



8601 Georgia Avenue, Suite 800, Silver Spring MD 20910, Phone (301) 587-4700 Fax (301) 587-7315. www.chfhq.org

Cooperative Development Program (CDP)



Semi-Annual Report (July-December 2003)

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A. Background; CDP Extension Goals

CHF's Cooperative Development Program (CDP) Extension aims to improve the living conditions and community services of low-income families by applying cooperative principles and practices through the following objectives:

1. *Governance* – Improve ability of the board and management of housing associations/coops to educate members, to meet their needs, and to expand their role to community service delivery.
2. *Scale* – Improve ability of non-governmental housing and community development apex organizations to serve their members, promote cooperative approaches, and access alternative sources of financing.
3. *Conflict Management* – Increase understanding of the role that coop/association leadership, organizational structure and management play in conflict resolution and prevention.
4. *Capacity* – Strengthen capacity of CHF and local partners to evaluate, research and analyze, and disseminate lessons learned.

B. Progress Against Objectives: July – December 2003

Per each CDP objective, CHF identified specific targets to be achieved in the course of this reporting period. Tabulation of CDP Extension objectives and status as of December 31, 2003 are attached with this report (Attachment # 1).

Objective 1: Governance

CHF recognizes that governance issues go hand-in-hand with member education and leadership development. Too often, members do not realize the potential of the organization they have created – the short-term focus is on getting new units built or improved, rather than the broader community development potential. CHF places renewed focus on helping to leave in place strong, flexible organizations that continue to serve their members' needs and respond to changing environments.

In the course of this reporting period, each of the CHF field offices continued to work with partner cooperatives and their boards. Implementing lessons identified through a series of studies in cooperative governance (conducted in Poland, Romania, the Philippines, and South Africa and reviewed in the Semi-Annual CDP report for period of January-June 2003) were discussed with partner organizations. A draft report summarizing lessons learned and proposing recommendations is currently being finalized (expected completion in February 2004).

1. Cooperative Governance, Skills Improvement, and Training

Both the Philippines and South Africa Governance Reports identified a wide range of training needs for officers and/or members of partner cooperatives. Based on these needs

assessments, detailed activities were planned.

In the **Philippines**, the Leadership Training Program continued with sessions following the NATTCO June 12-15, 2003 training. An impact assessment was designed and conducted later in the year, with summary findings planned for December 2003. Additional sessions were conducted with the board members of Tuy Market Vendors and Community Multipurpose Cooperative (TMVCMPC) in preparation of the launching of the Pilot Community Center project. From December 8-9, a workshop on “Members: Get Involved” was conducted resulting in the participants designing two modules on “Effective Leader-Member Relationship” and “Developing Volunteerism Among Coop Members.” The effectiveness of these training module designs will be pilot tested to at least 50 members of each participating cooperative using a grant of \$1,500 per cooperative. Though the grant has not been released as of December 31, 2003, both the Oro Housing and Services Cooperative and the Basud Development Cooperative have started pilot-testing the modules to at least 80 members. Monitoring of these training/education modules will jointly be conducted by NATCCO and CHF.

Results of the pilot testing for all eight cooperatives will be assessed in a workshop to be conducted in late April 2004.



In the course of leadership training, participants from eight cooperatives discussed the efficacy of various tools and survey instruments to gauge member satisfaction and the quality of services provided to members. NATCCO Training Center, Manila, 2003.

In **South Africa**, CDP continued to provide training and support to various cooperative businesses, including those set up under the CDP and CEBI projects, in collaboration with Nelson Mandela Metropole Municipality (NMMM). Offered training included: coop awareness and coop principles; coop management skills; self management; duties of office bearers; communication; and conflict management. The following coops benefited:¹

Name	Type of business	# of members
Nelson Mandela Bay Contractors and Developers	Construction	87

¹ Numbers available as of October 1, 2003.

Cocisizwe	Cleaning	74
Azama	Catering	11
Imitha Yelanga	Electrical	11
Yulindlela	Brickmaking	11
Khayamnandi Women in Development	Brickmaking	11
Ward 53 and 54 Motherwell	Brickmaking	47
Metro Broiler Coop	Chickens raising	11
Sinakho Madiba Bay Women in Housing	Construction	48
Siyaya Caterers	Catering	n/available
Port Elizabeth Emerging Electrical Contractors	Electrical	11
Cebelihle Grass Cutting Cooperative	Grass cutting	11
Sinakho Paraffin Cooperative	Paraffin	11




Recognizing their usefulness, members of South African cooperatives willingly participated in training sessions. Between July and December 2003, around 250 members participated.

So far, CDP has had a good relationship with the municipality in delivering training and the development of worker cooperatives. In the fall of 2003, CDP was contracted by the NMMM to develop and closely monitor nine training cooperatives in the NMMM municipality. Also in October 2003, CDP was contracted to help in drawing up the Guideline Policy for Commercial Cooperatives for the NMMM officials working with cooperatives. Once prepared, the policy will contribute to building a positive and supportive environment toward cooperatives on the part of municipal staff. This award is also important as a “next step” in developing a steady contractual relationship between CHF/CDP and the municipal authorities. Recently, the NMMM Council recognized the value of cooperative businesses by issuing a statement declaring that as a strategy of fighting poverty, the **M**etro will actively support cooperative initiatives. This overall policy is confirmed in the growing number of contracts and tenders awarded to cooperative initiatives like the **W**orker cooperatives: brickmaking, construction, electrical, and plumbing; and the security coops. Benefiting from CDP’s work in skills development and training, these cooperatives will participate in the construction of **1**000 houses planned by the municipality for the year 2004.

Similarly, in **Bosnia**, training and skills development were an important part of CDP activities during the period between July and December 2003.

In newly established housing associations, the need for further development of all types

of organizational and management skills is evident. The majority of board members are volunteers without previous work experience in associations. Although some of them may have served in important positions (as directors, group leaders, etc.) their experience is not applicable and not of much value. Newly formed associations based on active involvement of volunteers represent a different and new setup for Bosnia. Rather, they should be considered a starting point in the development of democratic governance. With these objectives in mind, the leadership of new homeowner associations assisted by CDP-Bosnia prepared a Training Curriculum for 2003/2004, anticipating four main groups of sessions to be offered to Board Members and building representatives:

1. anizational development training:
 - Attracting and retaining members
 - Enhancing leadership skills
 - Fundraising
 - Preparing for organizational growth
2. Technical training (with a focus on maintenance)
3. Program management training:
 - Proposal writing
 - Strategic planning
 - Database use
 - Survey conducting
4. Advocacy training:
 - Conflict resolution
 - Advocacy



In Bosnia, a series of training sessions was conducted by VIP Carol Schaer in December 2003. Homeowners in Doboј voiced their concerns and formulated plans for the future (left). Board members of Otoka Association in Sarajevo enhanced their skills in organizational governance and decision making (right).

During November 2003, training in proposal writing and fundraising was organized for all four established associations. It was conducted in two parts. The theoretical part was conducted as a one-day session. The practical part involved preparation of a proposal for a service delivery pilot project, later submitted to CDP-Bosnia. In the course of training, associations were assisted by a CDP trainer. During December, a series of training on Organizational Development was conducted through the VIP program, by Carol Schaer, for the Board members and homeowners in associations in Doboј and Sarajevo. Main topics included leadership, group dynamics, communication, conflict resolution, and

decision making.

b. Activities of New Homeowner Associations

In **Bosnia**, CDP activities started in January 2003. While the first six months were used to establish and organize associations, the second part of the year was used to develop plans of activities and to follow up with implementation of these plans. Identifying potential partners and registering associations took a lot of time and effort, but the results finally started to emerge. A common feeling among CDP implementers was that with this program, we have only started to “scratched the surface,” and the real needs and outstanding issues are immense. Therefore, even though interest among homeowners is still low, every new achievement of a partner association contributes to its individual growth and to general interest in housing issues. The time and effort spent on promotion of success stories is therefore very valuable, as they contribute to building the level of recognition of this program and increase the interest of participants.

A brief update of the status in each partner homeowner association is provided below:

Sarajevo:

The *Otoka Association* was registered in August 2003 and partnership agreement and sub-grant agreement with CHF were finalized at the end of September. *Otoka* gathers homeowners from multi-apartment blocks in one of Sarajevo’s settlements of approximately 29 buildings with 4,000 apartments.

Following registration, the *Otoka* board organized an Inaugural Assembly with the majority of building representatives participating. They had an opportunity to meet Barbara Jones, CDP Coordinator visiting from CHF HQ in October 2003, and discuss the latest issues and plans for the future. Since then, the Association has managed to establish regular contacts with the management agent responsible for the management and maintenance of the majority of *Otoka* buildings. This is very important for the ease of communication and meetings (previously, building representatives had to meet management agents at their premises). So far, joint efforts have resulted in a reduction of price for onsite management and in a much more transparent procedure to determine how agents charge for their services. The association is also managing a contract for rental of common spaces in the buildings to a local Cable TV company, which brings additional revenue.

In October-November 2003, the association participated in several training sessions, including proposal development. In result of this session, a successful proposal for the Service Delivery Pilot Project competition was submitted (see below). In early December 2003, *Otoka* organized organizational development training for the board members and building representatives. The training was conducted by VIP, Carol Schaer (see below).

Maglaj:

By the end of September 2003, association in Maglaj was registered and the partnership agreement and sub-grant agreement with CHF were signed. Office equipment needed for

normal functioning of an office (furniture, computer, printer, fax machine) was delivered and beginning with the first days of October the Maglaj association became very active. It started by posting flyers in the entrances of multi-family apartment blocks inviting residents to join in and actively fulfill the responsibilities of homeowners vis-à-vis common areas of buildings. Posters were printed and posted, together with excerpts from the law about house rules. A good relationship has been established with the new Mayor of Maglaj who supports homeowner associations and their activities. Board members attended several trainings organized by CHF, including the one on proposal writing in November 2003. They have also sent their representatives to the training session organized for Dobož Board members and house representatives took active part in this event. A successful Service Delivery Pilot Project proposal was prepared. It received 94 out of a possible 100 evaluation points (see more in section concerning Pilot projects).



Common areas of multifamily buildings as well as apartment units typically require renovations and repairs. Assisted by CDP, homeowner association in Maglaj plans to help. B&H, Fall 2003.

Travnik:

President of DC Travnik, signed the CHF sub-grant agreement during a regular session of the Managing Board on September 30, 2003. Association members confirmed their determination to manage the buildings and to provide the much needed maintenance.

Subsequent to registration, the association's executive manager conducted a small survey on maintenance in other multi-family buildings in town. The purpose was to collect data, as well as promote the Travnik association, its management services, and the CDP program, through individual contacts with homeowners. According to the feedback received, the needs across the city are widespread: roofs are leaking, elevators are not working, and garbage remains uncollected. To find solutions and plan action, a meeting was held with building representatives from other parts of Travnik. Unfortunately, the situation continues to be difficult. For a long time, nobody dealt with outstanding housing issues in Travnik. At the same time, due to the extended presence of humanitarian assistance organizations active in Travnik during previous years, the majority of residents expect financial involvement on the part of CHF and outside funding for repairs of elevators, roofs, staircases, etc. Building representatives do not understand the role a

homeowner association can play or the extent of CHF's support. The executive manager of the Travnik association is really trying to get things started, but it is still very difficult to attract new members and provide services to homeowners. It seems that local residents still need time to "wake up." Since buildings do not have any funds available for maintenance, starting a group loan program has been considered to help jump-start the current slow pace of developments in Travnik.

In late October, the association attended CDP training on fundraising and proposal writing and took an active part in the preparation of a competitive proposal for CDP Pilot Delivery Project. Unfortunately, associations from other locations were more successful and the Travnik project was not selected for a grant award. Other capacity-building training for board members and the executive manager was held under CDP and MEDI programs.

Doboj, Republica Srpska:

In spite of initial problems experienced in Doboj, CHF managed to sign a partnership and sub-grant agreement with an already existing association, *ToPeeR*, in September 2003. This group has prepared an activity plan for implementation of the CDP program by adjusting its activities to the specific situation in Doboj. One of *ToPeeR*'s main tasks is to assist homeowners in establishing and registering associations within each multi-apartment block, as required by the newly adopted law in Republika Srpska. Besides, *ToPeeR* plans to offer maintenance services, building on the fact that several of its members have registered businesses focused on the provision of different types of maintenance work (e.g. plumbing, painting, electrical work, etc). In order to boost interest in its activities and, generally, in housing issues, in October 2003 *ToPeeR* organized a small training session with the main topic entitled: "Urban Living Culture." Experts were invited to give lectures on housing, infrastructure, and ecology. The training was well attended by participants from Doboj, as well as from neighboring towns in Republika Srpska.





In Doboj, Republica Srpska, CDP helped local association ToPeeR organize a series of sessions for homeowners, providing a much needed forum for the exchange of opinions and ideas. Recognizing the importance of widespread support, ToPeeR's president involved local media to bring attention to various outstanding housing management issues.

In December, VIP Carol Shaer held a very successful training in Organizational Development for *ToPeeR* Board Members and Doboj building representatives.

Zenica:

In spite of early successes, the program in Zenica has been canceled. According to plan, an association in Zenica was identified and officially registered on June 12, 2003. Subsequently, the partnership agreement with CHF, a draft budget, and plan of activities have been prepared. Unfortunately, several unresolved issues dragged on for months (e.g. opening of bank account and approval of the use of local community premises) and eventually resulted in the cancellation of the cooperation with this association. In view of CDP-Bosnia, unclear leadership roles within the association were the root cause of this situation. Several leaders presented conditions under which they would consider cooperation with CHF but did not want to accept the format offered. This was unacceptable to CDP-Bosnia and despite the time and effort invested in this association, CHF decided to cancel further cooperation.

Immediately thereafter, CDP started to look for a new partner in Zenica. The Association of Businessmen, formed and supported by CHF's MEDI program, was approached through a number of its board members. During the meetings, board members expressed interest and promised to discuss the possibility of organizing a homeowner section within the MEDI association. Unfortunately, by the end of 2003, they still did not manage to find time and to consider the feasibility of such action. Again, CDP-Bosnia was forced to conclude that there was no real interest in starting implementation and further talks with the association were canceled.

c. Database and Study of Lending Program Feasibility

As previously reported, a database for homeowner associations in Bosnia has been created. Its main objective is to provide a mechanism involving all stakeholders and actors, namely: the building representative and management agent, the association, and CHF. Thanks to the database, building representatives will have a good overview of the

status of payments by homeowners toward common property. On their part, building agents will be able to record their work/services provided to a given building, as well as identify planned jobs, workers, and other details of concern to that particular building. Associations can use the summaries generated by the database to follow up on maintenance improvements and to update the list of members whereas CHF/CDP can use them to follow up on implementation of the project. The mechanics of collecting data and the use of the database will be the topic for one of the upcoming training session. A test version of the database was installed in all four associations in December 2003. An overview scheme is attached with this report (Attachment #2).

As mentioned in Semi-Annual Report for the period of January-June 2003, the majority of tenants in partner cities in Bosnia were keenly interested in the idea of group loans to finance various types of renovations and/or to refurbish common areas or repair equipment. CHF-Bosnia's Micro-Credit Department is still examining the possibility of starting such a group loan program. For the upcoming period (early 2004), CDP-Bosnia is considering activities with partner associations to test the principles of such lending, as well as conditions under which such loan activity could be successful.

2. Expanding Coop Delivery and Role in the Community

Work progressed on the design of institutional support to help partner cooperatives expand their services and their role in the respective communities.

Two service delivery pilot projects have been implemented in the **Philippines**.

- **The Jollikid Day Care Center in the TMVCMPC Village**

Tuy Market Vendors' and Community Multi-purpose Cooperative (TMVCMPC) in Tuy, Batangas, was CHF's pilot cooperative during the earlier phase of CDP (1997-2002). To date, the coop has constructed 56 housing units for its members and additional units are under construction. For the \$15,000 grant, TMVCMPC has established a day care center in the TMVCMPC Village. Constructed in a 72 square meter open space in the middle of the housing project, the Center serves at least 30 preschool children of coop members, both residing and outside of the project. Classes started in the new center on November 3, 2003, managed by a preschool teacher. The overall day care center operation is under a committee created by the cooperative for the sole purpose of managing the center.



Grondbreaking for the Jollikid Daycare Center took place in August. Located on the community lot at the Tuy cooperative's housing project, it was completed in October. The first batch of students, including around 20 children living inside the housing project, began their schooling in November 2003.

- **The Riverside Cooperative Solid Waste Management Project**

The second service delivery pilot project grant was awarded to the best project proposal submitted by the seven cooperatives that participated in the Leadership Training Program (May-June 2003). The service delivery project had to answer the needs of the community where the housing project is located and had to be a project other than housing. The selection criteria have been described in earlier Semi-Annual Report. They included: Project Soundness (40%), Project Impact (50%), and Project Replicability (10%). Evaluation of the submitted proposals was conducted by a committee composed of the CHF staff, NATCCO personnel, and invited private persons who could provide a personal perspective on the proposals. Seven proposals were considered and the final selection was made in September 2003. Based on the selection criteria, the Riverside Cooperative Solid Waste Management Project was selected. The project is located in the city of Bacolod, Island of Negros, region Visayas. Release of the grant took place in October 2003.

Garbage has traditionally been dumped and accumulated along the riverside where Coop members' homes are located. To resolve mounting problems, the Riverside Medical Center Multi-Purpose Cooperative (RMCMP) proposed to build a holding and segregation facility on a vacant lot adjacent to the riverside. After segregation of garbage according to types, all reusable parts such as used paper, bottles, or bottle caps are sold, whereas all biodegradable parts are transported to an eco-farm run by one of the coop's consultants. The Buro-Buro Vermi Farm located on the outskirts of Bacolod city uses African night earthworms (*Eudrilus euginae*) as decomposers. The resulting end product is known as the vermicompost, a high quality organic fertilizer containing up to 8% nitrogen, 0.7% phosphorus, 1% potash, and other trace elements. Vermicompost is used to fertilize the vegetables which are then sold in the local market. Aside from this, the produced earthworm biomass is also used to feed fish, chickens, and other farm animals.

Training is an important part of this project. Participants, as well as Vermi Farm staff, provide education for households focusing on general hygiene, garbage disposal, and recycling. Service vehicle and honorarium of the project team who oversee the activities

are contributed by the RCMPC. On October 31, 2003, Noemi Apuhin, chairperson of the cooperative, signed the grant which will serve residents of two communities: the Riverside Village Phase I in Mansilingan and Riverside Village Phase II in Banago.



Garbage accumulated along the river, where Coop members' homes are located. To resolve mounting problems, the coop proposed to build a holding and segregation facility and allow biodegradable processes to reduce the size and volume of collected garbage. Local coordinator, Mila Ledesma, discusses progress with site contractor. Bacolod, Philippines, November 2003.

In **South Africa**, the CDP team decided to concentrate on problems related to HIV-AIDS in one of the communities of Port Elizabeth.

- **Yizani Sakhe Home-based Care Cooperative Project**

This women cooperative approached CDP in November 2003 with a request for assistance. Originally, the group was going to focus on home-based health care but following CHF's suggestion, the focus changed to incorporate HIV/AIDS into the coop's purpose. This allows CHF to contribute some of its HIV funding and CDP to contribute with cooperative assistance.

The cooperative provides home-based care to treat sick members of their community in New Brighton, as well as provides a soup kitchen to feed the undernourished. A local church assisted the coop with skills training and, after CHF's suggestion to include HIV/AIDS treatment, agreed to set up HIV/AIDS training for the members through the Nelson Mandela Metropolitan Municipality in May 2004. The church also offered the use of its land, which, on further suggestion from CDP, will be used by the cooperative to grow their own vegetables (subsistence gardening) for use in their soup kitchen. Alternatively, vegetables could be sold to church members and the surrounding community to make a profit. Once the use of the land is approved in writing, the gardening project will begin. It is expected that CHF (HIV) funds will be used to secure the perimeter of the land from theft and assist with purchasing seeds and setting up compost bins. CDP will continue to monitor the cooperative's functions and CEBI will assist with training in business management, business plans, and bookkeeping.²

² As of writing this report, important progress was made. CDP South Africa registered this cooperative in February 2004 and provided three full days of training covering all aspects of cooperatives. Although this project is still in the very early stages (the land has not been finalized as yet) several meetings have been scheduled with the coop, CDP-SA, and the minister of the church, for March 2004.

- **St Francis Hospice Gardening Cooperatives**

The second Pilot Delivery Project involves St Francis Hospice Gardening Cooperatives. As of the end of this reporting period, this concept has not been discussed with the hospice. Should enough interest be shown from the hospice and the communities where they are based, and should land be available, the same assistance will be provided as for Yizani Sakhe (i.e., cooperative training, securing the perimeters, providing assistance for seeds, and compost bins). It is expected that this concept will be discussed with St Francis Hospice within the next two months.

In **Bosnia**, competition for the Service Delivery Pilot Project started after the training on fundraising and proposal writing. Criteria for the grant award have been announced and explained (adjusted Philippines criteria were used). By the end of December 2003 the four associations involved in training and partnership with CHF submitted their proposals. After the evaluation, two proposals were awarded:

- **Old Paper Collection Project in Maglaj**

The proposal from the association of homeowners in Maglaj focused on collection and sale of old paper. The project also has an educational and environmental component and allows the association to earn additional revenues to be used for the refurbishing and repair of common spaces (the association keeps 20% of the amount earned from sale of old paper to a nearby paper factory). As of December 31, 2003, the association concentrated on promotion of its activity. It was able to generate considerable interest in the community including updates for local media (they are regular guests on the local TV station).

- **Revitalization of Green Areas Project in Otoka, Sarajevo**

The proposal from the association of homeowners in Sarajevo focused on revitalization of green areas in the Otoka settlement. The project envisions active involvement of local school children and youth (both schools are located in the settlement), as well as involvement of local retirees. Through this activity the coop hopes to address one particular problem this association faces, namely: the need to attract new young members. The majority of board members as well as building representatives are pensioners, and the association definitely needs to attract younger members. Hopefully, implementation of this pilot project will help them attract younger individuals from the settlement and involve them to become active members of the association.

It is expected that in January 2004 both grants will be disbursed so that implementation can start immediately. On both projects, completion is expected in late April-May 2004.

3. Community Participation Methodology Manual

Under the CDP extension, CHF has planned to revise its Community Participation

Technical Manual. As a crucial step in this process, CHF held a Methodology Workshop in Washington, DC, July 21-24, with attendance of five HQ staff, and eight field implementation staff. The goal of the workshop was to document our experience in participatory community development programming in a way that captures the core values and methods of CHF's approach, reflects lessons learned, and provides useful guidance to current and future staff implementing similar projects. The three-and-a-half day workshop brought together field staff implementing community development programs in various countries with HQ staff. Brainstorming around particular questions and issues, participants provided practical feedback and recommended revisions in the existing Community Participation Technical Manual, ensuring that it accurately captures field experience.

At the workshop itself, field implementers and HQ staff discussed the draft chapter-by-chapter, in the process addressing the core issues and questions regarding CHF's community participation methodology. Following the workshop, the HQ-based team of primary authors revised the text to incorporate the results of the discussion. Major parts of the manual include:

- Community participation under CHF's methodology,
- Major objectives and key elements of programs,
- Implementation of a community participation project under CHF's methodology (including the project cycle and ensuring its sustainability),
- Management and operational issues,
- Community clusters,
- Exit and sustainability strategies.

The manual will be accompanied by a number of sample documents providing practical examples and illustrating currently-used participatory processes used by CHF's field offices. Editing and final production is planned for the commencement of the next reporting period. Roll-out is planned for March 2004.

Objective 2: Scale

To achieve national scale, there needs to be viable, demand-driven apex organizations, which emerge from a network of strong member organizations, that can represent the interests of the sector and support its growth and expansion. Other providers of technical assistance and training may complement such member-based organizations. For CHF to achieve scale, we need to be able to more effectively deliver services and transfer our technical know-how to such organizations.

As previously reported, since the spring of 2003, the three CDP countries have identified local apex organizations to serve as partners, negotiated collaboration agreements and mapped out further implementation activities. Memoranda of Understanding (MOU's) with three partners were duly signed: NATTCO³ in the Philippines, NCASA⁴ in South

³ The National Confederation of Cooperatives based in Manila.

Africa, and Bihuss⁵ in Bosnia.

Working with each partner organization, between July and December 2003, CDP implemented the following activities:

1. Apex Assessment Tool

To help determine the strength of partner apex organizations, CHF's Headquarter team has been working toward the development of an Apex Institutional Assessment Tool. A consultant was hired to help contextualize a variety of existing institutional assessment tools to the specificity of an apex. Assessment criteria were developed to reflect an idealized organization, to serve as a point of reference and guide in assessing the strengths and weaknesses of local organizations. Draft survey and guidelines have been shared with field offices and each one was asked to identify a potential local consultant to conduct the survey. This process continued through November 2003 and in December, each of the three CDP partners underwent a field survey to test the Apex Assessment Tool. Before the end of this reporting period, draft reports were received by HQ from the Philippines and South Africa. The report from Bosnia is expected in January 2004.⁶

As a next step, a CDP Workshop has been planned, scheduled for early February 2004, to be hosted by CDP-South Africa in Port Elizabeth. Draft reports were shared with all prospective workshop participants including HQ staff and all three field offices. Draft workshop objectives focused on the effectiveness of cooperative apex organizations in developing the enabling environment, promotion of cooperatives, and providing quality services to members. The proposed agenda includes a discussion of results of the detailed Apex Assessment Surveys from each of the three CDP countries (based on the Apex Assessment Tool) and the determination of a set of criteria against which to measure the "health" of an apex organization.

2. Cooperative Community Development Network (CCDN) Research

CHF continued to work toward developing a better understanding of issues and of the feasibility of a CCDN network.

Research continued to identify existing network models and how they work. Networks included in the review⁷ were analyzed from the point of view of their structure, type of

⁴ The National Cooperative Association of South Africa based in Johannesburg.

⁵ Association of Tenants based in Sarajevo.

⁶ Full texts of Assessment reports are available at CHF HQ.

⁷ These were: (1) Enterprise Foundation Model and (2) International Youth Foundation Model, and the following profiles: (1) National Council for Urban Economic Development /CUED; (2) International Network for Urban Development /INTA; (3) National Congress for Community Economic Development/NCCED; (4) International Cooperative Alliance/ICA; (5) International Development Network/IDN; (6) International Union of Housing Finance/IUHF; (7) World Council of Credit Union/WOOCU; (8) USAID's LELAND Initiative. Basic data about the features of each model/organization was collected and reviewed.

membership and offered products. A survey was drafted, including feedback received from preliminary communication with the three CDP countries (Bosnia, Philippines and South Africa) to be sent out to a number of organizations identified as cooperative organizations/apexes (scheduled to be sent out in the first part of 2004). Simultaneously, work continued on defining the CCDN concept, as well as its potential mission and vision, underlying principles, and target members.

Together with the IT department, we have researched US-based consulting organizations which could be contracted to provide professional input into the financial and technical aspects of CCDN. A draft consulting agreement was prepared (it is currently being negotiated). Actual consultancy work culminating in a finalized CCDN Feasibility Study is planned for the next reporting period.

3. Implementation of Partnership Agreements with Local Apex Organizations

In all CDP countries negotiations were successful and agreements with local partner organizations were signed.

In the **Philippines**, partner National Confederation of Cooperatives (NATCCO) received the second tranche of its institutional support grant in July 2003. Specific accomplishments in the course of the reporting period include:

In July 2003, NATCCO's Central Loan Fund Facility was setup. CDP helped in planning of, and conducting the Central Loan Fund Roadshow to promote and popularize the cooperative loan fund among cooperatives in the Visayas (30 participants representing 15 cooperatives), Metro Manila, and Southern Luzon regions (69 participants representing 42 cooperatives). Promotional materials for the Loan Fund Facility were printed and distributed. As of September 30, 2003, the Fund has raised P2.15 million (US\$39,163) contributed by eight cooperatives. As of December 31, 2003, the Fund has raised \$327,929. Further pledges are expected.



NATCCO's Central Loan Fund Roadshow win the Visayas region was attended by 30 participants

representing 15 cooperatives in the region. CDP Coordinator Virginia Aldeguer contributed alongside with NATTCO officials. October 2003.

- The interactive National Housing Cooperative Resource Center (NHCRC) website which forms part of the MOU with NATCCO, has been funded with grant funds.
- A writer/contractor was hired by NATCCO for the updating of the manual prepared under the earlier phase of the CDP project in the Philippines. The National Housing Cooperative Resource Center (NHCRC) was involved in further revisions of the training modules, to be updated and distributed for further use. Upon completion of its training modules, the NHCRC conducted a Housing Co-op Training/Workshop in August for 19 representatives of 12 cooperatives in various stages of housing project implementation.
- A Housing Policy Forum was organized and conducted in October 2003. A Pledge of Support for Housing Coop Policy Recommendation was signed by 22 participants representing 13 coops. A Policy Paper on Cooperative Housing will be prepared by Cooperative Policy Research and Institutional Development Department of NATCCO, to be published in a major local daily in early 2004.
- In December, NATCCO actively participated in the Institutional Assessment Survey conducted by the team of local university (Social work department),
- NATCCO's website was revised and enhanced.

In **South Africa**, CHF continued to work with the National Cooperative Association of South Africa (NCASA). In accordance with the signed Memorandum of Understanding (MOU), we concentrated on the following objectives:

(1) *Conducting a needs assessment and demand/satisfaction survey:* This was done in conjunction with the institutional health assessment conducted in December 2003.

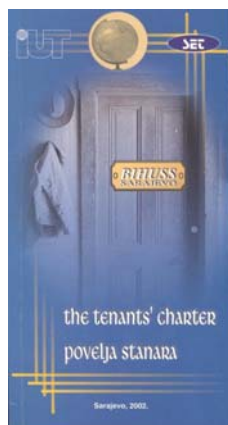
(2) *Setting specific targets to improve NCASA's capabilities in the three functional areas based on Assessment results:* Based on the needs and health assessment conducted by CHF, the focus of this activity was to help NCASA prepared a business plan to: (a) develop a network of primary and prospective housing cooperatives, (b) strengthen the operational, technical, and financial capabilities of housing cooperatives, (c) strengthen the linkages among South African NGOs with further expansion to include a greater number of public and private sector institutions, and (d) provide for the exchange of information so that all partners can profit by the best practices and lessons learned. The business plan is scheduled to be finalized in early January-February 2004 and will be presented for discussion to NCASA members.

(3) *Organizing at least two national workshops:* Various training and educational events were conducted throughout the reporting period. Main events included a CHF-NCASA National Task Team meeting at Elijah Barayi Center, and a Capacity Building Workshop co-organized with Zenzile Housing Cooperatives. Other meetings in which both organizations were actively represented included 81st International Cooperative Day, Public Hearing on Housing held at the Buffalo City Hall in East London, NASHO Congress held in Johannesburg, SMME Networking session at Goodyear Recreational Center, Cooperative Statute Workshop in Johannesburg, and the Gauteng Housing Forum Workshop held at the COPE offices in Johannesburg;

(4) *Using small institutional support grants and focused assistance from CHF and the Visiting International Professionals (VIP's) to help NCASA achieve their targets:* See parts of this report, sections on delivery pilots and VIPs.

In **Bosnia**, after signing of MOU, defining the plan of activities and signing of the sub-grant agreement with CHF, Association of Tenants *Bihuss* started implementation of the agreed program. In the past, *Bihuss* was mainly involved in providing advice and training to a large number of future homeowners and agencies dealing with issues relating to privatization of flats. Following completion of the privatization process new problems started to emerge, mainly relating to the management and maintenance of privatized housing stock. Consequently, *Bihuss* became more involved in these areas, dealing with management agents, homeowners and lawmakers commenting on new proposed laws, actively training management agents, as well as municipal and canton authorities in charge of housing and home owners. In the course of the past six months, with CDP's support *Bihuss* organized the following three events:

- On July 15, 2003, in cooperation with Public Housing Company Tuzla (JSP Tuzla), *Bihuss* organized a Round Table entitled “*Implementation of regulations on the maintenance of common parts in apartment buildings.*” This event was seen as promotion of the idea of joint responsibility of homeowners and management agents for the management and maintenance of multi-family apartment buildings;



Local organization Bihuss, under Mehmedalija Huremovic, President of the Managing Board, has expanded its activities beyond providing legal advice to residents and facilitating the process of privatization of flats. With support of CDP-Bosnia, Bihuss is now tackling managerial problems and educating members of homeowner associations. Sarajevo, 2003.

- On October 18 and 19, 2003, in Neum, *Bihuss* was one of the organizers of another conference with the main topic “*Implementation of the law on management and maintenance of buildings.*” This conference was attended by 35 representatives of management agents, municipalities, cantons, as well as other participants coming from all parts of the Federation; and
- On November 22, 2003, in cooperation with Zenica’s biggest management agency, *Bihuss* organized a seminar on management and maintenance. Local building representatives and local authorities from Zenica participated.

During December 2003, *Bihuss* participated in the CDP survey in result of which a detailed Institutional Health Assessment was prepared. *Bihuss* members fully cooperated in this process and plan to discuss results and recommendations once available (they are expected in January 2004). In conjunction with this work, there was further internal discussion concerning the status of *Bihuss* as an apex organization in Bosnia. For the time being, *Bihuss* is still organized as an association of natural persons. This is so because at the time of its registration this was the only option available and, furthermore, no homeowners associations were established as yet. Now the situation is somewhat different. *Bihuss* is supporting a number of associations established through CDP-Bosnia and assists in the creation of an association of management agents. As a professional and administrative organizer, *Bihuss* has performed all the functions necessary to prepare the Constitutional Assembly of this organization. Although the new association cannot become the member of *Bihuss*, discussion continues as to the relationship between these two organizations seen as a step toward determining which one has the potential to become a real apex organization in the future.

Objective 3: Conflict Management

Under this objective, CHF will increase its understanding of the role that cooperative/ association leadership, organizational structure, and management play in conflict resolution and prevention.

1. Briefing on findings

During the reporting period, we continued to work on several levels.

First, CHF continued to develop the Working Hypothesis by revising and expanding it in light of preliminary field research results. Background to the Hypothesis was expanded and assumptions and assertions were modified.

Second, Phase II of field study was conducted, including research trips by four consultants (experts in community conflict dynamics) to Azerbaijan, Bosnia, Guatemala and Serbia. Each consultant then produced a detailed, roughly 60-page report based on his or her research. Final versions are expected in February-March 2004.

Third, preparations continued for two workshops planned for February 2004. Field staff input into the proposed agenda was sought and logistics and preparatory arrangements planned. The workshops will follow one another, with the first to involve select CHF field staff and HQ participants. The second workshop is envisioned as a discussion forum that allows for interaction and knowledge sharing between implementing organizations such as CHF International, donor organizations, academics, and other interested parties. Background materials were collected and draft agenda were revised and distributed for comments. The final agenda and list of participants are expected in January 2004.

2. Publication

In conjunction with field research, work continued on identifying existing resources and studies that may be incorporated into a publication on cooperative organizational development and its role in conflict management. This publication will include input from the workshops, planned for February 2004.

Objective 4: Capacity Building

CHF strengthens its capacity to evaluate, research and analyze, and disseminate lessons learned.

1. Learning Agenda; Research and Evaluation

CHF continued to research the ways in which internal knowledge could be gathered and shared within the organization and beyond. An interdepartmental Information Management Working Group (IMWG) has been formed and met regularly. The group outlined the process and procedures allowing to streamline institutional knowledge and is looking into the systems which encourage information sharing based on technology achievements (intranet systems). The group will continue working in collaboration with all of CHF's departments.

With respect to the internal evaluation processes, a short-term consultant was engaged to assist in the process of determining the steps, from appreciative inquiry process, through feedback mechanisms and systematized internal learning. Through this activity, we are hoping to develop a better understanding of the system of values and how they are fed back from headquarters to the field and vice-versa, and how practical lessons from the field come back to headquarters to let us use and apply them.

A review of literature continued covering areas of Objectives 1 and 2, in anticipation of the governance report summing up the lessons learned through individual country studies. With respect to Objective 3, literature research continued in support of applied field research.

2. Methodology Workshops

Community Development Methodology Workshop, (under Objective 1) took place in Washington, DC, in July 2003. See above under Section 3: Community Participation Methodology Manual.

Cooperative Apex Organizations Workshop (under Objective 2) is planned for early February 2004. This workshop will focus on work of cooperative apex organizations and the ways to increase the efficacy of their work.

Two Workshops on Conflict Management (under Objective 3) are planned for February 2004.

3. OCDC Research

This activity continued in the course of the reporting period with periodic meetings of the group to discuss common issues. Also, in preparation for the issuance of the new RFA, the group discussed the ways in which cooperative agenda can be addressed in the most efficient manner, with focus on building the enabling environment for cooperatives.

4. VIP Program

During the reporting period, two VIP assignments were conducted in South Africa and Bosnia.

Carol Schaer served as VIP to Bosnia (**December 1-11, 2003**). Assignment focused on organizational development and leadership training.



VIP Carol Schaer worked with members of Homeowner Associations in Dobož and Sarajevo, Bosnia, in December 2003. Sessions focused on rights and responsibilities of board members and homeowners.

Carol Schaer conducted a series of trainings for Board members and homeowners in the associations in Dobož and Sarajevo. Main topics of this organizational development

assignment included: leadership, group dynamics, communication, conflict resolution, new member involvement, and decisionmaking. The trainings lasted for two days. During the first day, VIP worked with the board members whereas during the second day, homeowners had a chance to benefit from the VIP's skills and expertise in institutional strengthening. Training for homeowners in Doboj was also attended by representatives from Maglaj. Also, additional one-day training was organized for the MEDI/CDP board members in Travnik. The participants were very satisfied and expressed their content in evaluation forms filled out after the training. They expressed their wish to attend more events of this type. The VIP managed to build an excellent contact with the participants and was able to solicit active participation of the majority.

Joseph Feinberg (November 29-December 18, 2003), contributed three weeks of his time and professional expertise to assist South African NCASA in conducting Institutional Health Assessment of this organization. The VIP conducted a series of interviews with NCASA officers as well as members based in Johannesburg and Cape Town. Results of this assessment were then used as a basis to prepare a draft business plan outlining NCASA's plan to incorporate newly-registered housing cooperatives and provide support to new housing development projects. The Business Plan will be discussed with NCASA members in the course of meetings planned for spring 2004 in order to get members' input and determine the next steps.

Another VIP for South Africa is planned for March 2004. Micro-credit and possible expansion into housing-related lending will be the focus of this assignment (arrangements still in progress).

C. Notable Departures from Work Plan

We have been "catching up" and rectifying slight delays against the work plan which have occurred in the course of earlier reporting period. As of December 31, 2003, Service Delivery Pilot projects in South Africa and Bosnia have been planned and were in progress (expected end-dates in late April and/or early May 2004). Similarly, the development of a Health Assessment Tool for cooperative apex organizations has been completed and at the end of reporting period, all three partner organizations went through the process of detailed assessment of their status. Information on progress is provided in sections A and B, above.

We have also experienced a slight delay in field implementation of the Phase II of Stable Societies (conflict research), mainly due to scheduling difficulties. However, as of December 31, 2003, all field research has been concluded and analysis of data is under way in preparation for February 2004 workshops.

All activities under the work plan are currently on track. A Summary Tabulation of results against project objectives as of December 31, 2003, is enclosed.

D. Unanticipated Events/Occurrences

None to report.

E. Major Lessons Learned

Persistence and hard work in pursuit of cooperative objectives result in better shelter for local beneficiaries.

We are pleased to report the successful progress on new homes' construction in East London, South Africa, commenced under the earlier phase of CDP.

In the course of CDP implementation, CHF has often referred to, and reported on progress of *Amalinda* project in East London, South Africa. Following many delays relating, for example, to the lack of implementation regulations regarding subsidy system or the dispute with local contractor, this project has finally picked up speed during the past reporting period and construction of new homes started and progressed considerably in the fall of 2003. As of December 31, 2003, close to 100 new homes have been completed, each providing the space of 45 square meters per home per beneficiary family. Altogether, over 215 homes are planned. CDP-South Africa collaborated in this effort with local NGO, Afesis Corplan, providing coop training and other support activities.



Amalinda development was organized as the first housing cooperative ever to be registered in South Africa. Assisted by CDP and other local NGOs and international organizations, this cooperative is going to house more than 200 families in East London, South Africa. December 2003.