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**EVALUATION REPORT
OF THE
ICA COOPTRADE
PROJECT**



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1. EXECUTIVE SUMMARY

The purpose of this evaluation mission was to determine the effectiveness, appropriateness and future potential of the ICA COOPTRADE Project in South East Asia, and to make recommendations regarding the project's operations, priorities, relationship with the ICA (HQ and Regional Office), and the nature of its future programme, (See Annex I for evaluation terms of reference).

The evaluation mission met with national cooperative leaders, project client cooperatives, representatives of cooperatives businesses from major buying nations, project consultants, the members of the ICA Regional Sub-Committee for Trade and Industry, and the Regional Director and development coordination staff of the ICA Regional Office and Education Centre (New Delhi). The mission visited cooperatives in Philippines, Indonesia Malaysia, Thailand and India, (See Annex II for mission schedule and list of interviewees).

The findings and recommendations of the evaluation mission conclude that the ICA COOPTRADE Project should be extended on a five-year programme, and expanded in staff and consultant expertise. More specific emphasis must be placed on the development and penetration of markets abroad, while maintaining the ongoing marketing technical assistance to the project's client cooperatives. The successor to the current Project Advisor should be selected and appointed promptly and should excel in cooperative commitment, professional expertise, and communications skills, (See Annex III for summary of recommendations).

2. PURPOSE OF THE EVALUATION AND EVALUATION MISSION PROCEDURE

2.1 Terms of Reference and Priorities

Upon termination of the ILO/SIDA COOPTRADE Project, the SCC/ICA COOPTRADE Project started operating in December, 1982. In January, 1984, an evaluation was carried out. The evaluation team recommended that ICA/SCC COOPTRADE Project should be continued and expanded to meet the increasing needs of cooperatives for assistance in developing trade. The project was extended through F Y 1986-87.

In 1986, ICA decided that a new evaluation should be carried out to assist the new management of ICA to decide on the project future after mid-1987. Accordingly, Mr.G.K. Sharma of India and Mr. Thomas H. Hemphill of the United States were requested in July, 1986, to undertake a complete evaluation of the COOPTRADE Project. (Terms of reference are attached. See Annex I).

Keeping in view the broad terms of reference given to us by the ICA, dividing our evaluation, we have focused particularly on the following concerns:

- (a) **What is the ICA COOPTRADE Project ?** Why was it established? What is its official *raison d'etre*? Its long term goal? Its short-term objectives? Its strengths and weaknesses? Who in the cooperative world supports or opposes it?
- (b) **What has it accomplished?** A brief history of COOPTRADE. When was it started and why? Where has it worked? What kind of priorities (research, education, development, market systems, etc.) have evolved during the life of the project? Who in the Asian cooperatives has been involved in the process?
- (c) **What are its current activities?** What is COOPTRADE doing? A brief summary of the past 12 to 24 months activities, to clarify what the project is actually doing vis-a-vis its mandate/goals/priorities etc. Which co-ops assisted? Which products involved?

(d) **What new initiatives are needed?** Given COOPTRADE's goals, accomplishments over the years, and current programme, what activities marketing mechanisms/technical assistance etc. need to be added to the COOPTRADE Project? Which co-ops most need, or can best benefit from, the kind of assistance COOPTRADE can give?

(d) **How best can the new mandate be implemented?** Given the objectives identified, what steps need to be taken? What staff and resources required?

2.2 Evaluation Procedure

It was decided that the Evaluation team should start its work in conjunction with the meeting of the ICA Regional Sub-Committee for Trade and Industry, held in Bali on October 23, 1986, so that the team could have the benefit of meeting all country representatives at the same time and place.

The members of the SCTI were apprised of the terms of reference of evaluation and broad scope of the evaluation mission. Members of the Committee were asked to give their reaction. The team also met the members individually and sought their views on various aspects of COOPTRADE.

One member of the team visited the Philippines. Thereafter the team visited Jakarta, Kuala Lumpur, Penang and Bangkok and met National Cooperative Leaders, project client cooperatives and project consultants. From Bangkok, the team proceeded to Delhi and met the Regional Director and development coordination staff of the ICA Regional Office and Education Centre, New Delhi.

During the meeting with the concerned officials and leaders their views were sought regarding the present status and the future role and activities of the COOPTRADE Project. The Technical Advisor of the project provided extensive information regarding the activities undertaken by the project, as well as activities planned for the current year, F Y 1986-87.

3. THE COOPTRADE PROJECT: FIRST PHASE , 1978-82

3.1 Background of the COOPTRADE Project

The International Labour Organisation (ILO), with the financial support of the Swedish International Development Authority (SIDA), started the COOPTRADE Project in mid-1978 to assist the cooperatives of 12 countries in Asia: Bangladesh, Burma, India, Indonesia, Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka and Thailand. The objective of the project was to promote and develop trade between the asian cooperatives and their counter-parts, and others, in industrialised nations, as well as intra-regionally among the asian countries.

This project was initiated with the understanding that, although cooperatives in industrialised countries bought goods worth millions of dollars each year from Asia, very few items were purchased from the cooperatives in the Asian region. This was inspite of the fact that practically every country in the Asian region has cooperatives, though very few of them are involved in exports. It was felt that these cooperatives have potential for exporting.

3.2 Project Staff

The COOPTRADE Project, based in Bangkok, Thailand, consisted of three experts, one associate expert and a Secretary.

3.3 Objectives of COOPTRADE Project

The objectives of the project were:

1978-1980:

- (i) To collect and analyse data pertaining to cooperative trade activities in the Asian region and establish contacts with cooperative trade organisations;

- (ii) To bring together representatives of national cooperative organisations from the region, from industrialised countries, and from international organisations, concerned with cooperatives and trade;
- (iii) To initiate an exchange of information concerning the promotion of trade between cooperative institutions and also with other trading partners;
- (iv) To inform representatives of cooperatives from developing countries about particular requirements concerning the export business, and about trading practices and procedures in import/export trade; and
- (v) To make recommendations for further activities to be undertaken on the part of interested organisation.

1981-1983:

- (i) To develop export oriented production among cooperatives in the region;
- (ii) To establish and/or strengthen national cooperative export and import organisations in the region;
- (iii) To promote/increase the sale of products from cooperatives in developing countries to cooperatives in industrialised nations, cooperatives in developing countries, and others;
- (iv) To train cooperative personnel in export handling, export techniques and export management;
- (v) To outline and to foster a cooperative body which should have close relations with cooperative national trading apex organisations in the region and potential buyers, and which will take over the activities of the COOPTRADE Project after its termination; and
- (vi) To implement conclusions made earlier, e.g. at workshops.

3.4 Regional Seminar

The first activity the project carried out was to identify the cooperatives which were either already in the export trade or had export potential

in the region. This was done by conducting supplies surveys in eleven countries of Asia through the International Trade Centre. This was followed by the Regional Seminar in Singapore in January, 1979, which was attended by 50 participants from 15 countries. The Regional Seminar was also used to promote trade contacts within the cooperatives.

3.5 Fellowships

The Seminar was followed with the fellowship programme for ten persons working in the field of cooperative trade development in Asia. The objectives of this programme were:

to study the operations of cooperatives in Western Europe with special emphasis on their role as importers, and

to learn about the export potential of articles of asian cooperatives in Western Europe markets.

Based on the outcome of these three activities, COOPTRADE concluded that a big gap, between what cooperatives in industrialised countries want to buy and what their sister organisations in developing countries can sell, had to be bridged.

3.6 Short-term Consultancies

At a later stage of the project, different cooperatives were selected for rendering short term consultancies in order to solve some specific problem areas related to exports. Thirteen such consultancies regarding frozen shrimps, handicrafts, handloom products, import/export management, leather accessories, rattan products, tapioca drying fields, and wooden furniture were rendered to cooperatives in seven countries. The length of the assignments varied from 2-10 weeks. Experts from Denmark, India, Indonesia, Norway, Philippines, Sweden, and the United Kingdom were recruited for these jobs. Some of the consultancies were made by the project team. Steps were taken by the COOPTRADE Project and/or the ILO Regional Office in Bangkok to implement the recommendations made in the consultancy reports, whenever possible. New project proposals were drafted as a result of the consultancies.

3.7 Response from Industrialised Countries

COOPTRADE did establish some trade contacts between Asian Cooperatives and their sister organisations, and others, in industrialised nations, and also among cooperatives within Asia, though to a limited extent only. The response in this regard from the cooperatives of industrialised countries was not encouraging. In this regard, it will be relevant to quote an extract from the speech of the Technical Advisor of the COOPTRADE Project at the Regional ICA Sub-Committee on Trade, November 8, 1982;

"As said earlier, the COOPTRADE Project was started because there were on one hand many cooperatives in Western Europe that bought goods worth billions of US\$ from Asia, but not from cooperatives, and on the other hand there were many cooperatives in developing countries that were more or less successful in domestic trading, they had export ambitions, but with a few exceptions, they had not succeeded much to sell their goods abroad. The idea of the COOPTRADE Project was to try to put these different cooperative buyers and sellers together; trade was supposed to be an outcome after initial contacts. As has been reported to you at earlier meetings of this Sub-Committee, there seems, however, to be only limited interest among cooperatives in developed countries in Europe to trade with their sister organisations in Asia. Of course, all of them say that they are positive to an increased cooperative-to-cooperative trade between developed and developing countries and all praise the idea of promoting such efforts. However, when it comes to concrete business possibilities there seems to be only limited enthusiasm, with some notable exceptions."

It appears that situation has not changed much since then, though some positive trends in this regard could be noted.

3.8 Cooperatives Export/Import Directory

The project also published a document on "Cooperatives with Export and/or Import Potential." It was first printed in 1980 containing information

on 79 cooperatives in ten countries in Asia. In 1982 the second edition was published which included information on 102 cooperatives in all the 12 countries assisted by the project. The aim of this document was to give cooperatives and other potential trade partners a brief introduction to the export/import potential of asian cooperatives.

The document was tested at a Regional Workshop with participants from cooperatives in 11 countries. Some were trainers and the others trainees. The meeting, held in New Delhi, was jointly organised by the International Cooperative Alliance and ILO.

In December, 1982, the project was transferred to ICA Regional Office, New Delhi and the project published its report.

3.9 Findings of ILO/SIDA COOPTRADE

In addition to others, a few important findings of the COOPTRADE Project in its final report were;

- (i) Few cooperatives in the region are engaged in importing. In several of the countries there are import restrictions which hamper the development of intra regional trade between cooperatives. In quite a few cases cooperatives are producing similar products and exporting them to neighbouring nations. Therefore, it is difficult, if possible at all. Nevertheless a few countries have a less restrictive import policy, and intra-regional trade between cooperatives is possible in some cases. Agricultural products, including rice, fresh fruits and vegetables, spices and dried fish, are commodities produced by cooperatives which have a demand in the region. In addition, a number of products such handloom products, rattan furniture, spoiling goods, bicycle spare parts etc., seem to have some prospects. Potential buyers of mainly agricultural commodities are cooperatives in Singapore and to some extent in Malaysia and Thailand.
- (ii) Cooperatives should also introduce their products to private traders in the region as many of them are long-established importers. A few cooperatives within the region have already traded with each

other and business could further be developed. It is believed, however, that such cooperative-to-cooperative trade can be successful only if considerable interest is shown by both parties to establish such business;

- (iii) Cooperatives in industrialised countries should more actively establish trade contacts with cooperatives in developing countries in Asia. In order to promote such business, it is important to appoint persons at cooperatives in industrialised countries who can act as liaison officers for trade development issues between cooperatives. With no one in charge of such promotion, offers and samples from cooperatives in developing countries often get little attention from importing cooperatives in industrialised countries;
- (iv) If cooperatives in developing nations can meet the requirements of sister organisations in industrialised countries the former should be given the opportunity to place trial orders and thus both would gain experience on how to further develop trade with each other;
- (v) In a number of cases opportunities exist to establish joint ventures. More attention should be paid to such proposals by cooperatives in developing and industrialised countries.

4. THE COOPTRADE PROJECT : SECOND PHASE, 1982-87

4.1 Transition and Project Orientation

The activities of the ILO/SIDA COOPTRADE Project were taken over by ICA Regional Office with financial support from SCC. However, the manpower and resources made available to the ICA under the project were much reduced compared to the resources made available to the ILO/SIDA PROJECT. The new project was not supposed to be strictly the carry-over of the old project. In the memorandum of understanding relating to the COOPTRADE project it was stated;

"It should not, however, be assumed that ICA/SCC is a direct takeover and continuation of the ILO project. Judgement as to continuation of activities and the priorities within the work programme of ICA/SCC will be determined in consultation with the ICA Trade Committee and the Regional Council, and where matter of vital ICA policy, will be consulted with the ICA Director."

Under the proposed COOPTRADE Plan, COOPTRADE future activities had to be "Project Oriented" with emphasis on the following main elements:

- (i) Investigation and selection of interesting product groups based on demand from potential international buyers (cooperative or private) and supply from producers/sellers (cooperative) within the region (countries covered by the project).
- (ii) Selection of potential producers/sellers within the region and analysis of present situation as regards ability to conform with international standards and requirements for product quality, administrative efficiency etc.
- (iii) Rendering of consultancy services in order to facilitate and improve efficiency of trade performance, including external short term specialist consultancies or general training programmes in specific fields such

as management, marketing, administration or production.

The project operated from ICA Regional Office, Delhi for a period of two years, thereafter it was transferred to Kuala Lumpur, Malaysia. Evaluation of the activities undertaken by the project during the period 1982-84 was undertaken in Jan.-Feb. 1984. We will, therefore, not go into details relating to the project activities for that period. We will concentrate on the activities undertaken by the project during the period 1984-86.

4.2 Project Activities During 1984-86

Under the new project starting from December, 1982, it was understood that the project might establish contacts with around 75 organisations in 15 developing countries in Asia and 25 industrialised countries. Of the 50 organisations in Asia, 30 were business organisations, out of which 10 were considered as potential exporters by COOPTRADE.

Thus, during the period under review, the project has tried to concentrate on finding potential organisations for promoting international cooperative trade. The project consisted of only one Technical Advisor who had to carry out all the technical activities alongwith hiring short term consultancies.

If we look into the activities for the year 1985-86, the TA undertook 21 missions during the year 1985-86 involving seven countries in the region. The objective of the missions were planning/preparation/implementation/follow-up of COOPTRADE projects. As a result of these activities, six feasibility studies and five technical consultancies were carried out.

4.3 Project Expenditure on Cooperatives

However, it is relevant to note that during the year 1984-85, 50% of the budget cost was spent on Thailand and 24% on Philippines. Compared to this, in the previous year, 80% of the budget cost was spent in Sri Lanka and Philippines. Thus, three countries namely Philippines, Thailand and Sri Lanka, had specific concentration in terms of implementing the projects over the last two years. The same countries account for approximately 90% of the total trade volume initiated by COOPTRADE.

Thailand: Assistance has been given to the Agricultural Cooperative Federation of Thailand by way of three technical consultancies and training. As a result of this, ACFT was able to promote its business for export of rice to various countries. It exported 28,712 MTs of rice valued at US\$ 4.68 million during 1985-86. ACFT further exported 19,417 MTs of rice valued at US\$ 4.2 million in July-September, 1986. In addition, the Federation has pending orders for 1700 MTs. The buying countries were Hongkong, Philippines, Singapore, China, Senagal and Pacific island nations.

Sri Lanka: Where the assistance was extended to Coco-union, a secondary cooperative of coconut growers, a break-through was made in coconut products. Coco-union has been able to diversify its exports of desiccated coconut, copra, fresh nuts and coir yarn to the extent of US\$ 86 million, to a number of countries. Coco-union is getting good response for further exports.

Philippines: Activities have been concentrated on further development of two rattan cooperatives. K-Cube Woodworkers Co-op, in Bacolod, have so far received orders for approximately US\$ 50,000. The products have been re-designed and technically upgraded, and the program expanded to cater for a wider market orientation through COOPTRADE consultancy inputs. In Zamboanga, Wood and Rattan Co-op, is at an initial stage of operation, and has likewise been assisted in production technique and product design. The two co-ops complement each other by specializing in production programmes based on their respective capacities and capabilities. Products involving much manual operations, such as weaving are consequently made by K-Cube and products based on more machine operation are made by Zambowood.

Indonesia: A breakthrough seems likely after contacts between CBI-INKUD and COOPTRADE were established. A close collaboration between the two organisations was further strengthened when BPUK/DEKOPIN nominated the CBI-INKUD manager as Indonesia's representative on the SCTI. Several potential projects are reported to have been identified. For textiles and readymade garments, frozen beef, vanilla, coffee, and seaweed, feasibility studies have been undertaken.

Singapore: Activities have been focused on promoting imports of food items from India and Thailand to the NTUC Fair Price Cooperative. So far, NTUC Fair Price have imported 1250 MTs of rice from ACFT, Thailand.

Malaysia: MCCA trading activities are reported to not have progressed as expected. Imports are presently still mainly jams from the West German Cooperative Forum. Other items in the pipeline include food items from India, Australia and Philippines as well as furniture from the Philippines.

- Furniture and table top items for domestic marketing, as well as export have been defined as a potential area, with the MCCA taking over furniture from the Cooperative Housing Federation. This co-op is now seeking collaboration with Prai Malaysia, Penang.

- A feasibility study on processing of rubber wood for NLFCS was completed and submitted.

- One interesting project proposal is a possible joint venture between a major Malaysian cooperative and a private manufacturer of furniture and related products, primarily for export marketing. If successful, this would constitute a breakthrough in cooperative industrial development in Malaysia, in a resource-based and labour-intensive sector recognised as a priority area.

India: Efforts to assist Tanfed, Madras, in developing business opportunities for processed spices to Asian countries (Singapore, Malaysia) have not been successful.

- COOPTRADE found spices to be a very complex product group to handle, almost totally controlled by the multi-national corporations.

- The same thing applies to a great extent to tea, in which COOPTRADE had been involved almost since the project began. Other problems, mainly organisational, have constituted the main obstacle in promotion of a cooperative tea project. Efforts to revitalise old contacts after a reorganisation of the Incoserve Tea Co-op, in January, 1986, have so far not been successful.

4.4. Conclusions and Observations on Phase 2

Since the re-constitution of the ICA Regional Sub Committee on Trade and Industry (SCTI), the Technical Advisor of COOPTRADE has been acting as the Secretary of the Committee. On one hand, this has brought coordination between the activities of the Committee Members and COOPTRADE. On the other hand, it gives a forum to the TA to get feedback from the countries of the region, and particularly the response of the countries represented in COOPTRADE's programme of action. It is desirable to continue this arrangement.

In our assessment, the activities of COOPTRADE have complied with the main elements proposed in the COOPTRADE Plan of Action. The products identified, namely rice in Thailand, coconut in Sri Lanka and rattan in the Philippines, are appropriate products, with reasonable chances of continuing export by the concerned cooperatives in the near future. The other products identified have still to take off. Similarly, the four cooperatives which have been assisted to the maximum extent include two federal cooperatives namely ACFT (Thailand) and Coco-union (Sri Lanka). The other two are primary industrial workers cooperatives in Philippines. Thus, it appears to be a judicious mix of cooperatives.

One criticism which can be voiced against the project is that most of the resources were spent only in three countries. Cooperatives in other countries either did not benefit at all or received much less assistance. In our opinion, considering the meagre resources with the project, the project had no other choice except to concentrate its activities, resources and attention on specific areas. The project needs to be expanded so that more countries and more cooperatives may benefit.

While we feel that it will be necessary to continue this specific technical approach, it will be desirable that a more organic link be maintained with the cooperatives of national level and other potential cooperatives in the region. This can be done through exchange of letters, information and market intelligence particularly as follow-up of deliberations in the SCTI meetings. The TA should act as an advisor to the national level cooperatives

interested in international trade, in addition to serving as a technical consultant to the specific projects. The modus operandi for project implementation should continue to be determined on a case-by-case basis.

Most of the exports promoted by COOPTRADE have been sold to non-cooperative buyers. In our view, this is inevitable. In the cooperatives of the project region there is a genuine will and desire to promote inter-cooperative trade. Unfortunately, import regulations and availability of similar goods restrict the opportunity for inter-cooperative trade. On the other hand, the response from cooperatives of industrialised countries is disinterested, making it difficult to promote inter-cooperative trade.

In this regard, the statement of the President of COOPTRADE Japan, at SCTI meeting in Denpasar, October 23, 1986, was very encouraging. However, the statement of the General Manager of INTERCOOP at the trade conference at Basel, on October 20, 1986, was quite disappointing.

Efforts will, therefore, have to be made to identify cooperatives in the industrialised countries who are willing to promote inter-cooperative trade. However, poor response should not be treated as a limiting factor in promoting international trade by cooperatives. The task of the COOPTRADE project will continue to be the development and service of international markets for COOPTRADE clients, whether the buyer is a government, a private company, or a cooperative.

Everyone interviewed strongly favoured not only continuing the COOPTRADE Project, but strengthening it further to fulfil the hopes created in the region for increasing international trade by cooperatives. It was expressed by one and all that no other project had or could contribute better to strengthen the cooperatives of the region in international trade. Moreover, trading relations developed among cooperatives will be more stable and fruitful than is the regional cooperation among cooperatives which lack the mutual interest of trade together.

While there are some benefits if the COOPTRADE Project is operated from various other locations, such as the ICA ROEC, there was a consistent preference in favour of continuing the office at Kuala Lumpur for the foreseeable future.

5. FINDINGS AND RECOMMENDATIONS FOR COOPTRADE : THIRD PHASE, 1987-1992

5.1 Programme Assumptions

In defining the proposed programme for the COOPTRADE Project, some assumptions of the evaluators need to be clarified:

(a) "Cooperatives", for the purpose of this evaluation, are understood to be entities engaged in doing business. Such organisations are distinct from cooperatives which function primarily as political, educational or representative bodies.

(b) For the sake of this evaluation, we make no distinction among those cooperatives which are closely linked with national governments, as opposed to cooperatives which are relatively independent, democratic organisations.

(c) Regarding those cooperatives which are the focus of the COOPTRADE's trade services, we believe that the primary criteria for assistance should include both the co-op's need for the assistance and the potential of the co-op to benefit from the assistance. However, the project may also provide assistance to large and successful cooperatives from the region which may seek assistance in developing a new project or a new market. The project may also assist, on occasion, those cooperatives for whom the realisation of their potential will be arduous, but who demonstrate the willingness and capacity to eventually benefit from COOPTRADE assistance.

(d) In broad general terms, we see the first phase of the COOPTRADE Project (1978-82) as primarily involved in research and documentation. We see the second phase (1982-87) as primarily involved in providing technical assistance to cooperatives in the region. We believe the proposed third phase (1987-92), while maintaining technical assistance activities within the region, should add a priority for developing market linkages between the region and major overseas markets.

(e) If one's objective is to maximize profit, one might not spend time and revenue on cooperatives, especially the small, struggling, developing co-ops. But if one's commitment is to the co-ops themselves, and more specifically to the members, there is no option to the painstaking work of developing the co-ops, in and of themselves. There is no other way to maximize service or benefit to the members. The undertaking of the ICA COOPTRADE Project is a classic cooperative challenge.

5.2 Extension of the Project

As is clear from Section 4, the COOPTRADE Project over the past three years has contributed significantly to the development and expansion of international business by cooperatives in South and South East Asia. There is throughout the region unanimous appreciation for the project and for its accomplishment to date, and an ardent wish that the COOPTRADE Project should be extended.

Moreover, it is clear that both the current momentum of project activities and the scope of the proposed new mandate (see Section 5.3 below), require a long-term commitment. Accordingly, we advocate a five-year extension to the project, as a basic intention on the part of ICA and other COOPTRADE supporters. Recognizing that a five-year funding commitment may not be possible, we propose a three-year firm commitment, with an evaluation to re-determine programme emphasis for the latter portion of Phase 3. Therefore:

Recommendation No.1

We recommend that the COOPTRADE Project be extended for a third phase, 1987-1992. We further recommend that a five-year programme plan be developed by the COOPTRADE Advisor together with his successor, and that funding be assured for at least the first three years of the five-year plan. We further recommend that a project evaluation be conducted 6-12 months prior to the completion of the funding commitment, to re-assess project accomplishments and priorities at that time.

5.3 Programme Outline

It is beyond the scope of this evaluation to present a detailed programme for the next phase of the COOPTRADE Project. Details, we believe,

should originate from the COOPTRADE staff themselves. However, the programme proposed for the next five years should both build on the strengths of the current COOPTRADE programme, and add to it the development of market representation - research, development, promotion and sales - in the major foreign markets.

It should be noted that this concern is incorporated within the current project. However, for reasons explained in Section 5.4, it has been difficult to achieve this objective within the scope and resources of the current programme. We believe that the lack of market specialists operating in various foreign markets, on behalf of COOPTRADE clients, is now the single greatest drawback to further enhancing trade by COOPTRADE's client cooperatives.

Accordingly, we propose that the programme for Phase 3 of the COOPTRADE Project shall extend and expand on the current project activities, with a strong added emphasis on developing market linkages outside the region. Elsewhere in Section 5 of this evaluation report, there are specific recommendations regarding various aspects of the COOPTRADE programme. The recommendations are to facilitate the following trends;

(a) Focus

While the focus of the COOPTRADE Project during the current phase has been primarily within the region, the focus of the next phase needs to expand to market development beyond the region. Our findings show that, without this mandate, much of the potential value of COOPTRADE to its clients co-ops will be lost. To maintain the current programme while adding this new dimension, will require additional personnel and resources at the COOPTRADE Head Office.

(b) Network

Since 1982, the COOPTRADE Project has been served almost exclusively by one man, the Technical Advisor, assisted by a few consultants and professional contacts. If the COOPTRADE Project is to achieve its goal of enhancing and developing trade for Asian cooperatives, a marketing network is required. While the COOPTRADE Advisor will continue to be the central point of such a network, the network needs to be more fully developed within the region, and most especially in the potential major markets.

The SCTI membership constitutes a good beginning for a cooperative trade network within the region. COOPTRADE must develop a network of similarly interested, capable, and committed trading partners abroad.

To identify, to select, to communicate with and coordinate among these market representatives is the primary new challenge for the COOPTRADE Project. The development of an integrated network of interest, revenue, and service to members, will be of the greatest benefit to COOPTRADE's clients.

(c) Finances

The COOPTRADE Project to date has relied heavily on financial support from Sweden. While this support has been generous, well-utilised, and greatly appreciated, it is important that the cooperatives in the region be protected against the inherent vulnerability in such an arrangement, and that they themselves support this project.

Accordingly, it is greatly encouraging that the ICA Regional Sub-Committee for Trade and Industry, meeting in Bali, October 23, 1986, committed revenue to the COOPTRADE Project on new business created by COOPTRADE for their cooperatives. For the proposed five years of Phase 3, this modest but significant beginning must be built upon, and dependence on a single outside source thus reduced.

5.4 Market Representation Outside the Region

It was recognised prior to 1982 that successful implementation of the COOPTRADE Project will depend not only on the development of quality products and processors among the Asian cooperatives but also on the development of buyer interest and market demand in other parts of the world.

At the SCTI meeting in Kuala Lumpur, April 3, 1986, Vice Chairman Modesto Sa-Onoy pointed out that "a key factor for trade development outside the region was marketing access." The minutes of the meeting further observe, "it will be necessary to establish contact with business organisations in industrialised countries....." The findings of this evaluation are fully consonant with this view.

This is most critical in light of the principle that "market leads production." Through market information from purchasers, suppliers can best produce commodities and products for which a real market exists.

While this fact has been recognised by the COOPTRADE Project for some years, attempts thus far to address this issue have been inconclusive.

For the European market, a staff member of the Swedish Cooperative Centre (SCC) was assigned, in part, to work with the COOPTRADE Project

marketing requirements in Europe. For various reasons, this arrangement proved to be inadequate for the project needs.

In the United States, the COOPTRADE Project established market contacts through collaboration with Cooperative Business International (CB). Although there was much mutual advantage in this arrangement, both for COOPTRADE and for CBI, this arrangement also proved to be inadequate to the needs of the project.

As Mr. Shunji Tsuboi, President of COOPTRADE/Japan, has written, "Foreign trade is not so easy a thing to do. Mutual understanding and mutual benefit are absolutely necessary." The current COOPTRADE Project resources are inadequate to create the mutual understanding and negotiate the mutual benefit necessary for ongoing international cooperative-to-cooperative trade by COOPTRADE's client co-ops.

The need for COOPTRADE to be serviced by competent, committed and ongoing market representation in major overseas markets is far greater today than it was in the past. Moreover, there is unanimity throughout the region that this lacuna has been a genuine drawback for the project, and that such representation is essential for the future development of project services to its clients. Therefore :

Recommendation No. 2

We recommend that the COOPTRADE Project select, recruit and contract directly with organisations and/or individuals which can and will provide to COOPTRADE the services necessary for successful international marketing of COOPTRADE client's products and commodities. Such services shall include inter alia : market research, market assessment, product promotion, market development, consulting for product design/packaging/transportation/pricing, sales and customer services.

It should be clear that the COOPTRADE Project must define the skills or qualities necessary for the particular product, the particular market and the particular service applicable. While collaboration with cooperative colleagues is desirable, and funding from other cooperative organisations is desirable, and secondment of staff members by such an

organisation may be helpful, the effective control of the COOPTRADE marketing representative must be in the hands of the COOPTRADE Advisor.

In addition, it must be clear that COOPTRADE's interest in foreign markets is a "strictly business" interest. Therefore, it will be of limited utility for COOPTRADE clients if their foreign market representation is a spin-off activity of a cooperative lobbying, educational, developmental, or representational body.

Moreover, the markets to be pursued are not exclusively cooperatives but will be in many cases be non-cooperative. It is questionable to what extent an exclusively "cooperative business" connection may be in the best interest of COOPTRADE clients. Therefore :

Recommendation No. 3

We recommend that the COOPTRADE Project while collaborating fully with cooperative colleagues and organisations abroad, establish its own market representatives, who shall be directly responsible to COOPTRADE. Such market representation services may be contracted on a less-than-full-time retainer basis.

5.5 Project Staff and Technical Capacity

The value of COOPTRADE Project to the cooperatives in the region was well summed-up by Mr. Mathimugan, Chairman of the ICA Regional Council. In our interview, Mr. Mathimugan commented that COOPTRADE was "the best thing to happen to the co-ops in a long time. Nothing else has the impact of COOPTRADE." While other groups give seminars and technical advice, the COOPTRADE Project has "shown the co-ops that there are opportunities for linkages and international trade. COOPTRADE is building cooperative bridges. The only way to do it is through trade." He continued, saying that COOPTRADE "has done a damn good job. It has pushed for all aspects of trade. It meets a real need." We concur.

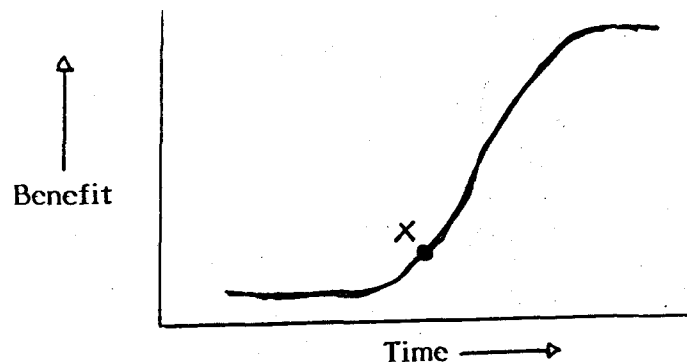
Our findings show that, in addition to the considerable accomplishments of the COOPTRADE Project already noted, there is much more which is "in the works", and which shows genuine promise for future trade. The momentum created by the COOPTRADE Project thus far is, conse -

quently, a major asset of the project as its programme develops over the coming years. It is our earnest desire that this momentum should not be lost.

The process of developing new marketing opportunities, particularly for a developing cooperative, may be compared to the process of growing plants. It is a long process from planting seeds (surfacing new ideas) through the fertilising, watering and nurturing of the small plants (product development, staff development, market analysis, product promotion), to the final reward of ripe fruit (successful long term sales programme with good return on investment).

Using this allegory, the COOPTRADE Project has harvested a few fruit already. It has planted a vast number of seeds, and many marketing opportunities are now in the nurturing stage. If the project cannot now be expanded to sustain and enhance the current momentum, much of the hard effort and expense already made in the project will bear no fruit.

As is shown in the diagram below, a typical growth process for a new venture follows an "S" curve. Progress seems slow at first, then grows rapidly after some period of investment and hard work.



We believe that COOPTRADE is approximately at the point "X" on the graph. Eight years and hundreds of thousands of dollars have been spent thus far. Measureable benefit is now beginning to be realised. Further investment of resources in COOPTRADE, for the coming Phase 3, will enable the COOPTRADE Project to rapidly increase advantage and benefits to its client cooperatives.

In our findings, there was unanimity that the professional breadth and depth of the project needs to be expanded. Not only an additional full time technical staff person is needed, but also a greater availability of appropriate technical expertise located near to production points. Therefore :

Recommendation No. 4

We recommend that the COOPTRADE Project staff be increased to at least two full time cooperative marketing professionals, plus appropriate support staff.

Recommendation No. 5

We recommend that the COOPTRADE Project increase the availability of consultants to its client cooperatives, with attention to marketing expertise, improvement of productive capacity, development of marketing staff, technical expertise, and product development. Such consultants should be found and employed from within the project region, to the extent practical.

Recommendation No. 6

We recommend that, beginning with the SCTI members, the project develop a network of professional and technical advisors to be located throughout the project region who, for modest fee, will be available in their respective countries and technical areas to provide services to COOPTRADE clients.

5.6 Location of COOPTRADE Office

The COOPTRADE Project is headquartered in its third location (Bangkok : 1978-82, New Delhi : 1982-84, Kuala Lumpur : 1984-present). There is concern within the region regarding the future location of the project.

Although there are specific advantages and disadvantages which obtain in almost any location, our findings conclude that it is in the best interest

of the project to continue in Kuala Lumpur. The arguments in favour of staying in Kuala Lumpur are :

- (a) Language : English (the language of the project) is widely spoken in Kuala Lumpur; it is relatively easy to find support staff with good English competency.
- (b) Location : As Kuala Lumpur is roughly central for the region, time and money spent in travel are brought to a practical minimum.
- (c) Support from host country cooperatives : The national cooperative system in Malaysia has shown itself to be both desirous and able to generously support to COOPTRADE Project with facilities such as subsidised rent, telephone and telex services, and related commercial services.
- (d) Cooperation from the host country governments : Tax-free status has been obtained for the position of the COOPTRADE Advisor, offering to the Advisor and the project a considerable benefit.
- (e) Familiarity : The project in its current form as a source of international technical assistance for cooperative marketing and trade, is known and recognised at its Kuala Lumpur address; a change of location would result in some degree of confusion and disruption of the project services in the region.

Therefore, presuming that the above arguments in favour of the Kuala Lumpur location shall continue to obtain:

Recommendation No. 7

We recommend that for the proposed Phase 3 of the COOPTRADE Project, the project headquarters shall remain in Kuala Lumpur, Malaysia.

5.7 Successor to the COOPTRADE Technical Advisor

We have been advised that Mr. Bergstrom, the current COOPTRADE Advisor, will complete his tenure in mid-1987. There is considerable interest in the region regarding his successor. Interestingly, our findings show

that there is wide agreement that the next COOPTRADE Advisor should be an individual with commitment, background experience, and marketing skills very similar to those of Mr. Bergstrom.

Comments typical of those throughout the region were made by Mr. Wahiduddin Wahab, Chairman of KOBENA (Malaysia) and Chairman of the SCTI. Mr. Wahiduddin stressed that COOPTRADE Advisor must have the confidence and authority of the ICA, as well as the confidence and trust of the Asian cooperatives. In addition to knowledge of, and sensitivity to, Asian cultures, the Advisor must have solid professional qualifications: management skills, marketing expertise, product knowledge, international contacts, knowledge of the market and of trading procedures. He must be a good organizer and a good salesman.

In short, the COOPTRADE Advisor should possess the "head of a mercenary, heart of a missionary" aspects of any good cooperative businessmen. As someone has said, he needs "the business instincts of a Marwari trader and the patience of a Buddhist monk."

In our findings, the following professional attributes were consistently suggested as essential for the COOPTRADE Technical Advisor:

- (a) **Cooperative commitment :** The COOPTRADE Advisor should be committed to cooperative principles and have a history of involvement with cooperatives as businesses.
- (b) **Professional expertise :** The COOPTRADE Advisor should have formal training and experience in various aspects of management, marketing, product development, and international trade (including financial documents and shipping arrangements), as well as specific experience in cooperative marketing. In addition, the Advisor should have experience in cooperative development, including project design and implementation at a local cooperative level, so that he can understand and address the problems and opportunities peculiar to developing cooperatives.
- (c) **Cultural sensitivity :** The COOPTRADE Advisor should have experience living and working in Asia, and should possess the sensitivity necessary

to work effectively in the various cultural/political/social/economic situations which obtain throughout the project region.

(d) **Intuition and innovation** : The COOPTRADE Advisor must possess the skill to intuitively grasp the significance and potential marketing opportunities of various trends and activities throughout the world. Moreover, he must bring to the client cooperatives the innovative insights which are often lost to those deeply involved in an ongoing process, but which may be evident to an interested and perceptive outsider.

(e) **Communication** : Communication skills are at the heart of the job of the COOPTRADE Advisor. He must be able to express himself clearly and convincingly both in the verbal skills of the promoter or salesman, and in the written skills of the market researcher or proposal creator. In addition, he must be able to communicate his ideas and expertise effectively both to sophisticated buyers outside the region and to members of local cooperatives within the region. Fluency in English is a must. Prior knowledge of one or more regional languages is desirable.

Recommendation No. 8

We recommend that steps be taken immediately to identify and employ a COOPTRADE Advisor, to succeed the current advisor in mid-1987, who shall possess to the extent possible the skills and attributes required: cooperative commitment, professional experience, Asian cultural orientation, intuition and innovation, and communication skills.

Our findings show unanimity that there needs to be a generous period of overlap between the current and the successor Project Advisors. Such an overlap needs to incorporate:

(a) travel to the various countries in the region, including visits to production sites, meetings with cooperative leaders and marketers, and calls on national policy makers in the cooperative sector;

(b) a clear understanding by the new Technical Advisor of the ongoing work of the project, including overseas marketing efforts, products in development proposals outstanding, training and technical assistance under way, and Head Office administration; and

(c) preparation and development together of a COOPTRADE programme plan for Phase 3, 1987-92, incorporating proposed activities, project priorities, resource development, strengthening of national cooperative marketing structures, and budget, (See: Programme Outline, Section 5.3).

Recommendation NO. 9

We recommend that the successor to the current COOPTRADE Advisor be employed preferably six months but not less than four months prior to the departure of the current COOPTRADE Advisor, in order to effect the project continuity, coordination, and long range planning which are necessary.

5.8 COOPTRADE and SCTI

The COOPTRADE Technical Advisor presently serves as Secretary to the ICA Regional Sub-Committee for Trade and Industry. Our finding is that this arrangement is mutually beneficial and desirable.

The SCTI membership provides COOPTRADE with project opportunities, technical insight, and regional support. In addition to providing the SCTI with a Secretariat, the COOPTRADE Project is a source of technical assistance and market linkage for the SCTI member cooperatives. In addition, the SCTI meetings provide a forum for sharing of ideas and trading possibilities with COOPTRADE and among cooperatives within the region. Therefore:

Recommendation No. 10

We recommend that the COOPTRADE Project continue to serve as the Secretariat for the ICA Regional Sub Committee on Trade and Industry, and that the COOPTRADE Technical Advisor continue to serve as Secretary to the SCTI, if the SCTI so desires.

5.9. Project Authority and Reporting

The Project Authority is the International Cooperative Alliance, in Geneva, Switzerland. Currently, programme narrative and financial reports

are sent by the project to ICA. Copies are sent to ICA ROEC in New Delhi for information and coordination purposes, and to SCC in Stockholm as SCC is the primary resource agency for the project.

We encourage the COOPTRADE Advisor to continue to spend time with ICA ROEC leadership and staff, when he is in Delhi, to enhance communication, coordination, and professional rapport. Visits by ICA ROEC officials to the project office in Kuala Lumpur will also assist in this regard.

Our findings show that the current system appears to be working reasonably, smoothly. As long as ICA is the Project Authority, SCC is the primary resource agency, and the project is coordinating its activities with the ICA Regional Office, it appears no major change in reporting procedure is required. Therefore :

Recommendation No. 11

We recommend that the project continue its existing, relationship of responsibility, coordination, and reporting to the ICA, ICA ROEC and SCC.

5.10 COOPTRADE Budget Considerations

This evaluation mission recognises that many recommendations made by us represent an increase in project expenditure. We further recognise that to simply continue the project at the current financial level will represent a serious loss in the light of momentum already created and potential marketing abilities already identified. Therefore, we offer the following proposals, based on our findings in the region:

- (a) ICA and SCC should take justifiable pride in the accomplishments of the COOPTRADE Project. ICA and SCC should commit to the COOPTRADE Project the resources it requires in the light of COOPTRADE's leadership role in facilitating the commitment of ICA and its member cooperatives to enhance the development of cooperatives as sound businesses. Acknowledging the difficult economic situation which obtains for many of ICA's members

and for ICA as well, we propose that the COOPTRADE Project be accorded the highest possible priority and that resources for the project be accordingly sought.

(b) Additional resources should be sought, initially from cooperatives in Western Europe and North America and subsequently from cooperatives in other market regions, to assist in the financing of COOPTRADE market representatives in those areas, keeping in mind the concerns for COOPTRADE control identified above in Section 5.4 and Recommendations No.2 and 3. A national cooperative body or regional cooperative business may provide office space, telephone and telex, access to other support activities (as are being provided to the COOPTRADE head office in Kuala Lumpur), as well as full or partial funding for the COOPTRADE market representatives in their respective countries.

(c) Lastly, and most importantly, we believe that future funding for the COOPTRADE Project should be increasingly generated from within the region, and that a plan of this nature should be incorporated into the COOPTRADE programme plan referenced in Section 5.3 above. To this end, the ICA Regional meeting of the Sub-Committee for Trade and Industry, meeting in Bali, October, 23, 1986, committed that a percentage should be paid to the COOPTRADE Project on all revenues generated from new marketing which occurred as a result of the assistance of the COOPTRADE Project. While this commitment in F Y 1986-87 represents a small sum of money, it is nonetheless a clear indication of the commitment of regional cooperative business leaders to the opportunities and benefits accorded to them as a result of the COOPTRADE Project. Moreover, we believe there is considerable scope for this source of project funding to increase generously over the coming five years. Therefore :

Recommendation No. 12

We recommend that resources and support for the COOPTRADE Project be committed, to the extent possible, for the proposed five-year programme, 1987-92. We further recommend specific financial support be allocated for the coming three years, i.e. through F Y 1989-90.

Recommendation No. 13

We recommend that financial support for the COOPTRADE Project, while continuing primarily from existing sources, be augmented by funding and business services from cooperative bodies in developed countries, acting in their mutual best interest with COOPTRADE.

Recommendation NO. 14

We recommend that increasing support for the COOPTRADE Project continue to be developed within the region, in response to the initiative of the SCTI, and that such project revenue derive from royal ties, fees and commissions to COOPTRADE for new business created by the project for its client cooperatives.

6. ACKNOWLEDGEMENTS

In conducting this evaluation mission, we have been greatly assisted by cooperative leaders throughout the region. They have generously shared their time and candor with us, without which it would not have been possible for us to fulfil this evaluation mission. We acknowledge and deeply appreciate their insights and contributions.

Special appreciation must also be expressed for the excellent assistance given to us by the COOPTRADE Project staff, and the very helpful suggestions of the staff of the ICA Regional Office.

We would also like to express our thanks to Messrs K. Janakiram, Narendra Gauri, Davendra Gulati and Ashok Taneja of the NAFED office in New Delhi for their skillful and prompt assistance in preparing and binding this evaluation report.

Any errors of fact contained in this report are unintentional and regretted.

ANNEX I

TERMS OF REFERENCE

- 1) The evaluation mission should look into the justification for the present project. How important is coop trade for the development of coops in developing countries ? What specific contribution does it make to the well-being of co-operative members in the region ?
- 2) The mission should study the planning, organisation and operations of the project and make recommendations. Are the methods and strategies used appropriate ? Is the project dealing with the right products and right organisations ? How are contacts maintained with potential suppliers and purchasers ?
- 3) The mission should examine the relationship between the project and ICA (HQ and Regional Office) to determine if any changes should be made in such areas as planning, monitoring, and reporting.
- 4) The mission should give particular attention to the role which the project should play if it is continued after mid-1987. For example, should the initiative for project implementation be transferred totally to national cooperative organisations, with COOPTRADE acting mainly as adviser to the national movements and as consultant to the individual projects ? What is the most appropriate way to maintain productive contacts with cooperative business organisations in Japan, Australia, Europe, and North America, and how could the project be of greatest assistance ?
- 5) The mission should recommend whether the project should be continued after its scheduled termination in mid-1987. If so, what human and financial resources would be required ? What would be the specific programme priorities ?

ANNEX II

EVALUATION SCHEDULE AND CONTACTS

OCT. 17 - 19	: PHILIPPINES	- Manila and Bacolod City
OCT. 20 - 25	: INDONESIA	- Jakarta and Denpasar
OCT. 26 - 29	: MALAYSIA	- Kuala Lumpur and Penang
OCT. 29 - Nov. 1	: THAILAND	- Bangkok
NOV. 02 - 10	: INDIA	- New Delhi

PHILIPPINES

Gen. A.S. Lozada, President
Cooperative Union of the Philippines, Manila

Mr. Modesto Sa-Onoy, Executive Officer
National Federation of Sugarcane Planters, Bacolod City
- Vice-Chairman, SCTI

Mr. Alejandro Ozoa, General Manager
K-Cube Woodworkers Cooperative, Bacolod City

Mr. Raul Q. Montemayor, General Manager
Federation of Free Farmers Cooperatives, Inc., Manila

INDONESIA

Drs. Bob Yahya, Executive Director
Indonesian Cooperative Council (DEKOPIN), Jakarta

Mr. Shidiq Moeslim, Manager
Indonesian Cooperative Business Promotion Board (BPUK),
Jakarta
- Member, SCTI

Mr. Wasito Lakturo, Ketua II
Indonesian Cooperative Business Promotion Board (BPUK),
Jakarta

MALAYSIA

Mr. R. Mathimugan, Chairman
Central Cooperative Bank, Kuala Lumpur
- Member, ICA Executive Committee
- Chairman, ICA Regional Council

Mr. Wahiduddin Wahab, Chairman
KOBENA, Kuala Lumpur
- Chairman, SCTI

Mr. K.R. Somasundaram, General Manager
National Land Finance Cooperative Society, Kuala Lumpur

Mr. B. Sahadevan,
National Land Finance Cooperative Society,
Kuala Lumpur

Mr. K.K. Suriar, Asstt. General Manager
Malaysian Cooperative Consumer Society Ltd.
Kuala Lumpur
- Member, SCTI

Mr. Kai T. Nielsen, Chairman/CEO
Prai Malaysia, Penang

Mr. Ulf Bergstrom, Technical Advisor
ICA COOPTRADE Project, Kuala Lumpur
- Secretary, SCTI

Mr. Kuan Hong Hooi, Accounts Manager
ICA COOPTRADE Project, Kuala Lumpur

THAILAND

Khun Chern Bamrungwong, Director General
Cooperatives Promotion Department, Bangkok
- Member, SCTI

Dr. Sophon Amthong, Dy. General Manager
Agricultural Cooperative Federation of Thailand, Bangkok
- Member, SCTI

Khun Anne, Export Manager
Agricultural Cooperative Federation of Thailand, Bangkok

Khun Taweewat Chaweewat, Director
Cooperative League of Thailand, Bangkok

Dr. Ammat Rajanapaibul, Chairman
Trade and Industry Committee
Cooperative League of Thailand, Bangkok
- Member, SCTI

Mr. Rolf Akeby, Advisor, Cooperative Training
ILO, Bangkok
- former Team Leader, ILO/SIDA COOPTRADE
Project

Dr. Mahmood Ali Khan, Regional Advisor on Rural
Development and Cooperatives
ILO, Bangkok

INDIA

Mr. R.B. Rajaguru, Regional Director
ICA Regional Office and Education Centre, New Delhi

Mr. J.M. Rana, Regional Development Officer
ICA Regional Office and Education Centre, New Delhi

Mr. Sten H. Dahl, Cooperative Development Advisor
Development Coordination Unit
ICA Regional Office and Education Centre, New Delhi

Mr. Bruce W.M. Gunn, Representative in India
Cooperative Union of Canada, New Delhi
- observer, SCTI

ANNEX III

SUMMARY OF RECOMMENDATIONS

1. (page 17) - We recommend that the COOPTRADE Project be extended for a third phase, 1987-1992. We further recommend that a five-year programme plan be developed by the COOPTRADE Advisor together with his successor, and that funding be assured for at least the first three years of the five-year plan. We further recommend that a project evaluation be conducted 6-12 months prior to the completion of the funding commitment, to re-assess project accomplishments and priorities at that time.
2. (page 20) - We recommend that the COOPTRADE Project select, recruit and contract directly with organisations and/or individuals which can and will provide to COOPTRADE the services necessary for successful international marketing of COOPTRADE client's products and commodities. Such services shall include inter alia : market research, market assessment, product promotion, market development, consulting for product design/packaging/transportation/pricing, sales and customer services.
3. (page 21) - We recommend that the COOPTRADE Project while collaborating fully with cooperative colleagues and organisations abroad, establish its own market representatives, who shall be directly responsible to COOPTRADE. Such market representation services may be contracted on a less-than-full-time retainer basis.
4. (page 23) - We recommend that the COOPTRADE Project staff be increased to at least two full time cooperative marketing professionals, plus appropriate support staff.
5. (page 23) - We recommend that the COOPTRADE Project increase the availability of consultants to its client cooperatives, with attention to marketing expertise, improvement of productive capacity, development of marketing staff, technical expertise, and product development. Such consultants should be found and employed from within the project region, to the extent practical.
6. (page 23) - We recommend that, beginning with the SCTI members, the project develop a network of professional and technical advisors to be located throughout the project region who, for a modest fee, will be available in their respective countries and technical areas to provide services to COOPTRADE clients.

7. (page 24) - We recommend that for the proposed Phase 3 of the COOPTRADE Project, the project headquarters shall remain in Kuala Lumpur, Malaysia.
8. (page 26) - We recommend that steps be taken immediately to identify and employ a COOPTRADE Advisor, to succeed the current advisor in mid-1987, who shall possess to the extent possible the skills and attributes required: cooperative commitment, professional experience, Asian cultural orientation, intuition and innovation, and communication skills.
9. (page 27) - We recommend that the successor to the current COOPTRADE Advisor be employed preferably six months but not less than four months prior to the departure of the current COOPTRADE Advisor, in order to effect the project continuity, coordination, and long range planning which are necessary.
- 10 (page 27) - We recommend that the COOPTRADE Project continue to serve as the Secretariat for the ICA Regional Sub Committee on Trade and Industry, and that the COOPTRADE Technical Advisor continue to serve as Secretary to the SCTI, if the SCTI so desires.
11. (page 28) - We recommend that the project continue its existing, relationship of responsibility, coordination, and reporting to the ICA, ICA ROEC and SCC.
12. (page 29) - We recommend that resources and support for the COOPTRADE Project be committed, to the extent possible, for the proposed five-year programme, 1987-92. We further recommend specific financial support be allocated for the coming three years, i.e. through F.Y 1989-90.
13. (page 30) - We recommend that financial support for the COOPTRADE Project, while continuing primarily from existing sources, be augmented by funding and business services from cooperative bodies in developed countries, acting in their mutual best interest with COOPTRADE.
14. (page 30) - We recommend that increasing support for the COOPTRADE Project continue to be developed within the region, in response to the initiative of the SCTI, and that such project revenue derive from royalties, fees and commissions to COOPTRADE for new business created by the project for its client cooperatives.

ANNEX IV

ABBREVIATIONS AND TERMS USED IN THIS REPORT

- ACFT - Agricultural Cooperative Federation of Thailand, Bangkok, Thailand
- BPUK/DEKOPIN - Cooperative Business Promotion Unit, Jakarta, Indonesia. Host of the October 23, 1986. SCTI meeting in Bali.
- CBI - Cooperative Business International, commercial company established in 1984; affiliated with the U.S. National Cooperative Business Association, Washington, DC, U.S.A.
- CBI/INKUD - joint office of CBI and BPUK/DEKOPIN for promoting and assisting export trade by Indonesian cooperatives.
- CCB - Cooperative Central Bank, Kuala Lumpur, Malaysia.
- CLT - Cooperative League of Thailand, Bangkok, Thailand.
- COOPTRADE/
Japan - commercial body established in 1956 by the Japanese Consumer Cooperatives Union. Despite the similarity in names, COOPTRADE/Japan has no direct involvement with the ICA COOPTRADE Project. It is, however, a potential buyer of products produced by client cooperatives of the ICA COOPTRADE Project.
- CUP - Cooperative Union of the Philippines, Manila, Philippines
- ICA - International Cooperative Alliance, headquartered at Geneva, Switzerland. Project Authority for the COOPTRADE Project.
- ICA ROEC - International Cooperative Alliance Regional Office and Education Centre, located at New Delhi, India.
- ILO - International Labor Organization. Regional office located in Bangkok, Thailand.
- KOBENA - National Youth Cooperative, Kuala Lumpur, Malaysia.
- MCCS - Malaysian Cooperative Consumer Society, Kuala Lumpur, Malaysia.

NAFED	- National Agricultural Cooperative Marketing Federation of India Ltd., New Delhi, India
NLFCS	- National Land Finance Cooperative Society, Kuala Lumpur, Malaysia.
NTUC	- National Trade Union Congress, Singapore.
Project region	- refers to the countries in which the project is active, currently : India, Sri Lanka, Thailand, Malaysia, Singapore, Indonesia and the Philippines.
SCC	- Swedish Cooperative Centre, Stockholm, Sweden, primary funding source for the ICA COOPTRADE Project
SCTI	- ICA Regional Sub-Committee on Trade and Industry. The Technical Advisor currently serves as Secretary to the SCTI, which meets twice yearly and is composed of cooperative business leaders from throughout the region.
SIDA	- Swedish International Development Authority of the Swedish Government.
TA	- Technical Advisor of the ICA COOPTRADE Project.
Technical Advisor	- is the Project Executive for the ICA COOPTRADE Project. Since 1982, Mr. Ulf Bergstrom.