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Policy Development : Government Co-operative Collaboration on Co-operative Competitive Strength

Prepared by

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PROJECT SUBMISSION

Project Title : **POLICY DEVELOPMENT : GOVERNMENT-CO OPERATIVE COLLABORATION FOCUSING ON COOPERATIVE COMPETITIVE STRENGTH.**

Country/Project Location : **Asia and the Pacific Region**

Canadian Partner Organization : **Canadian Co-operative Association (CCA)**

Partner Organization : **International Co-operative Alliance, Regional Office for Asia and the Pacific (ICA ROAP)**

Person Responsible : **Messrs. G.K. Sharma and Robby Tulus ICA ROAP Regional Director & Senior Policy Advisor, New Delhi 110065, India.**

Funding Source : **CCA Blockfund**

CCA/CIDA Contribution : **Cdn \$ 246,050**

Local Contribution : **Cdn \$ 818,000**

Other sources : **Cdn \$ 204,000**

Total Project Cost : **Cdn \$ 1,268,050**

Duration (years) : **January 1995 - December 1996.**

Prepared by : **Robby Tulus**

Submitted by : **Zilla Potivongsajarn**

Department Recommendation/Approval _____

Date : _____

I. EXECUTIVE SUMMARY

The agenda of Co-operative legislation addressed during the past three Ministerial Conferences in Asia and the Pacific region has been constructive, in large part due to policy reforms effected by informed governments. The conceptual understanding of economic democracy was brought to bear on governments in the region by way of constructive debate during regional consultations, and subsequently endorsed by Ministers at their Co-operative Summits, the last one being held in Colombo, Sri Lanka, in July 1994.

A comprehensive study on Co-operative legislation conducted by ICA in six Asian countries, sponsored by CCA in 1990/91, bore evidence of the many weaknesses prevalent in co-op legislation among the developing nations in Asia. These weaknesses were further compounded by virtue of excessive control of co-operatives exercised by governments, and paternalistic interventions by political forces in those countries. By contrast, the study also showed that where autonomy and independence are granted to co-operatives - such as is the case in Japan - it will only stimulate further growth and development of the entire co-operative system.

The ICA ROAP study was presented and debated at the Regional Consultation in Manila in November 1991, and addressed at the Co-operative Ministers Conference in Jakarta in February 1992. As a result of the open discussion between government and movement, co-operative laws in various countries such as the Philippines, Indonesia, Sri Lanka, Fiji, and Malaysia, underwent fundamental changes. The passage of new laws in these five countries gave way to more independence and autonomy of the co-operative system. In India, Japan, Thailand, Myanmar, and Vietnam, new legislative amendments, and in some cases new laws, have been drafted and are still being actively processed for debate in their respective parliaments. In addition, governments which are relatively new in promoting sound co-operative legislation such as in Iran, Iraq, Kuwait, Jordan, Uzbekistan, Egypt, and Myanmar, have been well exposed during these Conferences and thus learned more expediently about the intricate processes associated with drafting and enacting co-operative legislation. In short, the conceptual understanding of economic democracy, and the need for a more enabling legislation, seemed to have been adequately perceived by most governments on account of their active participation in all three Co-operative Ministers' Conferences: Sydney in 1990, Jakarta in 1992 and Colombo in 1994.

The above qualitative results and impact of the Ministers Conferences can also be measured in quantifiable terms by way of the actual laws and legislative amendments drafted and produced for prompt enactment. These results were made possible not only because of the strategic means chosen and utilized, but also because of timely follow up actions conducted by ICA ROAP. CCA has been particularly strategic in sponsoring ICA ROAP to carry out focused activities on legislation, which led to the success of both the "Jakarta and Colombo Conferences".

The choice of activities funded by CCA were adeptly formulated from the start, and SDID complemented the sub-regional seminars to increase its effective delivery. The project started with a regional survey backed by sufficient baseline data, followed by five national workshops

and additional in-country consultations, then followed by two sub-regional workshops (ASEAN & SAARC), and eventually reviewed and synthesized at the Asia Pacific regional consultation in Kuala Lumpur. All of the above activities were conducted on schedule between July 1993 and April 1994. These string of activities culminated in the Colombo Ministerial Conference in July of 1994. The qualitative results (impact) have been significant in terms of increased democratic functioning of co-operatives, increased autonomy, and more effective governance by the co-operatives themselves.

The "Colombo Conference" was a watershed. It issued a declaration which stresses the importance of "legislative, administrative, and structural measures to ensure economic viability and competitiveness of co-operatives". With increased autonomy and independence introduced by the above legislative changes, co-operatives are also better positioned to face the bitter challenges of market-oriented economy and the aftermath of structural adjustment programs. The Colombo Conference introduced and debated the compelling and profound issue of Co-operative Competitiveness in the market-oriented economy for the first time.

Results of the debate are encouraging. It is this new dimension which prompted the submission of this second phase project. Cognizant of the fact that Co-operatives will not by themselves become competitive as a result of structural adjustment programs administered by many governments in the region, this project proposes several strategic objectives and activities to increase the competitive strength and equal positioning of co-operatives with the other economic sectors.

The project intends to emulate the "just do it" concept of "NIKE", generating more action than just talk and documents. In this context ICA ROAP proposes that - in collaboration with CCA and other interested sponsors - it envisions to "attain the competitive position of co-operatives in select pilot countries, namely Vietnam, India/Sri Lanka, Indonesia, Malaysia, and Fiji/Tonga". India & Sri Lanka, as well as Fiji & Tonga, are interchangeable due to its proximity, cultural similarities, and the stage of maturation in their co-operative development programs. Proven successes in other member countries such as in Japan, Singapore, China, Korea, and Australia will also be effectively utilized as practical models; Two co-operative laboratories for this particular project will be organized in India/Sri Lanka and in Malaysia/Indonesia. Strategic means will include the conduct of national symposiums, internships, sub-regional seminars, and one regional consultation. ICA ROAP will also employ the positive results of the **ASIA REGIONAL ENTERPRISE WORKSHOP** of CCA scheduled for early 1995 in Vietnam. Government support in both policy development and financial assistance will be actively sought for growth in the respective pilot countries. Impact monitoring will be enforced to ensure that shortcomings will be promptly corrected and major decisions followed up on.

The major output of the project within the next 24 months (i.e. realistic start up of February 1995 and anticipated completion in January 1997) will be a **succinct policy guideline** and a **code of conduct** that will propel the formation of business alliances, joint ventures and increased professional management among co-operatives in the region, and as well with interested co-operative organizations in other regions where feasible. Focus will be placed on the financial co-operative sector (banking and credit unions), as well as on technological,

agricultural and consumer co-operatives. Where Asian Development Bank funds can be tapped, ICA ROAP will do so with the technical guidance and assistance of CCA. The results of the national and sub-regional activities will be addressed and debated at the Regional Consultation, and presented for endorsement at the Fourth Co-operative Ministers' Conference in Thailand scheduled for late 1996 or early 1997.

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II. DESCRIPTION OF PROJECT

A. BACKGROUND

By the end of this century, more than 60% of humanity will live on the landmass of Asia. Out of some 3.75 billion Asians most will still be poor : one in every three Chinese and one in every four Indian. By contrast, the rich will be relatively few : approximately 130 million Japanese, 80 million Koreans, 3 Million in Singapore, 25 million Chinese in Taiwan, and 6 million Chinese in Hong Kong. Their quality of life will be matched or exceeded in the region only by the Australians and New Zealanders, whose claims to be part of Asia are recent and often disputed.

In the early 1980s Asia's share of the world economy was roughly one-fifth; by the end of 1980s it was over a quarter; and by the end of the century it will be around a third. By almost every yardstick Asia and the Pacific has been home to the most impressive economic growth in history : Japan, China, and the "Asian dragons" of Hong Kong, South Korea, Singapore and Taiwan, have all managed, since the end of the second world war, to double their economic output within a single decade, and have done so more than once. By contrast, no country - not even America in the last century - had managed it even once before.

However, economic development will involve political change. Political stability is a prerequisite for rapid economic development, but such development inevitably brings political strains such as the pro-democracy demonstrations in China, Thailand, and South Korea. Moreover, when economic success is achieved, it brings strains of a different form, witness western - especially American - complaints over the persistent trade surpluses of Japan.

Despite broad benefits which will flow from the economic growth in the region, the incidence of poverty is still prevalent. Of more than one billion poor people in the developing world, 800 million people live in the Asia Pacific region. The global economy, which has given rise to an expanded middle class with new aspirations and expectations, yet slow in mitigating the high incidence of poverty in the region, must be addressed by co-operatives in the broader context of the next phase of development.

Take for example the number of individual membership of ICA ROAP members in the region. It has reached 509,904,150 people by September 1994. Assuming that 50% belong to the middle class category and 40% still among the relatively poor, it means that well over 200 million members still need basic services and social infra structure programming. Where women are concerned, their subordinated roles must be empowered to gain access and control of resources equal to men. Structural adjustment programs, which are implemented as a consequence of economic globalization and debt-reducing policies in most of the developing nations, have far reaching impact on many co-operatives in terms of increased marginalization of low income members, limited capital base and -- in many cases -- outdated management.

While hi-tech revolution and information explosion allow better and cheaper functioning of businesses than ever before, only few countries in Asia have demonstrated a quick renewal and adjustment pace among their co-operative systems. In most developing countries in the region, co-operatives have yet to capture the scientific and technological advancements to cope up with the changing global trends.

B. PARTNER ORGANIZATION

This project will be carried out by the International Co-operative Alliance, Regional Office for Asia and the Pacific (ICA ROAP). The ICA ROAP serves 65 national level organizations from 25 countries representing a membership of over 500 million members. The direct effect of the revised structure of the ICA during its 30th Congress in Tokyo in 1992 is the reallocation of countries into four regions. Consequently, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Turkey, and Uzbekistan have come under the auspices of ICA ROAP regional framework.

Apart from exercising leadership role in the region, the primary role of ICA ROAP in project delivery will be as catalyst. ICA facilitates and coordinates efforts and activities of its members and will not be an implementing agent. This catalytic role includes active coordination of co-operative development efforts within the region and promotion of exchanges and experiences; project identification, formulation and monitoring; promotion towards formation of national apex organizations; organization of workshops, seminars and conferences on specific subjects including support for gender equity programs and environmental protection.

Activities of ICA ROAP are funded by contributions made by a number of co-operative partner agencies for specific technical and promotional programs. The Canadian Co-operative Association has been one of the active partner organizations supporting the technical and facilitative work of ICA ROAP.

A fresh constitution of a new **Regional Assembly** for Asia and the Pacific has been adopted during a regional meeting held in Beijing from April 20 to 23, 1993. Standing rules of this Regional Assembly has been approved by the General Assembly held in Geneva from September 8 to 10, 1993. The first Regional Assembly was schedule to take place in October 1994, but due to the epidemic plague in India it has now been postponed to January 4 to 7, 1995.

C. DESIGN PROCESS

This project proposal was developed by the ICA Regional Office for Asia and the Pacific - in close consultation with CCA - following the Third Asia Pacific Co-operative Ministers Conference held from July 25 to 30, 1994, in Colombo. This Conference was attended by Ministers and government officials in charge of co-operatives, co-operative delegates from 25 countries, and a number of international organizations, including CCA and SDID. Conclusions and recommendations of the Conference affirmed the importance government-cooperative relationship, but gave added focus on the "positioning of co-operatives in the market-oriented economy".

The design of this project is a direct result of the Conclusions and Recommendations pertaining to the latter, which was endorsed by 171 participating delegates.

This current design is to seek practical application of six major conclusions reached at the Colombo Conference, namely :

1. The conference recognizes the need to develop new patterns of relationships with business partners, including transfer of technology, joint ventures, and strategic alliances, within and outside the respective countries;
2. The conference affirms the need for co-operatives to adopt innovative approaches and to use appropriate technologies with the objective of improving efficiency in operations and the quality of their products and services;
3. The conference affirms the need for co-operatives to build ^eintrapreneurial and professional managerial capabilities as a strategy. Assistance from national and international agencies, be they public, parastatal, or private, which have an interest in working with co-operatives, should be tapped;
4. Noting that considerable progress on structural improvements has been achieved in some countries, the Conference recommends that a special technical assistance be sought to study successful experiences in organizational adjustments, and formulate a suitable model for the purposes of improving the structure and organization of co-operatives in the Asia Pacific region;

5. To improve capital mobilization and enhance members' confidence in management integrity of finance-related activities of co-operatives, the government could consider suitable regulatory and institutional framework to ensure the safety and soundness of co-operatives. In this regard, the Conference recommends that relevant studies be conducted. Where necessary, financial assistance from bilateral and multilateral aid organizations should be sought to develop the above mentioned regulatory and institutional model.

6. The ICA ROAP, together with the Canadian Co-operative Association, the Swedish Co-operative Centre, and other development partners, should start making sound policy dialogue with the Asian Development Bank to seek their involvement in co-financing co-operative development activities through technical assistance and study programmes. The Conference noted the need for policy support, especially policies which enhance the image of co-operatives in its entry into the Asia Development Bank and other multilateral agencies.

Recommendations 5 and 6 summed up the importance of the preceding conclusions which essentially encompass important elements concerning policy, legislative, regulatory, business, and funding issues, in order to boost co-operative competitiveness in the market oriented economy.

This project intends to translate the above recommendations in more practical terms, to the extent that it is doable and feasible in the next 24 months period. The feasibility analysis will expand on this matter further.

D. FEASIBILITY ANALYSIS

This project attempts to develop appropriate policies, as well as practical experiences, to strengthen co-operative competitiveness. In other words, it attempts to show a good balance between qualitative and quantitative outputs. The feasibility of the project must therefore be based on the proven capacities of ICA ROAP members in the five pilot countries in Asia to potentially generate good co-operative business products, according to which a sound policy on co-operative competitiveness can evolve.

Malaysia has taken prompt and proactive steps in following up on the recommendations of the Colombo Conference. As recently as October 1994, it has proven itself capable of linking their co-op business community with their counterparts in Canada. Trade deals, however, are yet to be endeavoured. But an MOU between CCA and ANGKASA, plus two additional MOIs (Memorandum of Intent) between the Dairy and Technology sectors have been signed. There is optimism that an actual trade deal can be made.

Vietnam and Indonesia have build initial linkages with business counterparts in Canada and some European countries, and have promoted actual trade deals with Japanese co-operatives.

The Co-operative Business Network of Indonesia and the Saigon Coop from Vietnam have been actively seeking trade opportunities with Canada, while in the meantime both have already made direct export & import links with the Japanese Agricultural Co-operative Organization (Zennoh).

India and Sri Lanka have a multitude of strong co-operatives already doing business with the outside world. NAFED participated at the Trade Expo in Canada, and ^{has} had long standing marketing channels which deal with co-operative and private businesses overseas. SANASA is a well established people-based Credit Co-operative movement which is currently strengthening its business operations to become more competitive with other financial sectors operating in Sri Lanka. Fiji & Tonga ^{is} seems ^{to have} the most potential among the co-operative community in the Pacific region which continues to bank on business opportunities with countries in the Asia region.

The five countries (with India/Sri Lanka and Fiji/Tonga being interchangeable) have been chosen as pilot ^{is} due to their adequate organizational capacities and business potential. It was thought that rather than building on the already successful ones such as Korea, Japan or Singapore, it is more appropriate to strengthen co-operatives in countries which are still making trade and business experiments. As such, both failures and near successes can be documented to assess the extent to which competitive strength can be measured and built upon. A policy could then be drawn up based on the results of these studies.

In all five pilot countries the movements have endured critical times in making co-operative banking a successful experience. Some have credit union experiences based on people's own initiatives, but still limited in their financial exposure and capital base. Insurance has become a hot issue for most of the existing formal co-operative structures in these countries. An attempt to bring the right synergy among these financial co-operative groups would likely stimulate competitiveness within their own financial community to enable them to face outright competition from the other financial sectors. Advanced experiences from countries such as Singapore, Japan, Canada, and Australia would be shared and critically analysed.

Agriculture and consumers co-operatives are still set up in parallel based on the traditional model. Since more and more products are consumer driven, it would be feasible to debate on the merits of a prosumer society, where the link between production and consumption must be forged through an integrated co-operative system. This challenge posed by Alvin Toffler is worth studying and experimenting within the context of this project.

Structural Adjustment Programs by governments in the five selected countries vary more in methods than in principles. Deregulation and privatization has put a squeeze on government spending, a reduction of subsidies, and encouragement of resource allocation through market forces, hence forcing co-operatives to become more competitive in the market place. This project will address this issue and one case in point is in India where IFFCO, following a takeover bid from a private sector company, managed to bring a defunct sugar factory in Madhya Pradesh from previous losses to current profits to benefit sugarworkers and farmer

members. This experience will be used as a practical laboratory for co-operatives from other countries. With more competitive strength among co-operative organizations in the pilot countries, there is a potential that autonomous co-operatives can play a bigger role in the formulation and adaptation of national structural adjustment programs to benefit their individual members, for which complementary policies could then be developed.

E. PROBLEM STATEMENT

The conceptual understanding of cooperation is to foster economic democracy, doing business with a practical philosophy that believes in building value oriented and non-exploitative society. This contrasts starkly with a private enterprise that believes in private maximization and carries with it - directly or indirectly - a manipulative process in the production and distribution systems. It usually ends up in domination of the weak, by the strong.

In the Asia Pacific region, a great majority of co-operative members are marginal farmers who are producers of food and raw material. Under open market forces, farmers will be continuously subjected to private processing ventures or large trading houses if co-operatives are absent from, or are incapable of, serving farmers' needs. Co-operatives, therefore, are the logical alternative to protect farmers from the adverse effects of an open market system. The other co-operative membership group immediately impacted by market forces are the **small consumers**. Small consumers are not market sovereigns. While the propensity to consume is on the rise in most developing economies, small consumers bear the burden of the entire distributive trade structure because they virtually form the major market. Unless direct links

can be created between production and consumption through the respective co-operative networks, long term security for these poor and disadvantaged members/its at stake.

Co-operatives are thus relevant institutions which stand firm in their belief that open market forces when combined with sound co-operative development, both social and business development, can ensure greater success in achieving economic democracy. The actual rider of this plea is the assertion of co-operative fundamental values in their business transactions, and the inculcation of these values in membership development. Good business performance of a co-operative which benefit all members will help members understand that as owners they can work together in the spirit of mutuality, democracy, honesty and integrity - which are permanent values of a co-operative. If co-operatives cannot prove to members that business success in the current tempo of economic changes can be achieved by faithful adherence to these fundamental values and the key co-op principles, the relevance of co-operatives is definitely placed at stake. A co-operative, by its very concept is a unique democratic institution that possesses a universal suitability as well as operational validity under almost all forms of economic systems, be it capitalism, socialism, or mixed economies. Being able to combine the merits of these systems makes a co-operative firm in its values and principles, yet open to organizational renewal.

The Regional Consultation in Kuala Lumpur reaffirmed that co-operative leaders must uphold and preserve the distinct identity of a co-operative, its values and principles, while competing with private business enterprises be they national or multinational.

It also concluded that new patterns of relationship with business partners need to be developed, be it through transfer of technology, joint ventures, and/or strategic alliances. It further affirmed the need to build intrapreneurial and professional managerial capabilities, and as a strategy seek the assistance of national and international agencies, be they private, parastatal or public. It seems, however, more easily said than done.

In the course of their deliberations, participants at the Consultation underwent a soul searching exercise in trying to answer one basic and practical question : How to go about empowering the co-operative institutions to meet the well intended thrust ? Experiences from **Indonesia and Vietnam** - by way of bringing into synergy the Small Business Enterprises with the co-operative structure - came to light. In **India**, the apex co-operative organization has formulated a comprehensive code of conduct to ensure greater autonomy which, as a result, will strengthen management and financial independence. However, this Code has yet to become operational. In **Myanmar**, the promulgation of the new Co-op Law on December 22, 1992, coupled with the new economic policy has strengthened the basic structures of co-operatives to withstand challenges in the open market economy. Philippine co-operatives are striving hard to strengthen their horizontal integration to eliminate unnecessary collisions among different co-operative organizations and hence increase their competitive strength. **Sri Lanka** has amended Co-op Law no. 5/1972 with an Amendment Act no 11/1992 to strengthen co-op autonomy and to provide the impetus to transform weak federations in the macro phenomenon. **Thailand** has promoted greater diversification of co-operatives to various fields and consolidate five draft amendments

of co-operative societies act B.E. 2511 to enhance democratic control of the co-operative movement. In Malaysia, the new Co-operative Act passed by Parliament in 1993 is aimed towards the creation of self-reliant and self-regulating co-operative movement; it emphasizes the enhancement of accountability and transparency, so co-operatives can become more competitive in the context of macro-economic strategy which promotes better institutional and better efficiency. In Singapore, the movement has undertaken to privatize a co-operative and turn it into a joint stock company. The tempo of change in the surging market-oriented economy increases due to the acceleration of the information age. Co-operatives must begin to get accustomed to taking a global view but with a multi local focus.

New co-operative structures must have an empowering character where leaders add value. Co-operatives have a comparative advantage because they exist for their members who are their lifeblood, and not the other way around. Members are their friendly markets at the same time. Many businesses that fail are those whose managers are motivated only on increments, bonus and promotions, while co-operative leaders should ideally be motivated by their commitment to maximizing benefits of members at the primary level, hence a commitment to co-operative values, principles and vision. In the latter case, leaders are more likely to take risks also.

This project must aim at ensuring that **QUALITY** takes on a broader definition. It must not only be limited to quality of new products and services, but quality that is pervasive throughout the co-operative organization : strict adherence to the values, but also competitive in the business.

F. PROJECT GOAL

The goal of the project is to preserve the distinction of co-operative services in Asia and the Pacific region - despite rapid changes in the economic environment - to ensure that socio economic benefits will be continuously enjoyed by members at the primary level.

G. PROJECT PURPOSE

The purpose of the project is to build and strengthen the competitive position of co-operatives in five pilot countries in Asia and the Pacific, and to develop policies conducive to sustaining such competitive position and strength.

H. MEANS TO ACHIEVE PURPOSE

1. To establish baseline data and information on co-operative position in the market oriented economy by way of a survey;
2. To conduct national symposiums on co-operative enterprise and ^gintrapreneurial development in five selected pilot countries, with focus on practical laboratories and business case studies;

3. To conduct sub-regional workshops on co-operative competitive strength, one in South East Asia and the Pacific, and one in South and South West Asia;
4. To launch consultation and study programs on legislative renewals in strengthening co-operative competitiveness, as follow up of the Asia Pacific Co-operative Ministers Conference;
5. To organize one Regional Consultation with the active participation of all member countries of ICA ROAP, in preparation for the Fourth Asia Pacific Co-operative Ministers' Conference;
6. To develop appropriate regional policy on co-operative competitive strength as a result of the Fourth Asia Pacific Co-operative Ministers' Conference in Thailand in late 1996 or early 1997.

I. PROJECT OUTPUTS (= Results expected)

The main result of the project would be the adoption of a sound policy on co-operative competitiveness which contributes to sustaining good business practices within the co-operative system in Asia and the Pacific region.

More specifically, the following results are expected by the end-of-project period :

1. A comprehensive baseline data & information for select pilot countries in Asia, namely Vietnam, Malaysia, Indonesia, India/Sri Lanka and Fiji/Tonga by April 1995;
2. Two in-house co-op laboratories instituted, one in India (IFFCO, NAFED, and/or the Co-operative Bank of India) to serve South & South West Asia, and/or in Sri Lanka (SANASA and/or select MPCs), and one in Malaysia (KUB, MCIS, or another national co-op organization) and/or in Indonesia (GKBI, INKUD or BUKOPIN) to serve South East Asia and the Pacific, to be used by all five pilot countries for intensive training by June 1995;
3. At least four national symposiums conducted : two in South East Asia and the Pacific, and two in South and South West Asia, by November 1995;
4. Two sub-regional workshops conducted by : review of national symposium results in SEA & the Pacific, and in South & South West Asia, by June 1996; Resource people will be sought from developed movements in Japan, Korea, Singapore, Australia, or China.
5. One Regional Consultation conducted to review the results of the sub-regional workshops, and to submit policy recommendations to the Fourth Co-operative Ministers Conference in 1996, by August 1996;

6. Fourth Ministerial Conference conducted, and policy document on co-operative competitiveness developed by December 1996; At least 150 people will attend with balanced representation from various sub-regions;
7. At least five internships conducted on self-financing basis by co-operatives in the two/three Co-op Laboratories.
8. At least 3 business linkages created among the five pilot countries, and at least one joint venture and one strategic alliance effected to become model for future commercial activities in the developing nations in Asia and the Pacific.

J. CRITICAL ASSUMPTIONS

INTERNAL

Internal within ICA ROAP, it is assumed that there will be effective and efficient collaboration under the coordination of the Senior Policy Advisor (SPA) as project director. Strategic choices will have to be made to ensure prompt delivery of all stages of activities, hence the need for integrated functioning and concerted planning and cooperation with other advisors such as the HRD Advisor, SDA, as well as library and data bank staff. Concerted efforts will be guided further by the Regional Director.

The fact that the SPA will operate alternately from Manila and New Delhi, efficient communication and functioning of support staff is to be readily assumed.

EXTERNAL

1. Funding from CCA, as well as from other sources and ICA ROAP members, will be forthcoming for the timely execution of all the planned activities.
2. Infrastructure and logistics are made available by the host member organizations for prompt execution of the planned activities.
3. Expert resources are available and willing to prepare and introduce relevant experiences and know how on "Co-operative Competitiveness in the market-oriented economies" to induce practical follow up activities.
4. Economic growth and political stability continue to prevail in all five pilot countries.
5. Governments in the region continue to be favourably disposed to support ICA ROAP programs in building strong government-cooperative relations, including the current program on "co-operative competitiveness".

K. LOGICAL FRAMEWORK ANALYSIS

Attached as Appendix I.

III. PROJECT MANAGEMENT/ORGANIZATION**A. MANAGEMENT APPROACH/STRATEGY**

The ICA ROAP shall be responsible for managing this project, with an important strategy to encourage full participation by its members and also related government agencies. Self-financing for members participation is an adopted policy, hence allowing ICA ROAP to track and document counterpart/local contribution from members. All aspects of the project to be carried out will be monitored and supervised by a designated ICA ROAP staff. Integrated and coordinated functioning of ICA ROAP advisors and staff is warranted to avoid duplication and work disparity. CCA staff will jointly monitor project activities from time to time, and any conditions or requirements for relevant technical cooperation and project evaluation shall be agreed upon by both CCA and ICA ROAP.

B. THEMATIC PRIORITIES

GENDER AND DEVELOPMENT :

ICA ROAP has been very active in Gender Equity programming as a positive offshoot of the HRD activities. The most recent in-house training on establishing analytical tools for Gender integration in the project cycle is particularly meaningful for this project. ICA ROAP will instill the importance of gender integration, allowing more access and control by women in ICA ROAP program activities, including in the current project on enhancing competitive strength of co-operatives.

Staff training on Gender awareness at ICA ROAP has been positive in understanding the socio cultural influence on gender as being different from a mere biological construct. The relative roles of gender in this project will be analysed to make certain that the position of women will be elevated and not subordinated. While establishing quotas during training activities ^{now} is a repressive step, this may be necessary as a tactical more than a strategic tool during the national symposiums and sub-regional workshops. Concern was raised by ICA ROAP when the Regional Consultation in Kuala Lumpur in 1994 was attended by no more than 10% women participants. Impact monitoring by ICA ROAP and CCA should take gender equity into consideration.

ENVIRONMENT :

Environmental consideration will be an integral part of the policy development agenda, especially when addressing the issue of agricultural production and marketing. The co-op laboratories will also be made aware of this critical aspect, so as to create environmental awareness of all those participating in the training programs.

C. PROJECT BASELINE INFORMATION

Baseline information will be the basis for the implementation of this project. The data bank officer, as well as library officers, will be actively involved in securing credible baseline data and information. Monitoring will be based upon the available baseline information and data, for which ICA ROAP will produce and make available before April 1995. ICA ROAP will also ensure that the project data, where relevant, will be gender desegregated.

IV. RESPONSIBILITIES OF CONTRACT PARTIES

A. THE INTERNATIONAL CO-OPERATIVE ALLIANCE, ROAP, shall in terms of:

1. Organizational responsibilities :

- Work in close collaboration with CCA in the spirit of co-operation among co-operatives, and share information of mutual interest in any strategic field of co-operative development, especially as it relates to this project;

- Ascertain that links and networks with CCA partners will be endeavoured and facilitated to create good working environment with ICA ROAP members in Asia and the Pacific region, especially as it relates to this project;

- Seek the right synergy with CCA and other partners agencies to work in concert to make this project a success.

2. **Legal & administrative responsibilities :**

- Sign the project contract with CCA;
- Implement the project according to the plan and in accordance with the terms and conditions of the contracts;
- Ensure that project funds are used only for the purposes stipulated in the contract;
- Submit reports to CCA on the progress of the project according to the schedule outlined; and
- Organize, co-organize and administer all arrangements for project activities with focus on the five selected countries.

B. THE CANADIAN CO-OPERATIVE ASSOCIATION (CCA) shall:

- Reciprocate the thrust and orientation of the above organizational responsibilities
- Sign the contract and provide financial resources to the ICA ROAP to support project activities;
- Co-ordinate arrangements for Canadian resource persons as required by project activities; and
- Monitor the project regularly, and conduct an end-of-project evaluation when required.

VI. PROJECT BUDGET

Budget by Project Activity

	CCA	ALL IN CDN \$ LOCAL	OTHER
1. <u>Collection and organization of baseline data and information</u>	5,000	7,500	--
2. Conducting four National Symposiums			
Air travel & DSA of participants	--	45,000	20,000
Air travel & DSA of ICA ROAP (AT : 2 persons x 4 x \$ 3,000) + (DSA 2 persons x 4 x \$ 1,750) :			
24,000 + 14,000	38,000	--	--
Documentation, printing, logistics	--	4,000	6,000
3. ICA ROAP Library support & research on co-operative competitiveness	5,500		
4. Set up of two Co-op Laboratories for in-house training & internship	13,500	47,500	--
5. Organize two Sub-regional Workshops :			
Air travel & DSA of participants	--	95,000	30,000
Air travel & DSA of ICA ROAP (AT : 3 persons x 2 x \$ 4,800) + (DSA 3 persons x 2 x \$ 1,750) :			
28,800 + 10,500	39,300	--	--
Documentation, printing, logistics		4,000	8,000

(Cont'd)

6. Organize one Regional Consultation :

Air travel & DSA of participants (40)	--	85,000	5,000
Air travel & DSA of ICA ROAP (AT : 3 persons x \$ 3,000) + (DSA 3 persons x \$ 1,750) :			
9,000 + 5,250		14,250	--
One consultant (AT + DSA)		4,750	--
Honorarium 20 days x \$ 250		5,000	--
Documentation, printing, logistics		25,000	25,000

7. Conduct Fourth Co-op Ministers' Conference :

Air travel & DSA of participants (170 participants)	--	400,000	10,000
Air travel & DSA of ICA ROAP (AT : 4 persons x \$ 2,500) + (DSA 4 persons x \$ 1,750) :			
10,000 + 7,000		17,000	--
One consultants (AT & DSA) :		4,750	--
Honorarium (20 days)		5,000	--
Documentation, printing, logistics	--	105,000	30,000

8. Coordination and direction
by Regional Coordinator (SPA)

AT & DSA for preparatory work overseas (approx 6/7 months), based in Manila and Delhi		30,000	--
Cost of consultancy (20 months)		50,000	50,000

9. Administration (6%)		14,000	20,000
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TOTAL		246,050	818,000	204,000
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10. Conference SECRETARIAT (RECCO)
sourced through government
funding (currently stands at
US \$ 65,000 to be used as en-
dowment fund)

87,750

B. FUNDING SCHEDULE

CCA :

First payment (January 01, 1995)	\$ 40,000.-	FY 94/95
Second payment (March 15, 1995)	\$ 80,000.-	FY 94/95
Third payment (Sept. 15, 1995)	\$ 40,000.-	FY 95/96
Fourth payment (March 15, 1996)	\$ 60,000.-	FY 95/96
Fifth payment (October 15, 1996)	\$ 20,000.-	FY 96/97
Sixth payment (December 1, 1996)	\$ 6,050.-	FY 96/97

VII. REPORTING

Final project reports and financial statements will be submitted by ICA ROAP as soon as study program is completed by December 31, 1996.

A post project report will be submitted by June 30, 1997 (i.e. post project monitoring report).

VIII. MONITORING AND EVALUATION

A. MONITORING

Project activities will be monitored by CCA, and the in-country study program activities by ICA ROAP. In doing so, a common vision between CCA AND ICAROAP on the need for **IMPACT MONITORING** should be established to ensure that strategic goals are understood to link vision and activities. Qualitative and quantitative performance results will follow the vertical and horizontal logic as presented in Appendix I.

B. EVALUATION

Evaluation of the project, as deemed appropriate to measure impact, shall be the responsibility of CCA. The terms of reference for the evaluation shall be drafted by CCA in consultation with ICA ROAP.

APPENDIX I :

LOGICAL FRAMEWORK ANALYSIS

Narrative Summary	Measurable Indicators (OVI)	Means of Verification (MOV)	Critical Assumption
<p>Goal :</p> <p>To preserve the distinction of co-operative services in Asia and the Pacific Region - despite rapid changes in the economic environment-to ensure that socio - economic benefits will be continuously enjoyed by members at the primary level.</p>	<p>1. Co-operatives emulate successes of co-op laboratories and able to contribute to policy development of their respective governments;</p> <p>2. Members continue to use co-operatives as their main source of providing economic services.</p>	<p>1. Policy papers of governments in all five selected countries;</p> <p>2. Record of joint meetings between movements and governments in all selected countries on the issue of Co-operatives Competitiveness;</p> <p><i>3. Data have been provided</i></p>	<p>1. Co-operatives and governments agree to collaborate on the issue of strengthening co-operatives competitive position;</p> <p>2. Continued government policy support;</p> <p>3. Economic growth and political stability continue to prevail in all five pilots.</p>
<p>Purpose :</p> <p>To build the strengthen the competitive position of co-operatives in five pilot countries in Asia and the Pacific, and to develop policies conducive to sustaining such competitive position and strength.</p>	<p>1. Increased economic services, such as diversified loan instruments, computerized operations, professional service staff, provided by co-operatives to members in the select pilot countries in Asia, namely Vietnam, India/Sri Lanka, Malaysia/Indonesia, Fiji/Tonga.</p> <p>2. Policy support from the government to enable co-operatives to operate increased economic services</p>	<p>1. ICA ROAP reports</p> <p>2. Conclusions and Recommendations of the Fourth Co-operatives Ministers' Conference</p> <p>3. Policy papers presented at Regional Consultation and Ministers' Conference.</p> <p><i>4. Data have been provided</i></p>	
<p>Inputs :</p>			<p>Infrastructure and logistics are made available by the host member organizations for prompt execution of the planned activities</p>

<p>Outputs :</p> <ol style="list-style-type: none"> 1. Comprehensive baseline data and information collected and organized; 2. Two in-house laboratories instituted; 3. Four national symposiums conducted; 4. Two sub-regional Workshops conducted; 5. One Regional Consultation conducted; 6. Fourth Asia Pacific Co-op Minister's Conference Conducted; 7. Internships conducted on self-financing basis; 8. Business linkages established 	<ol style="list-style-type: none"> 1. A comprehensive document on baseline data and information on co-operatives in Vietnam, Malaysia, Indonesia, India/Sri Lanka, and Fiji/Tonga; 2. Two in-house laboratories instituted : one in India and/or Sri Lanka, and one in Malaysia and/or Indonesia 3. At least four national symposiums conducted in Asia and the Pacific region with representation from co-operatives and the government; 4. Two sub-regional workshops conducted with major representation from governments and co-operatives from the South Asia and the South East Asia region , and adequate representation from the Middle East and the Pacific countries. 5. One Regional Consultation conducted with at least 35 representatives from governments and movements from Asia and the pacific region; 6. The Fourth Asia Pacific Co-operative Ministers' Conference held in Thailand with at least 150 delegates attending; 7. At least 10 internships conducted with reports for case representations at the Regional Consultation; 8. At least one successful joint venture or strategic alliance established for a case-study presentation at the Ministers' Conference 	<ol style="list-style-type: none"> 1. Workplans, site visit reports; 2. Documents and Reports of national symposiums and sub-regional workshops; 3. Documents and Reports of the Regional Consultation and Ministers' Conference. 4. Internships reports 5. Actual operations of participating co-operatives and their upper tiers. 	<ol style="list-style-type: none"> 1. Integrated and coordinated functioning within ICA ROAP, as with ICA Head Office in Geneva; 2. Funding from CCA and other sponsors will be forthcoming as scheduled; 3. Expert resources are available and willing to prepare and introduce relevant experiences;
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<p>Activities :</p> <p>110. Draft and send questionnaire to member organizations in five pilot countries;</p> <p>120. Analyses survey results with staff at ICA ROAP;</p> <p>140. Meet the government and co-operative leaders for</p> <p>210. Business discussions with IFFCO, NAFED, KUB, BUKOPIN, SANASA, regarding co-operative laboratory;</p> <p>220. Meeting with the Co-op Promotion Department and Credit Union League of Thailand regarding venue and protocol for Ministers' Conference;</p> <p>240. Consult with Ministers in charge of co-operative development to prepare their input and seek their support;</p> <p>260. Produce Terms of Reference and background papers for Regional Consultation and Ministers' Conference;</p> <p>310. Consult with International Organizations (CCA, SDID, SCC, ADB, ILO, FAO, AARRO) for their technical support on the issue of Co-operative Competitiveness.</p>			
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Inputs :	<p>1. Budget :</p> <table> <tr> <td>CCA/CIDA Contribution</td> <td>= \$ 246,000</td> </tr> <tr> <td>Local Administration</td> <td>= \$ 818,000</td> </tr> <tr> <td>Other Sources</td> <td>= \$ 204,000</td> </tr> <tr> <td>Total project</td> <td>= \$ 1,268,050</td> </tr> </table> <p>2. Technical co-operation from CCA, SDID, SCC;</p> <p>3. Collaboration and support from government and movement in countries where activities will be held.</p>	CCA/CIDA Contribution	= \$ 246,000	Local Administration	= \$ 818,000	Other Sources	= \$ 204,000	Total project	= \$ 1,268,050		
CCA/CIDA Contribution	= \$ 246,000										
Local Administration	= \$ 818,000										
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