

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

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office (ES# _____) <u>AID/FHA/PVC</u>	B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY ___ 0 ___	C. Evaluation Timing Interim <input type="checkbox"/> Final <input checked="" type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
938-0192	Cooperative Program Support Grant - National Cooperative Business Association (NCBA)	89	2/94	8,050	6,574

ACTIONS

E. Action Decisions Approved by Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required Extend the project for 9 months in order to complete project out-puts	Frank Mertens	Nov. 93

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) 10 (Day) (Year) 93

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature	Frank Mertens	for Karen Schwartz	Tom Marchione	Lou Stamberg
Date	Jan 5, 1994	12 Jan 1993	18 Feb 1994	2-11-94

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ABSTRACT

H. Evaluation Abstract (Continued from page 4)

The project purpose is to strengthen and expand the role of private cooperative businesses in lesser developed countries. The core grant makes it possible for NCBA to participate in international development activities for market improvement and empowerment of individuals. The evaluation determined the capability of the project to strengthen and expand NCBA's international operations through program and organizational development, resource enhancement and limited program services. The project focus was to promote the development of sound, economically viable private sector cooperative business organizations through technical assistance and training projects. The project was last evaluated in 1992. The major findings and conclusions are:

- The evaluation found that NCBA has met or surpassed nearly all projected indicators for the grant period.
- NCBA is unique among the cooperative development organizations in its philosophy and approach to empowering grass-roots cooperative and other member-owned businesses.
- The results achieved by NCBA in developing countries should be used by NCBA International to greater advantage in leveraging grant funds. The economic and social results of projects undertaken by NCBA in lesser developed countries are strikingly successful and should be publicized. As more people become aware of project results, funding from other sources should increase.
- NCBA should give continued emphasis to broad-based participation in project planning by individuals in developing countries. Involvement in plans produces a sense of ownership which can improve results and ensure a sustained economic impact.
- "Lessons learned" should be formalized so that they can be readily used by all employees of NCBA and possibly even shared with other cooperative development organizations. Formalized lessons learned are easier to use in orientation of new personnel.

The evaluators noted the following "lessons":

- Lessons learned in developing cooperatives are used to enhance new project development techniques and cost effective development strategies. Specific lessons learned are:
 - Develop co-op to co-op linkages in support of on-going development project activities.
 - Build a post-project intervention and evaluation capability into the next grant.

COSTS

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Garfield R. Stock	Consultant	OTR-0250-00-C 7237-00	\$6,050.00	Program
2. Mission/Office Professional Staff Person-Days (Estimate) <u>10</u>		3. Borrower/Grantees Professional Staff Person-Days (Estimate) <u>5</u>		

b.

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

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

Address the following items:

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

Mission or Office:

AID/FHA/PVC

Date This Summary Prepared:

01/03/94

Title And Date Of Full Evaluation Report:

Final Evaluation of the CPSG with NCBA,
October 1993

1. Purpose of the project

The goal of the Cooperative Program Support Grant (CPSG) is to strengthen and expand the role of private cooperative businesses in lesser developed countries. The purpose of the program is to enhance NCBA's capability to design, develop, and manage cooperative business projects and to create innovative program approaches. The core grant makes it possible for NCBA to participate in international development activities for market improvement and empowerment of individuals.

2. Purpose of evaluation and methodology

The evaluation of the CPSG was carried out during August of 1993. The purpose of the evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with NCBA under the AID project 938-0192. This is in accordance with the Scope of Work of the Cooperative Agreement with NCBA. The evaluation will determine the capability of the project to strengthen and expand NCBA's international operations through program and organizational development, resource enhancement and limited program services. The project focus was to promote the development of sound, economically viable private sector cooperative business organizations through technical assistance and training projects. The project was last evaluated in 1992.

The following methodology was used in order to perform this evaluation: (1) review of background information, (2) visit the NCBA main office and interview personnel, (3) interview personnel in FHA/PVC and other AID offices with whom NCBA had initiated programs through the project, and (4) contact per fax personnel from Missions and other organizations where the project worked or is presently working.

3. Findings and conclusions

The project has been successful as measured by the Scope of Work, implementation plan and projected outputs. The evaluation found that NCBA has met or surpassed nearly all projected indicators for the grant period.

NCBA is unique among the cooperative development organizations in its philosophy and approach to empowering grass-roots cooperative and other member-owned businesses. Its methodology, refined under this grant, is based on principles of participation which are incorporated into all phases of project development, design and implementation. In its field projects, NCBA has remained single-focused and dedicated to building local capacity while maintaining a low organizational profile.

C'

The core grant has made it possible for NCBA to respond to numerous requests for proposals during the grant period. Many projects would not have been possible without the core grant. NCBA has not found a willingness in other funding organizations to provide funds for the functions which the CPSG finances.

The project was instrumental in strengthening and expanding NCBA's international operations through improved organizational development, resource enhancement and limited program services. The project has had a very positive impact and improved organizational effectiveness at NCBA headquarters.

A number of activities that NCBA has undertaken have resulted in a strengthening of its institutional capabilities through:

- Increased efficiency in program design.
- Improved the appropriateness and efficiency of its implementation capability.
- Opening of a regional office in Africa which added program strength and provided decentralization.
- Improved financial monitoring of projects and budgets.
- Increased diversification of funding sources.
- Increased member education for greater understanding of, participation in, and support for overseas cooperative development programs.
- Expanded program development capacity by using lessons learned.

4. Principal recommendations

No problems surfaced during the evaluation. Should the project be duplicated in the future, the following recommendations are made to enhance program effectiveness and efficiency.

- The results achieved by NCBA in developing countries should be used by NCBA International to greater advantage in leveraging grant funds. The economic and social results of projects undertaken by NCBA in lesser developed countries are strikingly successful and should be publicized. As more people become aware of project results, funding from other sources should increase.
- Project evaluation and research should be reviewed in order to have the very best documented information on sustainable social and economic benefits of projects. This review would make certain that complete information is documented for news media and public relations purposes.
- NCBA should give continued emphasis to broad-based participation in project planning by individuals in developing countries. Involvement in plans produces a sense of ownership which can improve results and ensure a sustained economic impact.

- NCBA should increase the coordination with other cooperative development organizations working in the same country. This could impact the economic development process in lesser developed countries.
- "Lessons learned" should be formalized so that they can be readily used by all employees of NCBA and possibly even shared with other cooperative development organizations. Formalized lessons learned are easier to use in orientation of new personnel.
- Consideration should be given to utilizing more volunteers for short-term technical assistance in developing countries to increase the economic efficiency of projects. This includes involving U.S. cooperators more directly in the development process.
- Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.
- Coordination with AID could be improved with the adoption of E-mail linked to the AID/Washington office.

5. Lessons learned

Lessons learned in developing cooperatives are used to enhance new project development techniques and cost effective development strategies. Using information from past program evaluations, NCBA was able to expand its program development capacity.

Specific lessons learned are:

1. Develop co-op to co-op linkages in support of on-going development project activities.
2. Build a post-project intervention and evaluation capability into the next grant.
3. Create, nurture and support the formation of an African cooperative development support agency.
4. Develop and institutionalize an agency-wide management information system to collect, compile, analyze and use program information from its various projects.
5. Develop a strategy to more effectively disseminate information on successes and better communicate the NCBA/CLUSA story.

②

ATTACHMENTS

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

One Evaluation Report entitled "Final Evaluation of the Cooperative Program Support Grant with National Cooperative Business Association".

COMMENTS

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

FHA/PVC Comments:

In general FHA/PVC agrees with the evaluators' findings and recommendations, however, not all required project outputs can be completed by March 31, 1994, the present end of performance date. Based on the evaluation and discussion with NCBA regarding the time required to complete the project outputs, the project should be extended by 9 months to November 30, 1994.

Grantee Comments:

1. Most of the project objectives have been met. There are however several unmet objectives and several activities which require time to complete.
2. Intern Component: No interns have been used. NCBA's Africa Office will recruit and integrate into its operations 2 interns over the next 8 months.
3. Women in Cooperative Development Component objectives were only partially met. One study was completed. Activities began in Colombia, El Salvador and Russia which will be completed in 8 months.
4. Worker-owned Businesses Component objectives were met, however, NCBA undertook additional activities as a buy-in to this CPSG which will require 6 to 8 months to fully complete.
5. Co-op to Co-op Component objectives were partially met. Implementation was delayed and only recently restarted. Within the next 6 to 8 months activities will allow for accomplishment of all objectives, plus an evaluation.
6. Program Development Component objectives were mainly achieved, however, several program explorations, designs, and negotiations were initiated during this CPSG. Activities are now underway and will be completed within 9 months.
7. Institution Strengthening
 - A. Africa Office: The office is up and running. We are faced with having to relocate. Since this CPSG provides for the Africa Office, and we have realized some savings, we would continue to use the resources of this CPSG to resolve the pending relocation issues within the next 6 to 8 months.
 - B. Program-based Budgeting: A mid-grant recommendation directed NCBA to build a program-based budgeting, monitoring and reporting capability. We did the budgeting for our proposed new CPSG on a program base, however, our system needs to be refined and tested. This is planned over the next 6 to 7 months.

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**FINAL EVALUATION OF THE
COOPERATIVE PROGRAM SUPPORT GRANT WITH
NATIONAL COOPERATIVE BUSINESS ASSOCIATION**

Prepared for:

**Office of Private and Voluntary Cooperation
Bureau of Food and Human Assistance
Agency for International Development
and
National Cooperative Business Association**

by:

Garfield R. Stock, Ph.D., Consultant

Evaluation Team

**Karen Schwartz, Vice President, International Program
Frank Mertens, Project Officer, AID/FHA/PVC
Garfield R. Stock, Ph.D., Consultant**

October 1993

FINAL EVALUATION OF AID
COOPERATIVE PROGRAM SUPPORT GRANT WITH
NATIONAL COOPERATIVE BUSINESS ASSOCIATION

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EXECUTIVE SUMMARY

In March of 1989, the National Cooperative Business Association (NCBA) signed a five year Cooperative Agreement with the U.S. Agency for International Development, Bureau for Food and Humanitarian Assistance, Office of Private and Voluntary Cooperation (AID/FHA/PVC) in the amount of \$4,250,000 under AID's Cooperative Program Support Project.

The goal of the Cooperative Program Support Grant (CPSG) is to strengthen and expand the role of private cooperative businesses in lesser developed countries. The purpose of the program is to enhance NCBA's capability to design, develop, and manage cooperative business projects and to create innovative program approaches. The core grant makes it possible for NCBA to participate in international development activities for market improvement and empowerment of individuals.

The evaluation of the CPSG was carried out during August of 1993. The purpose of the evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with NCBA under the AID project 938-0192. This is in accordance with the Scope of Work of the Cooperative Agreement with NCBA. The evaluation will determine the capability of the project to strengthen and expand NCBA's international operations through program and organizational development, resource enhancement and limited program services. The project focus was to promote the development of sound, economically viable private sector cooperative business organizations through technical assistance and training projects. The project was last evaluated in 1992.

The following methodology was used in order to perform this evaluation: (1) review of background information, (2) visit the NCBA main office and interview personnel, (3) interview personnel in FHA/PVC and other AID offices with whom NCBA had initiated programs through the project, and (4) contact per fax personnel from Missions and other organizations where the project worked or is presently working.

The project has been successful as measured by the Scope of Work, implementation plan and projected outputs. The evaluation found that NCBA has met or surpassed nearly all projected indicators for the grant period.

NCBA is unique among the cooperative development organizations in its philosophy and approach to empowering grass-roots cooperative and other member-owned businesses. Its methodology, refined under this grant, is based on principles of participation which are incorporated into all phases of project development, design and implementation. In its field projects, NCBA has remained single-focused and dedicated to building local capacity while maintaining a low organizational profile.

The core grant has made it possible for NCBA to respond to numerous requests for proposals during the grant period. Many projects would not have been possible without the core grant. NCBA has not found a willingness in other funding organizations to provide funds for the functions which the CPSG finances.

The project was instrumental in strengthening and expanding NCBA's international operations through improved organizational development, resource enhancement and limited program services. The project has had a very positive impact and improved organizational effectiveness at NCBA headquarters.

A number of activities that NCBA has undertaken have resulted in a strengthening of its institutional capabilities through:

- Increased efficiency in program design.
- Improved the appropriateness and efficiency of its implementation capability.
- Opening of a regional office in Africa which added program strength and provided decentralization.
- Improved financial monitoring of projects and budgets.
- Increased diversification of funding sources.
- Increased member education for greater understanding of, participation in, and support for overseas cooperative development programs.
- Expanded program development capacity by using lessons learned.

All recommendations from the midterm evaluation were addressed by NCBA.

No problems surfaced during the evaluation. Should the project be duplicated in the future, the following recommendations are made to enhance program effectiveness and efficiency.

1. The results achieved by NCBA in developing countries should be used by NCBA International to greater advantage in leveraging grant funds. The economic and social results of projects undertaken by NCBA in lesser developed countries are strikingly successful and should be publicized. As more people become aware of project results, funding from other sources should increase.
2. Project evaluation and research should be reviewed in order to have the very best documented information on sustainable social and economic benefits of projects. This review would make certain that complete information is documented for news media and public relations purposes.

3. NCBA should give continued emphasis to broad-based participation in project planning by individuals in developing countries. Involvement in plans produces a sense of ownership which can improve results and ensure a sustained economic impact.
4. NCBA should increase the coordination with other cooperative development organizations working in the same country. This could impact the economic development process in lesser developed countries.
5. "Lessons learned" should be formalized so that they can be readily used by all employees of NCBA and possibly even shared with other cooperative development organizations. Formalized lessons learned are easier to use in orientation of new personnel.
6. Consideration should be given to utilizing more volunteers for short-term technical assistance in developing countries to increase the economic efficiency of projects. This includes involving U.S. cooperators more directly in the development process.
7. Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.
8. Coordination with AID could be improved with the adoption of E-mail linked to the AID/Washington office.

Lessons Learned:

Lessons learned in developing cooperatives are used to enhance new project development techniques and cost effective development strategies. Using information from past program evaluations, NCBA was able to expand its program development capacity.

Specific lessons learned are:

1. Develop co-op to co-op linkages in support of on-going development project activities.
2. Build a post-project intervention and evaluation capability into the next grant.
3. Create, nurture and support the formation of an African cooperative development support agency.
4. Develop and institutionalize an agency-wide management information system to collect, compile, analyze and use program information from its various projects.
5. Develop a strategy to more effectively disseminate information on successes and better communicate the NCBA/CLUSA story.

**FINAL EVALUATION OF AID
COOPERATIVE PROGRAM SUPPORT GRANT WITH
NATIONAL COOPERATIVE BUSINESS ASSOCIATION**

I. INTRODUCTION

A. The Organization

The National Cooperative Business Association (NCBA) was organized in 1916 as the Cooperative League of the USA. NCBA represents America's cooperative community. Members of NCBA include farm supply and agricultural marketing cooperatives, banking and insurance cooperatives, housing and health care cooperatives, consumer and rural electric cooperatives and credit unions.

NCBA serves its membership by supporting the development and expansion of cooperative businesses in the U.S. and abroad; promoting international commerce, banking, insurance, and joint ventures among cooperatives; providing Washington representation before Congress and federal agencies; and representing America's cooperatives through membership in the International Cooperative Alliance.

NCBA has been involved in international development since 1953 and implemented partnership programs with AID since 1956.

B. The Cooperative Program Support Grant

NCBA received a Cooperative Program Support Grant (CPSG) on March 10, 1989 in the amount of \$4,250,000 for five years.

The goal of the CPSG is to strengthen and expand the role of private cooperative businesses in lesser developed countries. The purpose of the program is to enhance NCBA's capability to design, develop, and manage cooperative business projects and to create innovative program approaches. The core grant makes it possible for NCBA to participate in international development activities for market improvement and empowerment of individuals. There are three principal areas of activity: Organizational Enhancement, Resource Enhancement, and Limited Program Services.

C. Purpose of the Evaluation

The purpose of this evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with NCBA under AID project 938-0192. This is in

accordance with the Scope of Work of the Cooperative Agreement with NCBA. The evaluation will determine the capability of the project to strengthen and expand NCBA's international operations through program and organizational development, resource enhancement and limited program services. The project focus was to promote the development of sound, economically viable, private sector cooperative business organizations through technical assistance and training projects.

The project was last evaluated in 1992.

II. Findings

A. Scope of Work, Implementation Plan and Projected Outputs of the Revised Log Frame

NCBA has been successful in the implementation of the scope of work described in the CPSG proposal. It has provided technical support to AID Missions and cooperative movements. During the course of the grant, new cooperative development projects were explored, developed, designed and funded for implementation with USAID Mission grants and contracts. The CPSG has provided support to monitor projects, compile information and provide feedback across project, country and regional lines, and it has allowed for a decentralization of project development and monitoring activities. The grant has given NCBA the capacity to educate its constituency for greater understanding of, participation in, and support for overseas cooperative development programs.

The program thrust was on the promotion of productive cooperative business enterprises, international trade, decentralization of development, and training.

NCBA has developed cooperatives to become successful viable businesses by helping members acquire the needed skills, capital, and expertise. Sustainable international trade has been developed as a result of a number of NCBA activities. Through the promotion of trade, cooperatives in lesser developed countries increase their revenue which strengthens the organization and improves member welfare.

NCBA has organized Cooperative Business International (CBI) to provide a trade vehicle for developing cooperatives. Trade provides a sustainable economic base for both developing countries and the United States. In addition, this strategy provides for improvement in income of both the people of developing countries and their trade partners. The Indonesia project is a good example of this strategy at work.

NCBA has been able to develop cooperatives which promote active participation and management by the members themselves. As a condition of project assistance, NCBA requires agreements that this type of member involvement and open management will be accepted.

The basis for having achieved productive enterprises, inter-national trade, and democratization of development has been training. NCBA training, effectively implemented over the life of a project, has been the primary vehicle for technology and skill transfer and the attitude change necessary to achieve a high level of success in projects that have been implemented.

Another vital element to maintaining sustainable cooperative development is institutional development. NCBA's goal is developing and strengthening local institutions so that they are self-supporting and serve member interests.

Based on the information reviewed, nearly all projected outputs that were listed in the revised log frame for the life of the project were achieved or are expected to be achieved by the end of the five-year grant period. Outputs projected included new projects, new project countries, non-AID project support, participation in planning, policy analysis consultations, Food Aid consultations, topical workshops and seminars, research studies, co-op to co-op linkages, materials development, and CPSG evaluations.

B. Effectiveness and Appropriateness of Principal Activities

1. Organizational Enhancement

The international section of NCBA was enhanced by new project development techniques and cost effective development strategies. This was accomplished by using lessons learned in developing cooperatives and building on those already established by NCBA in various parts of the world. Using information from past program evaluations, NCBA was able to expand program development capacity.

Through implementation of innovative programming, NCBA was better able to serve the efficient operation and accelerated growth requirements of cooperatives in developing countries. NCBA was able to achieve new levels of assistance through research and experimentation, pilot projects on small enterprise development and worker-owned business cooperatives, and the development of indigenous technical assistance organizations.

NCBA was able to increase its efficiency in program design and improve the appropriateness and efficiency of its implementation capability. This was achieved through an improved monitoring and evaluation of projects and the researching of critical development issues. As findings were documented, they were applied to other NCBA projects and also were used to improve the financial monitoring of projects and CPSG budgets. This resulted in increased efficiency and allowed for technical assistance to be available to other projects.

To implement these efforts, NCBA expanded its efforts in research and evaluation, as well as in operations and financial monitoring. It was able to open a low-budget regional office in Africa which monitored projects in Niger, Mali, South Africa, Rwanda and Sao Tome. This office also facilitates the exploration of projects in other countries of Africa. During the last

quarter of 1991, a regional training advisor was added. There is a continued effort to evaluate the activities of the office and the cost and benefit of maintaining this presence.

Another example of improvements in efficiency and organizational enhancement that can be cited is the expansion of Asian activities. The Indonesia project continued its development activities and trade with the U.S., Europe and Japan. During the closing months of the Nepal project, NCBA is trying to transfer and disseminate the methods and content of business development training it has employed to other businesses, projects and organizations in Nepal.

The intern program for Africa is in process. The candidate profile has been developed and planning is being continued to ensure jobs upon completion of the internship.

The establishment of indigenous technical assistance organizations to provide on-going support to group businesses after project termination is under study by project staffs in Niger, Sao Tome and Mali. A Niger nongovernment organization is projected to be funded, a Mali nongovernment organization is under consideration, and the background work in Sao Tome is being developed. These indigenous technical assistance programs will greatly enhance the long-term sustainability of these projects. They will also provide the information needed to expand the program.

During the grant period, NCBA projected the establishment of a Research Development/Evaluation unit to track, monitor and evaluate projects and undertake research on topics of importance to NCBA. The unit was not established per se, however, project monitoring and evaluation systems were designed and are in place in three African projects and in El Salvador.

Copies of the Mission evaluations are included in the Appendix. Project evaluations were generally "very effective."

2. Resource Enhancement

Under the grant proposal, resources were to be enhanced by the development of the co-op to co-op program, NCBA member education, and diversification of project funding sources.

The co-op to co-op program is being further developed. The projected five linkages have been created. The Jamaica- Garden City program was very successful in the exchange of management information. Nine Jamaican cooperators also visited the Southern Federation of Cooperatives in the U.S. Five co-op to co-op relationships were established with El Salvador which has resulted in three exchanges between the U.S. and El Salvador.

These exchanges bring U.S. management and technical services to cooperatives in developing countries. This improves the efficiency and long-term sustainability of developing cooperatives

and has the potential to develop import/export activity and increase fund raising on behalf of cooperative projects overseas.

During the grant period, there has been a continuous development of membership education to enable members to better understand the problems of cooperatives in lesser developed countries. All 38 issues, through March 31, 1993, of the Cooperative Business Journal (CBJ) carried international project articles. Two students were funded for overseas project visits to prepare project promotional materials. Under a Biden-Pell Development Education grant, NCBA developed and held a series of "roundtables" seeking to increase awareness of the role and importance of cooperative development in overall economic growth in the developing world.

Constant improvement in the forms of communication and project reporting has brought about considerable progress in understanding. This translates into support for the NCBA overseas program activities.

Resource have been enhanced by a diversified funding strategy. Other donors have been targeted for support/expansion of on-going projects. There have also been project proposals prepared for other donor funding.

For example: UNCDF funded part of an NCBA-assisted long-term cooperative project in Equatorial Guinea for \$1,177,000; the Cooperative Development Foundation (CDF) provided \$148,000 for international cooperative development; the World Bank supplied \$14,000 for training Nigerian government personnel in participatory training methods; and UNDP/IFAP provided \$80,000 for the development of fishery associations in Sao Tome.

NCBA continues to increase its contacts with foundations in the U.S. in attempts to raise funds. NCBA is one of 11 cooperative organizations who can receive funds through the United Cooperative Appeal, a new fund raising campaign designed and managed by the CDF. The Appeal targets cooperative members, customers and staffs with proceeds providing assistance to cooperatives in the U.S. and overseas.

Ten U.S. cooperative organizations are investing \$25,000 per year for five years in the American Cooperative Enterprise Center Project for Eastern Europe. They have also made in-kind contributions to the Center valued at \$46,836 during the past 18 months.

NCBA has been able to demonstrate the value of cooperative development in lesser developed countries by reporting trade development and sustained economic activity. This economic results orientation has been of valuable assistance in attracting other funds to leverage the overall program activity.

NCBA staff feels that they have attained a very high degree of leveraging of the CPSG. A total of approximately \$46.5 million has been leveraged at the time of this writing. It is projected that by the end of the grant period, this figure could reach \$50 million. The project proposal projected \$8 for each core grant dollar invested and \$48 million in cooperative development

projects by the end of the five-year grant period. Because the amount of grant requested was considerably higher than the final amount received, the amount leveraged was considerably higher than the proposal projected.

Resource enhancement could be judged as excellent. This is a reflection of organizational enhancement activities being appropriate and very effective.

3. Limited Program Services

Under the grant proposal, NCBA was to provide limited program services. These services represent an in-house technical assistance capability that will be promoted during the grant period. Recipients could not be identified at the time of the grant proposal. These services are delivered in response to requests from AID missions and others. Priority is given to those countries with the highest potential to eventually develop a project.

These services include: policy analysis and privatization consultations; design of food aid monetization components; gender-specific studies to assess impact of projects on women and to identify obstacles that have impeded their full participation; feasibility studies of international trade possibilities involving at least one cooperative partner; exploring the potential of a new type of cooperative which is the worker-owned business; and collaborating with the Cooperative Housing Foundation in Rwanda for selected housing and home improvement programs.

Limited program service activities have been very effective and appropriate to reach the organizational objectives.

For example, in the area of policy analysis and privatization consultations, a buy-in from USAID/Yaounde resulted in the revision of the cooperative law of Cameroon; NCBA provided a consultant on a World Bank team to restructure the Department of Cooperatives, moving toward privatization in Cameroon; provided a consultant in Equatorial Guinea to draft cooperative law; provided assistance in locating consultants for the World Bank for efforts toward privatization in Cameroon, Poland, Nigeria and Ghana; a consultant spent time in Niger working with local organizations in revising the cooperative law to provide more latitude for cooperatives to operate as private businesses; an NCBA team prepared a plan to privatize government-owned grain facilities in El Salvador; and NCBA supplied a cooperative specialist for a study on privatizing the fertilizer distribution system in Algeria under a contract with the International Fertilizer Development Center and the World Bank.

NCBA continues to foster changes in outlook, attitude and philosophy so that policy-makers and cooperative leaders become committed to private sector cooperatives. Two workshops were held in Africa on moving cooperatives into the private sector.

Four policy analysis consultations were projected over the grant period. NCBA actually conducted seven such consultancies, two in Cameroon and one each in Ghana, Equatorial Guinea, El Salvador, Algeria, and Niger.

NCBA completed two food aid consultancies during the grant period. NCBA develops projects using food aid commodities only in situations where local markets will not be adversely affected. NCBA developed a project to restructure food distribution systems in the Newly Independent States (NIS). The rubles generated will finance revolving loans and technical assistance to develop warehousing, transport, food processing and wholesale grocery businesses. In Romania, NCBA prepared a concepts paper on the use of PL-480 generated currency for financing the development of cooperative banks.

NCBA, in collaboration with the Cooperative Housing Foundation, presented a seminar for the staff of the Cooperative Research and Training Center, Rwanda.

No women's studies were undertaken during the grant period, but one is planned for Russia before the end of the grant period. NCBA seeks to involve women in all levels of project activity and makes a special effort to encourage their participation. However, NCBA experiences indicate that women do not want special programs designed for them--that seems to connote they are not able to do the same programs as men--but prefer their own programs within the same project framework and guidelines used by everyone else. One trade study was undertaken in Egypt on the feasibility of international trade in fruits and vegetables.

Under a New Initiatives Program, NCBA identified two businesses in Poland as potential pilot projects for employee ownership of a cooperative business. Four businesses in Lithuania are receiving training regarding conversion to employee ownership.

Under the limited program services, NCBA was to provide technical assistance in small- and micro-enterprises (SMEs). NCBA is implementing a subcontract with the World Council of Credit Unions to examine the potential for credit union outreach to SMEs. Two long-term projects provide technical assistance and loans to SMEs in South Africa and Egypt.

These examples demonstrate the high level of appropriateness and effectiveness achieved by NCBA in the limited program services area.

C. Establishment and Improvement of Private Sector Cooperative Business Organizations in Countries Where NCBA has Worked

NCBA has been very successful in establishing and improving private sector cooperative business organizations. NCBA places a strong emphasis on a bottom-up, democratic process for cooperative business development and privatization of organizations in developing countries where they work. The staff prides itself on insisting that cooperative businesses with which they work must be free from outside control. In other words, they must be democratically controlled. Because of this emphasis, the organization has been able to achieve a high level of sustainable success in cooperative businesses in countries where they have worked.

Strong successful cooperatives in a country can improve members both socially and economically. The economic sustainable impact improves individual family income level. As that income is spent for goods and services, this has a multiplier effect by improving business sales at retail outlets. Sales increase as a result of purchasing inputs for agricultural activity, such as fertilizer, seed, and chemicals for weed and insect control. A further multiplier effect is achieved when the agricultural inputs are imported from U.S. cooperatives. These inputs may enhance the development process in the lesser developed country.

In each of the countries where NCBA has projects, varying levels of democratic economic development have been achieved. The level depends upon the length of time the project has worked.

Another impact of democratic cooperative development in lesser developed countries is sustainable trade, which benefits economic development in both trade countries.

In Indonesia, for example, cooperatives exported over \$60 million of shrimp, furniture, vanilla beans and other commodities to the U.S., Japan, and Europe in 1992. Exports in the two previous years reached approximately the same level. This has brought about a significant level of rural development as well as an enhancement of income for those individuals involved in the import/export activities.

In 1990-1992, more than 32 cooperatives in El Salvador exported two-thirds or more of that country's nontraditional crops. Fruits and vegetables are exported to the U.S. when they are not available from local U.S. producers. A new product, organic coffee, is produced by farmer cooperative members in a part of the country where warfare occurred a short time ago. This product has received legal certification as "organic" and is now being exported to the U.S.

These sustainable economic activities have produced a significant impact on cooperatives in developing countries. These projects are demonstrations of the positive impact of NCBA activities. Documentation of such projects can be published and influence similar activities on a worldwide basis. Such examples of economic development could, over time, be expanded to provide future sustainable economic growth throughout the developing countries.

Another example of sustained economic development is the establishment of democratic cooperative businesses in Sao Tome, Africa. An interview with the AID representative of the Africa Bureau, Small Country Programs, brought considerable praise for the success of this program. The AID representative felt that this system of cooperative development is highly successful and is having a substantial lasting impact on rural area development. Farmer members of cooperatives have experienced an improved standard of living. This project can serve as a demonstration project which would cause other farmers in different regions to organize in a similar manner to improve their crop production and marketing, resulting in increased rural area development.

There is a continuous financial strengthening of the cooperative business in areas where NCBA is working. This provides a multiplier effect on ever-widening regions of the lesser developed countries.

D. Relationship of the CPSG to Other Activities that NCBA Provides to Lesser Developed Countries

The successful cooperative development techniques developed and lessons learned from the grant activities are the basis for the success experienced in project activities which are not funded by the grant. As expressed by the staff of NCBA International many times, the core grant is the experience base that leverages other projects such as requests for proposals from AID and other funding agencies. Experience has been gained by the successful completion of projects generated from unsolicited proposals which have their development time charged to the core grant.

There is a direct link between the core grant and field projects. Accomplishments in field projects would not have occurred without the core grant which funded the design phase, recruitment and monitoring aspects of the projects.

The core grant has made it possible for NCBA to respond to numerous requests for proposals during the grant period. For example, a request for a proposal was received from the Midwest University Consortium for cooperative development in Albania. At the time of this writing, this project has not been awarded.

The Egypt Small and Micro Enterprise Project, obtained as a result of a response to a request for a proposal, allows NCBA to apply its experience in small and micro enterprise lending. The CPSG supports dissemination of information and lessons and cross fertilization among its many projects, both urban and rural, in successful methodologies and mechanisms for distributing and recollecting credit to small-scale producers. Project techniques and approaches are duplicated and adapted according to the particular needs of a country and are delivered within NCBA's participatory approach.

In South Africa, a long-term project (1992-1994) is providing another opportunity to demonstrate the successful democratic cooperative business model. This project will provide economic development and has the potential to be duplicated many times in this rapidly changing country. The need is great to bring rural area economies up to the level of urban economies in this African country.

Other opportunities taken advantage of include projects in the West Bank and Honduras, as a subcontract with Agricultural Cooperative Development International (ACDI). These projects are demonstrating democratic cooperative business success for improved economic development. The organizational cooperation between NCBA and ACDI provides an opportunity for both organizations to learn from each other and be exposed to new techniques which have proven

successful. This cross-fertilization will also benefit lesser developed countries as projects are implemented.

Most projects would not have been possible without the core grant. NCBA has not found a willingness in other funding organizations to provide funds for the functions which the CPSG finances. While other donors are interested in supporting direct implementation activities, the CPSG provides support for NCBA to build its institution project development and design capacity, allows NCBA to learn from its successes and problems, promotes the sharing of information among and between projects financed from other sources, gives NCBA an opportunity to collaborate with other cooperative development organizations, and maintains NCBA's ability to keep abreast of rapidly evolving economic development models and approaches.

E. Effectiveness and Value of the "New Initiatives Program"

The New Initiatives Program in Indonesia was funded in 1989 for \$300,000. This program for the manufacturing and exporting of rattan furniture has demonstrated sustained economic growth and provided substantial employment in the affected region of the country. The line of furniture exported to the U.S. and various other countries of the world has enjoyed a continuous high demand.

The effect of this new initiatives project has been substantial. Since the new initiatives project was begun in July of 1989, CBI has worked with the cooperative business, and the export of furniture has enjoyed growth in sales volume every year. This is a demonstration project that can be duplicated many times in various parts of the world by NCBA International programs.

A second New Initiatives Program was a joint project with the World Council of Credit Unions (WOCCU). The plan was to contact credit union federations in the Caribbean, Central America and South America through a study to determine which countries had a strong demand for small and micro enterprise loans and where credit unions were prepared to respond. The feasibility study projected the need for technical assistance and training to develop management capabilities and finance systems to provide service to new borrowers.

Based on this initiative, NCBA and WOCCU expected that long-term projects would be developed in three countries. The assumption that credit unions were positioned to respond was incorrect. The project had very limited success because the local credit unions needed to improve their operations before responding to the needs of the small and micro enterprises. This was a subcontract in the amount of \$122,000.

A New Initiatives Program in 1991 was carried out in Poland and Lithuanian on potential employee ownership of cooperative businesses (ESOPs). This was funded for \$370,000. This proposal was to convert state-owned enterprises to employee-owned businesses. This program is under continued development. There are two potential pilot projects. One business is a meat

processing operation and the other is a maker of boilers. Government discussions on details of conversions are delaying the conversion process.

If the ESOP pilot projects are successful, they could have a substantial economic impact in Eastern European and NIS. Privatization is in the discussion phase in these countries. The research on ESOPs suggests that well-managed, employee-owned businesses have the potential for high productivity, profitability, and production quality.

The most recent New Initiatives Program which is anticipated to be funded is in the NIS countries. This program would concentrate on developing the economic success of group businesses. This project is expected to be the beginning of a major effort to demonstrate the value of the cooperative business model and the sustainable economic development that will bring Eastern Europe and the NIS countries into the world trade system. This will also provide business development that would increase the standard of living for large numbers of people in rural and urban areas of these countries.

The New Initiatives Program has provided NCBA with valuable experience that is being transferred to other projects that are in progress. The overall value and effectiveness is judged to be very good.

Part of the value of the New Initiatives Program is that the programs contribute to greater success in unsolicited proposal funding. The program provides an additional presence for NCBA which contributes to a percentage increase in unsolicited proposals which are funded. Also, the experience gained from evaluation of the New Initiatives Program is used in writing better proposals, which also increases the chance that these will be funded by a variety of donors.

F. Unanticipated Issues and Circumstances of Program Planning

At the beginning of the CPSG, many lesser developed countries had governments that dictated to cooperative organizations, used them for government propaganda, and, in some cases, required membership. Governments controlled the marketing channels for agricultural products and set prices farmers would receive for their products. During the last five years, this has changed rapidly in developing economies in most parts of the world. This provided a large number of targets of opportunity for NCBA.

Unfortunately, because of limited funding for development projects, funds were shifted from former program areas of concentration to Eastern Europe and the NIS countries. However, there were numerous new opportunities because governments changed and began to privatize businesses and change cooperative laws to allow member-owned businesses to be democratically organized.

Funds were shifted to new countries as changes in government policy were enacted. These changes allowed NCBA to seek out those countries which would allow democratic cooperatives

and caused NCBA to be more successful in securing project funding. NCBA International's policy is to initiate projects only in countries that will allow independent, democratically organized cooperatives.

For example, in Cameroon the government cooperative development department was downsized. A new policy was enacted limiting the role of the government to legal registration and auditing of cooperatives. This is a major policy change from the former heavy-handed role the Department of Cooperatives played in the day-to-day operations of cooperatives.

A plan for privatization of grain handling facilities in El Salvador that was developed by NCBA was adopted and has become the official privatization policy. With the technical assistance of Kansas State University, six of the facilities have been privatized and three more have been put up for sale.

In Equatorial Guinea, Niger and other countries, NCBA has worked with local officials to revise cooperative laws. These revised laws provide that cooperatives are registered as private sector businesses. It is emphasized again that NCBA policy is such that it will only provide assistance where there is the opportunity for the development of private business cooperatives.

Another area where there were unanticipated issues and circumstances of program planning is in Eastern Europe and the NIS countries. Targets of opportunity taken advantage of included Russia and the Ukraine. For these two countries, a proposal for legal support for group business activities was submitted. In Lithuania, one proposal was submitted to assist in organizing farmer organizations and another to provide assistance in organizing employee-owned businesses.

A proposal was submitted to implement a Food Distribution Restructuring Project in the NIS countries. This proposal was submitted to the United States Department of Agriculture.

NCBA is very responsive to any targets of opportunity for project development within the framework of democratic cooperative development.

G. Financial Procedures, Management, Administrative Functions and Coordination with AID

Financial procedures are highly structured and managed in a highly professional manner. Budgets were examined as well as required audits. All of the financial requirements were professionally completed.

Financial record keeping and required reporting is completed in various sections of the NCBA organization. Local project staff complete the field accounting and prepare the financial reports. Local staff is trained by NCBA Washington staff to comply with the organization's administrative accounting procedures. All reports are reviewed by the Washington administrative staff for accuracy and completeness. The deputy controller and vice president of international operations resolve any questions and problems that may arise about financial reports

from the field.

Expenditures are coded and entered into the ledger in the NCBA finance office. Daily time logs are kept by personnel whose time is charged to the CPSG. The same procedure is followed for time spent on other grant funds.

NCBA is very cost-conscious in the allocation of the grant funds. The expending of funds is not equal in each of the years as was allocated in the budget. In the first few years, planning for the expenditure of grant funds was such that less funds were needed than expected. This is a very useful strategy because it allows for using greater amounts to address new windows of opportunity which, in this case, did materialize.

The actual expenditure of the funds was highly effective. There was a large amount of leveraging of funds using information and lessons learned from prior working projects. This represents a conservative and highly enlightened administration of core grant funds.

Coordination with AID is satisfactory. Activity and financial reporting is compiled on schedule and in accordance with government accounting office regulations. All required audits were completed and submitted in a timely manner.

Coordination with AID could be improved with the adoption of E-mail linked to the AID/Washington office.

The coordination with AID will further be improved with the addition of a staff person at AID headquarters to support CPSG administrative detail. When the Project Officer is not available, this allows for immediate replies and assistance to cooperative development organizations. It makes possible the processing of reports and requests when the Project Officer is not available.

NCBA has developed the institutional capability to build budgets and monitor expenses on a programmatic basis.

H. Assumptions, Constraints and Performance Indicators

In the CPSG grant proposal, NCBA listed various assumptions necessary for it to reach its goal. A major assumption was that the U.S. government and host government policies continue to encourage the reduction of government control of cooperatives and encourage the promotion of private sector development.

For this CPSG, it was assumed that congressional support and AID funding would remain at a sufficient level for the NCBA program to function. Another assumption was that beneficiary cooperative organizations are receptive to and willing/able to adopt technical and financial assistance and evolve as viable institutions. The climate in host countries must continue to be favorable to cooperative business development.

Further assumptions for the project to function were that donors continue to finance the detailed project design phase, and that NCBA must continue to attract and retain quality professional staff and consultants. NCBA must also continue to be successful in meeting its targets for new countries and projects, and be successful in securing new funding sources. The opening of a regional office in Africa added program strength and provided decentralization as stated in the assumption.

Other assumptions which materialized were that USAID continue to invite NCBA to participate in planning, USAID and other in-country organizations request food aid consultants, government being receptive to policy discussion in which NCBA plays a key role, continued success in sponsoring and seeking co-sponsors for workshops and seminars, as well as participants and cooperatives being receptive to participating in the co-op to co-op program.

In the financial assumption areas, the major assumption was that AID accept the CPSG proposal at or close to levels requested. The level was somewhat less than the level anticipated.

With the assumptions in place, NCBA was able to achieve the projected outputs.

NCBA was able to meet its assumptions of meeting and surpassing in-kind contribution targets, attracting and retaining professional staff and consultants, and procurement of quality equipment at minimum cost. The USAID offices utilized the mission funded access mechanism to purchase NCBA services. The level of purchase of NCBA services was quite high which is an indication that the service is valued and respected.

The major constraint restricting even greater results was financial. The financial constraint takes various forms. The most obvious one is grant funding and leveraging of those funds. Greater leveraging could be the product of increased core grant funding which would allow more activity and unsolicited proposals to be written.

Increased leveraging could also be the product of improved social and economic results-oriented project evaluation. A results-oriented evaluation would provide economic impact information which could enhance proposals and cause a high percentage to be funded. Also, the image of NCBA would be enhanced through improved documentation of measurable economic impacts, resulting in a higher percentage of requests for proposals to be accepted and an increase in funding from the U.S. cooperative community.

Other sources of increased funding to overcome the financial restraints are foundations and other national and international donors.

The co-op to co-op program is another source for leveraging funds to overcome financial restraints. Under this program, volunteers provide the technical assistance and management expertise to improve developing cooperatives. The co-op to co-op program should consider the use of home stays, in either the U.S. or the lesser developed countries, to further leverage existing funds.

The output performance indicators, as stated in the logical framework, are comprehensive and complete. However, it would be helpful if the performance indicators for measuring whether the project goal was reached included more specific measurements of the social, economic, and political impacts of projects.

I. Recommendations for Improvement of the Project

No problems arose during the evaluation of NCBA. The following recommendations are made to enhance program effectiveness and efficiency.

1. The results achieved by NCBA in developing countries should be used by NCBA International to greater advantage in leveraging grant funds. The economic and social results of projects undertaken by NCBA in lesser developed countries are strikingly successful and should be publicized.

Feature articles could be prepared for distribution to the news and television media. These documented results could encourage the media to provide further information to its audience. This information could trigger various donors to provide funding, further leveraging the core grant.

Local news stories and articles in the Co-op Business Journal on the value of volunteers and the results achieved could also provide an impetus for increased numbers of cooperative technical and management experts to come forward. This could further provide sustainable economic and social results to cooperatives in lesser developed countries.

Ways and means should be explored on how existing video tapes of international program results could reach greater numbers of people.

2. It is recommended that project evaluation and research be reviewed in order to have the very best documented information on sustainable social and economic benefits of projects. This review would make certain that complete information is documented for news media and public relations purposes. New methods of evaluation could provide information on more precise results at no additional cost. Methodologies are constantly changing and with new computer capabilities being introduced at an ever-increasing rate, it is felt that this activity could be cost effective.

3. NCBA should give continued emphasis to broad-based participation in project planning by individuals in developing countries. Involvement in plans produces a sense of ownership which can improve results and ensure a sustained economic impact.

4. It is recommended that NCBA increase the coordination with other cooperative development organizations working in the same country. This would be a demonstration of the principle that

cooperatives cooperate with each other. This could impact the economic development process in lesser developed countries.

5. It is recommended that "lessons learned" be formalized so that they can be readily used by all employees of NCBA and possibly even shared with other cooperative development organizations. Formalized lessons learned are easier to use in orientation of new personnel.

6. To increase the economic efficiency of projects, it is suggested that consideration be given to utilizing more volunteers. This includes involving U.S. cooperators more directly in the development process.

7. Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.

8. Coordination with AID could be improved with the adoption of E-mail linked to the AID/Washington office.

J. Economic Efficiency of the Program

The economic efficiency of the program is rated quite high. The grant funds are highly leveraged at this point in time. Every effort is made by the NCBA staff to make the most effective use of the CPSG as humanly possible. This fact was referenced to many times during interviews, it was stated in written materials reviewed, and it was confirmed by reviewing financial reports and documents.

The staff interviews and documents examined indicate that generally grant indicators have been achieved. In some areas, total projected results have not been achieved, but in other areas, results have surpassed goals set. This is another indication that the project has reached a high level of economic efficiency.

It was determined that NCBA is using grant funds as required by guidelines. NCBA is very responsive to any changes requested by the grant administrator.

NCBA's development of an administrative methodology for the program activities and use of this standard approach for all in-country activities results in economic efficiency. Economic efficiency can also be assessed as excellent when one reviews the process that is used in project development. As a project reaches maturity, more and more responsibility for the continuous training and support becomes the responsibility of the lesser developed country cooperative. In a number of projects, trade support is facilitated by CBI, which is the NCBA profit subsidiary. The economic efficiency realized is that NCBA International Division is constantly working itself out of a job.

K. Follow-on Activities to Make the Program More Successful

It is suggested that the evaluation and research of each project be reviewed to determine if, as a function of the project, more precise social and economic results could be documented. This would further demonstrate the high level of accountability of the NCBA international staff and the valuable service performed in the development of democratic cooperative businesses in lesser developed countries.

The more precise the documentation as to the improvements in cooperative members' standard of living and the trade and economic impact that the cooperative business generates, the greater will be the respect for the total cooperative development activity in the lesser developed country. This respect will greatly increase, and have a continuing impact on, support of NCBA's international activity. It is possible that the economic impact of trade activity will be of a sufficient magnitude that the businesses that benefit from the trade activity will provide an ever-increasing support of the international program activities.

In addition, as lesser developed country cooperative businesses become more profitable, they will be in a position to contribute to cooperative development in their country. This implements the cooperative principle of cooperatives helping cooperatives.

In order to obtain precise information at the lowest possible cost, a search of economic models should be considered. The use of an economic model to evaluate the economic impact of a cooperative business would further legitimize evaluation reports. These legitimized evaluation reports can be used to publicize the valuable contribution of the core grant and the economic impact on the world economy.

Proposals for Eastern Europe and NIS should be pursued.

L. How Efficiently the Midterm Evaluation Was Incorporated in Project Development

NCBA International has made a special effort to carefully review some of the issues that have arisen out of different institutional visions and operating cultures. The organization administration prides itself on a bottom-up approach. The need for listening and taking into account local institutional policies and operating cultures is illustrated in the countries of Mali and Niger. Out of past experience, such as in these two countries, NCBA has developed a defined and distinct methodology. This approach is now used in cooperative projects in lesser developed countries. As with any methodology, some fine tuning is done to totally meet the needs of the local indigenous population, cooperative leaders, and the cooperative membership in general.

This methodology is based on grass roots decision-making, intensive experiential training, and linking all training to the actual operation of the cooperative business. The experiential training allows for adjustments to be made to meet the cultural differences expressed and observed by

NCBA staff. The methodology involves selecting and developing local trainers who are able to train local staff of new cooperative businesses that are developed. This allows for rapid expansion of cooperatives as needed for the purchasing of inputs and the marketing of agricultural or consumer products.

In Mali, for example, this methodology has resulted in five banks lending directly to 115 village associations using a guarantee which decreases to zero after three years. Since this has been implemented, over \$2.3 million has been lent with a 99% on-time repayment rate. Types of businesses financed ranged from farm supply to pharmacies.

The recommendation of replacing core grant funding in the face of diminishing grant funds is in the process of being implemented. It will still take a considerable period of time before a reliable replacement base is achieved.

NCBA International has developed a long-term plan which continually increases projections for funding from non-core grant sources. This has been the strategy for many years. The results are very slow in being achieved. There has been a continued effort by administration to leverage core grant funds to the greatest extent possible. Their success in this respect has been quite good. There is optimism expressed by management that the goal of greater and greater support from other donors will materialize over time. The success stories require some time to be disseminated. When a certain point is reached, the amount of outside support will likely increase.

NCBA International has developed the capacity to build budgets and monitor expenses on a programmatic basis. Local cooperative staffs provide the day-to-day record keeping required. These records are received in a timely manner by headquarters for posting to the projects, and a running account of budgets vs. expenses is available for each program area. The long-range strategic plan of the International Development Division anticipates the project budgets reaching the objectives stated in the plan.

NCBA has staffed the management position recommended in the midterm evaluation. The reorganization since the midterm evaluation placed a person with long-term experience in the position of vice-president for International Programs. The senior vice-president for International Programs was named President of NCBA in February of 1993 and that layer of management has now been eliminated.

NCBA and AID verbally agreed to use existing funds from the grant to support project follow-up and learning activities as required. This will provide information that will enhance future project implementation, as well as more precise documentation for proposal preparation. It will allow for new information to be documented on results of projects which have been successful over a long period of time.

This follow-up will be able to document sustainable social and economic development directly attributable to the project. Also, the lessons learned on the follow-up can be incorporated into seminars, workshops, and personnel training. This activity could affect the success in obtaining grants and result in successful local projects in a shorter period of time.

APPENDIX

A. Methodology

The following methodology was used in order to complete the evaluation:

1. Review of background information.
2. Visit the NCBA main office and interview personnel.
3. Interview personnel in FHA/PVC and other AID offices with whom NCBA had initiated programs through the project.
4. Contact per fax personnel from Missions and other organizations where the project worked or is presently working.

B. MISSION EVALUATIONS

TO: Frank E. Mertens, FHA/PVC
Gar Stock, Evaluation Team Consultant

FROM: Dennis Bilodeau
Project Officer
Development of the Haute Vallée Project
USAID Mali

SUBJECT: Evaluation of NCBA/CLUSA's Performance in Mali

DATE: August 31, 1993

In response to your E-mail message of August 27, following are Mission comments on the performance of the National Cooperative Business Association (NCBA/CLUSA). As you correctly stated, NCBA has been implementing the Village Cooperative component of the Mission's Development of the Haute Vallée project since 1988, under a Cooperative Agreement (CA) using the Collaborative Assistance mode (which requires an active involvement on the part of the host-country government). The total amount of the CA is currently \$3.49 million. The project has recently been extended for another four-year period, and the CA is being extended as well. We estimate the new total cost of the CA to be about \$5.8 million. Following are specific responses to your questions:

1. Project Development and Design: the work being undertaken by NCBA/CLUSA involves management and small business training for village cooperatives (known as Village Associations in this project). The technical approach being used was proposed by NCBA in a technical proposal submitted to the Mission in 1988. The techniques have been extremely successful, and the Mission has been very pleased with the results to date. A total of 228 Village Associations were to have been created by October 1993; as of today, over 250 have been created. The only major design issue that surfaced during the implementation phase concerned the working relationship between NCBA/CLUSA and the project implementation agency of the host-country government. Under the Collaborative Assistance mode, a grantee is expected to collaborate closely with the government, and this has not always been the case. Many NCBA/CLUSA agents consider themselves independent from government policies and controls, whereas the government posits that since the CA is part of the bilateral agreement with USAID, it does have control over the technical and programmatic aspects of the CA. On numerous occasions, the Mission has had to step in to mend bridges between the two organizations. Relationships remain strained.

2. Personnel Selection and Support. Until 1990, the Mission was very satisfied with senior NCBA/CLUSA staff. Through that year, NCBA/CLUSA fielded a two-person management staff: a cooperatives trainer and a cooperative business advisor. In 1990, these two were replaced by a much more junior and less experienced "team leader". I have placed that title in quotation marks because

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NCBA/CLUSA never actually gave this individual any official title and didn't give him any substantive responsibility. The intent was to have the real leadership emanate from NCBA/CLUSA's regional office in Burkina Faso. This approach hasn't worked, and both the Mission and the host-country government have complained to NCBA/CLUSA that there is no real leadership. In fact, under the amended CA we are attempting to rectify this situation, requiring that NCBA/CLUSA appoint a team leader and give him/her full responsibility for managing the program. As for the locally-hired staff, we have been satisfied for the most part, although a few agents have proven to be unsatisfactory, and NCBA/CLUSA was slow in getting rid of them. (In all fairness, this is not entirely NCBA/CLUSA's fault since Malian labor laws make it very difficult to fire anyone; however, had the poor performance been more thoroughly documented by NCBA/CLUSA, the cases for firing would have been easier to argue.)

3. Management and Administration. Reports have generally been useful and submitted in a timely manner. As for administration, things went well until 1990 (see item no. 2 for details). Now that the Mission is requesting that NCBA/CLUSA nominate a strong team leader and give him/her full responsibility for managing the program, we're hoping that the situation will improve. Since the CA has not yet been audited, we cannot comment on NCBA/CLUSA's financial management capability.

4. Limited Program Services: not applicable to NCBA/CLUSA's work in Mali.

5. Overall Effectiveness: Mission is generally satisfied with the high quality of NCBA/CLUSA's training programs, and is impressed by the fact that the goal of 228 Village Associations has been exceeded before the end of the current phase of the project (and, it should be noted, under budget). With the exception of the two problems noted above (relationships with the host-country government and lack of local program leadership), Mission has been very satisfied with NCBA/CLUSA's overall performance, which we rate as "Very Effective".

Please let me know if you need any additional information.

Subject: NCBA CPSG

Date: 27-Aug-93 at 10:51

From: X400:(c=US;a=MCI;p=USAID;s=MERTENS;q=FRANK;dd=ID:MER006AV), X400:(c=US

To: JIM STRUVE,73232,2300

Comments by: Frank E. Mertens@FHA.PVC@AIDW

Forwarded to: bsswgate@basal4001@servers[x400.73232230]

Comments:

Att.: GAR Stock/J. Bettinger

----- [Original Message] -----

Mr. Mertens:

I have received your questionnaire regarding NCBA activities in South Africa. My comments are brief. If you need additional input, please contact me again.

1. Project Development and Design: The NCBA/Urban Systems team did a thorough job of project design. A key in their preliminary design was to work closely with a series of local organizations to both identify and prioritize the needs of the community. The primary activities, small enterprise credit and housing upgrading, appear to have the broad support of the clients. While it is too early to judge economic impact, repayments are excellent.
2. Personnel Selection and Support: The staff seems highly motivated and possess the required skills. I know of NO staff turnover; we are in regular contact throughout the implementation phase. Staff support from Washington, personified by Karen Schwartz, has been outstanding. This includes my requests for information, direct support of the field staff, and the home office bringing issues to both the contractor's and my attention when required.
3. Management and Administration: I guess I have touched on this above. Both the field consultant staff and the home office staff are among the very best I have ever had the pleasure of dealing with. The periodic and special reports are submitted thoroughly and in a timely manner, including special requests that I have which require them to either have data ready before my site visits, or irregular reports which are generated from AID/W requests. We had to make some minor administrative readjustments when the violence levels in the townships were peaking, but it has gone as smoothly as could be expected.
4. No formalized studies (commissioned reports) have taken place, but a good deal of local research and development has occurred as we have shaped the loan products, along with staff and client training. Most of the value of these studies is confined to project implementation at present; the value will increase as time passes.
5. Overall Effectiveness and Relations to the Mission: VERY EFFECTIVE

Comments: The staff has been outstanding to work with since inception of the project. We have an open working relationship, both with the staff based here in South Africa and with the Home Office support staff. Even when there are issues to be ironed out, all of them have proved to be a pleasure to work with to reach mutually agreeable conclusions. They have always been the first to identify possible problems, and all issues have been dealt with before they

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became problems. Their work has been outstanding.

Please let me know if you need further information.

Cheers,
Karl

----- X.400 Information -----

To: X400 -73232230 *sswgate@basa14001@servers
>X400: (c=US;a=COMPUSERVE;p=CSMAIL;d=ID:73232.2300)
Reply To: X400: (c=US;a=MCI;p=USAID;s=MERTENS;g=FRANK;d=ID:MER006AV)
X400 ID: c=US;a=MCI;p=USAID; id=BLTSSWC 930827101540291951
Content ID: NCBA CPSG
Message ID: BLTS;WC 930827101540291951
Sender: X400: (c=US;a=MCI;p=USAID;s=MERTENS;g=FRANK;d=ID:MER006AV)

To: Frank E. Mertens@FHA.PVC@AIDW
Cc:
Bcc:
From: Donnie Harrington@AGR.ILD@CAIRO
Subject: re: Cooperative Program Support project - NCBA (CLUSA)
Date: Thursday, September 16, 1993 1:54:49 EDT
Attach:
Certify: N
Forwarded by:

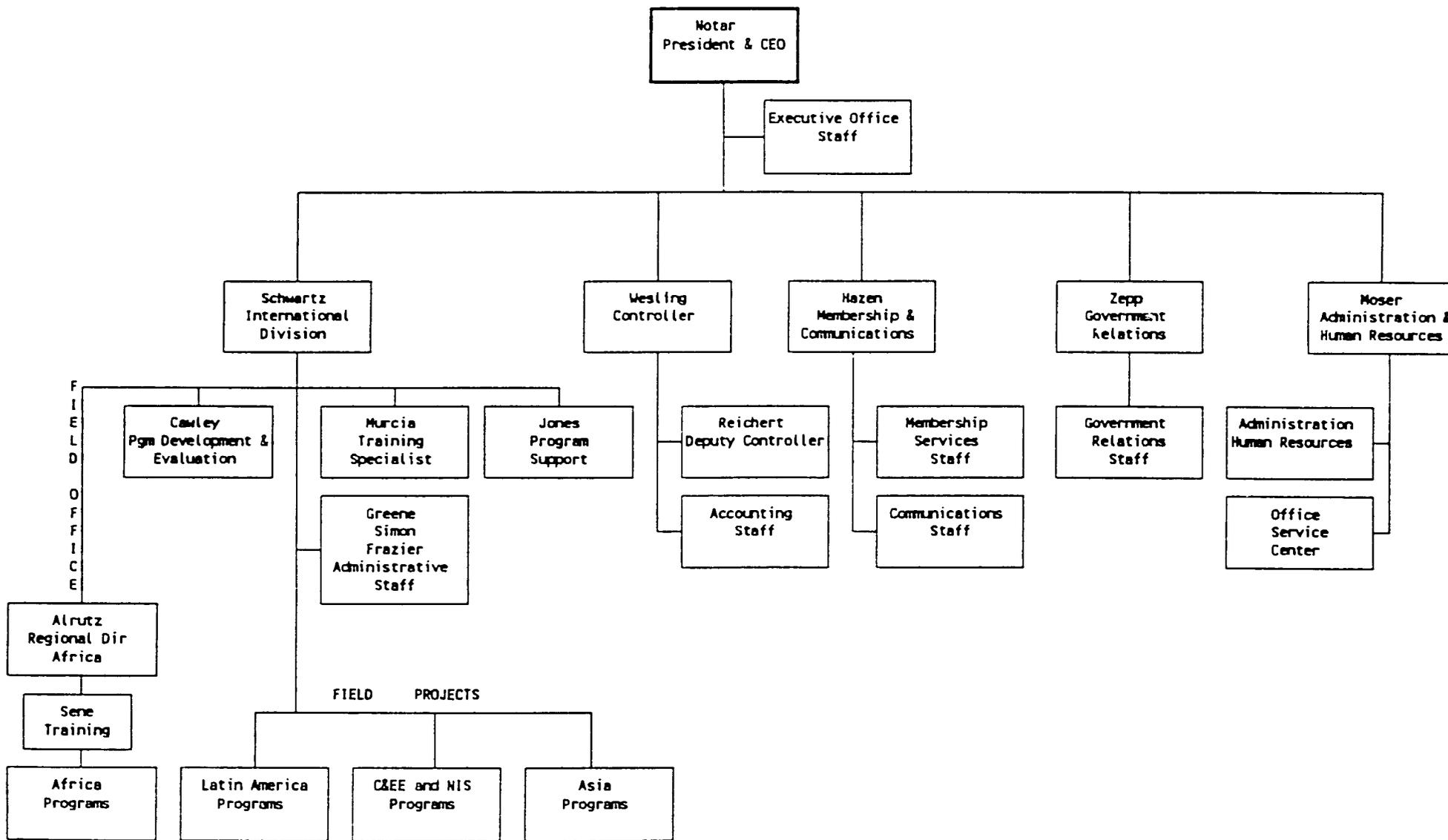
Although I am not familiar with the design, purpose and outputs of the centrally funded grant to NCBA/CLUSA, I can say that our dealings with them have been very productive and effective. Our project was broad and I can't recall many occasions where in country activities were paid for under the central grant. Answers to specific questions follow:

1. Project Development and Design. I can't really comment on this.
2. Personnel Selection and Support. The people we dealt with in country and in Washington were first rate. Staff turn over disrupted things for a while and I gather they went through some pretty heavy downsizing in home office but we felt they gave us good folks to work with.
3. Management and Administration. Satisfactory. We didn't make a lot of demands on home office management and administration but we found them responsive and efficient. Home office provided me with up to date financial reports separate from and in addition to the requirements of AID Controller's Office.
4. Limited Program Services. None to my knowledge.
5. Overall effectiveness. Very effective.

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C. OTHER BACKGROUND INFORMATION

NATIONAL COOPERATIVE BUSINESS ASSOCIATION



1. PROPOSALS SUBMITTED

7/89-12/89	1/90-12/90	1/91-12/91	1/92-3/93	4/94-3/94
Ghana Rwanda Guinea Niger II Egypt F&V El Salvador ESOP Bolivia SME DR Fondomicro	El Salvador Ag Reform Nicaragua Ag Production Caribbean Insurance Egypt Sm Business (PW) Cameroon Co-op Law AFR/HRDA workshop Ghana workshop Malawi Co-op Develop Romania PL 480 Equatorial Guinea extend Co-op Dev Proj East Europe Enterprise Panama Marketing El Salvador SME RFP El Salvador Grain Ecuador SME Study (DAD) Egypt Credit Guarantee Algeria Fertilizer Privatization (IFDC) Niger Co-op Case Study (PACT) Trinidad SME workshop Trinidad SME Training	El Salvador NTE Rwanda NTE Egypt F&V Marketing Poland ESOPS Hungary Ag Restructuring RFP South Africa Econ Develop Cameroon Dept Co-ops (WB)	Honduras Farmer Owned Businesses (ACDI) Burundi Rural SME Malawi Citrus Guinea NRM RFP (AAD) Morocco Group Business (Chemonics) NIS Group Business Lithuania TA to Farmer Associations Lithuania ESOPS Burkina Faso Village Enterprise DevEd Egypt SME II RFP Albania Ag Restruct RFP (MUCIA) El Salvador FOES RFP South Africa Econ Develop Uganda NTE NIS Business Centers RFP Lithuania ESOPS (MacArthur)	

2. AGREEMENTS/GRANTS/CONTRACTS/AMENDMENTS SIGNED

7/89-12/89	1/90-12/90	1/91-12/91	1/92-3/93	4/94-3/94
<u>LONG TERM</u> Sao Tome (Agree) Rwanda (Amend) Niger (Amend) Niger (Amend) Niger II (Agree)	<u>LONG TERM</u> Guatemala (Amend) Guatemala (Amend) Equatorial Guinea (Amend) Honduras (Amend) West Bank (Amend) Caribbean Insurance (Agree) Nepal (Amend)	<u>LONG TERM</u> El Salvador II (Agree) Equatorial Guinea (Amend) Rwanda (Amend) Egypt (Amend)	<u>LONG TERM</u> South Africa (Agree) Egypt (Amend)	<u>LONG TERM</u> EGYPT SME II (Cont) West Bank (Sub) (ACDI) Honduras (Sub) (ACDI) Burundi (Agree)
<u>SHORT TERM</u> DR Fondomicro AF Region Workshop Indonesia CHF	<u>SHORT TERM</u> Algeria Privatization Mali workshop Niger Case Study Ecuador SME Study (DAD) Trinidad workshop Nicaragua Co-op study	<u>SHORT TERM</u> Indonesia (Grant) Cameroon (Cont)	<u>SHORT TERM</u> El Salvador FOES Czech & Slovak Rep. Insurance	<u>SHORT TERM</u>
<u>BUY IN</u> Nepal SME Study Egypt Banker Training I	<u>BUY IN</u> Cameroon Co-op Law El Salvador Grain El Salvador Ag reform Egypt Banker Training II Egypt F&V Study	<u>BUY IN</u> South Africa Econ Develop Planning/Design	<u>BUY IN</u>	<u>BUY IN</u>
<u>SPECIAL INITIATIVE</u> Indonesia Furniture	<u>SPECIAL INITIATIVE</u> WOCCU CU/SME	<u>SPECIAL INITIATIVE</u> Poland/Lithuania ESOPS	<u>SPECIAL INITIATIVES</u>	<u>SPECIAL INITIATIVE</u> NIS Group Business (Ant)

BUY IN

1. Nepal SME Study	27,000
2. Egypt Banker Training I	450,000
3. Cameroon Co-op Law	57,000
4. El Salvador Grain Privatization	84,000
5. El Salvador Ag reform	166,000
6. Egypt Banker Training II	200,000
7. Egypt Fruit & Vegetable Marketing	242,000
8. South Africa Project Planning & Design	<u>180,800</u>
	1,406,000

SPECIAL INITIATIVES

1. Indonesia Furniture	300,000
2. WOCCU CU/SME (subcontract)	122,600
3. Poland/Lithuania ESOPS	<u>370,000</u>
	792,600
4. NIS Group Business (anticipated)	184,100

STRATEGIC PLAN OUTLINE
FOR
INTERNATIONAL DEVELOPMENT DIVISION

- I. OBJECTIVE: To strengthen and expand the role of private cooperative businesses in less developed countries.
- II. GOALS: In the next five years, the Division plans to achieve the following:
- A. To have contracted for 16 new projects with total value of \$48 million...an average of \$3 million per project.
 - B. To be operating in 8 new countries.
 - C. To have secured 4 new sources of project funds from organizations other than the Agency for International Development.
 - D. To have completed 5 Coop-to-Coop linkages.
 - E. To have reached total annual revenue growth of 5% per year.
- III. STRATEGY: The International Development Division will reach these objectives by implementing the following strategy:
- A. Pursue opportunities in Africa where the need for assistance is great and the climate for cooperative development is favorable at this moment in many countries. An NCBA regional office was opened in West Africa in November 1990. This office offers the opportunity for new development projects in Africa. It is now expected that 50-60% of the Division's volume will ultimately come from Africa.
 - B. Where appropriate, concentrate efforts on projects which will create linkages with CBI® in order to develop membership involvement and trade opportunities.
 - C. Operate in a proactive as well as reactive manner. That is, aggressively seek new project opportunities by well-focused marketing of NCBA services, by providing assessment and analytical services and by preparing unsolicited proposals. Respond to requests for proposals

STRATEGIC PLAN OUTLINE (continued)

(i.e. compete on projects through a process of competitive bidding) in countries of special interest or in areas where NCBA has substantial expertise.

- D. Concentrate in particular on the World Bank as a key prospect for alternative funding. Work with the Bank's Agricultural Division in its Africa Region.
- E. Seek opportunities to become more involved in Central Europe such as the ESOP project in Poland. Examine non-traditional approaches in undertaking projects. For example, work with the Trade Center Director of Central Europe to determine if there are other opportunities for development projects.
- F. Be innovative and flexible in examining new opportunities, in considering the appropriate approach and in undertaking new projects. For example, work closely with CBI and NCBA Domestic Operations to coordinate involving our membership in investment, trade, and support activities.

IV. PLAN OF ACTION: The following program will be undertaken:

- A. Strengthen the Division, improve collaboration with other units of NCBA, and continue to seek ways to reduce costs, where appropriate.

1. Strengthen the Division's research and information retrieval capacity. We want a systematic capacity to monitor and evaluate projects and to understand and track factors important to successfully completing projects. Undertake research on topics of growing importance. Derive methodology which can be replicated in other countries. We want to enhance our communication skills in order to better identify the impact and benefits of cooperative development activities carried out by NCBA.

2. Expand project design and technical support capability in Africa. A West Africa was opened in November 1990. Following successful operation of this office for several years, a second office in East or Southern Africa may be considered. Papa Sene moved in late 1991 to Burkino Faso and his presence will expedite project development in Africa.

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STRATEGIC PLAN OUTLINE (continued)

3. Develop international development projects in conjunction with CBI[®] and its trade activities. That is, examine activities in which the Division can benefit from the commercial activities of CBI[®] and vice versa. This is most likely to occur in Europe, Asia, and Latin America.

4. Complete our African intern program. This program employs several Africans in the on-going programs or in the regional offices. The objective would be to create a cadre of well-trained Africans to serve in the international programs and eventually to assume leadership positions in their own cooperative organizations.

5. Initiate collaborative activities with other cooperative development organizations wherever possible. For example, our participation in the Overseas Cooperative Development Council (OCDC) provides contact and discussion of on-going/potential projects throughout the cooperative development community.

B. Provide a variety of new services to donor agencies and the cooperative movement.

1. Develop credit and technical assistance programs for micro and small businesses. These programs will be undertaken jointly with the World Council of Credit Unions and other cooperative development organizations.

2. Establish worker cooperatives and ESOPs. This focus will entail upgrading the technical knowledge of staff and consultants. Increase capacity in areas such as privatization of governmental services and state-owned enterprises as well as in worker-owned enterprises and employee stock ownership plans (ESOPs). There is currently an on-going ESOP program in Poland.

3. Establishment or restructuring of cooperatives in Central Europe. Review opportunities for activities in Central Europe; work with the European Trade Center to seek out new contacts and to build upon cooperative contacts whom we know.

STRATEGIC PLAN OUTLINE (continued)

4. Explore how new financial services can be provided to development projects.
 5. Provide advice and analytical services to AID Missions in preparation of their country development strategy statements and action plans.
- C. Diversify and expand funding sources for international development projects.
1. Establish a Coop-to-Coop program, whereby U.S. cooperatives are linked to cooperatives in developing countries. Currently, we have an on-going program in El Salvador.
 2. Increase membership education and understanding of the problems of cooperatives in less-developed countries through enhanced communications.
 3. Communicate and educate non-AID funding sources (e.g. World Bank, U.N., Asian Development Bank, etc.) as to the mission of NCBA and the benefits of development through cooperatives. These represent additional funding sources which must be followed up upon and periodically contacted.
- V. BUDGET: The Division's 1992 budget from the AID/Washington core grant will be \$850,000.
- VI. EVALUATION: The Division will track and monitor its results in the following manner:
- Periodic Washington review of field projects.
 - Regional workshops with project personnel (one workshop in next two years).
 - Semi-annual review of financial and project development results (i.e. number of project proposals formulated, countries visited, studies and analyses undertaken, etc.).
 - Mid-term core grant review (2 1/2 years) of NCBA International Division's projects took place late in 1991. The conclusion of that evaluation will be received late in 1991, or early 1992.