40 pilot cooperatives and groupements.	42%: 894 person-days provided.
7. 2,160 person-days of training provided to partners and other contributors to the cooperative movement.	114%: 2456 person-days provided.
8. 1,340 person-days of training provided to women on sewing and other trades.	20%: 270 person-days provided.
9. 270 person-days of training in management provided to women members of cooperatives and groupements.	203%: 548 person-days provided.
10. At least 30 percent of the beneficiaries of training activities are women.	139%: 32% of beneficiaries are women (as of 3/93)

Output Targets (Logframe)**Status (inc'l est.****% of completion)****Consulting and Advisory Unit and the Regional Offices**

1. A study on the commercialization of potatoes and a profitability study on grinding mill projects finalized.	100% completed.
2. At least eight small project feasibility studies undertaken.	60% as of 3/93. 12 more studies analyzed by 9/93.
3. An inventory of loans to cooperatives prepared and analyzed and corrective actions taken, as necessary.	100%: Inventory completed. One seminar on loan mgt. provided to cooperatives in trouble.
4. Collaborate with the Cooperative Credit Union (BP) to begin operations of the credit guarantee organization "Societe Populaire de Cautionnement." This organization will provide guarantees to cooperative members.	0%: Based on lessons learned from past experiences, IWACU did not pursue.
5. A Banques Populaires loan management information system implemented.	100%
6. The result of diagnostic study on potential service cooperatives and needs implemented.	100% Completed
7. Member cooperatives assisted in preparing for the agricultural season; especially for beans, sorghum, and potatoes.	66% as of 3/93 + assistance in coffee, sorghum, beans and potatoes 9/93.
8. A data bank for at least ten agricultural products established; data to be collected include information on suppliers and transporters.	100% Completed
9. 3,120 person-days of training provided to cooperatives members in the area of: marketing (1,200 person-days); accounting and management (720 person-days); storage (720 person-days); and credit management (480 person-days).	153%: 4765 person-days of training provided as follows: 678 person-days in marketing; 492 person-days in credit mgt; 3595 person-days in credit management.
10. 4,000 person-days of training provided to coop managers, coop auditors, and coop administrators.	30%: 1,180 person-days provided.

* These numbers are a compilation of data from the 3/31/93 Project Implementation Report, the 9/30/93 six month project report prepared by IWACU and a meeting with the IWACU staff. For this table to be more accurately completed, IWACU and USAID need to review these tables jointly.

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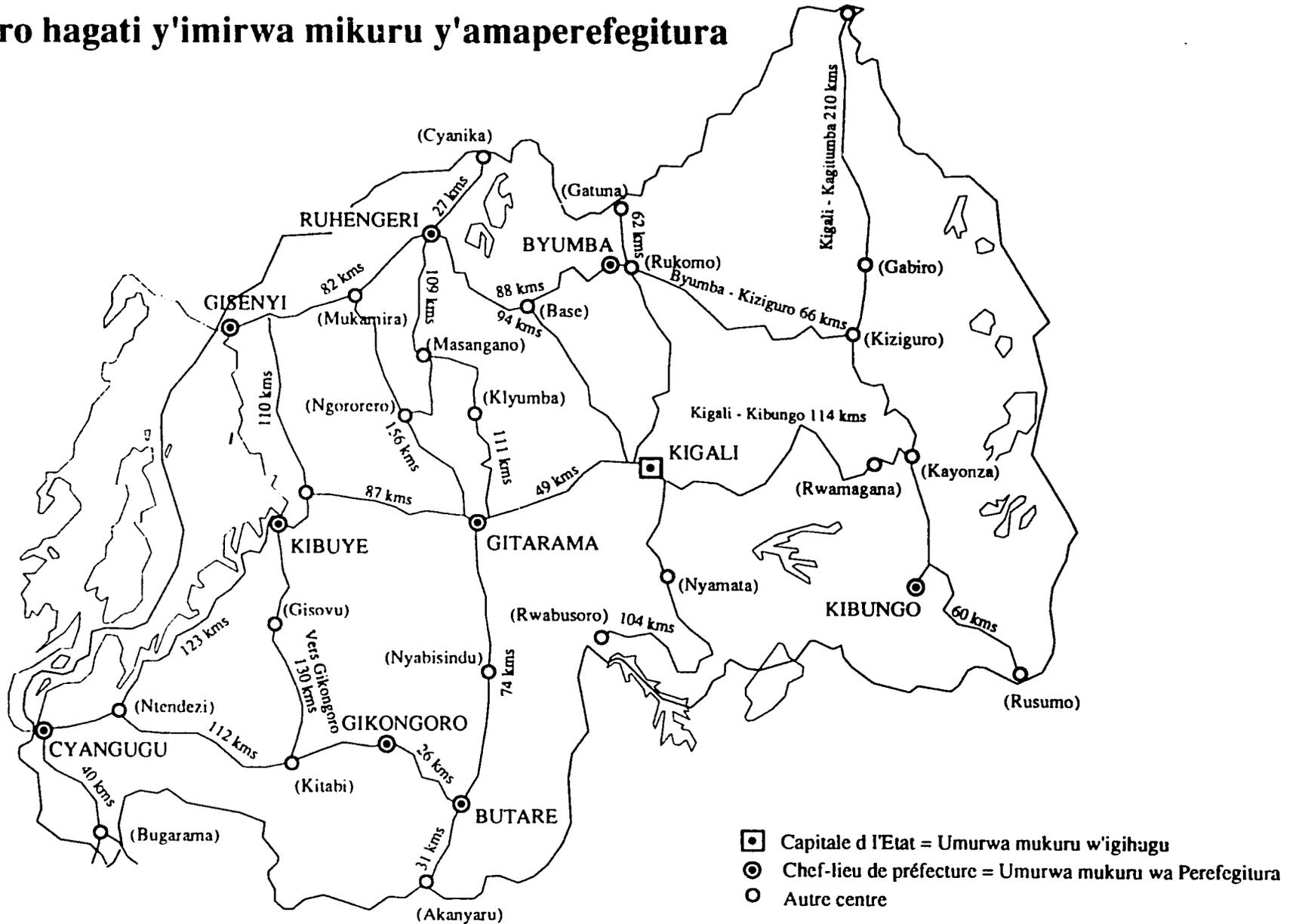
ANNEX B

MAP OF RWANDA

Distances entre les chef-lieux des préfectures

Ibirometero hagati y'imirwa mikuru y'amaperefegitura

B-1



ANNEX C

GRANT AGREEMENT EXTRACT

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ANNEX C
NCBA MONITORING AND EVALUATION REQUIREMENTS -
GRANT AGREEMENT EXTRACT

- (2) Routine Project Monitoring - CLUSA will monitor progress in providing project inputs and their use toward achieving project objectives. This will be accomplished through, at least, two CLUSA/Washington visits per year during the period. These consultations will assure coordination of efforts with AID, the Swiss, and the Ministry of Youth and Cooperative Development. CLUSA will also review training activities and assure that resources are being used in accordance with the Grant objectives.

Reports:

- (1) The Grantee will submit to AID a quarterly financial report covering: total grant budget, total expenditures for the period, and total cumulative expenditures. The report will include the following line items:
- salaries
 - fringe benefits
 - consultant fees
 - travel and transportation
 - allowances (by types)
 - participant training
 - other direct costs
 - overhead
 - vehicles and equipment
 - subordinate agreements with CTRC (by type and amount)

The original and two copies of all financial reports will be submitted to the AID project officer, USAID Kigali.

- (2) The Grantee will, at the end of the six month period, submit a performance report which includes the following:
- a comparison of actual accomplishments with the goals established for a period;
 - reasons why established objectives were not met, if necessary; and
 - other pertinent information including, when appropriate, an analysis and explanation of cost overruns for particular line items.

Three copies, in English and French, of each program performance report shall be submitted to the USAID Mission Director/Kigali.

- (3) The Grantee shall provide special reports as requested by the AID Grant Officer, AFR/PD/EA, or the USAID/Kigali.

USAID notified NCBA of this on November 27, 1991 and requested NCBA to send complete reports on a timely basis. According to USAID, NCBA has ignored this request.

PEOPLE CONTACTED

ANNEX D
PEOPLE CONTACTED

IWACU Center Staff

Adrien, Omar	Trainer, Training Unit
Bahigiki, Emmanuel	Chairman of the Board of Directors
Evrard, Dominique	COOPIBO (Belgian NGO)
Gasingirwa, Therese	Women's Group, Consulting/Advisory Unit
Girukubonye, J. Damascene	Internal Audit
Habyalimana, Thomas	Training Specialist, Training Unit
Kabandana, Alexis	Researcher, Library
Karasira, Callixte	Agent, Rural Enterprise
Kayumba, Joel	Regional Delegation - Gisenyi
Munyandamutsa, Telesphore	Head, Consulting/Advisory Unit
Munyaneza, Olivier	Agent, BACC
Musabimana, J.M. Vianney	Head, Decentralization Unit
Nayigizente, Jean Evariste	Administrator
Nizeyimana, Celestin	Agent, BACC
Nkubito, Eugene	Regional Delegation - Gikongoro
Nsengimana, Nkiko	Coordinator
Nyamwasa, Jean Damascene	Regional Delegation - Cyangugu
Sikuzani, Speciose	Secretary, Regional Delegation - Gisenyi
Twagilimana, Uzziel	Head, Training Unit
Unzaniyinka, Marie	Head, Lodging and Restaurant Services

USAID

Cantell, Claudia	Project Development Officer, USAID/Rwanda
Dijkerman, Dirk	Program Officer, USAID/Rwanda
Fuller, Kurt	Agriculture Development Officer, USAID/Rwanda
Joergensen, Bernadette	Program Assistant, USAID/Rwanda
Mivumbi, Daniel	Project Development Officer, USAID/Rwanda
Niyibizi, Bonaventure	Program Manager, USAID/Rwanda

Other Related Interviews

Booth, William	USAID Consultant associated with PVO Umbrella Project
Brenneman, Lyle	NCBA Consultant associated with IWACU
Howald, Barbara	Training Specialist associated with IWACU 1989 Evaluation
Kanzayire, Josepha	Director, INADES Formation Rwanda
Mertens, Frank	Cooperatives Development Backstop, USAID/W
Mukama, Innocent	Communal Extension Agent, MIJEUMA

Murakazandekwe
Benoît Eugene
Renfer, Marie-France
Schwartz, Karen
Themistocles, Gasana

Directeur, Union des Banques Populaires du
Rwanda
Conseiller d'Ambassade, Swiss Embassy
Vice President, International Development, NCBA
Director, TechnoServe

Cooperatives

Cooperative ABASHAKAMATA
Cooperative ASICOKA
Cooperative BUTAMWA
Cooperative COARWAKA
Cooperative COBANKULI
Cooperative COPARU
Cooperative COPROPAN
Cooperative INKINGI
Cooperative JYAMBERISUKA

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ANNEX F

NUMBER OF IWACU STAFF

ANNEX F
NUMBER OF IWACU STAFF (1989-1993)

	1989	1991	1993
Coordinator	1	1	1
Unit Heads	5	5	6
Trainers/Researchers	13	28	37
Support Personnel	28	38	45
TOTAL	47	72	89

In Delegations
(1989 - 1993)

	1989	1991	1993
Delegation Head(s)	1	3	3
Trainer/Researchers	1	3	5
Support Personnel		9	11
TOTAL	2	15	19

ANNEX G

SESSION PLAN

**ANNEX G
SESSION PLAN**

(This is an example of a session plan developed and used by the Action Consulting Association.)

PRIX DE REVIENT

PROGRAMME

- 08 H 30: Introduction - Présentation des Participants
- 09 H 00: Présentation du thème
- 10 H 15: PAUSE
- 10 H 30: Petits groupes
- 12 H 00: DEJEUNER
- 13 H 00: Plénière
- 13 H 30: Questions diverses

THEME: PRIX DE REVIENT

Objectifs: Les participants seront capables de:

1. définir le prix de revient
2. calculer le prix de revient d'un produit fini à l'aide du tableau de détermination du prix de revient
3. citer les utilités du calcul du prix de revient

Durée: 2h30 mn.

Procédure:

Etape 1: Présentation des objectifs

Etape 2: Saynète

Etape 3: Le facilitateur demande aux participants de définir le prix de revient d'un produit fini.

Il note les mots-clés sur flip chart et complète sur flip chart en montrant la définition déjà préparée à l'avance.

Etape 4: Le facilitateur demande aux participants qu'est-ce qui peut rappeler ce que la fiche de valorisation des fournitures utilisées dans les produits finis nous permet de connaître.

Réponse Attendue: La valeur des fournitures utilisées dans les produits finis.

Le facilitateur note les bonnes réponses des participants sur flip chart et complète.

Etape 5: Le facilitateur demande aux participants quels sont les éléments qui composent le prix de revient d'un produit fini en plus de la valeur des fournitures utilisées.

Réponse Attendue: La valeur des fournitures utilisées, la main d'oeuvre, le loyer, l'électricité, l'eau, le personnel de direction, autres, amortissements.

Le facilitateur note les bonnes réponses sur flip chart en séparant les coûts directs et les coûts indirects (frais généraux) en n'oubliant pas de noter la valeur des fournitures utilisées dans la partie coûts directs. Il complète les deux listes et ensuite précise comme titre le nom de chaque liste: coûts directs, coûts indirects (frais généraux).

Le facilitateur expliquera la différence entre coûts directs et coûts indirects.

Les coûts directs:

Ce sont les charges (dépenses) en rapport direct avec le produit confectionné. Ils varient le plus souvent avec la quantité de produits confectionnés.

Les coûts indirects:

Ce sont des charges (dépenses) qui sont liées à l'atelier de couture et qui ne sont pas en rapport immédiat avec le produit confectionné. Ils sont le plus souvent fixes.

Idée d'implémenter le tableau de la page 10

Etape 6: Le facilitateur indique qu'un document appelé tableau de détermination du prix de revient a été conçu. Il le montre sur rétroprojecteur et le commente en précisant que pour les frais généraux les informations sont trouvées à partir du grand livre (sauf pour les amortissements).

Etape 7: Le facilitateur demande aux participants à quoi est égal le prix de vente d'un produit fini.

Réponse Attendue: Prix de vente =
Prix de revient + Marge bénéficiaire

Etape 8: Le facilitateur donne un exemple d'illustration sur flip chart et le traite avec le concours des participants.

Etape 9: Le facilitateur demande aux participants d'aller en petits groupes et distribue une copie vierge du tableau de détermination du prix de revient, avec l'exercice de simulation.

Etape 10: Plénière

Etape 11: Le facilitateur demande aux participants de citer les utilités du calcul du prix de revient.

Il note les bonnes réponses sur flip chart et complète en montrant les utilités sur flip chart déjà préparées à l'avance. Il distribue la liste des utilités aux participants.

Etape 12: Rappel des objectifs.

Préparation et Matériel

- Flip chart
- Rétroprojecteur
- Définition du prix de revient sur flip chart
- Exemple d'illustration + corrigé
- Simulation + corrigé (copies et transparent)
- Transparent du tableau de détermination du prix de revient
- Saynète
- Copies du tableau de détermination du prix de revient/participants
- Copies liste des utilités/participants.

PRIX DE REVIENT

SAYNETE

Un client vient dans l'atelier de couture DIAMANO et demande qu maître-tailleur Alioune de lui faire un devis qu'il passera prendre le lendemain pour une commande de 6 ensembles.

Le maître-tailleur essaie de déterminer rapidement sur flip chart le prix de revient en ne tenant compte que des matières et fournitures utilisées:

- 18 m de tissus x 1000 F	=	18.000
- 3 bobines de fil x 150	=	450
- 30 boutons x 5 F	=	150
- Renfort 0,5 m x 350	=	<u>175</u>
Montant total	=	18.775
Bénéfice 1.500 x 6	=	9.000
Montant total du devis	=	27.775

Il fait le devis et le lendemain il le remet au client.

Le client passe sa commande et fait une avance de 15.000 F.

Le maître-tailleur commence le travail.

Modou, son copain, tailleur comme lui vient lui rendre visite et remarque les montants inscrits sur flip chart.

Modou: Alioune, tu passes tout ton temps à calculer, qu'est-ce que ce c'est ca encore?

Alioune: C'est un devis que je faisais pour un client. ~~...~~

Modou: Voyons un peu. Mais pourquoi tu n'as pas mis les autres dépenses (qu'il mentionne en même temps sur flip chart) telles que: la main d'oeuvre, l'électricité, le loyer, le personnel ~~et~~ direction, les autres dépenses et les amortissements.

Alioune: Mais est-ce qu'il faut mettre toutes ces dépenses?

Modou: Bien sûr, c'est le fruit du travail qui doit supporter toutes les dépenses de l'atelier.

Alioune: Alors, si le client arrive, il faut qu'on rediscute du prix sinon je perds.

Modou: Non Alioune, le coup est déjà parti. Le client ne l'acceptera pas et tu risques de le perdre, mais à l'avenir il faudra tenir compte de toutes les dépenses.

Alioune: Je te remercie beaucoup de m'avoir aidé Modou.

PRIX DE REVIENT

DEFINITION

Le prix de revient d'un produit fini est la somme de toutes les charges (dépenses) entrant dans la confection d'un produit fini.

UTILITES DU CALCUL DU PRIX DE REVIENT

Le calcul du prix de revient nous permet de:

- fixer les prix de vente donc de faire des devis
- éviter de faire des pertes
- apprécier la marge bénéficiaire réelle du gérant
- connaître la catégorie de recette la plus rentable pour l'atelier
- et en général cela aide à la prise de décision.

PRIX DE REVIENT

NOTE AUX FACILITATEURS DE PETITS GROUPES

1. Le facilitateur demande à un participant de lire l'énoncé.
2. Il demande aux participants de remplir le tableau de détermination du prix de revient jusqu'au premier total.

Il corrige avec eux.

3. Il leur demande de remplir jusqu'au deuxième total le reste du tableau. Il circule pour rectifier les erreurs. Ensuite il corrige avec eux.

3bis Il leur demande de remplir pour le reste du tableau et ensuite corrige avec eux.

4. Il leur demande à chaque fois comment calculer et ensuite de procéder au calcul:

- de la marge bénéficiaire pour 1 pantalon
- du prix de vente d'un pantalon.
- du montant total du devis.

Et chaque fois il corrige avec eux avant de passer à une autre étape.

PRIX DE REVIENT

EXERCICE D'ILLUSTRATION

Le 10 Octobre 1989 l'atelier Maître Guèye recoit une commande de 3 chemises pour la période du 13 Octobre au 13 Octobre 1989: Modèle classique les consommations suivantes sont estimées nécessaires:

- 6 m de tissu à 1.000 F le mètre
- 0,50 cm de renfort à 800 F le mètre
- 1 bobine de fil à 130 F pièce
- 24 boutons à 5 F l'unité.

La main d'oeuvre est prévue comme suit:

Intervenants	Activités	Durée	Coût Unitaire	Coût Total
Cissé	Coupe	1 jour	1.000 F	1.000 F
Seck	Assemblage	1 jour	850 F	850 F

Les frais généraux par mois sont:

Loyer	15.000
Eau/Electricité	8.000
Frais de personnel de direction	50.000
Autres frais	5.000
Amortissements	3.000

Vous estimez que si l'atelier travaille à temps plein sur cette commande, il faut y consacrer un jour.

Calculer le prix de revient de chaque chemise.

La marge bénéficiaire sur le prix de revient est de 1.000 F par pièce, quel sera le montant total du devis.

PRIX DE REVIENT

SIMULATION

Le 16 Octobre 1989, l'atelier de couture DIAMANO CREATION doit faire un devis pour une commande de 10 pantalons plis doubles en gabardine: taille 38 pour la période du 20 au 21 Octobre 1989.

Vous estimez que les consommations suivantes seront nécessaires:

- 12,5 m de tissus à 2.500 F le mètre
- 10 fermetures à 50 F pièce
- 4 bobines de fil à 130 F pièce
- 3 m de nylon à 500 F le mètre
- 20 boutons à 5 F pièce
- 10 m de gros grain à 125 F le mètre
- 10 agrafes à 25 F pièce

Par ailleurs la main d'oeuvre est prévue comme suit:

<u>Intervenant</u>	<u>Activité</u>	<u>Durée</u>	<u>Coût</u>
Abdou Ly	Coupe	1 jour	1.200 F/j
Assane NDiaye	Assemblage	3 jours	850 F/j
Ousmane Seck	Finition	3 jours	500 F/j

Les frais généraux par mois sont environ:

- Loyer 25.000
- Eau, électricité, telephone 20.000
- Frais de personnel de Direction 150.000
- Autres frais 30.000
- Amortissements 6.500

Vous estimez que si tout l'atelier travaille à temps plein sur cette commande, il faudra y consacrer 2 jours sachant que l'atelier dispose de quatre machines.

Calculer le prix de revient de chaque pantalon.

Si votre marge bénéficiaire sur prix de revient est 30%, quel sera le montant total du devis?

ANNEX H

SCOPE OF WORK AND AMENDMENT

III. WORK STATEMENT:

- 3.1 The consultants will assess the effectiveness of NCBA in providing assistance to the Center:
- 3.1.1 How effective have NCBA's interventions been in assisting the project in implementing the last evaluation's recommendations?
- 3.1.2 How far has NCBA progressed in strengthening IWACU as a local training institution? Does IWACU still need NCBA's technical assistance?
- 3.2 Assess the project efficiency: What is the estimated cost per beneficiary? Are NCBA's services cost effective? Are IWACU's?
Has ST technical assistance been effective?
- 3.3 ~~What are the lessons to be learned from this project under NCBA technical assistance?~~ Has IWACU continued to progress as expected after the departure of the resident long-term technical assistant?
through working with cooperatives
- 3.4 The consultants will assess IWACU's capability and potential role in the development of the Rwandan private sector. Do the organizational structures of IWACU, its staff, and its methodology prepare IWACU to play an increased role ~~supporting the private sector development through~~ support to cooperatives?
in providing
- 3.5 The consultants will assess the appropriateness of the project objectives in relation to future USAID interventions in the Rwandan private sector.
- 3.6 Assess progress toward ~~achieving outputs as planned,~~ *recommendations made in 89' evaluation,* and efficiency in using resources:
- 3.6.1. The Training Unit: Is it responding to the needs of cooperatives? Are the training tools provided being effectively used by the cooperatives' members? *What lessons is the training unit learning in their assistance to cooperatives?*
- 3.6.2. The Regional Delegation Units: Is increased autonomy of the regional delegation units being used to effectively address the needs of cooperatives? Are delegation units provided appropriate resources to effectively address the needs of local cooperatives?

3.6.3. The Support Unit: Is the unit well staffed? How effectively have loans been to cooperatives? How successful is the repayment plan? What is the percentage of repayment for men's vs women's cooperatives? Did loans result in increased sales/revenue. ^{Did loans result in} increased management problems? ^{for the cooperative} Is the Union des Banques Populaires likely to continue providing loans to cooperatives; under what conditions, if any? Is the Unit likely to succeed in launching the office of support to commercial cooperatives, and what are the critical resources necessary for the success of this operation?

3.7 Assess project effectiveness and impact on cooperatives. Assess financial and social effects on project beneficiaries. Is the training provided to the cooperatives' members resulting in increased wealth/welfare? What is the difference in terms of revenue between cooperatives which adopted recommendations of IWACU and those which did not? Is project support resulting in a learning process for assisted people to gain control over their lives? Is the training of women resulting in more participation of women in decision-making in assisted cooperatives or in their community? Is the project benefiting the poor/elite? What was the relative increase in income between the poor and the elite members of cooperatives? Are there cooperatives which are able to sustain themselves as a result of IWACU's assistance/training?

the content of IWACU's training programs & consulting services

3.8 Assess IWACU's progress toward achieving financial self-sufficiency. Is this institution likely to attain self-sufficiency? If not, explain reasons.

3.9 Assess the quality of IWACU's staff. What is the strength of IWACU's staff? Are there any additional skills needed to effectively accomplish project objectives? What are they doing that is different from what they did before and why? ~~What lessons have they learned in their assistance to cooperatives?~~

Is high turnover rate still a major problem?

3.10 How should the project effectively address the needs of cooperatives? Are there any constraints to the development of cooperatives which the project should have addressed? If yes, provide recommendations.

