

AGADIR ACTIVITY MANAGEMENT SERVICES
REPORT ON SUSTAINABILITY

Prepared for:
USAID/Morocco

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Submitted by:
Chemonics International Inc.

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1. CONTEXT

Technical assistance for implementation of the Agadir Activity Management Services project is provided by Chemonics International Inc. under a GBTI task order, with a total estimated cost 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 through 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.

As per its contract, Chemonics is required to produce “a detailed activity implementation sustainability analysis to provide guidance to USAID on a strategy to be followed to ensure activity management and monitoring functions after the contract period is expired ” (Article IV – Deliverables – page 8).

On February 5, 2002, Chief of Party Suzie LeBlanc met in Rabat with Kamal Sebti, Cognizant Technical Officer to the Agadir Activity Management Services, and Richard Rousseau, Economic Growth Division Director, to discuss USAID expectations regarding the sustainability report. We were then instructed to provide a general report about the sustainability of our activities and, in addition, identify further activities that should be financed by USAID to ensure the sustainability of current accomplishments should such activities be required.

2. APPROACH

Sustainability is first identified at the level of activities and results. The sustainability of activities undertaken is most often addressed in the course of activities implementation. Once the contribution of any single activity to overall targeted results is assessed, criteria such as the beneficiary's capacity to undertake the task and to bring it to completion are then taken into consideration. If the assessment is positive, the activity is implemented with a high level of confidence that the change being implemented will be sustainable. Furthermore, monitoring during implementation allows us to identify any difficulties and resistance and to take appropriate measures, to the extent that we have the resources to do so (time and financial resources).

Sustainability of results achieved is closely linked to the individual sustainability of each activity and its contribution to targeted results. In the late 1980s and early 1990s, various authors developed guidelines on how to use the *Management by Results Methodology* in the management of international development projects. It was noted that results sustainability is best assessed after a project is completed, though this does not preclude any mid-course assessments. Through the use of proper indicators, we can assess whether progress is being made in the right direction, and whether projects are on target.

Lastly, the contribution of results to overall impact on sector/region development, and how sustainable this impact is, should also be considered. At this stage, contextual variables are introduced into the analysis. To maintain their impact on the economic sector they belong to, a project's partners must be in a position to influence the contextual variables that are the most crucial to them and if not, at least to neutralize the effect of variables that are detrimental to their economic activity.

In this report, we will look at sustainability in terms of activities, results and impact. We analyze the sustainability of all activities implemented, followed by the identification of targeted results and links between activities and results and results sustainability. We then attempt to identify some of the contextual indicators that are the most likely to influence overall project sustainability. Lastly, we recommend actions that should be undertaken by the project's partners to ensure overall impact on economic sector/institution and regional development, as well as potential USAID contributions.

Before we conclude this section, it may be useful to remind the reader about Chemonics' overall participatory approach. Through the involvement of partners in all decisions that are taken, Chemonics has sought to better meet their needs, and in doing so, contribute to overall project and impact sustainability.

3. APEFEL

“The ultimate objective (of USAID assistance) is to enable the association to better serve its members, thereby improving the productive capacity and revenue base of enterprises in the region.”

As reported in our Report on Performance Indicators (February 11, 2002), both results and activity indicators selected by Price WaterHouse show that the project is on target and objectives will be reached. The matter we need to address here is how sustainable are the results achieved and their impact on the agricultural sector's economy. Following the methodology outlined above, we suggest first examining the sustainability of the activities implemented.

The first two activities undertaken in this project were the mission by Daniel Malenfant, agriculture sector expert, and Focus Group day. The contribution made by Daniel Malenfant was essential for Chemonics and the association to assess quickly how the use of new information technology could best contribute to the association's development. For the first time, an outside and neutral expert assessed the association's functioning. Recommendations made by Mr. Malenfant are often referred to in our exchanges with the association. Whenever members and employees discuss a subject addressed by Daniel Malenfant during his mission, to this day, they automatically refer to his report. This for us is the indicator that the contribution made by Mr. Malenfant is sustainable. Prior to Mr. Malenfant's report, APEFEL had very little idea of actions they should undertake. They now have a better sense of the direction to take and know problems they need to solve to become a more efficient association.

Mr. Malenfant contributed to the Focus Group day. He made a presentation on the major trends observed in the fruits and vegetables trade in Western markets, and the approach taken by Morocco's competitors. During the Focus Group, members of APEFEL (42 participants)

had the opportunity to have a discussion on the association, its role and performance, and to define an action plan for the coming years. Those who attended the Focus Group were surprised to see that they basically agreed on everything. Until then, it seemed that they were focusing only on their disagreements.

Priority activities identified by Daniel Malenfant (and agreed upon by APEFEL) were the development of a membership database, improved communication with membership, provision of state-of-the-art services to members and non-members (for a differential price), and the training of APEFEL employees.

The membership database targeted 200 members and is now complete. Its sustainability is linked to APEFEL's capacity to manage it. Transparence Informatique trained all employees on how to generate the information and to update it. We discussed the matter of database management with the APEFEL director. He confirmed to us that the Association is having a public event on March 28, 2002 to show the results of the survey to its members and to the media. It will take advantage of the event to explain how instrumental the database is to the association's capacity to provide adequate services to its members, and to efficiently lobby decision makers. The database developed is a management tool, and it needs to be used in everyday management of the association. Employees are now making proper use of the tool and are increasingly proficient in its use, as evidenced by their use of the database and their decision to make a public presentation of it.

APEFEL made substantial progress in the way it views the provision of state-of-the-art services to members. When the issue was first discussed in the early stages of the project, they explained that the project had unrealistic expectations. Shortly thereafter, employees who were trained in Quebec saw how Quebecois associations manage to provide essential services to their members that could not be provided through funds raised by payment of standard fees. They came back convinced it was appropriate to charge training fees. APEFEL finally agreed to try it, and it is now convinced that there is no other way to proceed. The Association offered its first training on tomato fertilization February 25-26) that was attended by 27 members who each paid 1 000 dhs take part in the workshop. They now plan a major seminar on international exports of fruits and vegetables to be held on April 26-27 (fee based attendance). Lastly, they requested our assistance to develop two two-day modules on agricultural enterprise management (flat costs, cash flow management, export regulations, traceability, etc.). These training modules will then be offered (fee based attendance) in small communities outside Agadir where their members are located. APEFEL's national bureau and employees now 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. Chemonics does not need to bring up the issue of paying for services. As APEFEL is now the driving force that is constantly coming up with new ideas about charging fees for state-of-the art services.

Regarding equipment, at the beginning of the project, the association possessed only one computer. Employees had to line up to use it. The project provided APEFEL with the number of computers required for each employee to have his/her own. Along with proper computer equipment, employees were trained to efficiently use Microsoft Office so they will be able to execute all tasks that are computer related, in the most efficient way. The provision of proper equipment led to the immediate production of better documents. Chemonics was very impressed by the Annual Report to Members that APEFEL produced for its General

Assembly held in November 2001. It also led to work re-organization within APEFEL. A wall was removed and proper workstations built for each employee, with a central pool for common equipment (copier and printers).

The use of equipment provided to employees and ability of APEFEL to maintain the equipment and assume related equipment costs such as ink and paper, provide for their sustainability.

Training of the association's employees in Quebec was also a very important activity that is highly sustainable. Today, an indication of the association's future can be seen in the training of the three employees through the efforts of Daniel Malenfant in Quebec. They provide insight to members and to the national bureau about performance, efficiency and solutions to problems encountered. Each of them was also trained on tasks individually performed within the association. Our only regret is that the Director Mr. Akrim did not take part in the mission. Today, Chemonics clearly sees the gap in knowledge and perspective between him and his staff.

APEFEL will have a website developed to manage better its external relations and promote its membership production. Agricultural associations increasingly promote themselves through the Internet, and APEFEL insisted on having its own website. The website developed will be very easy to manage. Designated staff will be able to update the information through the use of forms, without ever modifying the source code. The website will also contribute to APEFEL's image of a modern association and may assist in building international links with markets and agricultural research institutes. Website recurring cost is low and maintenance is easy. Given the interest generated by the activity, it should be highly sustainable.

During his stay, Mr. Malenfant raised the problem of communication between APEFEL and the small producers, and with association members that are located far from Agadir, and do not have proper means of communication (e.g. fax). This problem was confirmed by the membership database survey. Some of the producers surveyed by Transparence Informatique did not know they were members of APEFEL. Part of the responsibility for this situation may be attributed to export groups that pay fees (9 dhs/ton of exports) to the association, and do not seem to always inform producers of their contribution. It nonetheless shows that APEFEL has no communication whatsoever with some of its members.

Mr. Malenfant brought up the importance of communication with all members. APEFEL seemed aware of the problem and presented its plan to open three outreach centers to better communicate with members who were located far from its office. Mr. Malenfant was very pleased with the idea and gave an example of several countries where similar initiatives were successful. Because of its limited resources, APEFEL decided to ask the Office de production Agricole to supply 3 offices to host the outreach centers. Initial contact was positive and the Office agreed to the request. A formal demand was then put in writing by APEFEL. It was followed by several phone calls but remained unanswered. In August 2001, Chemonics contacted APEFEL President Mr. Mouisset to request his support to obtain the offices requested, with no results. It seemed to the project and to Mr. Malenfant that the opening of the outreach centers was very important. It is difficult for Chemonics to know if the project is unable to carry on this activity because of administrative delays or APEFEL's lack of understanding of how crucial communication is with all of its membership. APEFEL blames the problem on public administration and a slow decision-making process.

Lastly, English courses were open to all APEFEL members. Although this activity does not contribute to achieving targeted results, it was well appreciated by all members and made USAID very popular. The decision to open participation to English lessons to members was taken before Chemonics arrived in Agadir.

In summary, Chemonics concludes that all activities selected and implemented, taken individually, contribute to the strengthening of APEFEL and are sustainable.

The ultimate objective (of USAID assistance) is to enable the association to better serve its members, thereby improving the productive capacity and revenue base of enterprises in the region. The objective targeted in the case of APEFEL is to make the association more efficient, so that it can provide better services to its members and help them increase their exports. It is very clear that the assistance provided to APEFEL by USAID has put the association in motion.

- The association provides better services to its members and will increasingly do so in the future.
- Because of the equipment and training provided, its staff is more efficient.
- The association has a sense of direction. The majority of its staff knows very precisely the direction in which the association has to evolve.
- The membership database is the first building block to improved communication with and better knowledge of individual members, and APEFEL is informed of the importance of that communication.
- The web site will help promote agricultural products from the Souss-Massa-Drâa.

APEFEL is likely to improve the productive capacity of its members by providing them with technical and management training and services, and various measures are being undertaken to link these efforts to increasing revenues of APEFEL members. A seminar on trade of fruits and vegetable to be held on April 26-27, 2002 will be attended by European buyers, and individual meetings with producers will be organized at the end of each day. Valuable efforts are being made to assist producers in their effort to export. Yet, as we mentioned in our report on performance indicators, the gross agricultural export tonnage that originates from the region decreased in 2001 compared to the previous year. In 2000 the region exported a total of 146,124 tons while in 2001 it exported 136,833 tons.

This brings up the issue of impact and contextual variables. Drought, European restrictions on Moroccan imports, to name a few, are variables over which the association has no control. Those variables do not, however, in Chemonics' view compromise the sustainability of results achieved. The association provides better assistance to its producers in terms of services and training and will increasingly do so regardless of the general export environment. In the long run, the association could have an impact on some of the external variables today out of its reach, by being more representative of Moroccan producers' interest and more efficient in its lobbying.

We do not recommend further assistance from USAID in order to ensure the sustainability of results achieved. ***Should there be an opportunity to do so, we recommend that USAID consider providing small grants to APEFEL to assist it in the opening of its outreach centers.***

4. GRIT

In the case of GRIT, as well as in for APEFEL, “the ultimate objective (of USAID assistance) is to enable the association to better serve its members thereby improving the productive capacity and revenue base enterprises in the region.” GRIT, it was mentioned in the Memorandum of Understanding (MOU) signed with USAID, does not serve its members by providing state-of-the-art services. It serves its members’ interest through its leadership and capacity to mobilize the private sector to promote and develop the destination.

The first two activities undertaken with GRIT were the mission by James MacGregor and Focus Group. Mr. MacGregor, tourism sector expert, was recruited to assist Chemonics in assessing how the use of the new information technology can best assist GRIT’s work in the interest of its members.

Mr. MacGregor took part in the Focus Group organized with GRIT members and made a presentation on trends in international tourism market. In light of changes taking place that are likely to dominate the industry for the coming decade, he diagnosed Agadir as a tourist destination. He explained how Agadir suppliers offered the standard Beach Destination Product which varies little from similar destinations that have radically improved their product by offering new attractions. He mentioned that it would appear that Agadir has continued to attract new visitors because of an attractive price structure rather than overall new excitement and evolving products. For this reason, Agadir hoteliers are extremely vulnerable to shifts in consumer demands and the forces of the international tour operators (TOs). With such homogeneous products, there is little excitement being generated among the travel consumers. Also, with lower than average occupancy rates, the TOs are in a position to squeeze prices and shrink hotelier margins, which is precisely what has been happening in the past five years.

Based on current research that indicates that a growing portion of the travel market is interested in more varied tour products, and consequently tend to choose those destinations where they can participate in a wide selection of activities that respond to their particular interests, Mr. MacGregor stressed the need for product diversity and repositioning Agadir as a diverse and exciting “tourism destination region.”

Mr. MacGregor’s report included an action plan that outlined activities to be implemented immediately with the assistance of USAID and, medium and longer-term actions that should be undertaken. Activities we implemented were those identified to be implemented immediately and that were related to the use of new information technology as stated in the MOU.

One of Mr. MacGregor’s first recommendations was the database development and management. According to the expert, the database developed by GRIT offered little information to enable the Agadir travel industry to build new products, meet visitors’ expectations and expand market share.

At our request, Mr. MacGregor designed a Visitor Exit Survey to assess views of current visitors to Agadir and to provide GRIT and the industry with the information required to have a comprehensive profile of the visitors that visit Agadir.

The data are being collected for a period of six months. Preliminary analysis of the first 2001 questionnaires will be made by Mr. MacGregor the second week of April, in collaboration with GRIT and B-Marketing (the firm that conducted the survey). A presentation will be made to GRIT members on how the information generated can be used to develop new products, meet visitors' expectations, create new markets, and expand existing markets.

The sustainability of the activity is linked to GRIT's ability to share that information and take it into consideration in its programming of promotional events. So far GRIT has been very keen on involving the industry in everything the project does and is already organizing a public event in early April for Mr. MacGregor to present his analysis to the industry.

The second activity identified by Mr. MacGregor is the Tour Operator Survey. In order for the Agadir-Souss Massa Drâa Region to be positioned in the emerging markets, GRIT must identify the wholesalers and tour operators that sell the products that respond to the region's strengths. Again, Mr. MacGregor designed the Tour Operators Survey and we recruited a local consultant to do the research.

A total of 2,400 Tours Operators were indexed in the database and will be surveyed as soon as the website is operational. The TOs database is instrumental in Mr. MacGregor's e-marketing strategy, and its sustainability is linked to GRIT's capacity to integrate e-marketing in its promotional strategy and to adequately manage its website.

The website developed for GRIT is a first in Morocco for the technology it uses. At the same time, it will be the first regional tourism web portal. Regions in countries like France who has a regionally based tourism industry already feature regional portals. Mediterranean countries can be expected to follow. Other regions and the Ministry of Tourism alike closely monitor the innovative initiative taken by GRIT to promote the region. GRIT is aware that failure to succeed could feed its detractors. It recognized the value of Mr. MacGregor's strategy, entirely agreed with the diagnosis made and solutions proposed, and makes all possible efforts for the strategy to be successfully implemented.

The website to be developed will be easy to maintain and to update through forms. All information will be processed automatically. GRIT already recruited a computer technician who will be its webmaster. Yet more is needed for an e-marketing strategy based on CRM (Customer Relationship Management) to be successful. In addition to the support provided by Mr. MacGregor and ARGAZE, Chemonics would like to have GRIT key staff attend the upcoming training workshop on e-tourism that will soon be offered in Marrakech in April, and to take part in the international eco-tourism congress that is held in May in Montreal, resources providing.

The project did of course provide GRIT with the right equipment and related computer training. GRIT is already making full use of its equipment and has the ability to maintain the equipment and assume related equipment costs such as ink and paper, thus ensuring its sustainability.

Prior to the start of the project, GRIT was already providing valuable services to its members. As detailed in our Report on Performance Indicators (February 11, 2002), it organized many educ-tours and annually coordinated major promotional events in Agadir, as well as the

industry participation in the major tourism salons in Europe. By providing guidance to the industry for repositioning the destination and by promoting it through a strong CRM-based e-marketing strategy. GRIT is adapting to the changes that are taking place in international markets, and will continue to play a major role in the destination development and management.

The long-term sustainability of the results achieved may have been questioned by some in the light of future changes announced by the Palace regarding the creation of regional tourism offices in place of the eight existing GRIT. Chemonics discussed the matter with GRIT on several occasions, and GRIT understands that the government will want to protect any existing structure in which public authorities and the private sector collaborate within a common entity. The changes to be brought about seem to maintain the current structure, and would give GRIT more responsibilities and access to some public funding. In all cases, the investments made were not made to promote GRIT. The objective is to promote Agadir and its backcountry. The change in GRIT structure and management should not influence the need to better promote the region through the web. Results will not only be reached, they will be sustainable, whether the continuity is ensured under GRIT's name or another logo.

Chemonics views the long-term impact that GRIT may have on the economy of the sector as being conditioned by a very important action that must be undertaken regionally. This, in Chemonics' view, is the need to provide operators with **Operational Guidelines**, and to create what they could call a Souss Label. As mentioned by Mr. MacGregor, "the more sophisticated contemporary tourists, including eco-tourists and adventure travelers, have traveled extensively. They appreciate good hospitality, security and interpretive services." We could also add that they value authenticity and quality, and are increasingly environmentally conscious.

When investments are made to develop rural infrastructures and services, coaching and supervision of the new operators will be required. At the very least, they should be given access to basic information on "to dos and don'ts", international safety standards and elementary green management practices. This is to avoid the propagation of some of the eye sores currently popping up in the back country, which seem to promote "plastic everything". It is even sadder that they often have in their background some of the most beautiful landscapes of the country.

Basic Operational Guidelines agreed upon by all local and regional authorities would provide some protection against cheap and ugly unsustainable initiatives that will have a detrimental impact on the demand. Local material is rich and traditional ways adapted to local environment and should be valued in all tourism development. The population is likely to be receptive. It just needs to know. The Souss Label and guidelines could be best developed and promoted through the Chamber of Commerce and require no major investment. ***Should USAID wish to further its support to the tourism sector in the Souss-Massa-Drâa, Chemonics think that much is needed and could be done in providing guidance and assistance in rural tourism development.***

5. Commercial Court of Agadir

The Action Plan implemented by Chemonics to strengthen the Tribunal de Commerce d'Agadir was jointly drafted by USAID and the Ministry of Justice prior the beginning of our

contract. It comprised elements identified by the mission of experts undertaken in May 2000 and that identified the main problems and elements of that the Total Quality Management Program for the Court should be addressing.

In implementing the Action Plan, Chemonics' main responsibility was coordination with the Ministry of Justice, phasing of activities and identification, and selection and recruitment of experts and sub-contractors. Also, we ensure coordination, communication and team work with the Court staff to ensure their full collaboration and involvement in the activities. In summary, we:

- Recruited a sub-contractor to have all cables installed and the building ready for computer equipment, Internet and network installation;
- Installed a training room equipped with Internet connection, nine computers, Datashow and board;
- Equipped the Court with proper computer equipment and furniture (computers, printers, servers, computer tables etc...)
- Assisted the Ministry of Justice staff with network configuration;
- Provided 84 hours of computer training to 38 judges, clerks and secretaries (Windows, Word, Excel, Internet Explorer and Outlook Express);
- Provided all judges, clerks and secretaries access to a 20-hour session on "Managing Change";
- Provided a 40-hour training session to judges on Human Resource Management (HRD);
- Trained the court computer technician in Power Builder, SQL-Server, Windows 200 and Interdev;
- Organized continued and flexible English training for the judges (hours and days vary according to other training they have);
- Recruited a qualified sub-contractor to provide 200 hours of highly specialized professional training to the judges in fields and sectors in which they felt they needed assistance (Banking Law, Financing of Enterprises, Work Methodology, International Contracts, Business Law, Accounting, Port and Transportation Legislation);
- Organized an OST to the US and Canada that feeds into the professional training provided to the judges and focuses on court management and continued training for judges.

We are currently involved in the development of a training on procedures for the court's clerks, training that is added to the original Action Plan at the request of the president of the court. Lastly, we will work with the Ministry of Justice to set up a modern archive system for the judiciary files and registry of commerce.

Individual activities implemented are highly sustainable because they are part of a global plan, and contribute to the achievement of clear and simple objectives to which all beneficiaries subscribe. The Ministry of Justice, which designed the Action Plan, will provide after-project support as needed. In the case of the equipment, the court staff is already using them and a computer technician is on site to provide for its maintenance. Any problems with the network are quickly and easily dealt with by Ministry of Justice headquarter staff.

An excellent example of the Ministry of Justice efforts to ensure the sustainability of our efforts is their subscription to ARTEMIS Judiciary on-line services. It was agreed with our sub-contractor Maître Bahnini that the judges had to understand initially that they would have to pursue additional professional training after the courses provided by the project. In a fast changing world and society, judges have to constantly keep up with new national legislation and jurisprudence, and international trade related agreements. Through ARTEMIS on-line judiciary information, the Ministry of Justice ensures the judges have access to a resource they need in order to continue to improve their knowledge. This contributes to the sustainability of USAID efforts to improve the competencies of the commercial court.

In our view, none of the activities outlined in the Ministry's Action Plan were superfluous or questionable in terms of usefulness. Activities have built one onto another and have contributed to the overall objective that is efficiency and better management of the court.

The Action Plan developed for the Commercial Court of Agadir is part of a National Action Plan devised to improve the efficiency of the commercial courts in general. Because it is part of overall national efforts to strengthen commercial courts in Morocco, USAID results achieved and long-term targeted impact are both sustainable.

The key question remaining is the relationship between the Commercial Court of Agadir and the Court of Appeals of Commerce. USAID is already responding to this issue by providing training and computer support, so that the Appeals Court and its judges achieve the same level of efficiency and competency as the Commercial Court.

CONCLUSION

In conclusion we recommend no further monitoring or follow-up for the Agadir Activity Management Services. These activities were not managed or implemented to require post-contract support from USAID.

All of our partners were autonomous prior to our arrival. We have worked hard to make them more efficient and able to provide better services to their members/clients, which in the case of APEFEL and GRIT is their primary source of funding. In the case of the Commercial Court it may soon be considered efficient enough to be granted the status of an autonomous government office which can manage its financial resources independently and locally.

We consider the changes that USAID has achieved throughout the Agadir Activity Management Services as necessary and sustainable. It is highly unlikely, given USAID assistance, that APEFEL, GRIT and the Commercial Court of Agadir will resume their old ways. They have raised their standards, improved their efficiency, and increased their outputs

and results. USAID, with Chemonics assistance provided them with the resources to work better.

Primary areas of future assistance, should USAID wish to expand its impacts in the Agadir region, would be to support the APEFEL outreach centers and assist GRIT in developing rural tourism products, services and infrastructure.