

PD HRC 364
ANERA

1708

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AMERICAN NEAR EAST REFUGEE AID

MIDDLE EAST OFFICE:
Abulus Road
P.O. Box 19982
West Jerusalem
via Israel

November 25, 1980

Ms. Ann Gooch
NE/TECH/SPRD, Rm 3314C NS
AID
Dept. of State
Washington, D.C. 20523

Dear Ann:

Attached is the Special Field Evaluation Report on the Tarqumiya Co-operative Revolving Loan Fund which you requested.

Have a good move!

I remain,

Sincerely yours,



Peter Gubser
President

PG:ab

cc: Mr. Russell Misheloff

1. PROJECT : AID/ANERA FY-79 Revolving Loan-grant for Tarqumia Cooperative
2. NAME OF COOPERATIVE : The Cooperative for Olive Pressing and Marketing its Products in the Hebron Area (Tarqumia)
3. SIZE OF AID/ANERA GRANT : Deposited \$100,000 at Bank Leumi in Account No. 103/35
4. DATE OF GRANT : 21/5/80

5. PROJECT STRATEGY:

This project was proposed to allow cooperative member farmers to have access for loan funds. The major problem of farmers in this context is the lack of capital and the migration of cooperative and agricultural banks from the West Bank to the East Bank after the 1967 Israeli-Arab war. The strategy of this loan-fund project is to study the feasibility of providing capital to individual farmers; it was proposed as a (pilot) experimental project.

6. PROJECT PURPOSE :

- a) The project was proposed to finance part of the land reclamation costs of member farmers.
- b) To complement the FY-78 AID/ANERA grant project for agriculture machinery unit, which is currently serving member and non-member farmers on land reclamation.

7. LOAN EXECUTIVE BODY:

The Loan Committee which consists of three members including the Cooperative Director and two members from the Cooperative's Executive Board.

8. LOAN PROCEDURE:

- a) The members apply for a loan at a maximum level of JD 150 (or \$500) for the purpose of land reclamation.

(See attached document No. 2)

- b) The cooperative loan committee examines the application, visits the field and examines the feasibility of the member's project.

- c) The cooperative loan committee approves the application of the member in an official meeting and approves a loan of JD 150 or less for 10 years or less according to member's application.

(See attached document No. 1)

- d) A pledge agreement will be signed between the cooperative and the member whereby the plot of land subject of the project, together with its anticipated crops will be put in plodge.

(See document No. 3)

- e) A loan agreement will be reached as well whereby the member brings two guarantors acceptable to the committee to sign the loan agreement with him.

(See document No. 4)

- f) The loan amount will be divided on the number of years of the agreed loan period. The member and the two guarantors sign promissory notes with equal amounts according to the number of years of the loan period whereby each note is due at the end of each year. In the case of a loan of JD 150 for ten years from the date of loan agreement, ten promissory notes of JD 15 each are due at the end of each of the ten years successively.

- g) The interest rate of the loan is 2% and is due at the beginning of each year. At the beginning of the first year the member (in case f) pays $150 \times 2 \div 100 = \text{JD } 3$.

(See case study below).

8. DISBURSEMENT PROCEDURE

After the signing of the documents the member and the cooperative director agree on the date and period when the cooperative bulldozer will be available to work on the member's land in case the member needs bulldozer services. In this case the member receives no cash money. The bulldozer works will be accounted for the loan. Only if bulldozer work do not cover the loan amount cash money in Israeli currency will be handed to the member to finish other works like contours, labor, walls, wells, digging of holes for plants etc. This will be also exactly examined by the loan committee in advance and is fixed in the loan agreement. Also the members who ask for loans to finish such works will be handed cash money. Such members have already used cooperative bulldozer or other before or work on already reclaimed and cultivated land where only supplementary services are necessary.

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10. PROJECT EFFICIENCY:

The project efficiency can be demonstrated against the following:

- a) In the period of 1/6/1980 and 1/9/1980 250 members applied for loans.
- b) The membership of the cooperative increased during this period by 139 new members i.e. from 861 in May to 1000 in September by an average of 35 new members each month.
- c) Land reclamation operation services by the cooperative bulldozer started in July 1, 1980 and were executed for 60 members till September 10, 1980.

Another 10 members used the loans for other than bulldozer works as mentioned in para 9 above.

- d) Ca 200 dunums for 60 members have already been reclaimed during the period of July 1 till September 10, 1980. This makes ca 100 dunums a month against 75 dunums a month in the period since 1/9/1979 - 1/6/1980 (excluding January, February and March when bulldozer stops working during winter). In this period 450 dunums were reclaimed and 30 kilometers of agricultural roads were opened.
- e) 11 Kilometers of agricultural roads to members and villages have been opened, i.e. 10 km of roads a month against 5 km a month in the previous period mentioned above in (d).
- f) As of September 10, 1980 \$35,000 were disbursed.

11. CASE STUDY:

- a) Name of farmer : Adel O. Karamen
- b) Place of Project : Zelf-Yatta Road
- c) Area : 4 dunums
- d) Works executed
 - 1) Bulldozer works were financed by a loan from the cooperative
 - 2) 60 meters long contour was financed from the farmer's own funds.
 - 3) Digging of a catchment well was financed by the farmer's own fund
- e) Period of execution: 6/7 - 9/6/80
- f) Costs : 26 working hours on 4 dunums, at an average of 7 hours per dunum, and
IL 1,000 per hour equals
IL 26,000 Total costs
This amount was converted to JD 150 at a rate of IL 175 to 1 JD.

g) The member signed 10 promissory notes of JD 15 each, over a period of ten years from June 30, 1981 - June 30, 1990 and pays loan interest of 2% at the beginning of each year as follows:

<u>In/JDs</u>	<u>Instalments Payments</u>		<u>Interest</u>	<u>Total</u>
30/6/1980			3	3
30/6/1981	15	+	2.700	17.700
30/6/1982	15	+	2.400	17.400
30/6/1983	15	+	2.100	17.100
30/6/1984	15	+	1.800	16.800
30/6/1985	15	+	1.500	16.500
30/6/1986	15	+	1.200	16.200
30/6/1987	15	+	0.900	15.900
30/6/1988	15	+	0.600	15.600
30/6/1989	15	+	0.300	15.300
30/6/1990	<u>15</u>	+	-	<u>15.000</u>
	150			166.500

The member will pay in total JD 16.500 as interest on the JD 150 loan over ten years period.

12. COOPERATIVE MANAGEMENT:

- 1) The cooperative has one of the most active and experienced agricultural engineers as a director
- 2) The cooperative executive committee consists of experienced and educated farmers of excellent reputation.
- 3) The president of the cooperative is a lawyer and farmer of an excellent reputation.
- 4) The cooperative exercises a good organization of management:
 - a) Records of meetings are kept in files in details according to law.
 - b) Filing system is excellent.
 - c) Accounting system is perfect.

13. LOAN ADMINISTRATION:

Attached is the complete Loan-file of Azmi Abdel-Jawad Qubbaja. These documents shall demonstrate the procedure of the loan system

14. EVALUATION:

The above mentioned information together with the fact that the loan-fund has proved very effective in increasing the demand for land reclamation in strengthening the cooperative through membership and in complementing and strengthening the cooperative machinery unit, prove the efficiency and developmental characteristics of this project.

15. RECOMMENDATIONS

- 1) Increasing the now-proven successful revolving fund to Tarqumia cooperative by \$200,000 to serve further 300 members
- 2) Replication of the pilot farmers' revolving loan fund with approximately twenty active and competent agricultural cooperatives on the West Bank and Gaza Strip.

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November 1980

ANERA's AID-Related West Bank and Gaza Strip Development Program: Selected Examples

Over the years and especially after Congress initiated the West Bank and Gaza Strip AID program, ANERA has formulated and executed in cooperation with indigenous institutions, a series of projects with increasingly greater development impact. In this brief report, we wish to present a few selected examples of projects which are actually benefiting the people they are intended to benefit. And we wish to thank the House and Senate for making these projects possible.

1. Tarqumiya Olive Press Co-operative: Mechanized Services

in a number of other West Bank regions, is designed to provide an Agricultural Services Unit for farmers in the western part of the Hebron district. The Unit, now in operation, consists of a bulldozer, field crop and orchard tractors and implements to assist in the reclamation of waste land and improvement of marginally productive land.

Beneficiaries and Benefits: In a region of about 55,000 people where per capita income from agriculture is \$250 (or \$1250 per family), the beneficiaries are 1000 co-op members and 2500 non-member co-op patrons. In addition to enhancing the farmers' capacity to produce food, the benefits are: (1) 250 acres of land reclaimed per year plus 500 acres of marginal land improved per year, and (2) as past experience indicates, upgrading such land generates \$50 in additional revenue per acre. At the planned 2 acres per farmer, this adds \$100 to the per family agricultural income, bringing it to \$1350 in constant terms. The Unit has been in operation for one year.

Project Cost and Finance

- Total Project Cost	\$240,000
- Project Finance	
(1) Co-op members and Jordan Co-operatives Organizations in Amman	\$120,000
(2) ANERA/AID Grant	<u>\$120,000</u>
TOTAL	\$240,000

2. Tarqumiya Olive Press Co-operative: Revolving Loan Fund. This project established a small loan fund, managed by the co-op under the Department of Co-operatives' supervision, to provide partial finance/credit for land reclamation projects in coordination with project #1 above. Loans, up to a maximum of \$500, cover 40% of land reclamation costs, the balance coming from the farmers' own resources. This is the first source of credit of this magnitude on the West Bank since 1967.

Beneficiaries and Benefits: see project #1.

Project Cost and Finance

- Total Project Cost	\$100,000
- Project Finance	
ANERA/AID Grant	<u>\$100,000</u>
TOTAL	\$100,000

Tarqumiya Olive Press Co-operative: Modern Soap Factory. This project, which will go into production in about three months, is establishing a modern soap factory (the first in the West Bank) which will utilize a currently ill-used byproduct of the olive oil processing process, called jift. The jift, when pressed a second time, yields a non-edible oil suitable for industrial purposes, including soapmaking. The co-op has ordered and received all the necessary equipment, and is now in the process of assembling it for production.

Beneficiaries and Benefits: The beneficiaries are the olive tree farmers of the region, which includes Bethlehem; more specifically they are the 750 co-op members and 2500 non-member patrons. The factory will purchase around \$300,000 of the jift oil annually from the farmers. This translates into about \$90 per farmer family, most of which will be new income since the majority of the farmers do not now benefit significantly from the jift. The projection is that the project will also make a profit of about \$45,000 per year which will be used to expand the co-op's functions.

Project Cost and Finance

- Total Project Cost	\$350,000
- Project Finance	
(1) Co-op members and Jordan Co-operative Organizations in Amman	\$230,000
(2) ANERA/AID Grant	<u>\$120,000</u>
TOTAL	\$350,000

4. Arab College of Nursing. This project is helping to meet a very great need for B.Sc. level nurses in the West Bank and Gaza. The severe lack of staff or B.Sc. level nurses may be demonstrated by observation that only 58 of 280 positions requiring those qualifications could be filled. The College was established and is run by a committee formed by all the Red Crescent Societies (equivalent to the Red Cross in the U.S.) of the West Bank and Gaza. It adopted the nurses training curricula of the University of California at Los Angeles. Funding comes from many countries in the Arab world, individuals and Palestinian societies in the West Bank and Gaza, and ANERA/AID.

Beneficiaries and Benefits: The beneficiaries of this project/grant are two-fold. First, the potential graduates (at a rate of 50 per year) benefit from higher levels of education, earning capacity, and job satisfaction. Second and much more important, the whole society will benefit from the services of these B.Sc. nurses who are currently in place and projected under current efforts; this substantially-increased number will significantly raise the level of nursing and health care in the West Bank and Gaza.

Project Cost and Finance

- Total Project Cost	\$820,000
- Project Finance	
(1) Arab College of Nursing Resources	\$600,000
(2) ANERA/AID Grant	\$220,000
TOTAL	\$820,000

5. Gaza Municipality: Self-Help Neighborhood Sewer Project. This project has assisted for the last three years a number of Gaza City neighborhood sewer pipe laying projects. The division of labor was as follows: Gaza Municipality provided the engineer, planning and supervision; the neighborhoods provided unskilled labor or funding equivalent; ANERA/AID provided funds for the sewer pipe and attendant items.

Beneficiaries and Benefits: Although the neighborhoods vary greatly in size, the average is 400 people. With 24 projects completed to date, beneficiaries total around 9600. The benefit is essentially replacing open sewers flowing through the streets with closed sewers attached to the houses. The health and sanitation effects of the above are obvious.

Project Cost and Finance

- It should be noted that the City built, with financial aid from Arab countries, the major sewer lines to which the

neighborhood lines are attached.

- Total Neighborhood Project Cost	\$490,000
- Project Finance	
(1) Municipality: contribution of expertise, planning.	- - - -
(2) Neighborhoods in cash or kind	\$250,000
(3) ANERA/AID Grants	<u>\$240,000</u>
TOTAL	\$490,000

6. Gaza Municipality: Rainwater Conservative for Irrigation Project. Gaza Municipality is in the process of constructing a city-wide storm sewer system to drain water out of the low areas where it currently stands for weeks, impeding traffic, harming buildings, and contributing to adverse health conditions. Rather than channel the rainwater off to the sea, this project will divert the water to an artificial lagoon where it will be collected into the ground. By injecting the water, the sweet groundwater table will be raised from which farmers will be able to pump added irrigation water for their crops.

Beneficiaries and Benefits: The beneficiaries are (1) the city's 130,000 population plus the neighboring area's population (largely farmers) of 50,000. The benefit will be streets drained of standing water and the elimination of the ill-effects this causes, on the one hand, and added available irrigation water on the other. The latter is especially important in the Gaza Strip which receives less than 10 inches of rain annually and must rely on irrigation for farming.

Project Cost and Finance

- Total Project Cost, Phase I	\$6,250,000
- Project Finance	
(1) Municipality resources in the Arab world	\$5,600,000
(2) ANERA/AID Grants	
Phase I-A	\$ 250,000
Phase I-B (anticipated)	<u>\$ 400,000</u>
TOTAL	\$6,250,000

The above projects are but a few diverse examples of our AID funded program. We have also implemented numerous others in the area of men's and women's vocational training, practical nurses' training, animal feed processing plant, and food processing and marketing.

15 February 1981

- I. FY-78 AID/ANERA SECOND INTERIM EVALUATION OF TARQUMIA COOPERATIVE LAND RECLAMATION PROJECT
- II. FY-79 FIRST INTERIM EVALUATION:
 - (A) Revolving Loan Fund
 - (B) Hebron/Bethlehem Plant Nursery

1. COOPERATIVE AGENCY : The Cooperative Society for Olive Pressing and Marketing its products in Hebron District - Tarqumia
2. ADDRESS : Tarqumia Village - Hebron
3. DIRECTOR OR RESPONSIBLE OFFICER : Mr. Wahid Al-Amleh - President
4. PROJECT PROPOSAL SUMMARY:

The land reclamation program of the cooperative goes hand in hand with the plans of the Department of Agriculture in Hebron. These plans are designed to achieve ca 4000 dunums of opening new land and plant it with olive trees especially in the western-green-belt area alongside the Israeli borders. The land reclamation program of the Tarqumia cooperative aims at the reclamation of ca 500 - 800 dunums of land a year. The projects that are engaged in this land reclamation program are:

1. The Tarqumia mechanized unit for land reclamation. This project is an AID/ANERA FY-78 grant of \$120,000.
2. The cooperative Revolving Loan Fund, an AID/ANERA FY-79 grant of \$100,000, to help member farmers cover land reclamation costs.
3. The Bethlehem-Hebron Plant Nursery. This FY-79 project is an AID/ANERA grant of \$150,000 and is in its early implementation stage.

This Tarqumia land reclamation program consists of these three complementary projects so that the revolving loan covers member-farmers costs of seedlings and costs of the mechanized unit works on members' land, while the mechanized unit works at low cost and the nursery produces olive seedlings at minimal cost.

5. PROGRESS TOWARD PLANNED TARGETS:

Two of three Tarqumia projects were by early February 1981 fully operative, namely the machinery unit and the revolving loan projects. The land reclamation mechanized unit consists, as of February 1, 1981 of the following:

.../2

Equipment	Type	Date of Purchase	Price
1. Bulldozer	9556 Caterpillar	Aug/1979	\$ 103,000
2. Field tractor	6680 Ford	June/1979	14,000
3. Orchard tractor	3600 Ford	June/1979	11,000
4. Plough	local	Oct/1979	200
5. Sprayer, Unit	500 litre	Oct/1980	3,000
6. Hole-Digger	local	Oct/1980	1,200
7. Solar-Tank for Bulldozer	local	Jan/1981	500
Total cost of equipment			\$ 132,900

Also, the cooperative expanded its building by ca 175 m² at a total cost of JD 6,000. The building was finished on September 23, 1980. A 300 m² wall was constructed around the cooperative building area at a cost of ca JD 2,000; cooperative members volunteered labor or donated construction materials.

Regarding the revolving loan fund FY-79 project of \$100,000, loans of \$500 each were extended to 170 members. As of February 1, 1981 \$85,000 was disbursed, i.e. 85% of the total fund of \$100,000. The planned target of the cooperative is to disburse 200 loans in the size of \$500 each. The current balance of \$15,000 is held to be used in coming land reclamation season which starts in late March 1981, to provide 30 individual loans to cover ca 50% of the cost of bulldozer and tractor works at the beginning of the season. Seven additional loans can be provided in the coming season from repayment of last year's loans that fall due as follows:

No. of Funds	Disbursement Date	Due Date	Amount
30	30/7/1980	30/7/1981	\$ 1,500
30	30/8/1980	30/8/1981	1,500
15	30/9/1980	30/9/1981	750
Total 75	1/8/81 - 1/10/1981		\$ 3,750

The figures indicate that 7 individual loans can be provided between August and October 1981 from loan repayments due. Also, 30 funds can be provided from the current balance of \$15,000, so that the cooperative can assist land reclamation operation cost for 37 members from the revolving loan fund between August and October.

The disbursed 185 revolving individual loans were used as follows:

1. 60% of the amount, to cover bulldozer work (i.e. \$51,000) over ca 700 dunums of new reclaimed land till 1/2/1981.

2. 20% to cover cost of walls, contours and holes for grape trees (i.e. \$17,000).
3. 10% to cover cost of catchment wells (i.e. \$8,500).
4. 10% cost of seedlings of olives and other trees which are planted on the same reclaimed land (i.e. \$8,500).

Regarding the development of the plant nursery project, the cooperative will this month conclude purchase or hire of a plot of land where sufficient ground water is available. The alternative locations are:

1. Al-Majnuneh near Yatta
2. Al-Hijri between Yatta and Dura
3. Bir el-Qous west of Dura
4. Bir Al-Quff on the road between Hebron and Dura

Final negotiation on one of the above locations will conclude within the next two weeks and following that the cooperative will go ahead with the construction of the nursery so that olive seedlings from the nursery production will be available for the next season which starts in October 1981.

6. PROJECT RELEVANCE: (in view of passage of time and changing host country circumstances)

ANERA's land reclamation plan for the Hebron area includes 4 land reclamation mechanized unit projects along with a new branch cooperative olive press supporting group of ten small cooperatives' agricultural services.

1. Si'eer/Halhul LRC, to serve the northwest region of Hebron District (FY-80)
2. Tarqumia LRC, to serve the western Belt area (FY-79)
3. Dura LRC, to serve the middle region (FY-79)
4. Yatta LRC, to serve the eastern slopes (FY-81)
5. South-Hebron Olive Press Tarqumia branches, to serve the southern region (FY-80)
6. Small agricultural cooperative services (FY-78 and 79)

The Halhul FY-79 Cooperative Project was categorically disapproved by the GOI; it was replaced by the Si'eer project in FY-80 and awaits GOI approval. The Dura FY-79 Cooperative Project is still under GOI consideration.

The south-Hebron Tarqumia branch is an FY-80 project and is also under review of the GOI. Under these circumstances the Tarqumia land reclamation machinery and the revolving fund also serve these regions so that the membership and the demand for the services of these two complementary projects originates not only from nearby Tarqumia but also from more distant villages in the Hebron area. In view of this, at least one additional bulldozer and three additional tractors are required to allow the mechanized unit to expand its services over the north-west region. Also the revolving fund at its current size is too small to serve the region where the mechanized unit operates. In our special evaluation of September 10, 1980, we recommended expanding the loan fund by further \$200,000 to serve 300 additional farmer members. This is more urgent in view of two recent developments:

- 1) The membership of the cooperative exceeds 1100, i.e. 293 new members since our previous interim evaluation in December 1979. The membership reached 1000 members in September 1980 (see Special Evaluation of the Revolving Fund project on September 10, 1980).
- 2) The cooperative plant nursery project is expected to produce seedlings during the coming season in the fall of 1981, so that the demand for olive planting and hence for land reclamation, and consequently for loan funds is expected to increase further.

7. INTERNAL PROJECT DESIGN ELEMENTS AND/OR EXTERNAL FACTORS CAUSING SUCCESS OR FAILURE:

The Tarqumia cooperative is the largest and one of the most effective and successful cooperatives on the West Bank. It maintains three regional projects namely:

- 1) The olive press
- 2) The machinery unit
- 3) The revolving loan fund

Two more regional projects are on the program:

- 1) The FY-79 plant nursery which is expected to be implemented during the coming 3-5 months
- 2) The FY-80 South-Hebron olive press and services, which awaits approval by the GOI.

The success of the cooperative can be demonstrated through its growing membership. The cooperative started in 1977 with 200 members and reached by mid-February 1981 1100 members and so became one of the

largest agricultural regional cooperative in the Middle East. The members come from all over the Hebron area as does its executive committee.

The cooperative has a very active executive committee and a very effective management, and is acting as a central agricultural cooperative for the Hebron area.

The good reputation of the cooperative and the growing interest in its services is a result of two factors:

- 1) General social, official and private confidence in the cooperative board and management.
- 2) The farmers' confidence in the efficiency of the cooperative society in view of its successful project program.

The financial position of the cooperative is excellent. The sources of the funds are in first grade the members themselves; in addition the Arab joint-fund-support from Amman, and AID/ANERA support.

Self-help factors are first rate in this cooperative. Members contribute and volunteer labor to the cooperative during olive pressing season, construction of buildings, etc., or however the cooperative needs help. Also, fund raising from members through raising members' shares goes smoothly so the cooperative project program is secured by the members' enthusiasm and shareholding.

8. FINANCIAL POSITION OF THE COOPERATIVE AS OF JANUARY 22, 1981:

(Cooperative Bank account: Bank Leumi - Hebron
Account No. 103/35

<u>\$110,000</u>	<u>Balance as of 22/1/81</u>
\$ 50,000	Advance of AID/ANERA grant for the Nursery project
\$ 15,000	Balance of revolving loan fund
\$ 45,000	Balance of AID/ANERA grant for the Machinery unit project together with cooperative revenues
<hr/>	<hr/>
\$110,000	Total

9. FUNDS EXPENDED:

AID/ANERA grant extended to the cooperative was \$120,000 to cover part of the projects costs

Total disbursement as of 22/1/1981

1) Buildings	\$ 26,400
2) Bulldozer	103,000
3) Tractors	25,000
4) Other equipment	4,900
5) Other costs: transportation of equipment from Tel Aviv, checking and operating bulldozer and tractors	7,000
Total	\$166,300

60% from AID/ANERA grant	\$ 99,700
40% from coop own funds	66,600
Total	\$166,300
ANERA grant balance of \$120,000	20,300
Coop own funds balance	24,700

Sources:

1) Oil Revenues from this year's season	
5 tons = JD 5,000 at	
1 JD = \$3.30	\$16.500
2) Members' shares	\$ 8,200
	\$ 45,000

This amount is being kept to purchase an additional bulldozer

The cost of a bulldozer is now ca \$120,000. The cooperative needs to collect an additional amount of \$75,000.

As indicated above the AID/ANERA contribution in cost of equipmen for the cooperative second development stage was ca 60% against 40% from cooperative own funds; the cooperative paid in full for the first development stage which consists of land costs, olive press machine and a large building of ca \$500,000.

10. SUMMARY COMMENT

A) Management:

- The cooperative president, executive committee and director are experienced persons with excellent reputation in the area.
- The cooperative exercises a good organization, filing system and accounting system.

c) The cooperative appointed a special loan committee to supervise the revolving loan program.

B) Periodic Feasibility (15 months) - (September/1979 - January/1981)

1. Operation Costs

(Total: Sept/1979 - Jan/1981)

Bulldozer achieved 2000 effective working hours, large tractor 500 working hours, small tractor 50 working hours.

1) Salaries (one driver)	
15 months at JD 100	IS 39,000
(exchange rate JD 1 = IS 26)	
2) Fuel	44,177
3) Oils, fats	8,525
4) Maintenance	31,000
5) Depreciation (10%)	105,600
6) Other (10% of total)	22,830
<u>Total</u>	<u>IS 251,132</u>

2. Income

a) Bulldozer: 2000 hours x IS 150 =	IS 300,000
b) Tractor : 550 hours x IS 30 =	16,500
<u>Total</u>	<u>IS 316,500</u>

3. Benefit/Cost Ratio

Gross costs	IS 251,132
Gross income	316,500
B/C Ratio =	(1.26)

which indicates a feasible operation from September - January 1981.

28 February 1981

I. FY-78 SECOND INTERIM EVALUATION OF HEBRON UNIVERSITY GRADUATES' UNION POLYTECHNIC (\$150,000)

Ref: 1st interim dated February, 80

II. FY-79 FIRST INTERIM EVALUATION OF HUGU POLYTECHNIC (\$175,000)

HOST AGENCY : Hebron University Graduates' Union Polytechnic

: P.O. Box 198, Hebron

PERSON RESPONSIBLE : Sami Ashhab, Dean

OFFICER

PROPOSAL SUMMARY:

HUGU Polytechnic, an initiative of local and scattered Hebronites raised more than \$500,000 from among Gulf, East Bank and home members toward its project to raise the level of technical education in the Hebron area. The Polytechnic opened in the Fall of 1978 in a building owned by HUGU and previously utilized as a secondary school; the building was adapted to its new purpose, a second storey being added. The HUGU polytechnic is assumed to be the pioneer institution of a proposed group of four or five to be established across the West Bank; it remains the only polytechnic still, a two-year course in (1) Civil Engineering, (2) Electrical Engineering, (3) Mechanical Engineering and (4) Architecture. The basic function of the shorter courses is to help fill the gap between Engineer and worker with available Polytechnicians.

The Polytechnic includes four training laboratories and two workshops where students undertake their practical experiments:

1. Electrical Laboratory
2. Electronics Laboratory
3. Mechanical Engineering Laboratory
4. Mechanical Engineering Laboratory
5. Mechanical Workshop
6. Electrical Workshop

5. PROGRESS TOWARD PLANNED TARGETS:

A) Construction

A second building just behind the present polytechnic was begun in early January, but stopped by the Military Government two weeks later until plans can be reviewed and approved (previously buildings within municipal boundaries required approval only by the Municipality). The building under construction will include

3,000 square meters within three stories. Meanwhile, temporary quarters have been rented outside the school grounds to house both mechanical engineering laboratory and workshop classrooms; the electrical workshop will remain in the original building for the time being. A third storey will be built on the original building in 1982.

B) Curriculum

The two-year curriculum will be expanded this year to three years - there will be three semesters per year, two 16 weeks, one 8 weeks throughout the summer as, generally, a make-up course to assist students unable to complete the two major semesters successfully.

C) Students

Total enrolment has doubled to capacity, 240 students. The first graduation in September, 1980 included fifty students. The second graduation this coming Fall will be about the same size. This year's entering students are assigned as follows:

Civil Engineering,	60 (two classes)
Electrical Eng.,	60 (two classes)
Mechanical Eng.,	30
Architecture,	30

These join the 60 second year students making up the total 240 as planned.

D) Staff

The Polytechnic remains short-staffed, present instructors including a single MSc and 22 BScs of whom 18 are engineers. This represents an increase of 5 over last year, but urgent recruitment is underway to bring the total staff up to twice its current level. Recruitment of technical personnel continues, but with salaries unavoidably non-competitive with those paid in the Gulf and elsewhere to similarly qualified technicians.

E) Technical Training

Throughout its first two years the Polytechnic was compelled to bus its students to Jerusalem for practical training to the Arab Industrial Orphanage School. This inconvenience ends with the current semester with the availability of newly imported equipment and the rental of outside quarters (on the left as one enters Hebron from Jerusalem, within the groundfloor and basement of two roadside shops converted to Polytechnic need while still under construction). . . The Dean assesses the quality of

instruction to date as good in theory, but still weak in practice. The chaos from which order was improvised throughout the first year of operation eased this past year, and with the imminent completion of new laboratories and installation of equipment underway facilities are at long last approaching adequacy and order. . . The Dean believes that the summer 8-week make-up semester will improve performance by many students who now lag behind. The Polytechnic is also seeking to secure places for training in UK with manufacturers who provided most of basic equipment, or that those manufacturers will send trainers to Hebron to upgrade instructors' practical skills and teaching methods.

5) Laboratories

1. Physics Laboratory, which was lacking the last third of its basic equipment last year, is now complete. All 30 required basic experiments can be completed. The laboratory serves students of first and second years satisfactorily.
2. Electrical Laboratory still lacks 20% of its basic equipment, but should be complete within 1981. This laboratory will remain in the original polytechnic building until the building behind it is completed.
3. Civil Engineering Laboratory, which was only 20% equipped last year, is now adequate. It will be located in the new building when completed but remain meanwhile in the original building.
4. Mechanical Laboratory will eventually occupy space in the second Polytechnic building whose construction was interrupted four weeks ago. For the time being, it will occupy quarters above the mechanical Engineering workshop in the Jerusalem/Hebron road rented building. The new quarters are nearing completion, and newly imported equipment should be installed by the end of this coming month (March).

6) Workshops

The new building behind the original Polytechnic will eventually house all workshops, but meanwhile the Mechanical Engineering Laboratory and workshop are to be housed in rented quarters noted above (a quarter mile from the Polytechnic itself). Part of the mechanical workshop will also be used by electrical students. Other workshops remain for the time being in the original building.

H) Library remains very poor, but until it can be organized and provided with essential reference materials, the Hebron University Graduates' Union Library a block up the road serves in its stead. The Polytechnic is seeking a two to three month volunteer trained librarian to help them begin the library on their premises.

6. PROJECT RELEVANCE: (in view of passage of time and changing host country circumstances)

The Polytechnic selects its students from among twice to three times the number of applicants who fulfil basic requirements. Students pay, by West Bank standards, high fees - \$15 per credit hour for courses of training which require 110 to 120 credit hours, or \$1,650 to \$1,800 for the two-year courses. Hebron Municipality provides twenty half-scholarships; Students International Aid, a Palestinian-American agency, provides another ten full scholarships. The students' willingness to pay high fees and the local and US scholarship support confirm the prospects of the Polytechnic and the esteem in which it's held at home and abroad by Palestinians. The first graduating group last September, approximately 20% have gone abroad to work; by far the majority have found employment at home. . . As mentioned previously, the Hebron Polytechnic is viewed from the East Bank as the pioneer institute of a group of four or five which will be established across the West Bank, adapted as appropriate to local needs but serving the same purpose of providing badly needed mid-level technicians.

7. INTERNAL PROJECT DESIGN ELEMENTS AND/OR EXTERNAL FACTORS CAUSING SUCCESS OR FAILURE:

The Polytechnic originated with strong ^{local} support and thereafter secured dependable support for operating costs in full and some development funds from the East Bank and Joint Fund. The Dean who has overseen development of the Polytechnic returned from the East to undertake the job, and has seen it through its most difficult period of operation with inadequate staff, equipment and space and having to depend on workshop facilities far off in Jerusalem. Those days are over, but many facilities remain inadequate (also, it should be noted that the Dean, who applied for family reunion status three years ago when he returned to Hebron, still works without permanent residence status, a work permit and, incidentally, drives without a driver's licence; the Military Government no longer requires him to leave the West Bank every three months to return with a fresh visitor's permit, but still postpones according him the security of permanent residence in his home town.

FUNDS EXPENDED:

During the year ending 31 December 1980, the following financial statement confirms income and expenditure:

Income	JD	Disbursements	JD
Case on 1.1.1980	1,974	Salaries	46,243
Other	36,045	Travel & Sundries	5,827
Transfers from Amman Branch	229,154	Insurance	187
		<u>Capital Expenditure</u>	
ANERA grant	52,500 ⁽¹⁾	Construction	4,520
Other	6,500	Furniture	1,750
		Labs. equipment	247,500
		Books	<u>1,465</u>
		Sub-Total	307,492
		Balance on 1.1.1980	<u>18,681</u>
Total	326,173		326,173

Total expenditure throughout 1980 came to JD 307,492 spent as follows:

Construction	JD 4,520
Equipment and furniture	250,715
Operation cost	<u>52,257</u>
Total	JD 307,492

The AID/ANERA FY-79 grant of \$175,000 was spent as follows:

Mechanical workshop	JD 96,672
Medical Laboratory Equipment	5,865
Small Eng. Lab. Equipment	31,744
Electronic and Electrical Lab. Equipment	29,977
Mechanical Lab. Equipment	<u>83,242</u>
Total	JD 247,500

(2) The above allocation of ANERA grant funds within the 1980 total expenditure of JD 307,492 expended is fairly arbitrary, but involvement of this outside agency has facilitated the Polytechnic's ability to raise funds elsewhere at home and abroad during its critical initial development. The AID/ANERA grant represents 17.3% of total 1980 expenditure.

9. SUMMARY COMMENT:

The Hebron Polytechnic assistance project was, like the Arab College of Nursing in Al-Birah, critical support in the earliest stage of development of a high-level vocational training institution which has already proved itself capable and relevant to West Bank basic needs. Its future therefore appears assured.

(1) Exchange rate used by the Polytechnic \$3.33 = JD 1.

(2) Exchange rate used here \$3.30 = JD 1.