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**WEST BANK AND GAZA**  
**COOPERATIVE DEVELOPMENT PROJECT**

**Project Extension Proposal**

**Submitted To:**

**U.S. Agency for International Development  
Washington, D.C.**

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## ACRONYMS

ACDI	Agricultural Cooperative Development International
AID	Agency for International Development
AMIDEAST	American-Mideast Educational & Training Services
ANERA	American Near East Refugee Agency
CARE	Cooperative for American Relief Everywhere
CDO	Cooperative Development Organization
CDF	Community Development Foundation
CDP	Cooperative Development Project
CHF	Cooperative Housing Foundation
CRS	Catholic Relief Services
JCO	Jordan Cooperative Organization
GOI	Government of Israel
NCBA	National Cooperative Business Association
NRECA	National Rural Electric Cooperative Association
OCDC	Overseas Cooperative Development Committee
PVO	Private Voluntary Organization
VOCA	Volunteers in Overseas Cooperative Assistance
WBG	West Bank and Gaza
WOCCU	World Council of Credit Unions

**PROJECT PROPOSAL**  
**EXTENSION OF**  
**COOPERATIVE DEVELOPMENT PROJECT**  
**WEST BANK AND GAZA**

**SPECIFIC SUPPORT GRANT NO. ANE-0159-G-SS-6020-00**

**I. INTRODUCTION**

The Cooperative Development Project (CDP) is a project of the U.S. cooperative development organizations (CDOs) to assist Palestinian cooperatives in the West Bank and Gaza (WBG) to improve economic growth and the standard of living of the Palestinians. This is a prototype of a movement-to-movement approach of providing assistance between U.S. and Third World cooperatives. The cooperative organizations participating in this activity are Agricultural Cooperative Development International (ACDI), as the lead organization, National Cooperative Business Association (NCBA), National Rural Electric Cooperative Association (NRECA), the Cooperative Housing Foundation (CHF), World Council of Credit Unions (WOCCU), Land O' Lakes, and CARE, coordinated through the U.S. Cooperative Development Committee (OCDC). OCDC is composed of national cooperative leaders which represent the U.S. cooperative community of over 70 million members.

The project became effective on January 1, 1986 and is currently scheduled to end on December 29, 1988.

The ACDI Chief of Party arrived in Jerusalem in March 1986. The training adviser, provided by NCBA, arrived in July 1986. The third member of the team, the credit and finance specialist, arrived in December 1987 as agreed to with AID.

Project beneficiaries and counterparts have recognized the need for training, welcomed the assistance and have benefited from what they have learned. But much more needs to be done. In the original conception of the CDP, it was acknowledged that the complete accomplishment of the stated objectives would take more than three years. However, given the complexities of the situation and that this project would introduce the first new U.S. PVO to operate on the West Bank and Gaza since 1967, the time horizon for beginning the activities was kept short. In implementing the CDP, the start-up was slower than initially anticipated since CDP provides no funds, commodities, or equipment, only technical assistance and training. This training is focused on the business aspects of cooperatives and has taken time to gain the acceptance and strong support of the many

parties involved. Another factor in the slower than expected start-up for the CDP activities was the need to bring in numerous short-term consultants to flesh out the many operational issues relating to Palestinians cooperatives and to design courses which fit their circumstances and needs.

The CDP is committed to encouraging 1) the cooperative business approach to building democratic institutions for economic and social development and 2) economic self-reliance within a democratic framework. Changing attitudes of Palestinians in regard to these two points will take more than the originally scheduled three years. CDP represents a difficult and potentially rewarding challenge for U.S. cooperatives and our foreign assistance program.

In order to continue the successful effort and to achieve the original purpose and objectives of the project, a two-year extension of the CDP is required. Additional AID funding in the amount of \$2.99 million is requested.

## II. BACKGROUND, ACHIEVEMENTS AND OBSTACLES

### A. BACKGROUND

The West Bank and Gaza is the focal point for the tensions between Israel and the Arab States. CDP makes every effort to avoid political entanglements and to channel assistance from U.S. cooperatives to those in this contested region. In undertaking the program, CDP works with the Jordan Cooperative Organization (JCO) as well as other Private Voluntary Organizations (PVOs) which operate in the area. It must coordinate closely with the Israeli Civil Administration and its Registrar of Cooperatives. Today there are about 250 active cooperatives of various types with 34,000 members touching 200,000 family members. They serve the majority of Palestinians living in the West Bank. There are only eight active cooperatives in Gaza. The Palestinian population is estimated at 850,000 in the West Bank, not including 135,000 more in East Jerusalem. Another 550,000 live in Gaza. Cooperatives are broad-based institutions and are a most effective medium to assist Palestinians in the WBG.

One of the aims of the assistance being provided by CDP is to put into the hands of managers the knowledge, skills and confidence to test and adapt appropriate technologies or to analyze their circumstances for improved or new endeavors.

The CDP is designed to build on a long history and basic inherent strengths of the cooperatives in the WBG. In this institution-building effort, CDP works with employees of organizations which provide essential support services and key

management functions.

## B. ACHIEVEMENTS TO DATE

The CDP has been operating for almost two years and has achieved the following:

### 1. Importance and Impact of Training

a. Palestinians are increasingly aware that an organization now exists in the West Bank and Gaza that is offering quality training and technical assistance for the first time in twenty years. Neither the Israelis, Jordanians, nor the other organizations operating in WBG provide the scope, type or volume of training as the CDP. Key cooperative officials and employees receive training on a regular basis. This has not been possible before.

b. Cooperatives themselves now recognize that there is a need for training. As a result of training conducted by CDP, they understand its value and benefits. Demand for training by the Palestinian cooperatives has increased. Cooperative leadership now identifies their specific training needs and requests assistance. Having participated in training, such as management or accounting courses, the leaders suggest additional employees or board members for similar training.

c. PVOs working in the WBG recognize and appreciate CDP as the leading technical assistance and training provider. CDP has demonstrated that it has the capability and acceptability in providing technical assistance and advice on cooperatives. Although most of the PVOs have many years of experience working with cooperatives in WBG, only CDP is in a position to draw on U.S. cooperative development organizations (CDOs) for technical backstopping. The CDOs provide expertise in agricultural production and marketing, village electric power, credit, savings, housing and other service cooperatives. By drawing on such expertise and the training provided through CDP, the other PVOs can ensure that AID funds are more effectively utilized, thereby enhancing the value of their programs in WBG. For example, ANERA has provided computers to the marketing cooperatives and the vendor furnished only elementary training in the actual operation of the equipment, but not in personnel training. CDP, however, is capable of training the cooperatives' staff in applying the software to their operations.

d. Najah University has recently started a full course in cooperatives reportedly because of the positive reputation generated by CDP.

## **2. Efficiency of Cooperatives**

There is increased efficiency and better decision-making in the cooperatives as a result of board member training. Now, these Palestinian cooperative leaders better understand the role of the board and how it differs from that of management. In the case of agricultural cooperatives, the Jordan Cooperative Organization (JCO) pays the salaries of managers with the result that they were often in a dominant position. Some felt they had sole decision-making authority. As a result of CDP, conflict between the boards of directors and management has been reduced because each understands their respective roles and the proper authorities which are delegated to the manager.

## **3. Training Output**

### **a. In-country Training**

A total of 40 courses at 65 cooperatives have reached 668 managers, members, employees and directors of cooperatives as of October 1987. Training subjects have covered the following:

- agricultural machinery
- maintenance of well equipment
- olive press maintenance
- training of trainers
- dairy operations
- basic accounting
- basic agricultural credit
- basic agricultural marketing
- basic cooperative principles
- basic direction of cooperatives (a progressive series)
- basic management for cooperatives (a progressive series)
- economic operations of power systems
- financial ratios
- cooperative housing

### **b. U.S. Training**

Five senior-level directors and cooperative managers attended the six-week Land O'Lakes/CENEX course on management of a cooperative business.

### **c. Training Materials Developed**

Two training video tapes on cooperative principles and the local movement have been produced locally. Several copies are available and are used as training aids throughout the West Bank.

Other training materials such as technical information and instructions have been prepared in Arabic.

#### 4. Economic Impact

Tangible benefits have accrued to cooperatives as a result of training courses in well maintenance, tractor maintenance, computerized inventory systems, management, accounting, electricity, etc. These specific examples from an olive oil producing cooperative point out the potential benefits of the CDP and the impact it will make over the years for all types of cooperatives.

Before CDP, the cooperative board member's approach was to provide "services" to its members at cost. CDP training courses taught board members and accountants how to calculate profit and loss and the need to operate the cooperative on a professional business basis. After attendance at a management course, a board of director member realized that the cooperative was losing money on olive tree seedlings it provided "at cost." It did not take into consideration the development costs to establish the nursery (value of land, drip irrigation depreciation, etc.). Only the cost of the labor and inputs were calculated. He convinced the other board members to increase the cost of the seedlings to its members to include all real costs. Over the past two planting seasons, the cost of the seedlings has increased a total of 50%. This year the cost of each seedling is still slightly below the market price in the area but the nursery sells out within a short time. Nevertheless, it now generates a 20% profit for the cooperative. Similarly, the cooperative thought that its charge for bulldozer rental was "at cost." However, it did not include the cost of depreciation. The rental charge was actually priced so far below the going market price that the cooperative was losing money. Now the cooperative has calculated the real costs and raised the price to slightly below the market price which generates a 15% profit. The bulldozer still serves as many clients as before when the cooperative unwittingly subsidized the rental charge. The board members and the manager now recognize that the business approach they are following is required for a healthy cooperative.

#### 5. Establishment of PVO Coordination Committee

The CDP chief of party stimulated the establishment of the PVO coordination committee that consists of the AID-supported PVOs (ANERA, CRS, CDF, AMIDEAST and CDP) that are involved in cooperative development in the WBG. The committee meets periodically to discuss coordination of cooperative activities and matters of mutual interest. Other key persons and organizations, such as Consulate General and Embassy staff, have



been invited to the meetings. There has been a favorable response to the coordination committee by the member PVOs.

#### 6. Establishment of Data Base on Cooperatives

Before the start of the CDP, there was conflicting information regarding the number and types of active cooperatives as expressed by the Israelis, Jordanians and Palestinians. In order to reconcile the differences, and to develop valid baseline data for subsequent project evaluation by Palestinians cooperative leaders, AID and others, CDP staff visited cooperatives, assessed annual reports and determined that there are 242 active, locally registered cooperatives in the West Bank and eight in Gaza. There are 129 agricultural cooperatives, 81 non-agricultural and 92 housing cooperatives (of which 43 have received loans) with a total of 34,000 members, 1,376 directors and 208 employees (as well as many unpaid volunteer workers.) Data showed that only one-third of the agricultural cooperatives had net profits. Since the original data was collected, some new cooperatives have been established and the CDP data bank is continuing to monitor statistics on WBG cooperatives. It is planned that CDP will establish a "cooperative evaluation system" for agricultural cooperatives. The system has already been designed and will be installed shortly to serve as a system for evaluating and grading performance of individual cooperatives. A separate data base must be developed to monitor and evaluate the performance of housing, electric and other cooperatives.

#### 7. Women in West Bank Cooperative Development

The first training activity targeted for women in cooperatives by CDP was an accounting workshop for 20 members of an embroidery cooperative including the manager and members of the board of directors. Later three board members received director training. An immediate result of the training is that the board members have become more clearly aware and actively involved in policy decisions and are participating to a greater degree in establishing directions for their cooperative rather than merely "rubber-stamping" the chairwoman's actions. CDP also hopes to bring women into more active roles in other cooperatives, not just women's cooperatives. However, since this runs counter to traditional practices, it must be done very carefully and with appropriate sensitivities. It has been proposed that an advisory committee composed of leaders of women's cooperatives be formed to relate to CDP and to provide advice on special needs of their cooperatives as well as the needs of the women members of their cooperatives.

## **8. Involvement of U.S. Cooperative Development Organizations (CDOs)**

The CDP is a prototype of a cooperative-to-cooperative or movement-to-movement effort on the part of the CDOs. Their commitment and support has been demonstrated on many occasions. At no cost to the project, the CDOs regularly review the CDP's progress at meetings of the OCDC in Washington, D.C. Senior executives of individual CDOs have called the CDP Jerusalem office to provide technical support and information and have visited the project. In addition, most of the CDOs have actively participated in the CDP. ACDI, as the lead CDO, has provided the chief of party/team leader. NCBA has provided the second team member, an arabic-speaking training adviser. NRECA and CHF have both conducted sectoral analyses and training for the CDP. (See item 9). Volunteers in Overseas cooperative Assistance (VOCA) has recently visited CDP and is considering the possibilities of providing volunteer technical assistance. WOCCU is to conduct a sector analysis in early 1988 to determine methods of establishing credit unions and savings and loan societies in WBG. OCDC has made two supervisory project monitoring and evaluation visits to CDP. As a follow-up to its sector study of village electric cooperatives, NRECA has provided \$1,500 worth of new hand tools to be used for teaching maintenance at cooperatives.

CDP and OCDC recognize the need to provide information about Palestinian cooperatives and the role and assistance of U.S. cooperatives in the Project to the U.S. cooperative community so it can gain a better understanding of international development. OCDC will develop and distribute a publication on the CDP to key decision-makers, executives and the cooperative press which serve the more than 70 million members of the cooperative community.

## **9. Sectoral Analyses**

CDP's technical assistance began with analyses of the different sectors of the Palestinian cooperative movement and the formulation of a series of recommended actions. The U.S. and Palestinian teams met with as many officials and members as well as other interested individuals and organizations as feasible within periods averaging over one month each. The following cooperative sectors were assessed:

- Agricultural Marketing
- Operation and Management
- Education (extension services)
- Finance and Credit
- Electrification

- Housing

Based on the above sector analyses, training strategies and targets were established and included in an "implementation plan" with a revised logframe. These analyses form an input to this extension proposal.

10. Internal Evaluation

ACDI and OCDC have monitored the project through a regular schedule of field visits. In addition, an independent consultant provided an evaluation of the project, excluding the housing and electric components, in June 1987 with the following recommendations:

a. "Finalize and implement the Cooperative Classification System, including data elements that will provide baseline indicators for project tracking and evaluation.

b. "Conduct a follow-up activity to develop specific training and technical assistance inputs focusing on the five women's cooperatives and to bring other women's groups up to pre-cooperative status.

c. "Expand library services to a larger Materials Resources Development Unit capable of producing locally identified posters, technical bulletins, technical videos, etc. to reach members of cooperatives and to assist in cooperative membership drives.

d. "CDP and Follow-up Committee (a JCO-designated organization that monitors program direction in WBG) meet with senior staff of the recently formed branch of the Cairo-Amman Bank to inform them of the CDP initiatives, and to identify specific roles of the Bank and CDP in development of credit facilities and ways of complementing each other.

e. "Develop a long-term U.S. "training of trainers" program focusing on methodology.

f. CDP "should seek a project and budgetary review session with USAID leading to, among other things, an extended project life to five years, budget supplements to implement other recommendations arising from this activity (the evaluation), and to fix a date for an official AID evaluation to take place i.e., at the end of the second six-month implementation plan."

## **C. OBSTACLES/CONSTRAINTS**

### **1. Government Restrictions**

Even though Government of Israel (GOI) approved the CDP, it set limitations on certain activities:

#### **a. Gaza**

When the original Israeli government approval for the CDP was provided in January 1986, it specifically stated that the project should not operate in Gaza. Subsequently (in 1987) GOI provided written concurrence and encouragement for CDP to operate in Gaza. Although no explanation was provided for the GOI change in attitude, it is assumed that CDP was assessed to be non-political and the services it provided were found to be worth-while so expansion to Gaza was permitted. Initial steps to provide training to Gaza cooperatives have just begun.

#### **b. Permission to Work in Marketing**

Although the GOI was concerned about the involvement of the CDP in agricultural marketing, CDP saw the need for assessing the current marketing situation. Therefore CDP arranged two marketing consultancies to assess the marketing sector in WBG and Jordan and to provide training for concerned WBG cooperative officials and employees.

#### **c. Training Centers**

GOI also specifically prevented CDP from pursuing efforts to establish training centers at colleges or universities on the WBG. As a further complication, GOI established a modest training center about the same time that CDP was approved to commence operations. GOI has continually urged CDP to use "existing facilities" on the WBG. However, Palestinians have not favored using GOI institutions or the "lecture/non-participatory" teaching methods used at the Hebron center. Instead CDP concentrates on on-site participatory training. The CDP training approach has been welcomed by Palestinians. However, since the need for training is so wide-spread, there is room for both approaches.

### **2. Absence of Credit and Savings Institutions**

After June 1967, no Arab credit institution was allowed to operate in the WBG and this has severely constrained cooperative development in WBG. In late 1986, with the joint concurrence of the Israeli and Jordanian governments, the Cairo-Amman Bank (CAB) resumed operations in Nablus and has subsequently opened branch

offices in other West Bank communities. The CAB is taking deposits and is making some short-term loans. Therefore, there now exists an opportunity for a responsible credit institution to provide services to the cooperatives and their members. The reemergence of the bank is a most encouraging sign and one that can impact favorably on any credit and savings mechanism that the CDP is able to foster in the years ahead. Possibilities of involvements with the CAB will be explored by the credit/finance specialist. New initiatives in the arena of disciplined savings and credit must contemplate the utilization of savings for short- and long-term credits in both the agricultural and housing sectors. Also there must be a uniform strategy and approach by the CDP and the other PVOs on this issue.

### 3. Attitudes

Many currently held attitudes are a constraint to the strengthening of Palestinian cooperatives. For example, too many cooperative officials believe that cooperatives should receive grants or highly subsidized loans from government or donor sources. Since some cooperatives have traditionally been used as conduits of outside donations, some leaders have little interest in improving the financial management and direction of cooperatives. CDP's management development activities emphasize the establishment of sound cooperative business practices, disciplined credit operations for planning, budgeting, pricing, earnings and financial controls aimed at increasing the cooperatives' net worth and member equities as well as the overall stability and strength of the cooperatives.

### III. STATEMENT OF THE PROBLEM

There is little significant change in the basic problems of the cooperative sector as stated in the original proposal except for the technical assistance and training CDP has provided to date. To summarize the main points in the original problem statement:

A. The employees of the JCO who work in the WBG (some of whom also work for GOI) are highly motivated and committed to cooperatives but lack even the rudimentary training and management development which is essential to operating a strong cooperative enterprise.

B. Other employees of the cooperatives and members of cooperative boards of directors also lack cooperative and management training.

C. Almost none of the directors have received any training in the responsibilities and duties of governing a cooperative on behalf of its member-owners.

D. There is a notable lack of education and training provided to cooperative members who must understand their cooperatives in order to fully benefit from their services and participate in their operations.

E. There is a dearth of understanding by non-cooperative members who are potential members and by community leaders whose general support is particularly helpful in cooperative growth.

F. There has been little or no technical training in the WBG (prior to CDP) and the WBG agricultural extension service has steadily declined since 1967.

G. For the most part, the several U.S. PVOs and voluntary organizations providing financial assistance to cooperatives are not equipped to assist the Palestinian cooperatives in their general management and technical needs.

H. There is a need for credit for Palestinian cooperatives. While there are channels of financial assistance -- grants and modest revolving funds or loans from Jordanian sources -- there are no sources of disciplined credit for the Palestinian cooperatives and their members. In some cases, financing provided to the cooperatives has been more for political objectives than to strengthen the cooperative financial system.

I. Since 1984 there have been no new resources for housing cooperatives apart from the members themselves, the effect of which has been to leave many projects half-completed. Steps will have to be taken to mobilize local savings and identify external funding resources for these larger scale capital needs.

#### IV. OBJECTIVE

The purpose of this project is to enhance the quality of life for the Palestinians through strengthening existing cooperatives and assisting in the development of new cooperatives serving agricultural, housing, electric power, savings and other needs of the Palestinians in the WBG. The project will increase income and employment opportunities for Palestinians through training and technical assistance programs.

#### V. APPROACH

##### A. Entrepreneurial Attitudes

The CDP approach is to continue providing technical assistance, training and advisory services to strengthen the WBG cooperatives. A team-based and joint-effort by the U.S. cooperative development organizations will help make possible the improvement and expansion of cooperatives' services to Palestinian members as well as encouragement for the creation of new cooperatives to provide services not presently available to the WBG population.

CDP technical assistance will include coaching, tutoring, on-the-spot business and operational consulting and fixing, trouble-shooting and feasibility studies. The emphasis will be on profit-center management and encouraging cooperative directors, managers and leaders to be entrepreneurial and innovative.

Training and short-term technical assistance are needed for cooperative housing leadership, boards and other key leaders to comprehend basic cooperative housing concepts and methods; identify, quantify and prioritize their short- and long-term objectives; mobilize savings and help identify new sources of funds for their priority needs; examine alternative and progressive solutions to existing problems, including options such as mutual and individual self help.

The WBG cooperatives have been subjected over many years to varying degrees of government benevolence and support. This history has produced a cooperative training audience that is both anxious to see immediate training results and somewhat disillusioned because of past experience and disappointments. A fundamental task of CDP is to cause attitudes to change.

Training is designed to improve the attitude and morale of the cooperatives' management teams and employees in order to prepare them to take advantage of future opportunities.

## **B. Strategy**

### **1. Short-and Long-Term Technical Assistance**

The strategy CDP has adopted involves the use of U.S. and Palestinian cooperative experts. There are many highly educated and technically competent Palestinians, but few have had the specialized training to relate their professional training to the cooperative mode of business operations. To strengthen these Palestinian cooperative human resources, CDP will continue to use consultants from among the ranks of the U.S. cooperative development organizations which are supporting CDP.

On a selective basis, key Palestinians will be sent to U.S. and third countries for appropriate training. It is felt that Cyprus may be an appropriate training site for marketing agricultural products and the cooperatives there are prepared to assist.

### **2. Credit/Finance/Savings**

Until recently, formal banking institutions have not operated on a locally owned basis for at least two decades in the WBG. A multi-currency arrangement is in place which utilizes Israeli and Jordanian currencies as well as U.S. dollars. Savings, whether earned or transferred from abroad, have been used within the family structure.

The widespread lack of a firm discipline on the repayment of loans (mostly from the Joint Committee made available through JCO) has fostered cooperative operations without sufficient concern for profitability. These attitudes are being countered by a CDP emphasis in training on the development of the disciplines required to foster profitable self-sustaining operations. CDP will focus on the development of greater accountability and team efforts within a cooperative's management to generate more business, improved efficiency of operations and additional profit for the cooperative.

Many cooperatives use a reporting format which treats losses from operations as an asset (an account receivable). Seminars will create better understanding of the financial reports and the use of this information as a tool for the management team to improve operations. Thus far, some participants have supported the suggested changes in the cooperative reporting format and the use of key ratios in the monitoring of operations.

CDP's objective is to develop the practical tools of financial management in order to improve the combination of financial resources for cooperative members in the future. Its



goal in this area is to help re-establish savings institutions as a more efficient method of utilizing funds for set periods of time. So that traditional trust can be restored to the lending area, education and training in this field will include efforts to get the current responsibility expected of the cooperative extended to the individual. The CDP program for cooperative education and training will be to continue the workshops in basic financial management and in agricultural credit management. There are differences in the types of credits for cooperatives. For example, credit for agriculture, housing and credit cooperatives would be different because of the purpose of the cooperative members. Therefore, training programs will have to be designed according to the needs of the audience.

### 3. Marketing

Existing regional marketing cooperatives do little marketing. Rather they serve as agents for regulating the flow of exports to Jordan. Their main function is to issue permits allowing the shipment of agricultural products into Jordan by open, pre-1967 vehicles. Israeli policies prohibit marketing of West Bank produce in Israel, except in very special cases, and security concerns complicate the overland shipment of unrefrigerated agricultural goods to Jordan. Several Palestine efforts to market agricultural products to Western Europe have been frustrated. However, the European Common Market (EEC) has initiated actions that, in time, may lead to direct exports to EEC.

CDP's marketing strategy is still evolving and under discussion with cooperative leadership and members. A similar step-by-step approach will be undertaken by CDP before expanding its activities in the marketing area. In the meantime, CDP emphasis will be on marketing training. The CDP approach is to build the appropriate philosophy within the existing cooperatives from producers to managers and to create the capability to market their agricultural and non-agricultural products. The emphasis is on organization and performance.

It is recognized that one of the key constraints in the agricultural sector is marketing. But this is influenced by national policies of Jordan and Israel. Another problem is lack of medium and long-term credit and viable financial institutions. These are key ingredients to overcoming the problems facing the West Bank agricultural marketing cooperatives. Other PVOs and international organizations have attempted to assist the cooperatives to market their goods, without success. CDP believes that without responsible "disciplined" credit, proper national policies, removal of political obstacles and viable financial institutions, only minor progress can be expected.

Until these elements are set in place, a major activity in marketing has little chance of being effective. However, CDP will continue to build a base of trained manpower in credit, production, field education, and marketing in order to achieve readiness when marketing opportunities finally do emerge. The Western European market may eventually open for Palestinian products and the farmers and cooperatives must be prepared for this eventuality and be encouraged to work to make it a reality. The training provided by CDP will include elementary and advanced principles of marketing, grading, storage and processing, market information systems and computerization.

Even though not involved in EEC markets yet, the Palestinian cooperatives must be exposed to and trained in international standards, EEC sanitary regulations, proper application of insecticides applicable to Europe, etc. There will also be a need for part-time Palestinian training specialists to carry out and participate in seminars and to provide technical assistance to local cooperative societies.

Gaza citrus producers (who now directly export to Eastern Europe), Jericho vegetable producers and Gaza strawberry cooperatives (who now produce and pack for export via Israeli marketing organizations), and Israeli Arab entrepreneurs (who produce and export agricultural products to Western Europe) may be used to provide short-term training and technical assistance.

### 3. Institutionalization of Training Program

#### a. Field Educators

Extension and research are linked services that are quite commonly provided by cooperatives for their members. Normally, research is government-supported, often carried out in universities or in specialized research centers. Extension, also, can be found within governmental supports to the agricultural sector. No universities in the West Bank and Gaza, however, have the capability to carry out the kind of applied research necessary to support an active extension function. The extension service of the Israeli Civil Administration's Department of Agriculture has dwindled to a level where it is ineffective.

Although the original CDP proposal called for ten to twelve extension agronomists to be employed in CDP to provide technical assistance and education to the cooperatives, the sector analysis of extension services available in the West Bank and Gaza carried out by a CDP consultant indicated that a number of extension agents were already available to cooperatives. The consultant

noted that they had not received upgrading training and also that they had few if any facilities to conduct effective extension programming. Nonetheless, the first recommendation was that cooperatives should take the initiative to make better use of the available expertise.

In addition, the CDP consultant found gaps in areas of extension service presently available to cooperatives. Filling such gaps is the goal of this proposal. Due to the constraints on research in the WBG, the primary focus of a CDP field program will be to deliver training in technical, cooperative, and management areas. Hence the term "field educator" is used in place of the more common terms, "extensionist or extension agent", thereby indicating a complementary rather than a competitive role for the CDP educator.

#### b. The Institution

Given the situation at the time of writing this extension proposal, CDP proposes to work toward the establishment of a non-profit organization to provide training services to cooperatives. This is preferred over a cooperative union or federation as it may avoid the necessity of registration from either side. Cooperative practice will be built in to the by-laws of the organization.

CDP's job is to be the catalyst for the attitude changes needed to generate local support and funding for such an organization. A first concrete step would be to implement the recommendation of one of the sectoral consultants and form a CDP Advisory Council from cooperative board members. which would evolve into a Board of Directors.

One source of funding is the percentage of excess surplus each cooperative is required to set aside for training and education. At present, this set-aside would not go very far. If CDP's management, credit, and marketing efforts are successful, however, cooperative funding could become a significant amount.

A second source of support is fees collected for services offered. CDP plans to move slowly in the direction of charging for training and for the services of Field Educators. It must move slowly because this is contrary to 20 to 40 years of reinforcement of the idea that the international community must support Palestinians' "steadfastness" (solidarity) in the WBG and has the responsibility to provide various types of support.

These local sources of support will not be sufficient to maintain an effective training and education program, even with some materials and equipment provided by CDP. One major role of

the organization will be fundraising. Fund-raising is a major function of most non-profit organizations throughout the world and is a normal practice by cooperative development, extension and education organizations, world-wide, in supporting their non-business training and education programs.

A second concrete step that the CDP plans to take is to ensure that salaries of Palestinian employees are at a level commensurate with the local employment market, and thus can be maintained when CDP comes to an end.

A third step that CDP is exploring is to fund scholarships for three qualified individuals to complete Master's Degree programs in the United States in Cooperative Business, Extension, and Human Resource Development. These programs should include work experience with cooperative members of U.S. CDOs and the CDOs themselves. Upon return to WBG, these three individuals would be the professional cadre with the necessary specializations to administer an effective training program. They would be a source of adaptation, innovation and encouragement.

#### 4. "TRAIN"

As a new concept, this proposal for an extension of the current project will also provide for the establishment and implementation of a Training Resources And Information Network (TRAIN), a material resource unit which will develop and provide training and informational materials to cooperatives. (See section VI.C for description).

This concept was recommended by the internal evaluation conducted by an independent consultant in mid 1987.

#### 5. Model Cooperatives

This is another new concept not considered in the original proposal. By the start of next year, CDP will designate a few model (demonstration) cooperatives in which training and technical assistance efforts will be intensified.

Cooperatives in the following sectors will be identified:

- Marketing
- Agriculture
- Dairy
- Housing
- Women's Activities
- Electric
- Credit/Savings

CDP will focus follow-up efforts to ensure that the lessons learned in training sessions will be applied in cooperatives. It is expected that those cooperatives willing to bring about change will need extra assistance and special efforts of CDP. Over time, the concentrated effort in model cooperatives will demonstrate the feasibility of achieving positive effects as a result of training. Board members, managers and members of other cooperatives will visit the model cooperatives to observe, learn and transfer ideas to their own cooperatives.

## **VI. PROGRAM COMPONENTS**

### **A. Training**

The Sector Analyses studies performed by CDP staff, U.S. and Palestinian consultants in their areas of expertise have disclosed needs for training in the following areas:

#### **- Management Performance:**

basic management and fiscal skills  
training of volunteer management  
planning short and long-term objectives

#### **- Director Performance**

basic skills  
cooperative business operations  
delegation of authority to managers

#### **- Director-Manager Team Performance**

individual and shared responsibilities

#### **- Planning:**

short- and long-term planning  
feasibility studies

#### **- Member Performance:**

benefits/obligations of cooperative membership  
personal business skills (financial management, crop and livestock production, maintenance of equipment)

#### **- Finance**

access to credit  
savings mobilization  
management of credit

financial management  
bookkeeping systems

- Marketing

nature of marketing  
presence in local market  
discipline needed for effective export marketing

- Other Areas

basic skills: operation of cooperative equipment, tools,  
office machines  
legal matters, e.g. applicability of value added tax to  
cooperatives  
cooperative housing concepts and methods  
problem solving

Priority in training will be given to general management skills needed for strengthening cooperatives. Courses will be given for directors to provide a better understanding of their roles and responsibilities and to improve the general level of knowledge about how to establish sound business policies for the cooperatives. Other training will include "how-to" training for directors and managers, the basics of management, bookkeeping and accounting, credit and finance, marketing, cooperative supervision, field education, agricultural machine operations and maintenance.

1. In-country Training

Based on successes in the first stage of the project, emphasis will be given to training courses conducted by CDP staff and Palestinian counterparts. These will be supplemented by U.S. experts when absolutely required.

Targets for this component are shown in Table I.

Table I

In-country Training Targets 1989-1990

(Classes, Courses, Workshops)

Subject	Participants			Participant Days		
	1989	1990	Total	1989	1990	Total
Board Directors	150	150	300	600	600	1,200
Management Skills	60	60	120	600	600	1,200
Accounting (all levels)	150	150	300	390	390	780
Marketing	100	100	200	100	100	200
Credit	100	100	200	200	200	400
Olive Press	30	30	60	30	30	60
Dairy/Livestock	90	90	180	90	90	180
Agricultural Machinery & Pumps	100	100	200	100	100	200
Housing	60	60	120	60	60	120
Electric	<u>80</u>	<u>80</u>	<u>160</u>	<u>80</u>	<u>80</u>	<u>160</u>
<b>TOTAL</b>	<b>920</b>	<b>920</b>	<b>2,250</b>	<b>920</b>	<b>920</b>	<b>2,250</b>

Member and technical education will be handled by the Field Educators on a daily basis. The above represents more formal, classroom-based training.

Table II

U.S. & Third Country Training

Participants - 1989-90

Subject	Length	1989	1990	Total
Marketing	1 month	8		8
Technical Upgrade, Field Educators	1 month	4		4
Financial Management	1 month	4		4
Conferences/Farm Visits	1 month	4	4	8
Credit	1 month		8	8
Cooperative Management	1 month	—	8	8
Total		20	20	40*

\* Actual may be higher if non-U.S.

B. Technical Assistance/U.S. & Palestinian

Long-term technical assistance will consist of three persons for 2 years each (6 person-years). Expatriate consultants will be utilized on a selective basis only when CDP staff and counterparts cannot provide the required expertise. It is projected that a total of 12 person-months of short-term technical assistance will be required over the extended life of the project. A total of 8 person-months of Palestinian short-term technical assistance will be required either as counterparts to U.S. specialists or to conduct specific assignments.



CDP proposes to develop a cadre of field educators to complement existing resources working to support cooperatives in the West Bank and Gaza. The initial areas are marketing, computer applications, dairy processing and agricultural machinery. Other possibilities include irrigation, olive production and housing. Additional fields may be suggested for consideration by WBG cooperators. The maximum that can be handled realistically up to the end of 1988 is four. Four additional field educators, for a total of eight are budgeted for the period 1989-1990.

### C. Training Resources And Information Network (TRAIN)

The internal evaluation recommended the establishment of a materials resource unit which is called, "TRAIN" in this proposal. Educational materials such as posters, informational leaflets, technical bulletins, etc. are rarely found at cooperatives, meeting places or government offices. These are essential for member education and for increasing technical knowledge among members and directors. CDP has also identified the need for more visual aids, videos, and teaching hand-outs. As the training pace increases, there will be a growing demand on CDP staff to conduct training which will be beyond its core staff to provide. There will be a demand for producing modules and training materials for the Palestinian cooperative leaders to pass on for training purposes to members of their cooperatives, their key leaders and to community cooperatives to help meet difficult training needs. Such resources will be necessary to supplement CDP staff and counterparts. Some of the material resources that would be needed are:

- a. Visual Aids - for step-by-step teaching, increasing awareness and participation in cooperatives.
- b. Technical Bulletins - use of pesticides/insecticides, teaching drip irrigation methods, storage, milk collection, etc.
- c. Videos - To demonstrate good practices such as care of citrus orchards, proper vaccination techniques, care of livestock, etc.

The production of these modules and resources include field testing, monitoring for the continuous upgrading of earlier modules, as well as impact evaluation and distribution.

CDP already has some experience in the production of two general information videos.

There is a dearth of books and other publications on cooperatives, finance, and other technical subjects that are vital to the interests of WBG cooperatives. It is proposed to install a library of useful publications.

#### D. Housing

In the cooperative housing sector, priority will be placed on encouraging the cooperatives to establish a Central Housing Organization or union to assist present and future cooperative housing endeavors in the West Bank. Stemming from recommendations from CDP workshops, housing cooperative leadership may identify needs such as technical assistance, training to establish the entity.

#### E. Credit/Finance/Management

A long-term team member, a specialist in credit and finance, has been assigned to the CDP. He will help cooperative members determine the priority of savings and credit needs and the appropriate alternatives to handle them and attempt to put in place a more disciplined credit system for cooperatives. CDP will work closely and expects to collaborate directly with ANERA's proposed "Agricultural Marketing Revolving Fund" project.

### VII. ADMINISTRATION

The project will be administered by Agricultural Cooperative Development International on behalf of the U.S. cooperative organizations. ACDI will call on the expertise of other cooperative organizations, especially when technical assistance or training involves non-agricultural sectors. Because of the complexities of working on WBG, the project will involve extensive oversight and input by Washington-based senior staff of cooperative development organizations. The project will be coordinated by the U.S. Overseas Cooperative Development Committee which will have one representative visit the project annually for evaluation purposes. The ACDI vice president will backstop the CDP team and will visit the project twice a year in connection with other regional travel.

### VIII. EVALUATION

CDP has conducted a beginning of project report which is now termed the "cooperative evaluation system". Quantitative and qualitative data has been collected on the cooperatives in the

West Bank and Gaza. The assessment identified beginning of project indicators, such as, number of cooperatives, total membership, share investment, production levels, outputs, profits, etc. The report has established the information base from which project impact may be judged at the end of the project.

There will be two types of evaluation -- process and end-of-project. The project team will develop a management system to track this data throughout the life of the project. A questionnaire will be designed for gathering data from which to assess the status of cooperatives and management skills. This data will be the source for end-of-project evaluation. Supervisory visits will document project progress. Feedback to the project will be provided by the OCDC advisory committee and periodic visits of the ACDI project backstopping staff.

The end-of-project evaluation will be undertaken with an evaluator chosen in consultation with AID.

IX. LOGICAL FRAMEWORK

COOPERATIVE DEVELOPMENT PROJECT  
WEST BANK & GAZA

GRANT NO: ANK-0159-G-SS-6020-00

LIFE OF PROJECT: FEB '86 - DEC '90

Narrative Summary	Indicators	Verification Means	Assumptions
Program Goal			A. No adverse political changes occur in the region.
Increase the income and thereby improve the well-being of members of Palestinian cooperatives.			
Project Purpose	(End of Project Situation)		
Increase the number of successful cooperatives in the West Bank and Gaza and the number of members served.	<ol style="list-style-type: none"> <li>1. Increase of 10% over baseline in total cooperative membership in West Bank and Gaza.</li> <li>2. Increase of 10% over baseline in cooperatives reporting profitable operations.</li> <li>3. Increase in the number and types of services cooperatives offer to their members.</li> <li>4. Improved volume of business, resulting in part from improved marketing performance locally, in Amman and EEC.</li> <li>5. Appropriate entities identified to continue program of cooperative training and education in the West Bank and Gaza.</li> <li>6. Project tracking/impact system reflects Project benefits exceeding project costs.</li> <li>7. Credit Component: A "sound credit" approach is in place among West Bank and Gaza cooperatives.</li> <li>8. Credit Component: One village savings and credit cooperative is operating successfully and a plan is ready to develop similar societies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Project database and cooperatives' records.</li> <li>2. Project database and cooperatives' records.</li> <li>3. Visit cooperatives, interview staff and members.</li> <li>4. Cooperatives' records, Government of Jordan data on Amman Central Market.</li> <li>5. Meet officials of identified entities.</li> <li>6. Review status report.</li> <li>7. Project documents, cooperative records.</li> <li>8. Visit cooperative, Project documents.</li> </ol>	<ol style="list-style-type: none"> <li>A. Successful cooperatives increase income and economic and social well-being of members.</li> <li>B. Overall economic situation in region does not deteriorate.</li> <li>C. Authorities encourage cooperative development.</li> <li>D. Authorities permit direct export to EEC of agricultural produce.</li> </ol>

Narrative Summary	Indicators	Verification Means	Assumptions
<b>Project Outputs</b>			
<p>1. Improved basic systems in place in cooperatives for:</p> <ul style="list-style-type: none"> <li>a. Management &amp; Operations</li> <li>b. Accounting &amp; MIS</li> <li>c. Credit Administration incl. Village Savings Pilot</li> <li>d. Marketing</li> <li>e. Cooperative Education for Members</li> </ul> <p>2. Cooperative managers, staff, directors, and members trained in cooperative principles and basic systems.</p> <p>3. Performance evaluation system in place for individual cooperatives.</p> <p>4. Cooperative library established.</p> <p>5. Studies completed:</p> <ul style="list-style-type: none"> <li>a. Cooperative Information (database)</li> <li>b. Financial Institutions in WBG</li> <li>c. Economy of West Bank and Gaza</li> <li>d. Institutionalization of Training</li> <li>e. Role of Women</li> <li>f. Project Tracking/Impact</li> </ul>	<p>1. 15 fully qualified Palestinian trainers.</p> <ul style="list-style-type: none"> <li>1a. 50% of coops using management system.</li> <li>1b. 50% of coops using accounting MIS system.</li> <li>1c. 5 regional marketing coops using marketing system.</li> <li>1d. 50% of coops have installed coop education program for members.</li> <li>1e. 75% of coops with funds for credit using credit administration system. A new village cooperative savings and credit pilot unit is operating.</li> </ul> <p>2. Successful completion of relevant training by:  80% of cooperative managers  80% of cooperative accountants and treasurers  50% of cooperative directors  60% of staff with technical responsibilities.  80% of staff involved with credit programs.</p> <p>3. Cooperative rankings and awards</p> <p>4. Historical and current descriptive data and other information on cooperatives in the West Bank and Gaza as well as on the international cooperative movement.</p> <p>5. Project documents</p>	<p>1. Visit cooperatives, interview staff and members.</p> <p>2. Project training materials and records.</p> <p>3. Project documents.</p> <p>4. Visit library.</p>	<p>A. New systems for management, accounting MIS, marketing, cooperative education, and credit administration improve performance of cooperatives.</p> <p>B. Cooperatives follow open membership policy.</p> <p>C. Improved performance of cooperatives will attract new members.</p>

Narrative Summary	Indicators	Verification Means	Assumptions
<b>Project Inputs</b>			
<b>I. Staff</b>			
<b>Person-Months</b>			
<b>A. Long-term (Expatriate)</b>			<b>A. Staff design and deliver effective and acceptable cooperative systems and training in management &amp; operations, accounting &amp; MIS, marketing, credit administration, and cooperative education.</b>
1. Coop Management Specialist (COP)	56	<b>Projects Documents, Records</b>	
2. Management Training Specialist	53		
3. Credit Systems Specialist	39		
<b>B. Long-term (Local)</b>			
1. Office Manager	55		
2. Secretary	54		
3. Secretary	33		
4. Bookkeeper	30		
5. Coop Educators	144		
6. Coop Educators	96		
<b>C. Short-term (Expatriate and Local)</b>			<b>B. Qualified Palestinians are available and can be employed as Project staff.</b>
1. Baseline			<b>C. Funding is available at projected levels and provides adequate physical and human resources.</b>
a. Project Start-up	2		
b. Credit/Finance	1		
c. Marketing	2		
d. Coop Management/Operations	2		
e. Coop Education	2		
f. Village Electrification	1		
g. Project Tracking/Impact/WID	1		
h. Coop Housing	2		
2. Systems Development			<b>D. Palestinian cooperators can and will attend training and other Project activities in the West Bank, Gaza and elsewhere.</b>
a. Management & Operations	4		
b. Accounting & MIS	2		
c. Credit Admin. & Village Savings	2		
d. Marketing	4		
e. Train Trainers/Trng Administration	2		
3. Trainers in Coop Principles and:			<b>E. Authorities continue to permit Project to carry out planned activities.</b>
a. Coop Management	6		
b. Accounting/MIS/Auditing	2		
c. Marketing	2		
d. Technical Equipment etc.	1		
4. Others as Needs Assessment Determines	8		<b>F. Credit Component: All concerned parties reach agreement on sound credit approach and Credit Systems Specialist is employed.</b>
<b>II. U.S. &amp; Third Country Training</b>	53		
<b>III. Commodities/Equipment</b>			
a. Vehicles	4		
b. Training Equip. & Supplies	\$ 20,000		
c. Computer & Software	3,000		
d. Books, Materials, etc. on Coops	20,000		

**AGRICULTURAL COOPERATIVE DEVELOPMENT INTERNATIONAL (ACDI)**  
**TWO YEAR EXTENSION BUDGET**  
**COOPERATIVE DEVELOPMENT PROJECT**  
**WEST BANK AND GAZA**

SUMMARY BUDGET	1989	1990	TOTAL
1. SALARIES	110,625	117,265	227,890
2. PAYROLL ADDED COSTS	31,780	33,672	65,452
3. ALLOWANCES	77,450	55,965	133,415
4. TRAVEL, PER DIEM & TRANSPORTATION	35,424	32,567	67,991
5. ACDI CONSULTANTS	53,080	53,080	106,160
6. TRAINING	321,500	321,500	643,000
7. COMMODITIES	22,000	22,000	44,000
8. LOCAL & OTHER DIRECT COSTS	276,200	316,600	592,800
9. SUB TOTAL	928,059	952,649	1,880,708
10. INDIRECT COSTS	334,101	342,954	677,055
11. TOTAL ACDI	1,262,160	1,295,603	2,557,763
12. CDO SUBCONTRACTORS	218,347	218,893	437,240
13. TOTAL PROJECT EXTENSION BUDGET	1,480,507	1,514,496	2,995,003

1. SALARIES	1989	1990	TOTAL
-----			
(Assume 6% increase/year)			
Chief of Party	55,000	58,300	113,300
Credit Advisor	50,000	53,000	103,000
HQ Administrative Support Lewis - \$3,750/mo. x 1.5	5,625	5,965	11,590
TOTAL SALARIES	110,625	117,265	227,890

2. PAYROLL ADDED  
COSTS

(Assume 6% increase/year)

Chief of Party (27% salary)	16,200	17,172	33,372
Credit Advisor (27% salary)	13,500	14,310	27,810
Lewis - Holiday Leave Benefit (37% salary)	2,080	2,200	4,280
TOTAL PAYROLL ADDED	31,780	33,682	65,462



3. ALLOWANCES	1989	1990	TOTAL
-----			
(Assume 3% increase/year)			
Chief of Party TQA (2 adults) \$51 + \$8 x 90 days/person	10,620	3,540	14,160
Credit Advisor TQA (2 adults, 1 child) \$51 + \$8 x 90 days/person	15,930	5,310	21,240
Housing Allowance \$1,400/mo./expat. X 2	33,600	34,610	68,210
Storage \$200/mo./expat.	4,800	4,950	9,750
Interim storage of HHE \$1,000/expatriate	2,000	2,000	4,000
Post Allowance - Chief of Party	960	990	1,950
Post Allowance - Credit Advisor	840	865	1,705
Education Allowance (\$3,700/yr./child)	3,700	3,700	7,400
Misc. Allowance - Furniture & Fix-up (\$2,500/each)	5,000		5,000
-----			
TOTAL ALLOWANCES	77,450	55,965	133,415

4. TRAVEL, PER DIEM & TRANSPORTATION

a. Travel:	1989	1990	TOTAL
-----			
(Assume 3% increase/year)			
To/From Post 2 families Ohio/Jerusalem @ \$1,000/each	5,000	5,150	10,150
R & R 2 families Athens (5 x \$650 R/T)	3,600		3,600
COP Washington Consultation \$ 1,650 R/T	1,650	1,700	3,350
ACDI Supervisory travel (connected with regional travel) \$ 900 X 2 trips	1,800	1,850	3,650
OCDC Supervisory travel \$ 1,650 R/T	1,650	1,700	3,350
Emergency Leave		2,000	2,000
-----			
TOTAL TRAVEL	13,700	12,400	26,100
b. Per diem:			
Briefing/Debriefing Team members	2,925		2,925
COP Annual D.C. Consultation (\$117/day x 5 days)	585	602	1,187
ACDI Supervisory Travel (2 trips) (\$104/day x 14 days)	1,456	1,500	2,956
OCDC Supervisory Travel (\$104 days x 7 days)	728	750	1,478
-----			
TOTAL PER DIEM	5,694	2,852	8,546

c. Transportation:	1989	1990	TOTAL
(Assume 8% increase/year)			
Shipment HHE, surface and airfreight (2 families)	16,030	17,315	33,345
TOTAL TRANSPORTATION	16,030	17,315	33,345
TOTAL TRAVEL, PER DIEM, & TRANSPORTATION	35,424	32,567	67,991

5. CONSULTANTS	1989	1990	TOTAL
-----			
Fees @ \$250/day x 25 days (3 consultancies/year)	18,750	18,750	37,500
D.B.A. (5.5%)	1,030	1,030	2,060
Airfares @ \$2,000 R/T	6,000	6,000	12,000
Per diem (30 days @ \$110 x 3)	9,900	9,900	19,800
Report Preparation	1,500	1,500	3,000
Miscellaneous (visas, physicals, etc.)	900	900	1,800
-----			
TOTAL ACDI EXPATRIATE CONSULTANTS	38,080	38,080	76,160
PALESTINIAN CONSULTANTS (4 person months/year) \$150/person x 25 days x 4 months	15,000	15,000	30,000
-----			
TOTAL ACDI CONSULTANTS	53,080	53,080	106,160

6. TRAINING	1989	1990	TOTAL
-----			
a. Local:			
Resident courses (1450 person days x \$85)	123,250	123,250	246,500
Non-resident courses (775 person days x \$25)	19,375	19,375	38,750
Trainers fees	37,375	37,375	74,750
-----			
TOTAL LOCAL TRAINING	180,000	180,000	360,000
b. U.S. & Third Country:			
(20 Participants/year)			
Airfares @ \$2,000	40,000	40,000	80,000
Per diem (\$65 x 25 days)	32,500	32,500	65,000
(\$90 x 5 days)	9,000	9,000	18,000
HAC ( \$40)	800	800	1,600
Shipment of books @ \$60	1,200	1,200	2,400
Domestic airfares @ \$600	12,000	12,000	24,000
Courses @ \$2,000	40,000	40,000	80,000
Misc. @ \$300	6,000	6,000	12,000
-----			
TOTAL OVERSEAS TRAINING	141,500	141,500	283,000
-----			
TOTAL TRAINING	321,500	321,500	643,000

7. COMMODITIES	1989	1990	TOTAL
Equipment (Audio visual, printing, etc.)	20,000	20,000	40,000
Shipment	2,000	2,000	4,000
<b>TOTAL COMMODITIES</b>	<b>22,000</b>	<b>22,000</b>	<b>44,000</b>

8. OTHER DIRECT COSTS	1989	1990	TOTAL
SALARIES	117,600	141,600	259,200
PAYROLL ADDED	30,000	37,200	67,200
LOCAL TRAVEL (including Amman)	39,600	46,800	86,400
RENT	18,000	18,000	36,000
OFFICE SUPPLIES	12,000	12,000	24,000
COMMUNICATIONS	18,000	18,000	36,000
UTILITIES	7,200	7,200	14,400
HQ COMMUNICATIONS	12,000	12,000	24,000
BANK FEES	9,800	11,800	21,600
OTHER	12,000	12,000	24,000
<b>TOTAL OTHER DIRECT COSTS</b>	<b>264,200</b>	<b>304,600</b>	<b>568,800</b>
9. SUB TOTAL (1-8)	907,524	932,119	1,839,643
10. INDIRECT COSTS (36% Sub Total)	326,709	335,563	662,271
11. TOTAL ACIDI (9+10)	1,234,233	1,267,682	2,501,914

12. CDO SUBCONTRACTORS

a. NCBA Subcontract	1989	1990	TOTAL
<b>Salaries</b>			
Training Advisor	50,000	51,500	101,500
Home Office (Monitoring)	1,760	1,866	3,626
<b>TOTAL SALARIES AND WAGES</b>	<b>51,760</b>	<b>53,366</b>	<b>105,126</b>
<b>Fringe Benefits</b>			
Training Advisor	13,500	13,905	27,405
Home Office	299	317	616
<b>TOTAL FRINGE BENEFITS</b>	<b>13,799</b>	<b>14,222</b>	<b>28,021</b>
<b>Travel and Transportation</b>			
From Post to US (2 1/2 person)		3,600	3,600
Home Leave	5,000		5,000
R & R		5,000	5,000
Emergency travel		2,060	2,060
Transport HHE		7,500	7,500
Transport Air freight	3,000	3,090	6,090
Storage HHE in US	1,200	1,236	2,436
HHE from storage to home		750	750
Passports, visas, taxes	100	103	203
<b>TOTAL TRAVEL AND TRANS.</b>	<b>9,300</b>	<b>23,339</b>	<b>32,639</b>
<b>Allowances</b>			
Post allowance	1,030	1,061	2,091
Quarters and utilities	22,000	22,660	44,660
Housing repairs	2,500		2,500
Education allowance	4,500	4,635	9,135
<b>TOTAL ALLOWANCES</b>	<b>30,030</b>	<b>28,356</b>	<b>58,386</b>
<b>Other Direct Costs</b>			
Communications	1,200	1,236	2,436
Physical exams		400	400
Miscellaneous	300	309	609
<b>TOTAL DIRECT COSTS</b>	<b>1,500</b>	<b>1,945</b>	<b>3,445</b>
<b>TOTAL BURDENABLE DIRECT COSTS</b>	<b>106,389</b>	<b>121,228</b>	<b>227,617</b>
<b>Overhead (39.99% B.D.C.)</b>	<b>42,545</b>	<b>48,479</b>	<b>91,024</b>
<b>Procurements</b>	<b>20,000</b>		<b>20,000</b>
(Books, Equipment)			
<b>General &amp; Admin. Costs</b>			
2.95% (B.D.C. + PROC.)	3,833	3,606	7,439
<b>TOTAL NCBA</b>	<b>172,767</b>	<b>173,313</b>	<b>346,080</b>



<b>b. OTHER CDOs</b>	<b>1989</b>	<b>1990</b>	<b>TOTAL</b>
<b>Fees @ \$250/day x 25 days (3 consultancies/year)</b>	<b>18,750</b>	<b>18,750</b>	<b>37,500</b>
<b>CDO Overhead (Average 40%)</b>	<b>7,500</b>	<b>7,500</b>	<b>15,000</b>
<b>D.B.A. (5.5%)</b>	<b>1,030</b>	<b>1,030</b>	<b>2,060</b>
<b>Airfares @ \$2,000 R/T</b>	<b>6,000</b>	<b>6,000</b>	<b>12,000</b>
<b>Per diem (30 days @ \$110 x 3)</b>	<b>9,900</b>	<b>9,900</b>	<b>19,800</b>
<b>Report Preparation</b>	<b>1,500</b>	<b>1,500</b>	<b>3,000</b>
<b>Miscellaneous</b>	<b>900</b>	<b>900</b>	<b>1,800</b>
<b>TOTAL OTHER CDOs</b>	<b>45,580</b>	<b>45,580</b>	<b>91,160</b>
<b>TOTAL CDO SUBCONTRACTORS</b>	<b>218,347</b>	<b>218,893</b>	<b>437,240</b>