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REPORT No. 3
EVALUATION OF COOPERATIVE
DEVELOPMENT PROJECTS: SUMMARY
ANALYSIS OF SELECTED AID EVALUATIONS

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I. INTRODUCTION

The development and funding of cooperatives have been a part of U.S. foreign policy since the Foreign Assistance Act of 1961. Two thrusts of this policy have been to provide for the participation of rural and urban poor in their countries' development and to utilize sector expertise from the United States developed through U.S. experience with cooperatives.

AID has served as the government conduit for funds promoting cooperative development overseas. According to a review of AID's W-443 reports on technical service contracts, the Agency has disbursed over \$85 million since 1962 to promote cooperative development activities in some 53 countries.* These activities have included support for credit unions and for cooperatives in diverse areas such as agriculture, housing, rural electrification, handicraft production, and marketing.

In keeping with the desire to draw upon the experiences of U.S. cooperatives, a good deal of AID's funds relating to cooperatives have been channeled through six cooperative development organizations: Agricultural Cooperative Development International (ACDI), The Cooperative League of the United States (CLUSA), Foundation for Cooperative Housing (FCH), National Rural Electric Cooperative Association (NRECA), and the Volunteer Development Corps (VDC). These funds provide two types of support: monies to conduct or assist with specific cooperative projects overseas, and funds designed to support the institutional capabilities of these organizations.

In June 1980, Development Associates began working with the Office of Private and Voluntary Cooperation to examine:

- The relationship between AID and the six major cooperative development organizations, especially as the relationship is expressed in the institutional Support Grants awarded to five of the six groups;
- To identify AID's funding for cooperatives since 1962; and

*The \$85 million figure does not represent all AID funds for cooperative and credit union activities since there are contracts not identifiable from the W-443 reports where some funds are spent to support cooperative development activities.

- To examine the evaluations of cooperative projects supported by AID funds and to summarize the lessons learned from these projects and the adequacy of these evaluations.

A separate report has been prepared focusing on each of these issues. This report focuses on the third issue, the evaluation of cooperative development projects. It examines the methodologies used to evaluate these projects, assesses the adequacy of the methodologies, summarizes the major findings and trends found in the evaluation reports, and makes several recommendations regarding the evaluation of cooperative development activities in the future.

The evaluations discussed in this volume were identified in three ways. First, a computer search was conducted to pinpoint relevant materials in AID's Development Information Center (DIC). Second, since not all materials shelved at the DIC have been entered into their computer file, other evaluations were identified there using both the card catalogue and a manual search of the shelves at the DIC. Lastly, evaluation reports were identified through discussions with AID evaluation staff in the Latin American and Caribbean, Near East, African, and Asian Bureaus, as well as the Program and Policy Coordination, Development Support, and Private and Development Cooperation Bureaus. Using this technique, over 60 relevant documents were identified and reviewed. While these do not represent a totally exhaustive review of the evaluations of AID-supported cooperative activities, they include approximately 80 to 90% of what has been written and all of the major evaluations of AID supported cooperatives and cooperative development projects.

II. SUMMARY OF EVALUATION METHODS AND APPROACH

In its review of AID's cooperative activities, Development Associates (DA) examined AID's major evaluation reports and studies. These studies focused on a diverse range of projects located in Latin America, Africa, and Asia. The projects included such cooperative activities as: credit unions and cooperative federations, as well as agricultural and farm credit, rural electric, a fisan, and housing cooperatives. Although the evaluations and reports reviewed contain some useful information, they have not been guided by a discernable framework which focuses the concerns they address. For the most part, the studies have focused primarily on issues relating to project implementation and management. Only a few of the studies have actually considered project impact.

Strategies and Techniques

The strategy most commonly used when assessing cooperative projects has been onsite visits to the projects. Thirty of the studies reviewed used this technique. Site visits were generally conducted by a team of two to four evaluators, although a single individual conducted the visit in several instances. While onsite, evaluators engaged in three types of activities to gather data: interviews with persons involved with the studied cooperatives, reviews of related documents, and observations of cooperative activities.

Unfortunately, there has been no consistency across evaluations with respect to the types of data that have been gathered. A myriad of variables which fall into several broad categories were examined in the evaluation studies. The variables related to areas such as: agriculture, economics, credit, rural electrification, and cooperative organization and management.

Since evaluations have not consistently examined the same variables, it is difficult to compare data reported in one study with data from another. Even within a single study, it is often unclear why some of the data were included in the report other than the fact that they were available to the evaluation team. For instance, it was common for the balance sheets from the cooperatives under study to be included in evaluation reports. However, the information from balance sheets was often not integrated into the evaluation narrative findings, conclusions, or recommendations.

Even if the evaluations of cooperatives were conducted in a more coherent fashion, the reviewed studies point to a further problem: data needed to evaluate projects adequately are often not available or maintained. This means that even if one sought to examine the impacts of cooperative projects, baseline data relative to projects are generally not available. Baseline data could be developed from studies conducted before a project is implemented. Such studies would provide data about conditions projects are trying to affect. These data could then be compared with information gathered after the project has been in operation to judge project impacts. However, this very rarely occurs.

A project currently being implemented in Honduras by the Foundation for Cooperative Housing (FCH) is a case which demonstrates that baseline data can be collected (Foundation for Cooperative Housing, 1980). In 1978 and 1979, FCH provided technical assistance in creating low-cost housing to several organizations in Honduras. An element of the three associated projects sought to improve the socio-economic standing of families occupying the new homes. Therefore, it was decided to conduct a longitudinal evaluation to examine the effects of improved housing on the involved families. In mid-1979, baseline data were gathered from a random sample of families who will occupy one of the three new projects and from a control group. These data will be compared to other data collected later in the life of this project. The evaluation strategy represented by this approach provides a fairly unique case in the literature on cooperatives and a strategy which could be used with other cooperative programs.

The records maintained by cooperative projects could be another valuable source of data relating to their impacts. When assessing a project, one could refer to these records to develop longitudinal data relating to cooperative activities. Cooperative record keeping systems, however, were often cited in the reviewed studies as inadequate for evaluation purposes. Desired data frequently were not available since cooperative staff often are not experienced bookkeepers or accountants. At other times, data which would be useful to evaluators were simply not recorded by projects. It should be possible to establish records systems which are linked to ongoing evaluation activities and expedite the evaluation process (Jones and Prentice, 1979; Lay and Hood, 1978; Development Alternatives, Inc., 1977). When cooperative projects are established, it would be useful to consider the kinds of data which would be needed to demonstrate

project impact. Recordkeeping systems could then be designed which support that end.

The studies DA reviewed included few instances where longitudinal or control/comparison group designs were used. Such designs are valuable since they help to identify impacts attributable to a project. Given that few of the evaluations DA identified actually focused on project impact, it is no surprise that these designs have not been used to a great extent. Control groups were specifically mentioned in only seven studies (American Technical Assistance Corp., 1971; Xavier University; Fledderjohn, 1976; Daines, 1976; Foundation for Cooperative Housing, 1980; Lay and Hood, 1978; and Lay, 1978). However, it is difficult to judge the utility of the control/comparison groups used in some studies, since the studies do not provide sufficient data about how the control/comparison group members were chosen. This means that there is no way to decide whether the persons included in the control sample are representative of the group they were chosen to represent. In other studies, sufficient information is given to judge how comparison and control groups were formed (Daines, 1976; Lay and Hood, 1978; and Lay, 1978). These cases included the use of random sampling and matched control groups, both methodologically acceptable techniques.

Evaluation Focus

As AID's evaluation system with cooperatives currently operates, there is no evaluation approach which allows one to compare processes or impacts across projects. This is because the evaluations do not address a common generic set of issues in addition to project-specific questions. If the evaluations all addressed at least some common set(s) of issues, it would be possible to compare the implementation and impacts of varying cooperative development strategies. In addition, evaluations would deal with a more focused set of variables, reducing the tendency of evaluations to provide data relating to variables that are of only tangential relevance or concern.

To date, evaluations of AID's cooperative development activities have focused largely on process variables. This focus is consistent with the perspective AID has taken in its approach to evaluation in general. A paper prepared for the current series of AID impact evaluations notes that the Agency's project evaluations have concentrated:

upon documenting and monitoring the implementation of projects by AID missions and host country institutions charged with conducting the project. They have almost exclusively dealt with the "effectiveness" of implementation (how inputs have been turned into outputs) rather than with impact (U.S. Agency for International Development, 1979).

While such process issues are important to consider in an evaluation, questions about project impacts should not be ignored. Evaluations targeted at project impacts can provide information relating to questions such as the following:

- What constitutes a good cooperative?
- What types of credit strategies can effectively enable small farmers to increase their standard of living? Under which conditions are they most effective?
- Which cooperative-provided services are most useful to cooperative members?
- What types of AID supports are most needed to enhance a cooperative's viability?

The series of impact evaluations being conducted under the direction of AID's Bureau for Program and Policy Coordination (PPC) of development projects in selected sectors provides an example of the effective use of an evaluation framework. The framework itself is straightforward in its approach to project impacts. It includes the following fundamental questions and interests:

- Who benefitted--farmers, landless laborers, women, children, rich people, poor people--and how; income, education, social mobility?
- What were the economic and social costs and how were they allocated? This may involve both "hard" economic data and qualitative data at both the personal and societal level.
- Were there environmental consequences?
- Were there "access" benefits such as access to markets through roads, or access to health, or to agricultural inputs?
- What was the role of women in the project and what were the impacts upon women?
- What were the effects on the project of rising energy costs?
- Is the appropriate technology--both hardware and software--being used? (U.S. Agency for International Development, 1979).

In addition, these evaluations also consider the sustainability of development after AID support ceases which includes issues of institution building, economic viability, government commitment, popular support, involvement and perceived benefits by the affected population, and the project's replicability.

Other relevant sources for developing a generic set of process and impact evaluation questions tailored to AID's cooperative development efforts are found in two reports. The first was prepared by Development Alternatives, Inc. (1979) and examines the impact of private voluntary organizations. In this report, the authors present a model for impact evaluation which focuses on project benefits, benefit continuation, and benefit growth. The techniques set out in the report for assessing projects in relation to these three dimensions consider both process and impact variables. Thus, the model creatively combines concerns relating to project processes and impacts.

A second report was prepared for the Evaluation Office of AID's Bureau for Program and Policy Coordination by Weinstein (1980) who examines the implications the Foreign Assistance Act of 1961, as amended, has for evaluation. One section of this report deals with credit and cooperatives and lays out a series of questions relating to both project processes and impacts which could be considered in project evaluations.

To make full use of AID's future efforts in evaluation, basic sets of questions or issues to be addressed across programs and projects should be developed. Answers relating to such questions will contribute to the development of a knowledge base at AID which can be used to guide its subsequent cooperative development activities.

III. MAJOR EVALUATION FINDINGS AND TRENDS

In spite of the lack of a common evaluation framework and the diversity and diffuseness of the cooperative projects discussed in the section above, there are some common themes and conclusions across the evaluations reviewed and there are some lessons to be learned. In the broadest terms, there are at least five basic elements of successful cooperative development programs. While there are doubtlessly more such elements, indeed some were suggested by the evaluation literature, they have not been sufficiently investigated at this time to permit incorporating them in a general set of conclusions drawn. In the paragraphs which follow, we discuss each of the five basic elements of successful cooperative development programs and then identify other areas in need of further assessment and evaluation. While by themselves it is unlikely any of these will be viewed by practitioners as startling or new, what can be important to the field is a systematic identification of the full set of basic program elements and the understanding that each is of critical importance. Because, as was indicated above, the overall quality of AID evaluations seems to be improving, there is hope that in the relatively near future additions to the base list of critical elements discussed below can be made.

Pre-development Feasibility Study

A common theme expressed in the evaluations of cooperative projects is the importance of assessing the viability of cooperative projects prior to their implementation. The success of cooperative projects can be limited by a variety of factors which can be identified prior to project implementation. Such factors include the following:

- insufficient numbers of potential members;
- the presence of other cooperatives in an area which could compete for members;
- limited crop yields available for marketing;
- credit costs which limit member net profits;
- the cultivation of crops which, when marketed, provide a limited net yield.

- market forces such as commercial or traditional economic institutions which compete with a cooperative's marketing activities;
- social customs which contravene cooperative principles;
- government policies unfavorable to cooperatives; and
- suspicion of those organizing a cooperative.

Feasibility studies can identify the existence of such factors and provide information needed to determine how the problems they face can be surmounted. Cooperative developers and AID should not ignore the data from feasibility studies. Should they do so, they may attempt to establish a cooperative where such a project has low chances of reaching its goals. Or, they may fail to provide the types of support feasibility studies indicate a cooperative will need to prosper. In addition, cooperative developers and AID should be prepared to stop planning how to implement a project when feasibility studies show it has limited potential to succeed.

Two of the reports examined by DA during this contract offer some guidelines which could be adapted and used as tools when conducting feasibility studies (Goldstein and House, 1975; Heard, et al., 1978). Heard et al. in their examination of cooperatives for rural Nicaragua offer criteria relative to the evaluation of possible credit cooperatives projects. These criteria cover such areas as: the participation of the target group in project design; equity considerations; viability; planning; government support; training; project costs; and project replicability.

In their paper, Goldstein and House (1975) focus on two loan guaranty programs designed to enable small farmers to become land owners. One purchase strategy involved the formation of cooperatives which then became landholders. The paper includes a "Checklist for Helping Groups to Become Legal and Productive Owners of Farms" which offers a series of questions which should be considered to ensure that potential problems are anticipated and avoided. These questions are comprehensive and cover areas relating to the legal status of groups, member skills and training needs, credit requirements, government policies, and project management. Although cooperatives are not a major focus of this paper, the suggested checklist provides an excellent outline of issues which need to be explored when deciding whether to implement a cooperative development project.

Realistic Goals and Objectives

Clearly, the existence of conditions conducive to a cooperative's founding is not a sufficient guarantee of project success. Other elements are also important. The evaluations reviewed point to the need for developing cooperative projects with realistic goals and objectives. While the importance of establishing realistic targets for projects may appear to be self-evident and a basic element of sound program planning strategies, cooperative projects seem at times to ignore this principle.

There are several ways the failure to establish realistic goals may be manifested in cooperative projects. First, planning documents may establish overly ambitious goals relating to areas such as the number of members coops will serve, or the impacts of cooperatives on members. In some cases, such unrealistic goals may be ignored by the AID grantee. One audit report, for instance, noted that the objectives agreed upon between AID and a contractor were unrealistic in that they targeted the establishment of 400 cooperatives in two years. The auditor was told by a contractor employee that the contract was unrealistic and that the contractor had never worked toward this goal. The solution to the problem of unrealistic goals in this instance was to ignore the goal which the AID mission involved subsequently revised.

There are also times when projects attempt to fulfill overly ambitious objectives. When attempts are made to develop too many cooperatives, weak institutions may be founded which lack the strength to survive. Should a cooperative try to expand rapidly and offer services to too many individuals, it may end up extending credit to persons who have little hope of repaying the loans. If high delinquency rates result, the economic viability of the cooperatives will be undermined as it becomes unable to pay its own creditors.

Pressures toward establishing or trying to achieve unrealistic goals and objectives can come from several directions. Contractors may feel they need to promise AID more than they can realistically achieve in order to receive funding. Conversely, the AID missions may at times ask cooperative development contractors to undertake projects which the contractors believe are overly ambitious but to which they feel they must agree to in order to receive AID funds.

Once a project is implemented in the field, other pressures may over-expand the focus of cooperative activities. For instance, when a project begins overseas, the interest in cooperative membership may be so high that a cooperative is forced to offer a level of services which cannot be supported by its fiscal and personnel resources, or project resources may be inadequate for the number of cooperative projects which are funded. Although it may be impossible to prevent such pressures from affecting cooperative projects, adequate pre-feasibility studies should be able to identify the strength of interest in cooperative programs. When demand appears to be strong, AID missions or AID/W should work with its contractors to ensure that adequate project resources will be available and that a pattern of controlled cooperative growth can be achieved.

Capable Management of the Cooperative

A continual problem cooperatives and credit unions face is recruiting capable managers. This theme was continually expressed in the evaluation studies DA reviewed. Part of this problem may be due to the qualities and skills the coop manager working with these programs must possess. Ideally, the manager should come from the same background as a cooperative's members. At the same time, though, the coop manager needs a sophisticated set of knowledge and skills, especially in coops with larger loan portfolios and those where credit operations have become complex and coop activities have been diversified to include marketing and/or production activities.

In addition to possessing general management skills, the managers working with local cooperative projects may also need to be familiar with accounting and bookkeeping procedures, ways of formulating credit policies, agricultural production and marketing strategies, as well as ways to recruit members and provide any necessary training to them. Rarely will an indigenous person possess the needed background. If such a person can be identified, it is likely that enterprises in more urban areas will attract the individual rather than a more rurally situated cooperative.

Capable cooperative management is important not only at the local level but it carries over to national cooperative federation and regional confederations. An evaluation (Myers, et al., 1975) of the Latin American Confederation of Credit

Unions (COLAC) underscored this point. In its early years, COLAC had difficulty attracting internationally known professionals that the evaluators felt would have helped COLAC mobilize needed capital. At the time of the evaluation COLAC had remedied this situation to some degree. The evaluation team recommended, however, that COLAC and the national credit union federation continue to recruit competent professionals with various functional specialties. Such professionals, it was felt, should include experts from outside the credit union movement who could bring fresh insight to the movement.

While this evaluation team's comments centered on credit unions, sound management should be a concern to all cooperative federations in all areas. As with credit unions, leadership in cooperative federations and confederations can help consolidate the gains cooperatives have made and provide a solid ground for the growth of the cooperative movement.

The Importance of Technical Assistance and Training

The need for technical assistance and training for cooperatives and their members is often mentioned in evaluations. Ideally, a two-tiered system of assistance is needed, one level targeted at the managers of cooperatives and the second focused on the members of cooperatives. At the managerial level, as the discussion above suggests, a well-implemented technical assistance and training program would offer a valuable vehicle for improving the functional skills of cooperative managers and other coop personnel. Such training for the staffs of cooperatives could help overcome some of the problems cooperatives in LDCs have had attracting capable personnel.

AID has funded projects designed to provide training in the management of cooperatives. However, an evaluation (Mariscal and Co., 1976) of AID's efforts in this area found that the Agency's training activities were ineffective for one of two reasons. First, the activities were aimed at the top levels of a country's cooperative bureaucracy rather than at the local level. This finding parallels the conclusions of a 1968 study of Thai cooperatives (Hughes et al., 1968). That study found that the Cooperative Education and Training Center in Thailand emphasized services to government cooperative officials rather than

local coop leaders. Both of these studies note that cooperative training activities should be focused on managers at the grass-roots level.

A second limitation of AID's cooperative training program was noted in the Mariscal study. The training programs were too broad in scope and too general in content to be effective. The study recommended that training focus on practical financial and business skills for local management, cooperative boards of directors, and local cooperative government officials.

A second tier of training programs dealing with cooperatives is needed for cooperative members. Evaluation studies suggest several areas where such training would be desirable. A first area where training or technical assistance appears needed is in the area of cooperative membership. Cooperatives are generally a new institutional form to rural populations in LDCs. As a result, new coop members often do not understand what a cooperative is or the role of members in that organization. Training for these members could help them develop the understanding of cooperatives they need in order to participate actively and effectively in their cooperatives.

In addition to training in the nature of cooperatives, rural coop members in LDC also need training or technical assistance which enables them to effectively utilize loans or technologies available to them through their cooperatives. For instance, members may need assistance which helps them understand the obligations assumed when they receive loans from a cooperative. Many members have experience receiving credit only through local sources which are governed by traditional practices and values (Fledderjohn, 1974; Grigsby et al., 1975; and Kyu, 1968). Other coop members perceive loans from their cooperatives as gifts from the government which they are under no obligation to repay. Properly focused training programs could do much to dispell inaccurate understandings of cooperatives and the assistance members receive from them.

Technologically oriented training is also needed to assist members participating in a variety of different cooperative programs. For instance, the members of rural electric cooperatives may need assistance which helps them understand appliances such as a stove or hot-plate (Lay and Hood, 1978). Where rural

farmers obtain credit through cooperatives to purchase new types of seeds, fertilizer, or pesticide, they may need technical assistance which enables them to use these products in efficient and effective ways. One of the studies reviewed, for example, noted that the volume of one cooperative's fertilizer sales was so high that the evaluators felt more fertilizer was being applied than was needed. If this conjecture were true, it may indicate farmers were wasting money to buy excessive amounts of fertilizer.

There are countries where the government provides extension agents to work in less developed areas providing technical assistance to cooperatives and their members. Often, however, it was noted that these extension programs were ineffective. Too few agents were available to meet the technical assistance demands in a country in one case. In another, the budget of the department employing the agents did not leave sufficient funds to allow agents to travel outside the capital city. A study in another area noted that when extension agents made it into the field, their attention was monopolized by coop managers who used their assistance with their bookkeeping and auditing tasks (Tendler, 1976). Agents were, therefore, unable to assist coop members.

Given the importance that past evaluations have placed on providing training and technical assistance to the managers and members of cooperatives, future cooperative development projects should ensure that adequate training and technical assistance resources are available. Such resources can help projects become increasingly viable and self-sufficient.

When evaluating proposed projects, AID should examine whether project design has given adequate consideration to training and technical assistance needs. Should the assistance available from other sources such as the host government appear inadequate, projects should make provisions for the timely delivery of such services.

Supportive Host Government Policies

The most common theme expressed in the evaluations reviewed by DA is that cooperative development programs in LDCs need support from their host governments

if they are to be successful. Such support can be reflected in government policies or the resources made available by a government to assist cooperatives. Together these elements help define the frameworks within which cooperatives operate.

Government policies relating to cooperatives can be expressed in a variety of ways. A first indication of how a government deals with cooperatives may be reflected in legislation dealing with the structure and functioning of cooperatives. Legislation, in addition to expressing how cooperatives are to be constituted, may define the kinds of activities cooperatives may engage in, how cooperatives relate to the government, or the role of cooperatives in overall government plans for urban and rural development.

Laws relating to cooperatives provide only one indication of government commitment to cooperatives. In addition to support from laws fostering the development of cooperatives, the viability of these institutions is enhanced when governments implement policies which are consistent with these laws. Evaluations of cooperatives indicate a variety of policy considerations affect cooperatives. For instance, when a government's policy is to provide technical assistance to cooperatives, it is important to know whether the government provides the personnel and fiscal resources needed to implement that policy. Quite often, evaluations have found that governments fail to provide the number of staff required to provide cooperatives and their members an optimal level of services. Technical assistance personnel are responsible for working with so many cooperatives that they are unable to provide the level of attention cooperatives desire. In other cases, government personnel are unable to provide sufficient assistance to cooperatives because travel budgets are limited and provide few opportunities for staff to travel into rural areas to work with cooperatives. Evaluators also noted instances where the salaries of government personnel depended in part on the remuneration they were able to receive from the farmers they assisted. In this situation, the needs of small, rural farmers were overlooked because extension agents earned greater salaries by assisting wealthier farmers -- those with medium or large-sized farms. Clearly, if governments seek to assist cooperatives, especially those serving the small farmer, its policies need to reflect a consistency which enables these farmers to receive the aid they need.

Government policies relating to credit are another area where support for cooperatives may be reflected. In order for cooperatives to assist their members, the interest rates charged on loans must be affordable to members. Interest rates, when excessive, reduce the profit margin members receive on their investments. These margins may be small for some coop members, especially the small farmer whose net income may be particularly low. The evaluation literature on cooperatives notes cases where government policies establish different rates various lending institutions must charge on their loans. Such policies often favor government banks and allow them to offer credit at interest rates which are several percentage points lower than rates cooperatives must charge. When differential credit policies such as these exist, they work to the detriment of developing cooperatives.

As in the case of the allocation of government resources to assist coops, governments seeking to develop cooperative systems in their countries may need to examine their credit policies to determine whether they are consistent with their development philosophy. When cooperatives are restricted by inequitable credit policies which favor other financial institutions, governments should examine ways to revise credit policies to provide the opportunity for cooperatives to extend credit at rates favorable to members. When studies conducted to explore the feasibility of establishing cooperatives identify such inconsistent policies or other policies which limit the viability of cooperatives, actions should be taken, if possible, to change them so as to improve the status of cooperatives.

Summary and Areas in Need of Further Study

The Agency for International Development will shortly end two decades during which it has supported cooperative development activities overseas, and Congressional sentiment is that the Agency's support for activities in this area should continue at a substantial level. A review of AID-supported cooperative development activities shows that although some projects have fallen short of their goals, others have prospered. All of these experiences should be of benefit to AID since, as the preceding review has pointed out, they have provided valuable information about developing and implementing successful cooperative projects. The coming decade poses the challenge of applying this and as yet unassembled

information to new and existing projects which serve people in developing nations around the world.

Areas which have proven to be important for the success of cooperative development include the preparation of feasibility studies, the advancement of realistic goals, the availability and quality of training and technical assistance, the presence of capable management within cooperative projects, and the existence of supportive government policies and resources for their implementation. Other areas which are of importance to the successful development of cooperatives, but for which too little specific information is available at present include:

- Strategies for mobilizing grass-roots participation in cooperative development projects;
- The development of successful programs which provide credit to those who would not otherwise have access to such credit and related services as a result of perceived "credit unworthiness;"
- Expansion of the range of services such as production or marketing which are provided by cooperatives;
- Effective training programs for cooperative managers and members at grass-roots levels;
- Methods of assisting host governments to develop policies which will enhance the development of cooperatives.

The relationship of these and related issues to the continued development of effective cooperatives throughout the world needs to be clarified, and should receive attention in future studies. Some recommendations regarding the nature of future cooperative evaluation efforts are presented in the following section.

IV. CONCLUSIONS AND RECOMMENDATIONS REGARDING FUTURE STUDIES AND EVALUATIONS

From the review of AID evaluations and discussions with AID personnel, it is apparent that there presently is no system within AID for monitoring or evaluating cooperative activities. The evaluation literature dealing with AID's cooperative activities contains valuable information relating to cooperative programs, but there is no system for selecting projects for evaluation nor a systematic framework for assessing the outcomes of these activities and disseminating them within the Agency. Thus, AID has no coherent set of lessons learned from its nearly two decades of cooperative development activities nor a system for building a body of knowledge for the future. In addition, there is no commonly accepted definitional framework as a basis for gathering such information in a consistent manner from throughout the Agency or its grantees.

Discussions with various personnel at AID and the cooperative development organizations also made it clear that there is some confusion and miscommunication regarding evaluation and its various potential foci and audiences. Monitoring, process evaluation, and impact evaluation are sometimes spoken of separately, and sometimes jumbled together. Often which of these quite different entities is being discussed is left undefined. As a result, there is some understandable frustration and misunderstanding which could be substantially reduced by the adoption of a common meta-framework for considering the topic of evaluation of cooperatives within the AID program context.

Conceptual Framework

One such framework is depicted in the Exhibit below. In holding discussions, developing systems, or making specific action plans or recommendations, it should be clearly understood which cell of the matrix is being discussed. The matrix includes two dimensions. The first of these relates to the actual type of assessment activity: process evaluation and impact evaluation. Process evaluations are designed to monitor activities and to provide information leading to improved project or program operations. Impact evaluations are designed to

assess the extent and conditions under which the purposes of projects or programs were achieved. The second dimension represents three targets of these assessment activities: overseas cooperative projects, cooperative development organizations, and AID's cooperative program. The term "evaluation" should be used with care, so that when the term is used one clearly understands the context to which it refers.

Framework for Considering Evaluations of
AID Cooperative Development Activities

Targets

Assessment Activity	Overseas Projects	Cooperative Development Organizations	AID Agency-wide Cooperative Program
1. Process Evaluation			
2. Impact Evaluation			

Comprehensive and Coordinated System

Once such a framework is adopted, AID needs to install a comprehensive and coordinated system of process and impact evaluation. Such a system should recognize evaluation as a continuous process and should include a conceptual scheme which provides some commonality across evaluations. There should be timeframes which ensure that evaluations of various types are implemented routinely and a mechanism which allows evaluation information to become a part of AID's institutional knowledge. Very importantly, it should recognize the different interests, capabilities, and information needs. More specifically, to develop such a system the following steps should be taken:

- Step 1: Specify and allocate evaluation interests and responsibilities in terms of the overall framework -- that is, AID and the cooperative development organizations should decide which of them is responsible for or has primary interest in which type and level of evaluation.
- Step 2: Specify a basic set of evaluation questions which relate to impact and process evaluations of the three programmatic targets or levels.
- Step 3: Determine basic system constraints (i.e., feasibility factors such as limitations of time, reporting burden, special funds, etc.).
- Step 4: Identify/define feasibly gathered operational measures required to address the evaluation questions (for example, measures of the implementation of AID's cooperative policy by (a) AID and (b) the cooperative development organizations).
- Step 5: Identify data sources and collection/analysis procedures for the agreed upon measures.
- Step 6: Prepare a detailed description of the system, along with criteria for selecting projects for process evaluation and impact evaluation, reporting times, data collection procedures, and analytic plans.
- Step 7: Pilot test the system. Eventually this should include each type and level of evaluation, but the various aspects (i.e., each of the six types and levels) can be tested and installed separately -- beginning with those in which AID's interest is most high.
- Step 8: Assess the results of the pilot test, refine the system, and prepare a detailed recommendation for the appropriate AID administrators regarding its implementation.
- Step 9: Assuming the system is approved, prepare the instruction/communications necessary for its implementation and monitor its installation throughout AID and the cooperative development organizations.

Allocation of Interests and Responsibilities

As a step toward developing such a system, Development Associates suggests the following allocation of responsibilities regarding process and impact evaluations be made:

Process Evaluation --

AID should gather information on the operations and performance of the cooperative development organizations receiving institutional support grants and it should also assume responsibility for evaluations of its own procedures and the extent to which its overall policies are accomplished. However, AID/Washington (i.e. PVC) ought not to be concerned with obtaining detailed information on individual overseas projects. Rather, that should be a major concern of the cooperative organizations sponsoring these projects, although the efforts of the organizations to collect such information could be legitimately charged to their core institutional support grants (i.e., as now is the case). AID should participate in this process only to the extent that it insists that evaluations be done, suggests specific questions of interest, and periodically (e.g., each two or three years) reviews the entire set of evaluations to identify trends and possible lessons learned. Because the cooperative development organizations differ considerably and the audience for the evaluations will essentially be the organizations' own management teams, AID should not impose a common structure or methodological framework on the process evaluations to be performed. That is, the current practice of allowing the cooperatives to develop their own systems should continue, although there needs to be continued insistence that such systems come in place.

Impact Evaluation

From AID's perspective, this should be AID's responsibility. Obviously the cooperatives will need to participate and they may (indeed they should) conduct impact studies of their own, but AID should plan to assume the leadership and bear the costs of impact studies, focused at each of the three levels of evaluation.

Suggested Evaluation Questions

The second step in designing the system is to select a basic set of evaluation questions which relate to the six categories of evaluation shown above. Again, as a start in this direction, Development Associates suggests the following:

Impact of Overseas Projects: AID's impact evaluations of overseas cooperative projects can draw on the recent work of the Bureau for Program and Policy Coordination. As such, these evaluations should address the fundamental questions being raised for the Agency in the series of impact evaluations being supervised by PPC. These questions are:

- Who benefited from the project?
- What were the economic and social costs of the project and how were these allocated?
- What changes, both intended and unintended, resulted from the project?
- Did the project cause changes in areas such as education, health, roads, agricultural inputs, and markets?
- Will the project be economically viable when AID support is withdrawn?
- Are the benefits of the project sustainable?
- Can the project or aspects of it be replicated elsewhere?

In addition to these questions, several others emerge from a consideration of AID's policy regarding cooperatives. These questions include:

- Are cooperative projects directly serving low-income people?
- How are cooperatives meeting the goal of enabling and encouraging greater numbers of the poor to help themselves toward a better life?
- To what degree and in what ways are cooperatives fostering the principles of voluntarism, democratic control, equitable sharing of benefits, and business purpose among their members?

Impact of Cooperative Development Organizations: Within the context of its policy on cooperative development, AID should examine the following issues when considering the impact of this support:

- To what degree do AID-supported cooperative development organizations maintain cooperative-to-cooperative relationships with groups in LDC's?
- Have cooperative development contractors sought out and developed their own relationships with developing organizations overseas?

- How successfully have U.S. cooperatives achieved relationships with overseas cooperative organizations which enable these U.S. groups to identify opportunities for them to provide assistance?
- To what extent have cooperative groups decentralized their international headquarters staffs, associating them where feasible and appropriate with national and international affinity groups?
- Are U.S. cooperative contractors working with emerging cooperatives in LDC's which directly serve low-income people?
- To what extent have U.S. cooperatives expanded their resources from sources other than AID?
- To what extent are individual U.S. cooperative organizations and cooperative members directly involved in the activities of U.S. cooperative development organizations?

Impact of AID Agency-wide Cooperative Program: At an agency level, it is both possible and desirable for AID to examine the impact of its cooperative development activities. Information at an impact level is needed so that the agency can periodically assess the directions these activities have taken, examine them in relationship to the Agency's total development program, and report to Congress on the impact of AID's cooperative development activities. Among the important questions to address in this area of evaluation are:

- Have cooperatives supported by AID helped the poor majority economically?
- Are there economically viable cooperatives functioning after all AID support has gone? Are they working with the poor?
- Are there ties between formerly AID-supported cooperatives in LDC's and cooperatives or cooperative organizations in the U.S.?
- What impact has there been on the membership of cooperatives as a result of the cooperative movement principles of voluntarism, democratic control?
- How well do leaders of U.S cooperatives understand and support AID's support for cooperatives? How supportive are they of the foreign assistance program in general?

Process Evaluation: In addition to impact evaluations, DA believes AID should develop a framework for viewing monitoring and performance, i.e., process evaluation. Like impact evaluation, this can focus on cooperative projects, the cooperative development organizations, and AID's own cooperative-related activities.

Performance of AID's Overall Cooperative Program: There are several questions AID will want to consider when examining the performance of its own cooperatives program. These questions relate to information about cooperative activities of interest both to Congress and the Agency.

- How many cooperative programs are being funded or are being planned, overall and by region?
- How many people are being served by these projects?
- How much money is AID spending to support cooperative programs?
- What types of cooperatives are benefiting from AID funding?
- How many members of U.S. cooperatives have been involved directly with AID-supported cooperative activities within the past year?
- What evaluations or research regarding cooperatives is AID sponsoring?
- What lessons have been learned from AID-supported research regarding cooperatives?

AID's Cooperatives Coordinator should periodically confer with AID administrators and the Agency's legislative staff to help identify other questions regarding cooperative programs which are of interest to the Agency and Congress so that such information is also available.

Performance of Cooperative Development Organizations: AID has specific reasons for funding the activities of cooperative development organizations. These reasons are expressed in its policy relating to cooperatives which implicitly articulates impacts the Agency expects its policy will have in relationship to the activities of these organizations. These impacts were indicated above, and in process evaluations AID should examine the activities of these organizations to see whether their efforts are likely to result in achieving the desired impacts of the policy.

Performance of Overseas Projects: As discussed above, DA believes that AID ought not to be concerned about gathering specific data regarding specific overseas cooperative projects. This responsibility lies with the cooperative development organizations sponsoring the various projects. AID's involvement

in this process should be limited to suggesting questions it believes the cooperative development organizations should examine as they evaluate their projects. These questions should relate largely to project impacts. AID, however, should ask these contractors to provide data needed to answer major questions, such as those listed above, about the impacts of the Agency's cooperative activities. In addition, AID should periodically review the evaluations conducted by cooperative organizations of the cooperative activities they have been implementing overseas. This review will serve as an opportunity for AID to determine the trends emerging from these evaluations which should be useful to the Agency in a variety of ways.

Summary and Conclusion

At present there is no system within AID for monitoring or evaluating cooperative activities. There is no procedure for determining the extent to which the AID cooperative policy is being implemented nor for accurately responding to such potential policy-level questions as: (a) How many cooperative programs are being funded or are being planned, overall and by region? (b) How many members of U.S. cooperatives have been involved directly with AID supported cooperative activities within the past year? (c) How many U.S. cooperative organizations are involved in AID supported projects? (d) How effective are the six AID-supported cooperative development organizations and other organizations selected by AID missions to carry out cooperative development projects? (e) What evaluations or research regarding cooperatives is AID sponsoring? (f) What lessons have been learned from AID supported research or evaluations regarding cooperatives? Indeed, there is no commonly accepted definitional framework as a basis for gathering such information in a consistent manner from throughout the Agency or its grantees.

As a result, DA recommends that a comprehensive process and impact evaluation system be developed and put in place. To accomplish this will require completion of a nine step process. While these steps could certainly be completed exclusively by AID personnel, realistically the use of outside technical assistance seems needed. Working with the AID cooperatives coordinator and others so designated by AID, the technical assistance team should be expected to

complete the first five steps of the process in terms of the three levels of impact evaluations and for process evaluations of the cooperative development organizations and the AID-wide cooperative program. Once that is completed, activity should focus exclusively on the final design, pilot testing and installation of procedures for an on-going impact and process evaluation of the AID-wide program. From an Agency perspective, these are the evaluation areas of greatest importance. They are also the least developed areas, and thus at present are the areas of greatest need.

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ANNOTATED BIBLIOGRAPHY OF SELECTED REPORTS RELATING TO
AID'S COOPERATIVE DEVELOPMENT ACTIVITIES

Prepared By
Development Associates', Inc.
September 1980

American Technical Assistance Corporation. "An Evaluation of AID and AID Contractor Programs in Promoting Cooperatives in Latin America," November 1971.

A report examining the effectiveness of cooperative programs in Latin America from 1962 to 1971. The contractor found rural electrification and credit unions have contributed significantly to economic development while projects in housing, artisan-products, and agriculture have been weak. Over 75% of funds utilized in the six surveyed countries had been spent effectively on projects and represented good value for the money. The report included an assessment of five cooperative contractors: CUNA, CLUSA, FCH, ACDI, and NRECA. Although these contractors were generally technically competent, the report noted that AID needed to be sure those activities are focused and consistent with the Agency's development strategy. The report contains an annotated bibliography of 37 references culled from 350 titles.

Butler, E., Poe, K. M., Tandler, J. "Bolivia: Rural Electrification -- Project Impact Evaluation," Agency for International Development, July 1980.

One of the Bureau for Program and Policy Coordination's impact studies, the report assesses the impact of two rural electrification loans designed to improve the social and economic conditions in the rural areas adjacent to six major urban areas located in the highland, valley, and tropical zones of Bolivia. The project provided electricity to 12% fewer rural consumers in its first year after construction than had been projected. Although the primary use of rural electrification was residential, the demand for residential connections was beyond that planned for the project and beyond the systems' response capabilities. Also, premature termination of financing for initial hookups resulted in the disproportionate exclusion of the poor from project benefits.

The preponderant positive impact was social. Electric power did not seem to play a catalytic role in the economic development of rural areas nor to be a precondition for it. The evaluators suggest that future projects should be located

where evidence of demand for productive use of electricity is apparent in the form of already-existing productive activities utilizing other forms of power. Or, if the real intent and probable impact of electrification is social, projects should be designed so as to maximize the number of household connections rather than provide high quality service to smaller numbers of consumers.

Cooperative League of the United States of America. "Programming for Cooperative Development in Panama, A CLUSA Cooperative Programming Team Report," October 1968.

A comprehensive report undertaken at the request of Panama's Ministry of Agriculture, Commerce, and Industry to assess the cooperative sector in Panama. A study team examined the status of cooperatives in this country, government responsibilities relating to cooperatives and government policies, and areas where cooperatives could be developed in the country's economy. The team noted that sufficient financial resources for establishing and operating economically viable enterprises were not available to Panamanian cooperatives. This factor has limited their growth.

Daines, S. "Guatemala Farm Policy Analysis: The Impact of Small Farm Credit on Income, Employment, and Food Production," Analytic Working Document No. 10, Sector Analysis Division, Bureau for Latin America, AID, 1976.

A methodologically sophisticated study which included 800 farms receiving supervised credit and a matched control group of 800 farms which received no credit. Results from the study indicate that the principal cause of extreme poverty among Guatemalan small farmers (those with farms smaller than 1 hectare) was the size of their farm business, not the inefficiency of their production methods. Credit enabled these farmers to increase their income by changing their crop mix. As farms became larger, farmers used credit in ways which allowed them to cultivate greater areas to increase their incomes of land rather than adjust their crop mix.

Development Alternatives, Inc. "The Development Impact of Private Voluntary Organizations: Kenya and Niger. Final Report," February 1979.

This study presents a model for guiding impact evaluations which focuses on project benefits, benefit continuation, and benefit growth. The study sets out

techniques for assessing projects in relation to these three dimensions which consider both project processes and impacts.

Dublin, Jack. "Cooperatives and Development Through Small Farmer Credit." In Spring Review of Small Farmer Credit, Volume 19, June 1973.

A summary paper from the Spring Review series providing an overview of cooperatives' experience with farm credit. The discussion provides information about the problems of small farmer credit development, the role of cooperatives in providing credit, the basic requirements for developing sound rural credit programs through cooperatives, and the strengths and weaknesses of cooperatives. Although cooperatives do not appear to be the preferred instrument for certain types of programs that governments consider desirable or necessary for their small farmer credit assistance, cooperatives have much to contribute to efforts in this area. These contributions come from the emphasis cooperatives place on indigenous leadership, integrity, membership, understanding, and self-help discipline. The author closes by urging AID to "heed the lessons of the Spring Review of Small Farmer Credit."

Fledderjohn, D. "Terminal Report: Agricultural Cooperative Project in Guatemala," Agricultural Cooperative Development International, October 1976.

This paper summarizes the experiences of ACDI's Chief of Party for this project. Fledderjohn discusses ACDI's efforts to develop Guatemalan leaders who could assume greater project responsibilities as well as that organization's resistance to pressures to offer easy credit norms and lower prices to members as a vehicle to stimulate new membership. In addition, Fledderjohn tries to defend the project in light of an evaluation by ATAC (see Rusch, et al. below). Fledderjohn notes that "most of the measurements required of ACDI in this project refer to the process of institution building rather than the effects of institutions on the well-being of their farm members. It would have likely been expensive, time-consuming and counter-productive to undertake a detailed farmer survey at the beginning of the project."

Foundation for Cooperative Housing. "Analysis of Baseline Survey/Evaluation Data -- Demonstration Site and Services Project, Tegucigalpa, Honduras," 1980.

In 1978 and 1979, FCH provided technical assistance in creating low-cost housing to several organizations in Honduras. An element of the three associated projects sought to improve the socio-economic standing of families occupying the new homes. This work provides baseline data collected in mid-1979 from a random sample of families who will occupy one of the three new projects and from a control group. These data will be compared to other data collected later in the life of this project. Based on this study, an evaluation could be conducted which examines three principal areas: demographic and socioeconomic characteristics of the respondents, the satisfaction of their housing expectations, and the quality of their lives.

French, J. T., Silverstone, J., and Montgomery, J. "Report on Evaluation of Agrarian Reform Project to USAID/Manila," AID, May 1975.

The study examines agrarian land reform in the Philippines which proceeded using Samahang Nayons (SNs). Although the process of transferring farms to tenant farmers proceeded more slowly than some had hoped, the authors do not feel that this reflected a lack of Philippine commitment to such reform. Despite some of the praise the Samahang Nayons have received (see Grigsby, et al. below), small farmers do not always view this program favorably since they fear the program may be a governmentally devised means of taking land or profits away since the SNs have authority to seize lands of members whose payments are in arrears. Requiring members to pay money to the SNs also lowers members' net capital. The authors noted that withdrawing the landlord-tenant relationship removed some of the support services that the former provided to the latter. SNs need to provide alternatives to these services to assure that farmers are not put at a disadvantage due to their new status as landowners.

Goldstein, B. A. and House, R. W. "Inter-country Evaluation of AID Land Sale Guaranty Programs: Ecuador, Costa Rica," July 1975.

The land sale guaranty programs carried out in Ecuador and Costa Rica were pilot projects which attempted a private sector approach to land transfer, by providing a guaranty of payment to the private seller of land and a package of agricultural

credit and technical assistance to the small farmer buyer. In Ecuador, new government policies obviated the need for the land sale guaranty feature of the program. Cooperatives studied by the evaluators were doing quite well in this country. Even though the performance was less than had been participated, this had not caused difficulties for the cooperatives since the profit margins were sufficient to meet loan repayment costs. Program implementation in Costa Rica was less successful. At the time of the evaluation, loans had been made to only five small cooperatives. These cooperatives had difficulties going through their first year of operations. This report includes a "Checklist for Helping Groups to Become Legal and Productive Owners of Farms." The checklist gives a list of questions which should be considered to help ensure that potential problems are anticipated and prevented when establishing cooperatives.

Grigsby, R. W., Hogan, J. T., Rose, J. E., and Shelley, O. R. "Cooperative Rice Marketing System Study June-October, 1975," ACDI-Office of Agricultural Development, USAID/Manila.

This study examines the Samahang Nayons, pre-cooperatives, which were an important component to the Government of the Philippine's agrarian reform strategy. Farmers are required to join an SN to receive a Certificate of Land Transfer. The SN then acts as a guarantor of annual land amortization payments and provides teaching/learning experiences based on education, savings, and discipline. The 65-week long SN training program requires contributing to three funds and provides basic training in the technical aspects of agricultural production. When sufficiently large, SNs are organized into Area Market Cooperatives. At the time of the evaluation, AMC managers were found to be inexperienced and not receiving needed technical assistance from the Cooperative Marketing System of the Philippines. See related study by French et al.

Lay, J. "Evaluation Report -- Rural Electric Cooperative of Los Santos, R. L.," National Rural Electric Cooperative Association, November 1978.

An evaluation conducted by NRECA of one of its Costa Rican Projects. It offers a "field test" of a Household Survey Instrument that was prepared by members of NRECA's International Programs staff. The form itself focuses on energy use and other household-related information. The evaluation did not attempt to survey the

total impact of the rural electric distribution system of the community. Only one percent of the households consuming electricity from the Los Santos Cooperative were surveyed in the study.

Lay, J. and Hood, J. "Evaluation Report -- Rural Electric Coops of Guanacasta R. L., Costa Rica, and Rural Electric Coops of Sona Carlos, R. L., Costa Rica, National Rural Electric Cooperative Association," October 1978.

A study to measure progress of two Costa Rican electric cooperatives and the benefits members receive from utilizing the available electric services. Information is reported about the use of electricity for a variety of purposes: residential, agricultural, commercial, industrial, educational, health, nutrition, recreational, and public lighting. Although no data were available on the income of cooperative members, the evaluators believed that a significant number of the poor were being served by the cooperatives. The study includes a summary of 102 interviews conducted with persons from a random sample of homes receiving electric service and persons whose homes were not hooked into the electric system.

Mariscal and Company. "A Survey of Cooperative Management Training and Technical Assistance," Agency for International Development, December 1976.

An evaluation of cooperative-related cooperative management training and technical assistance programs sponsored by AID. The report finds that AID's efforts in this area have been ineffective for two reasons. First, they were aimed at the top levels of a country's cooperative bureaucracy rather than at the local level. Second, these were too broad in scope and too general in content to be effective. The study recommended that training focus on practical skills for local management, cooperative boards of directors, and local cooperative government officials.

Myers, H. L., Maurice, N. and William Stokes. "Final Report of an Evaluation of COLAC," American Technical Assistance Corporation, June 1975.

A major evaluation of this credit union confederation that also discusses the status of member national credit union federations. Its principal conclusion was that COLAC is a catalyst for promoting and unifying the continued growth of the Latin American credit union movement. Most indicators of satisfactory performance

were met or exceeded. COLAC proved that it can help federations organize and establish high responsible and competent credit departments. In addition, COLAC had provided catalytic, strategic, and long-run training and other assistance which spelled continued growth to particular federations. Reports on various countries showed differing levels of sophistication of national credit union federations. These federations had differing demands for COLAC assistance. The evaluators noted that at the time, COLAC's management needed up-grading.

Pursell, A. "Institutional Development in the Philippines: A General Review," Cooperative Development Services, Office for Overseas Programs, USAID, October 1971.

A field review of cooperative activities in the Philippines which examines rural banks, rural electric cooperatives, and agricultural cooperatives. The author notes that most of the problems facing cooperatives in the Philippines at the time of the report could be traced either directly or indirectly to governmental participation or influence since government officials and technicians had been so heavily involved in operations relating to cooperatives. Unsound organizational patterns had been used at times out of a desire to create instant cooperatives. In addition, financial assistance patterns had not always been timely; policy leadership and good management was needed at all levels in the cooperative system; and adequate capitalization had not always been available. Viable cooperative credit institutions had not resulted from credit operations over some 15 years. The volume of credit extended had not been substantial and could not be considered a major force for substantially increasing agricultural production in this country.

Rusch, W. H., Mann, F. L., and Braun, E. "Rural Cooperative in Guatemala," American Technical Assistance Corp., November 1975.

The report noted that Guatemalan rural coops supported by AID were reaching almost exclusively individuals who fall within the category generally referred to by the Agency as the low-income target group. They served not only very small landowners but also many who utilized the land of others in exchange for money, labor, or a

share of the production. Principal shortcomings were noted to be the over-emphasis on supplying credit and fertilizer while technical assistance, agricultural diversification, and marketing programs received insufficient attention. Parallel projects had been operated without any overall planning as to how the rural cooperative movement as a whole could best be organized and developed to assist the small farmer. The report includes a discussion of two major cooperative federations in the country: FECOAR and FENACOAC.

Tendler, J. "Inter-Country Evaluation of Small Farmer Organizations Ecuador, Honduras," Program Evaluation Studies, Office of Development Programs, Latin America Bureau, AID, November 1976.

An indepth examination of cooperatives in Ecuador and Honduras focusing on cooperatives, credit unions, and their federations in relationship to development strategies. Tendler discusses the strengths and weaknesses evident in these various organizations and provides recommendations for AID's consideration. Cooperatives and credit unions can play a useful role in the development of these countries. However, AID needs to examine what its goals in this region are and when promoting cooperatives and credit unions, and determine how these institutions can best be used to enhance development.

Tendler, J. "The Trouble with Goals of Smaller Credit Programs (and How to Get Out of It)." In Spring Review of Small Farmer Credit, Vol. 19, June 1973.

A summary paper based on evaluations in the Spring Review of Small Farmer Credit. Tendler examines three broad goals: the economic efficiency of activities financed by credit; the ability of credit programs to serve previously neglected portions of rural populations; and the viability of institutions providing credit to small farmers. Among these areas there is a goal conflict. On one hand, there is a desire to extend credit to persons who will be likely to repay their loans, i.e., credit-worthy persons. On the other hand, the rural poor are persons who are bad credit risks. As a result, the pursuit of any one of these goals in programs of credit for small farmers often requires significant compromise of another goal or a reworking of program design so as to cause less damage to the compromised goals. There needs to be some recognition and working out of these problems in credit programs for small farmers.

Tendler, J. "Rural Electrification: Linkages and Justifications," A.I.D. Program Evaluation Discussion Paper No. 3, Office of Evaluation, Bureau for Program and Policy Coordination, U.S. Agency for International Development, April 1979.

A background paper prepared for the impact evaluations being conducted by the Bureau for Program and Policy Coordination. In the paper summary, Tendler notes that AID appears to have focused on aspects of projects that do not represent their greatest potential -- benefits resulting from household consumption -- rather than benefits from productive and municipal uses of electricity. This focus is partly because of the household emphasis of AID's most successful rural electric program in the Philippines, and partly because of the household orientation of NRECA. A stronger New Directions case for rural electrification can be made on the grounds of the potential impact on the rural poor of certain productive and municipal uses of electricity, and of procurement from local industry of materials used to build and maintain such infrastructure projects. Tendler recommends that AID direct more attention to evaluating the non-household potential of rural electrification projects to learn how to design these projects to ensure that their potential is realized.

Weinstein, Warren. "Report on Implications of the Foreign Assistance Act of 1961 as Amended for the Studies Division of the AID Office of Evaluation," Coordinating Council for International Issues: Rockville, MD, March 17, 1980.

This paper examines what it describes as the unending implications for evaluation contained in the Foreign Assistance Act of 1961, as amended. A perusal of the Act and relevant Congressional Committee Reports gives a clear sense of Congressional ambivalence toward performance. The Congress expresses concern that it lacks information about what AID is doing that works and succeeds in promoting development goals stipulated in the Foreign Assistance Act. As a result, AID's evaluations should enable the Agency to have an informed awareness of which of its activities are more successful, why, and the extent to which successful activities can be replicated.

One section of this paper is of particular relevance to cooperatives and credit unions. It acknowledges the emphasis Congress places on credit unions and cooperatives referring to both legislation and committee documents to support this contention.

A number of issues for evaluation of credit activities and cooperatives are raised. These questions provide an excellent context for reviewing AID's cooperative sector activities.

Xavier University, Research Institute for Mindanao Culture, Mindanao Center for Population Studies. "An Evaluation Study of the Misamis Oriental Rural Electric Service Cooperative," USAID/Manila, 1976.

This study examines some of the impacts of the Misamis Oriental Rural Electric Cooperative in the Philippines. It includes a survey of 411 households in the cooperative's service area. Although the study has been criticized because of its faulty methodology and attempts to establish a causal link between electrification and declining birth rates, the study provides an overview of the kinds of impacts a rural electric system can have in an area. Such impacts relate to health, education, employment, agriculture, and the quality of home life.