

**AGADIR ACTIVITY MANAGEMENT SERVICES
PROGRESS REPORT #5**

FIRST QUARTER 2002

**Prepared for:
USAID/Morocco**

**Under Delivery Order No. OUT-PCE-I-809-98-00015-00
Requirements Contract PCE-I-00-98-00015-00**

**Submitted by:
Chemonics International Inc.**

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BACKGROUND

Technical assistance for implementation of the Agadir Activity Management Services is provided by Chemonics International Inc. under a Task Order, with a total estimated budget of \$1,983,649. The objective of the Task Order under the GBTI IQC PCE-98-000-15-00 is to strengthen the institutional effectiveness of two key industry associations (APEFEL and GRIT) of the Souss-Massa-Draa Region and to develop Total Quality Management at the Commercial Court of Agadir. The two key associations are to be used as intermediaries to deliver business support services to small and medium enterprises in the region. The overall goal of the activity is to improve the competitiveness of Moroccan products in world markets by raising of professional standards and lowering costs for all of the associations' members. Chemonics International also has the mandate to provide technical assistance, training and commodities needed for the Commercial Court of Agadir to increase its efficiency and effectiveness.

SECTION 1: CLIN 1 ADMINISTRATION AND MANAGEMENT

Following the mission made by Richard Dreiman Agadir Activity Management Services Project Supervisor, the first week of December 2001, and discussions Chemonics had with USAID on the opportunity to increase the number employees in the field office, it was decided to recruit a local expert in information technologies (IT). We nationally advertised and recruited Radouane Largo out of eleven candidates who applied for the position. Mr. Largo joined our team on January 21st 2002 for a period of 5 months. Unfortunately after one month, on February 23rd, 2002, Mr. Largo resigned for personal reasons.

We chose at that stage not to replace him. It had been difficult to recruit someone in spite of our national advertising for recruitment and good work conditions we offered. Some of the web site's related tasks that were to be performed by Mr. Largo, in collaboration with the associations, have been assigned to the selected subcontractors. Local consultants were identified to perform other tasks that were part of Mr. Largo's mandate such as network configuration and training.

Some time was also devoted to work on the year end performance indicators assessment with consultant Omar Anbare. Data collected indicate that activities implemented through Agadir Activity Management Services are on target when it comes to results. That data has already been shared with USAID and a complete report was submitted on February 11th. We were subsequently audited on performance indicators. The audit was positive with the exception of one minor point. Because we work with a consultant, the back-up documents were in the consultant's office and not in our files as requested.

We were also involved in the United States Ambassador's visit to Agadir on January 30. Mrs. Tutwiler visited GRIT's office and made a presentation at the Chamber of Commerce. Tourism operators were very impressed by her knowledge of the tourism sector. Mrs. Tutwiler also visited the Commercial Court of Agadir where she presented the training certificates provided to the court's judges, clerks and secretaries who completed the OFPPT computer training program. The Ambassador left a very good impression. Our partners thought she was friendly and accessible.

On February 5, 2002, we met in Rabat to discuss with USAID the sustainability report. It was submitted on April 1st. We provided a general report about the sustainability of our activities and, in addition, identified further activities that should be financed by USAID to ensure the sustainability of current accomplishments. In the case of APEFEL, should there be an opportunity to do so, we recommended that USAID consider providing small grants to APEFEL to assist it in the opening of its outreach centers. In the case of GRIT, we think that much is needed and could be done in providing further guidance and assistance in rural tourism development.

We took part in the Partners Meeting organized by USAID in Agadir on Friday the 25th, 2002. The meeting was an opportunity to meet and have discussions with other USAID projects teams.

On March 17th we also took part in a meeting in Marrakech organized by the Ministry of Justice to assess the implementation of its Total Quality Management Program at the Commercial Court of Agadir. Staff of the Ministry of Justice in Rabat attended as well as representatives from the various institutions comprising the Morocco southern commercial judiciary district. Chemonics was asked to present a briefing on the professional training of the judges and training on procedures to be provided to the clerks. Overall evaluation was very good as we explain in Section 3 of this report.

Some time was also devoted to drafting an Emergency Plan to protect office equipment and staff in case of natural and manmade disasters. The Plan was requested by Chemonics Headquarters and was reviewed by their expert. We were asked to make some modifications and to share it with the mission. As soon as it is finalized, we will, as planned, send it to the Mission as a courtesy.

SECTION 2: CLIN 2 - THE PROFESSIONAL ASSOCIATIONS

The work with the GRIT and APEFEL has been increasingly demanding in this past quarter. The associations are both convinced of the high value of the contribution made by USAID and are very aware that Chemonics' contract ends next quarter. As a consequence, they are very motivated to complete as much as possible of the work plan and even attempt to add extra activities they deem important. In the case of APEFEL, there is still much work to do on finalizing the training program for 2002-2003 and, in the case of GRIT, more training in e-marketing is required. Both web sites are currently being developed. The schedule in the case of some deliverables is extremely tight and provides for no unexpected events or problems. With the departure of Radouane Largo, we were required to re-organize the work using subcontractors to ensure it will be completed on time.

Computer training of associations' staff is complete and has been an overwhelming success. All employees are now skilled in the use of all the software required for their work and in database management.

APEFEL

Much time was devoted to APEFEL training on how to develop fee-based training and state-of-the-art paying services to its members. Mr. El Idrissi from Casablanca, an expert on adult training who co-facilitated the APEFEL Focus Group, gave a training session to APEFEL staff on "Comment réussir vos activités de formation" to coach them in training needs assessments and training program development. The approach was suggested by APEFEL because it felt the need for strong support in this new type of activity, one that varies substantially from their experience with the organization's overall information seminars ("Journées de sensibilisation.")

The most appropriate time of the year for producers and exporters to take part into training workshops and seminars is between January and July, and APEFEL has now developed a training program for the period. It is currently working on a longer program for year 2002-2003. An agreement has been reached in which USAID would co-finance and take charge of some of the costs, but the project's contribution should not in any case exceed 30%. APEFEL now understands that members are willing to pay for specialized training and workshops, as long as they meets their needs. Some employees also see the provision of services as a way to get closer to members that are otherwise difficult to reach, hence

strengthening membership ties to the association. It is slowly moving towards cost recovery, especially when it comes to training.

The first paying event offered was the training on tomatoes fertigation (2 days), one of the major problems encountered by local producers. Twenty-seven members registered and paid 1 000 dhs/each to attend the two-day session. We co-financed 30% of the workshop's cost and APEFEL financed 70%. Participants' evaluation of this pilot initiative was very positive.

The second event is a symposium on the future of fruits and vegetables exports in light of the economic integration of 2010. APEFEL expects to gather 400 exporters. The symposium was scheduled to take place on April 11-12 but was postponed until April 26th and 27th to ensure the participation of both the Minister for Agriculture and Minister Commerce and Industry, likely to be held in Marrakech during the royal wedding on April 12-13.

TRANSPARENCE Informatique completed its contract to develop the association membership database. It met with 200 producers from APEFEL. The were entered and training of APEFEL employees provided as expected. The database is now installed on APEFEL server. We discussed with APEFEL employees the importance of completing it, since not all members were surveyed. APEFEL suggests using the period during which little training takes place (Sept.-Dec.) to have its staff visit a number of members every week. It seems like an excellent way to both complete the database and bring employees into close contact to producers. The survey of APEFEL members revealed some communication problems between APEFEL and some producers. Some of the exporters visited were not aware that they belong to the association. As we explained in the Sustainability Report (April 1st), part of the responsibility for this situation may be attributed to export groups that pay fees to the association, and do not seem to always inform producers of their contribution.

This challenge of addressing communications is one that APEFEL is beginning to address with its database and outreach efforts. One of the ways APEFEL planned to deal with this problem was through the opening of three (3) Outreach Centers. It requested office spaces from the Office Agricole. But because of delays in their response, the Outreach Center development has been but into question. While we were planning to assist APEFEL with the identification of a communication strategy for the Outreach Centers and provide proper communication equipment, this activity is not likely to be implemented in the course of our contract given the delays.

There were several working sessions with APEFEL organized by Radouane Largo to assess their needs in terms of web site. Three (3) suppliers having experience in agriculture were identified and received the terms of reference we developed. They submitted their offers Friday. Chemonics as well as APEFEL Web Site Committee members are currently individually rating the 3 technical offers using the selection grid we developed. The Committee will meet with us early in the 2nd Quarter to finalize the selection and open financial offers. A contract will then be negotiated.

In the last quarter we recruited a computer technician to work at APEFEL to scan and put in PDF format the reference documents APEFEL wanted to be available on its web site. This work, which is nearly done, should greatly facilitate the work of whichever firm is awarded the contract to develop the association web site.

GRIT

At the end of last quarter, we launched the Exit Survey (Profile of the clientele to Agadir). B Marketing was selected to implement the 6-month activity. At the end of this quarter, 2080 visitors from 14 countries were surveyed following the sampling methodology developed by James MacGregor. We meet weekly with B-Marketing's local supervisor (questionnaires are

stored in Chemonics' office and provide the opportunity for a weekly gathering at our office) and organize monthly meetings at GRIT with B-Marketing Project Manager. We are very satisfied with the quality of the work done by the firm. It recruited two teams of interviewers that are rotating every month, preventing fatigue and less attention to detail that often occurs after a while in this type of work. The permanent presence of the supervisor at the airport when the interviews are done also ensures conformity to established procedures. The impact of the survey is directly linked to the quality of the data collected at the airport. Quality control was one of the criteria we weighted heavily in the proposals received when B-Marketing was selected.

At the beginning of the current quarter, we recruited a consultant (Hassan Aboutayeb) to work with GRIT for two months on the Tour Operator (TO) database. A total of 1555 Tours Operators that offer Agadir and/or Morocco were indexed. In addition, 845 new Tours Operators from Europe and North America were identified through web research using key words suggested by James MacGregor. The latter group sells itineraries similar to the tourism products that should be developed in the backcountry to reposition Agadir as a more varied destination. A total of 2400 TOs will be surveyed as soon as the web site is operational. Mr. MacGregor developed a questionnaire to be used electronically and, if required, by fax or by mail to collect detailed information of the TOs' activities.

We also selected a firm to develop the GRIT web site. Six suppliers submitted proposals. A selection committee comprising two GRIT employees, two Chemonics employees and two independent computer experts was set up. ARGAZE of Rabat was awarded the contract by accumulating a total of 115 points, while their main competitor accumulated 66 points on our selection grid. Their contract has been approved and the firm is now fully involved in the preparation of a detailed blue print to be discussed and approved in a workshop early in the 2nd Quarter of 2002 in Agadir by the GRIT Web Site committee and James MacGregor.

The GRIT web site will be a "first" in Morocco. It is going to be the first regional tourism portal as well as a first from a technology point of view (with full flexibility in modifying parameters). Since it has to compete internationally, it must meet the standards of Agadir's competitors and be a flexible e-marketing tool.

The time required by a team of qualified designers to complete this exercise by is estimated to be 17 weeks. To reduce the time needed to get the web site operational, we decided to split the contract. One firm will be recruited to build the site. A second one, a communications firm, will be recruited to assist GRIT in the gathering of the content information.

Lastly, from April 6-18, James MacGregor will be back in Agadir. Mr. MacGregor will contribute to an extended Executive Board meeting of GRIT that will take place at the Wilaya of Agadir. He will present his preliminary analysis of the data collected on visitors to Agadir. He will also explain how his e-marketing strategy can contribute to the revitalization of the destination.

We originally planned for Mr. MacGregor to come back to Agadir at the end of May, once the Exit Survey is completed. GRIT however felt the need to have him come earlier. Statistics on tourists' arrival to Morocco clearly show that the country is recovering from Sept. 11 events. But while the country as a whole is at minus 10% arrivals compared to last year, Agadir still shows a very poor performance (minus 30%) while some destinations, like Marrakech are back to normal. Last year when Mr. MacGregor stressed the urgency for Agadir to develop its backcountry and to diversify its tourism products, claiming that destinations need to be nurtured, GRIT did not respond proactively. They have now changed their view, and agree that Mr. MacGregor's advice on the current situation is needed and valued. We agreed to change Mr. MacGregor's schedule to have him in Agadir at the earliest possible time.

It is also useful for Chemonics to have him come a little earlier to benefit from his presence when basic design of GRIT's web site is approved. The management of a successful e-marketing strategy at the international level, where the game is played in the case of tourism, is no easy matter. GRIT must revise its way of working and commit important resources to Web promotion. We felt that this could be best reinforced by Mr. MacGregor.

SECTION 3: CLIN 3 - THE COMMERCIAL COURT OF AGADIR

The judges completed their computer training with OFPPT. As may be recalled they completed 84 hours of training comprised of Introduction to Windows, Word, Excel, Outlook Express and Explorer. They continue their training in English, although with a reduced numbers of hours (between 2 to 4 hours depending on the week).

The judges began their professional training with Maria Bahnini on January 24th and 25th. The first three weeks of training (2 days/week) were devoted to methodology for a total of 30 hours. Maitre Bahnini experienced some cases where judges did not, before the hearing, read the contract between the parties at the case. She insisted on the judges acquiring a sound working methodology at the outset of their training. Other topics covered include Banking Law (40 hours), Private Enterprises Legislation (30 hours), Financing (30 hours), Accounting (10 hours), International Trade Agreements and Contracts (30 hours), Law of Transportation (12 hours). Ten hours have been set aside for evaluation, for a total of 192 hours.

The original training plan developed by the Ministry of Justice provided for 240 hours of training. However, Maître Bahnini received the mandate to make a participatory need assessment with the judges. The topics they identified and the resulting number of hours are as listed above.

The training of the court's judges and other staff requires careful scheduling. Given the court's heavy workload, no training can take place during working hours. The most we could negotiate was that staff going to training is permitted to leave their work post to go to training one hour earlier than normal working hours. This way, staff ends work at 18:00. We provide them with a light snack and they move on to training until 21:00. At that late hour, the employees' bus has already left at 19:00 so we provide for employees to get home at the end of their very long day. In this tight schedule, there is little flexibility. No two trainings can take place at the same time and training cannot be more than 4 evenings per week.

In the case of the professional training of judges, sessions take place on Thursdays and Fridays from January 24th until mid-July 2002. Because judges are sometimes required to travel to Rabat to attend national seminars organized by the Ministry of Justice, it was agreed that should any training sessions in Agadir be postponed, the judges would meet on Saturdays. One week of training has been postponed and the judges were unable to meet on a Saturday as agreed. Despite these somewhat complicated logistics, the judges are extremely satisfied with the training provided to them. They have requested that trainings be limited to evenings so they can spend time with their families on the weekend. They asked the Secretary General of Justice to discuss the issue with USAID and to request Chemonics to alter the training schedule. Given the contract time frame and end of contract date, we will continue to explore options that will ensure the training program is completed while satisfying the judges' need for some flexibility.

As part of the Work Plan prepared by the Ministry of Justice for the Commercial Court of Agadir, Chemonics must implement a computerized management system for the archives of the Court. While taking into consideration the Ministry of Justice's specifications which will be issued to ensure conformity throughout the country, the system to be implemented must account for the current volume of archives at the Court, users' needs, and budgetary as well as time constraints inherent to the Chemonics contract. Given the technical specifications of this important pilot

activity, we have requested USAID authorization to use Tarik Fdil as our technical coordinator for this activity.

Mr. Fdil conducted a preliminary assessment at the Commercial Court of Agadir and submitted his report on January 6th 2002. Copies were submitted to USAID and to the Ministry of Justice. Following Mr. Fdil's report and after reviewing the cost associated with the installation of an electronic archives management system at the court (\$133 000), the Ministry of Justice decided not to retain the option. It decided not to implement a system installed in Agadir that could not be replicated in other courts.

We met with Lotfi Fahsi and Mr. Laraichi of the Ministry of Justice on January 30th to discuss the report and options the Ministry wished us to implement. Mr. Fahsi expressed the need for a computerized assisted management system similar to what has been done at the Commercial Court of Tanger where documents are kept in optimal conditions and securely handled. Currently, at the Commercial Court of Agadir, archives are stored in card boxes provided by a fish plant, in un-used bathrooms where they are exposed to any pipe problems that may occur. In addition, files are handled without any tracking system, and important documents may be lost. Mr. Fahsi offered to send to Agadir the employee who implemented the system in Tanger. We agreed to wait until April 15th. If by that date, the mission has not taken place we will proceed with the identification of other potential suppliers.

ENCG provided 40 hours of training to the clerks in Change Management. We will now add 20 hours of training on procedures for the clerks, as requested by the Ministry of Justice. A list of tasks that should be covered as per the requests of the judges of Agadir has been submitted to the Human Resources Department, as suggested by the Secretary General of Justice. We are now collaborating with its Director, Mr. Mohamed Zaoug whose intent is to develop the syllabus of a course that will then be re-offered to other courts.

After the Ambassador's visit to Agadir, it was decided to proceed with the organization of the OST (Observational Study Tour). Targeted dates are April 13-25. Our consultants promptly moved to work to develop a program that would encompass both countries, Canada and the USA. The Secretary General of Justice wished to base the selection of OST participants on the program. A draft itinerary was submitted to the Secretary General of Justice in time for the March 17th meeting in Marrakech and participants were identified. We took advantage of the meeting to gather the participants' passports and various documents necessary to obtain visas and meet other administrative and coordination requirements of the OST.

Lastly, the meeting in Marrakech held on March 17th to assess work progress at the Commercial Court of Agadir was fruitful. The judges expressed their high level of satisfaction towards USAID and Chemonics and praised the services they have received under the Agadir Activity Management Services. They did, however, bring up the issue of training on weekends and asked the Secretary General of Justice to meet with us and come up with an alternative solution for lost training time. They also mentioned the difficulties one participant is experiencing with the fact that training language is mostly French. Maitre Bahnini who attended the meeting explained that her main concern was to find the most qualified trainers for the judges. As she discovered, the best lawyers in the field of commercial law and trade are those that were unfortunately educated abroad in either French or English. She nonetheless recognized that more support documents should be provided in Arabic and agreed to have all support documentation translated.

CONCLUSION

We thank USAID/Rabat for its constant support and encouragement in implementing the Agadir Activities Management Services.

Local and national procurements of subcontractor and consultant goods and services.

American Language Center of Agadir	202 140 dhs
Bestmark of Agadir – Mr. Bennani Equipment for FIPROMER	163 440 dhs
Top Info of Agadir – Hafid Mania Equipment for APEFEL and GRIT	565 280 dhs
Class Informatique Agadir – Rachid Achour Equipment for the training room at the Court	342 596 dhs
ENCG Agadir – Mr. Marzak Forty eight hour training in management to judges	38 020 dhs
ENCG Agadir – Mr. Marzak Twenty hour of managing change to clerks	24 300 dhs
OFPPPT Agadir – Mohamed Atif Computer Training for the Court	135 240 dhs
MTDS of Rabat – Karl Stanzick Cabling for the Court	330 000 dhs
Techiser SARL Casablanca – Mr. Riyad Training for Anderrahim Moumin in Power Builder	24 144 dhs
Kamal Jbara (consultant from Rabat) Maître d'Ouvrage for the cabling of the Court	57 048 dhs
Transparence Informatique of Agadir – Mr. K. Souhnoun APEFEL DataBase	420 000 dhs
FOCS Casablanca – A. Daif Group Focus APEFEL and Training to suppliers	98 000 dhs
A. El Idrissi (consultant from Casablanca) Co-facilitator for Group Focus GRIT and APEFEL	37 320 dhs
A. Daif (consultant from Casablanca) Facilitator Group Focus GRIT	30 405 dhs
Omar Anbare (consultant from Agadir) Work on Performance Indicator	94 500 dhs
Tarik Fdil (consultant from Casablanca) Mission on Court Archiving Systems	25 600 dhs
Impact-Sud Agadir – A. Tagoulla Computer Training for the associations	85 000 dhs

Cabinet Conseil Maitre Maria Bahnini Rabat – Maria Bahnini Professionnal Training of judges	521 700 dhs
LA FORMATION Agadir – Rachid Achour Computer Training for the associations	220 000 dhs
B Marketing Casablanca – Said Berrechid GRIT Exit Survey	550 000 dhs
Hassan Aboutayeb – TO Survey	50 815 dhs
ARGAZE – Iqbal Lagharari GRIT Web Site	545 000 dhs
Kamal Jbara – GRIT Statistical Database and Selection of a supplier to develop GRIT Web Site	47 500 dhs
Ait Said Hafid – Computer technician Scanning of APEFEL documents to be posted on Web Site	15 000 dhs
Serge Le Quillec – Expert on fertigation of tomato Trainer for APEFEL	20 500 dhs
Jean-Claude Tessier – Expert on North American Trade Speaker at APEFEL Symposium	51 800 dhs