

PROJECT ASSISTANCE COMPLETION REPORT  
COOPERATIVE DEVELOPMENT & TRAINING PROJECT  
PROJECT NO. 532-0180

1. The Operational Program Grant (OPG) was signed for the Cooperative Development & Training Project on January 9, 1985, with a Project Assistance Completion Date of February 1988.

This three-year project was designed to contribute to the sound development and growth of the Jamaican cooperative movement, including credit unions, by improving management, financial and operating systems. This was to be accomplished by assisting the National Union of Cooperative Societies (NUCS) in the development and expansion of the credit union system in Jamaica and providing training to the country's growing cooperative business sector and by strengthening the Jamaica Cooperative Credit Union League (JCCUL) in the areas of financial management, operations and training.

This cooperative training project had some unique features as a development program. It was a joint effort on the part of the National Cooperative Business Association (NCBA) and the World Council of Credit Unions (WOCCU) in association with the National Union of Cooperative Societies (NUCS), the Caribbean Confederation of Credit Unions (CCCU) and JCCUL. NCBA's focus was on general cooperative activities, and WOCCU's on credit union-related tasks. Instead of the more common use of long-term technical advisors, WOCCU tactically placed a number of short-term specialists to assist JCCUL in such targetted areas as central financing, mortgage lending, strategic planning, data processing, and regulation/legislation. All have contributed to the institutional development of the Jamaican credit union system.

The overall objectives were to assist the 350,000 individual members of the country's 270 registered cooperative societies to improve their social condition and better manage their own economic affairs; and to strengthen the cooperative movement to enable it to expand its economic activities to benefit increasing numbers of the population.

This project was basically an institution building and manpower development one. With the assistance provided by the project, NUCS, through its training arm known as the NUCS Cooperative College, provided training to upgrade the skills of managers, technical and other staff and board members of primary and secondary cooperative societies, including the

member organizations of the JCCUL. The project assisted NUCS in the development of a member education program and cooperative promotional activities aimed at enabling the members of the primary societies to make better use of their cooperatives and obtain greater economic and social benefits from their participation.

In addition to the assistance provided to NUCS, the project assisted the Jamaican credit union system through short-term technical assistance and training. It was expected that, over the long-term, this strengthening of JCCUL and its affiliated credit unions would eventually enable JCCUL to serve as the financial arm of the total cooperative movement, serving as a reliable source of credit for cooperatives in their production and other income generating activities.

In addition, this project complemented the services NUCS provided to the Producer Marketing Organizations (PMOs) under the GOJ/USAID Agricultural Marketing Development Project. It was anticipated that some of these PMOs would have elected to register as cooperatives adding to the NUCS membership base.

The main objectives of this project were to:

- A. assist the Cooperative College to improve its staff, facilities, equipment and curriculum to enable it to meet the vital training needs of the country's cooperatives and farmer associations;
- B. assist NUCS in developing the capacity to conduct on-going, nationwide cooperative promotion and member education programs;
- C. assist NUCS in the development of a research and planning facility to enable the national union to:
  - a. assess, on a continuing basis, the training needs of the cooperatives and farmer associations;
  - b. analyze the potential for the expansion of cooperative forms of business enterprises in Jamaica and develop a strategy to promote cooperative development; and
  - c. to reassess periodically the services needed by the cooperatives to enable them to increase their business activities and provide additional benefits to members;

- D. assist JCCUL to strengthen the credit union system and position for expansion. Activities included training and curriculum development, development of a central liquidity facility service, and implementation of management advisory and data processing services; and
  - E. assist NUCS in the establishment of a cooperative partnership program and a "Cooperative Development Fund" to enable NUCS to provide technical and financial assistance to small cooperative and new cooperative enterprises.
2. The Cooperative Development and Training Project was financed by a planned expenditure of US\$920,000 which was provided through an OPG by USAID and a local contribution of US\$333,292 (J\$1,819,774). On September 21, 1987, Modification No. 7 to the agreement was executed, decreasing USAID's planned contribution to US\$726,000.
3. A number of strategies were implemented in an attempt to attain the objectives of the projects. These strategies included the implementation of technical assistance in: (a) business and financial management for leaders and managers, (b) accounts and financial records for managers and subordinate staff, (c) agronomy, in staffing (recruitment and training), and financial assistance in the form of (i) soft loans for initial farm supply inventory, (ii) soft loans on a short term basis for making advance payments for produce, and (iii) payment of staff salaries which was treated as a grant, and the provision of basic equipment as grant and on credit.

The accomplishments of the project can be summarized as:

- A. Marketing: Six organizations were to be involved in produce marketing, five are presently involved. One ceased operation at the end of November 1987. There was a steady increase in the volume of produce marketed in four of the six organizations.

There has been expansion in the range of items handled by Producer Marketing Organizations, and they have moved to different types of produce in domestic distribution as well as non-traditional exports.

Apart from the St. Catherine Vegetable Producers Association, the PMOs have not gone into direct export, however, there has been an increase in the trend in the business done with local exporters. The PMOs have been investigating the possibility of going into direct export as a joint venture.

Two cooperatives are engaged in collective milk marketing. Luana Dairy Development started in May and has been supplying an average of four thousand quarts on alternate days to a processor.

- B. Farm Supply Distribution: Under the program, NUCS has made loans amounting to \$255,000 to six organizations for assisting in the procurement of farm inputs. A one year moratorium for repayment is allowed and the first two have started repayment.

At the start of the program, three PMOs were involved in farm supply distribution. At present eight are involved.

- C. Agricultural Development: Implementation of the program had a substantial impact on agricultural production in areas such as South Trelawny, Mason River, Guys Hill and Lucky Hill. The factors contributed were (a) increased marketing which encouraged expansion in cropping, diversification and crop scheduling, (b) farm input facility coupled with technical advice on the use of inputs which saved farmers' time, resulting in more effective disease and pest control and higher yields and (c) more organized marketing which resulted in stabilized prices to farmers and better average family/farm income.

- D. Membership and Share Capital: Over the implementation period, overall membership in credit union movement increased by 17% and share capital by 10.25%.

- E. NUCS Membership: Three societies have been added to the membership of the National Union of Cooperatives resulting in 16% increase in membership.

- F. Cooperative Registration: One association was registered as a cooperative and two others submitted application to the Registrar of Cooperative Societies.

- G. Central Marketing Fund: The Producer Marketing Organizations have established a joint central fund to maintain the Communication (Marketing) Center when the NUCS funding is exhausted.

Over the period of implementation, the Agricultural Cooperative Development Program made some contribution to the development of agricultural cooperative enterprises in Jamaica. Certain developmental trends have started in the movement which continued and expanded. Some areas of developmental contribution are:

- i. There has been leadership development, resulting from an increase in knowledge and understanding of the movement. There has been a changed attitude among leaders towards more commitment and a more responsible outlook. Boards and committees are now more prepared to plan and formulate policies and require execution and accountability.
- ii. The project has improved management expertise in agricultural cooperatives. Managers and other staff are more equipped in areas of marketing, management and record keeping. There has been improvement in staff/member relations and managers have more capability in dealing with people problems.
- iii. The project has succeeded in making some agricultural cooperatives business oriented. They are now able to appreciate the importance of profitability while endeavoring to offer services to their members.
- iv. Through the project, agricultural cooperatives have been seeking to offer a wider range of services to meet the needs of their members. In some PMOs a pest and disease control service is offered in which trained personnel are engaged to spray members' fields and payment made to the cooperative on an acreage basis.
- v. The Project has assisted in creating a more enlightened and informed membership in agricultural cooperatives. Members have become more sympathetic to their organizations and more appreciative of the fact that they must contribute to, and support their cooperative now in order that they may reap the benefits in the future.
- vi. During implementation of the project, members have become more aware of the importance of financing their organization instead of allowing it to resort to borrowed capital from external sources. There is a growing trend towards member equity by subscription to shares and deposits by members. If this trend continues, agricultural cooperatives will be released from the bondage of high interest payment on borrowed capital, while members will develop a greater sense of ownership.
- vii. The collective marketing approach emphasized in the project implementation has resulted in members accepting the idea of joint action to resist competition and stabilize prices. Increased production and improved quality achieved under the project, render agricultural cooperatives more competitive both on the local and the export market.

PMOs are now fairly well established in the various marketing channels and have been able to garner a substantial market share in domestic agricultural produce. A good trading relationship has developed between PMOs and exporters which had not existed with cooperatives before.

A number of benefits were derived from this project, including the design and initial implementation of a strategic management system for credit unions. Strategies for strengthening JCCUL as the national association of credit unions resulted in a reorganization of the League and have recommitted the Board of Directors and management to more be results oriented in their many activities. Technical assistance to JCCUL's mortgage lending program has helped to improve its services to member credit unions with a resulting increase in mortgages issued to medium and low-income groups. Strategies have been identified to further increase this program's profitability and efficiency. Also as a result of this project and with the assistance of outside trainers, local counterparts developed ten curriculum packages for credit union leaders and management and four manuals on accounting, credit delinquency and communications. A number of Jamaicans now have the skill to produce such materials themselves.

The WOCCU provided assistance to JCCUL in order to strengthen the credit union system and position it for expansion and focus directly on strengthening the technical, financial and institutional capabilities. This WOCCU was broken down in six components.

- A. Central Finance Facility: This assisted JCCUL in the preliminary stages and design the Central Liquidity Facility. These activities form the ground work for a possible second phase and enabled JCCUL to serve as the financial arm of the cooperative movement.

Type of assistance provided included participant training, in-country workshops, exchange/study tour, short term technical assistance and resource materials. Benefits have been exposure to skill development of local counterparts, proven service adapted to local conditions, and expanded developmental activities for JCCUL. However these objectives were not achieved.

- B. Management Advisory Service: WOCCU assisted the JCCUL to design and implement a management advisory service which enabled credit unions to conform to minimum operational standards.

- C. Institutional Strengthening: This focussed directly on strengthening the technical, financial and institutional capabilities. Types of assistance provided included, in-country courses and short term technical assistance. The benefits were the increased awareness of board and general manager need to get results, improved vision of where to go and what needed to be done, and the flexibility of the project to allow for re-direction of resources to support important JCCUL identified needs.
  - D. Data Processing Service: WOCCU assisted JCCUL as to the nature, design, hardware and software necessary to implement a cooperative financial system. Short term technical assistance was provided.
  - E. Mortgage Lending Program: This component included the WOCCU sub-contract. The objective was to improve JCCUL mortgage lending systems and procedures and to facilitate negotiations with local providers of housing guarantee funds. The benefits included increased mortgages to medium-low to low-income target groups.
- 4. Recommendations for final adjustments in Project design, the appropriateness of remaining conditions and covenants and borrower reporting requirements - None applies.
  - 5. Definition of continuing and/or post Project AID monitoring responsibilities, including the timing and resources involved - None applies.
  - 6. Review of data collection results and evaluation remaining to be undertaken - None applies.
  - 7. Lessons learned from the project are:
    - A. In order for a project to be successful among small farmers in Jamaica, they must be involved from the initial stages of the project, as they are usually slow to accept changes which are imposed on them.
    - B. A cooperative organization will not succeed unless there is a felt need among the members. There was no marketing need among the farmer/members of some of the PMOs. As a result, the organizations have to compete with other marketing agents to get produce from their own members. There is a clear indication that among small scale farmers, there is a greater need for farm inputs than for marketing.

- C. The Jamaican farmers are slow in developing trust and confidence in others and this accounts to some extent, for the changing of managers in PMOs so often. Once they have accepted a path, channel or system, they tend to keep to it. The farmers tend to keep to the outlet they have been dealing with although efficient collective marketing by the cooperative could provide more stability.
- D. Very few persons in the farming communities are prepared to sacrifice anything. Again marketing has brought this out very clearly. Some directors will sell their produce outside of the PMOs just because they are offered 10¢ (Jamaican) per pound more.
- E. In some cases persons with better leadership ability fail to accept voluntary positions as it will require them to sacrifice some time. Among this sector, many people accept leadership positions for what they can get personally and not for what contribution they can make.
- F. There is a tendency among small farmers and the Jamaican rural people in general, to expect immediate results. Cooperative type organizations are often slow in showing visible results. Many of the cooperative efforts which they conclude as failures could be successes if allowed time.

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