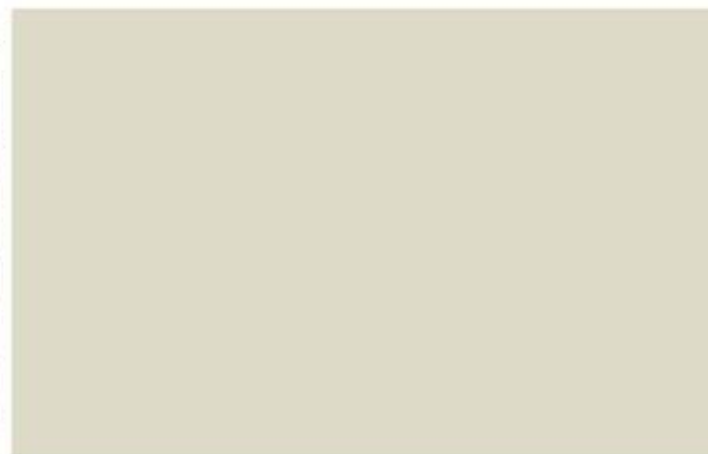




Championing International Co-operative Development

A Chronicle of
Strategic
Interventions by
CCA-CDF in the
Asia Region

By: Robby Tulus



CANADIAN
CO-OPERATIVE
ASSOCIATION



ASSOCIATION
DES COOPÉRATIVES
DU CANADA



Co-operative Development
Foundation of Canada

SINCE 1947

**'International Co-operative Development Strategies'
Championed by the Canadian Co-operative Association
(CCA) and the Co-operative Development Foundation (CDF)
in Asia (1983-2000)**

**Compendium of
“Reflections & Lessons Learned”**

Robby Tulus

Robby Tulus was Region Director for Asia at CCA/CDF from 1983-1993, and Senior Policy Advisor of the International Co-operative Alliance (ICA) from 1993-1996, and Regional Director, Asia-Pacific, of ICA (1996-2002). He founded the Credit Union movement in Indonesia, the National Association of Strategic Socio-economic Cadres (AKSES), Indonesia, and the Federation of People-Based Co-operative Enterprises, (INKUR Federation), Indonesia. He is based in Ottawa, Canada.

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ACCU Asian Confederation of Credit Unions	LFA Logical Framework Analysis
AGM Annual General Meeting	MASS-SPECC Mindanao Alliance of Self-Help Societies - Southern Philippines Educational Cooperative Center
AWCF Asia Women Co-operative Forum	MDGs Millennium Development Goals
CAA Community Aid Abroad (of Australia)	NCUI National Co-operative Union of India
CCA Canadian Co-operative Association	NDDDB National Dairy Development Board
CCUL Cape Credit Union League	NGO Non-governmental Organization
CIDA Canadian International Development Agency	NORLU Northern Luzon Regional Center (member of NATCCO)
CDF Co-operative Development Foundation (of Canada)	OBS Open Bidding System
CMHC Canada Mortgage and Housing Corporation	ODA Official Development Assistance
CRICODAP Caribbean International Co-operative Development Assistance Program	PCODAP Philippine Co-operative Development Assistance Program
CSO Civil Society Organization	PFCCO Philippine Federation of Credit Co-operatives
CUC Co-operative Union of Canada	PRSP Poverty Reduction Strategy Papers
CUCO Credit Union Counselling Office (of Indonesia), then National Credit Union Coordination Organization (of Indonesia), then Credit Union Centre Organization (of Indonesia)	RFP Request for Proposals
DE Development Education	SAP Structural Adjustment Program
FORMASI Forum for the Development of Co-operatives in Indonesia	SEWA Self-employed Women's Association
GDP Gross Domestic Product	SDGs Sustainable Development Goals
GOI Government of India	SRICUDAP Sri Lanka Credit Union Development Assistance Program
HDI Human Development Index	TA Technical Assistance
HDR Human Development Report	TC Technical Co-operation
IAMD International Association of Managing Directors (of Credit Unions)	UN United Nations
ICA International Co-operative Alliance	UNDP United Nations Development Program
ICDS Institutional Cooperation and Development Services (a Division of CIDA)	VICTO Visayas Co-operative Training Organization
INCODAP Indonesia Co-operative Development Assistance Program	WID Women in Development
	WOCCU World Council of Credit Unions



INTRODUCTION: A PERSONAL FLASHBACK

I am grateful to the Co-operative Development Foundation (CDF) of Canada for requesting me to write this volume on “International Co-operative Development”, on the occasion of its 75th Anniversary in 2022. I have put my best effort to chronicle the important work of CDF¹, to generate an overview of its strategic interventions and achievements that stay relevant over its 75 years of existence.

My official tenure with CDF was from 1983 to 1993. CDF was still under the auspices of the CUC (Co-operative Union of Canada) when I joined them in 1983, and subsequently under the CCA² (Canadian Co-operative Association) following CUC’s merger with the Co-operative College of Canada in 1987. As a charitable foundation, CDF assumed the important mandate of international development. Despite my relatively short official tenure with CCA/CDF, I am proud to acknowledge the continuous engagement I have with this fabulous organization up until now.

It has been truly inspiring to reflect on the many strategic interventions CDF managed to generate in building self-reliant communities. Although Asia Region was the emphasis of this review, most of the CDF strategies identified in this volume are perceptibly still valid and relevant to the other regions as well. I also include a collective retrospect of colleagues who worked closely with me at CUC/CCA/CDF from 1983 to 1993. The amalgam of their views and mine will hopefully be of value for the current generation at CDF.

I therefore wish to record my sincere gratitude to Benoit André and his team at CDF for granting me the opportunity to write this manuscript. This volume has benefited from the keen support of my experienced colleagues who contributed their views and insights into the subject matter.

I am thus very grateful to Jim Carmichael, Alexandra Wilson, Michael Casey, John Julian, Eric Bellows, James Lowe, and Romulo Villamin for sharing their rich insights into the strategies that made CCA

¹ CDF is used in abbreviated form throughout this document to delineate “CDF Canada”.

² CCA was established following the amalgamation/merger of CUC and the Co-operative College of Canada

international development projects in Asia meaningful. I decided not to offer any summative remarks of the good lessons gleaned from my colleagues, as they are all very original.

I have also decided to add a retrospect of CUC-CDF's early passages into the Asia region well before my tenure with CDF, and up until the formation of CCA. I therefore wish to express my sincere thanks to Lorraine (Lorrie) LaFrance for her brief but insightful narration of CUC-CDF's resourceful interventions in the Asia Region between 1980 – 1986. Lorrie's role was quite historic as I was still with CUCO and ACCU as a project partner when she introduced CDF to Asia in 1980, and she became my immediate supervisor when I joined CDF in 1983.



I am also delighted to have had a brief yet fruitful discussion with Jo-Anne Ferguson and Kathleen Speake on CCA's International Development Strategies. They confirmed the important transformation journey of CDF over all these years and up until the latest transformation. Jo-Anne and Kathleen joined CCA just after I left CCA for ICA, but as key figures of CCA's

International Affairs they both continued to work closely with me during my tenure at ICA and in subsequent years until their retirement. I would be remiss if I did not express my special gratitude to William (Bill) Knight and Jim Carmichael who voluntarily offered their kindness to proofread this manuscript and gave me their good suggestions.

It is my sincere hope that this modest volume will be useful for CDF in its efforts to promote greater awareness and motivation among the current generation of the co-operative movement and development actors in Canada and abroad. I remain convinced that intergenerational deliberations on, and engagement in, international development will only enhance our collective wisdom on how to utilize the Co-operative Model to tackle the social and economic ramifications of today's prevailing problems of poverty, inequality and social injustice in Asia and internationally.

Robby Tulus, December 2021

A

EXECUTIVE SUMMARY

This volume seeks to chronicle the International Co-operative Development Strategies of CCA/CDF in the two decades (1980 and 1990) leading up to the New Millennium. It aims to authenticate some important lessons from strategies formulated by CCA/CDF in co-operative development in Asia, and to extricate those deemed relevant for today's international development landscape. Current issues such as women's empowerment and climate change mitigation were already adopted as priorities by CCA/CDF in the late 1980s, well ahead of similar strategies pursued by the UN through the MDGs and SDGs.

The focus of this paper is on past International Co-operative Development Strategies utilized in Asia which, to all intents and purposes, are considered tenable for adaptation in Africa and other developing regions as well. Records of past achievements and subsequent recommendations will hopefully serve as useful references for CDF and its stakeholders, to support the promotion and practice of international co-operative development. It is also noteworthy how CCA's past accomplishments in the Asia region bear evidence of CCA/CDF's ongoing trajectory as a distinguished, as well as sustainable, co-operative development organization in Canada. CCA's knowledge-based approach and rich experiences in the past led to a discernable co-operative development paradigm, one that is versatile and operative in present-day co-operative development interventions.

One of the most recent CDF footprints is its re-stated foundational pledge "To invest in individuals, families and communities across the globe to drive sustainable development and inspire a better world. And doing so through a CO-OPERATIVE with its democratic and inherently inclusive structure, to generate long-term prosperity, particularly for vulnerable people." This commitment authenticates the genuine determination of CDF to remain a sound and viable organization after its 75 years of existence.

It means putting faith in Canadian co-operative and credit union institutions, as well as their individual members, to contribute actively in the building of long-term partnerships with like-minded institutions in the South for sustainable co-operative development. The 'compendium of lessons learned' intends to share many examples of the past that demonstrate CDF's sustained and continuing foundational commitment to this international co-operative development goal.

My own Canadian co-operative experience began in 1981, when I was given the opportunity to conduct a cross-Canada speaking tour as part of the Development Education (DE) program of the Co-operative Development Foundation of Canada. The DE program of CDF was instituted with the purpose of sharing Third World co-operative development issues with co-operative and credit union leaders, activists and practitioners in Canada. The program was supported by the Canadian International Development Agency (CIDA). This first speaking tour organized by CDF in 1981 was meant to articulate the complex development issues in the creation of a credit union movement in the 'South', and how forces for change could be created through 'North-South' linkages and collaboration. This DE program was an active and creative educational process to increase awareness and understanding of the co-operative and credit union family in Canada so as to make a positive difference in co-operative development around the world.

The key aims of this speaking tour were to connect realities of credit union development in Canada with those in Asia - particularly Indonesia - and to attempt to build awareness, analysis and action for creating positive changes for a better world through credit unions. The DE program was based on the acknowledgement that international development worked well if and when organized within a common spirit and mutual help, based on trust and equality despite the asymmetry of development in the North and South.

In order for this postulate to be more clearly discernible to readers, I believe that a collective retrospect will be better than personal reflections alone. This will also serve to maintain and enhance the objectivity of the analysis.

Therefore, an action survey among experienced CCA colleagues was conducted, directed especially towards those who worked directly with me between 1987-1993. These experienced colleagues played key roles in conceiving innovative co-operative approaches and models as an outgrowth of sound collaborative efforts with co-ops and other partners in the Asia region. Their unique perspectives have been assembled in order to form a set of lessons learned which, conceivably, will be useful to create new co-op development models that are commensurate with current international development trends.

Prior to enumerating the Lessons Learned from the action survey, I proposed three different archetypes of International Co-operative Development which I deemed specific to CCA/CDF's development policies in Asia. They are:

“(a) Partnership, (b) Demand-driven Development, and (c) Technical Co-operation.” These three archetypes were then shared with CCA colleagues by way of the action survey, and their many

reflections were then tabulated in this paper. It immediately became clear that one additional archetype continues to prevail: that is, the importance of harnessing the collective potential of diverse groups of stakeholders. Since their inception in the mid-19th century, co-operatives have benefited by mapping the common journeys of their own members, and adapting their development strategies to put members' needs, motivations and well-being at the center.

A theoretical retrospect on Development Assistance is interwoven as an analytical prelude to the Lessons Learned. The starting point for this analysis was the onset of Structural Adjustment Programs (SAP), a product of the “Washington Consensus”. Focusing on the paramount importance of neoliberal economic growth, the SAP insisted that bilateral and multilateral aid must be contingent upon macro-economic structural reforms. Trends such as these which underlie global development strategies are important for CCA/CDF to navigate on account of their changing nature. Since the late 1980s when the SAP came to the forefront, CCA/CDF navigated carefully to build strong partners in Asia through its bilateral programs. The failure of SAPs brought about a more focused set of MDGs. Although the MDGs ensued only in the year 2000, the groundwork laid by CCA/CDF and development foundations in the 1980s was able to sustain the confidence of CIDA and multilateral agencies.

The co-operative movement has been a forceful constituent, and its model of development has been an integral element to reckon with.

The Poverty Reduction Strategy Papers and MDGs that guided international development from 2000 to 2010 were seen as definitive progress in shifting the Washington Consensus, although their measurements of progress were still confined mainly to reports from government institutions. CCA in close collaboration with the ICA (International Co-operative Alliance) shifted its focus to working more closely with the UN agencies. The credibility of co-operatives was strengthened following their acknowledgement by the UN Secretary General, and the decision of the UN General Assembly to declare a “Special International Co-operative Day” in 1995.

CCA/CDF continued to enjoy strong support from CIDA as the organization focused its international development strategies on providing economic and social benefits to co-operative members on the strength of their local ownership. CCA/CDF also benefited from mapping common journeys taken by their own members/constituents in Canada.

Members and constituents of CCA/CDF embraced the spirit of partnership by combining their own local development strategies with those of their overseas partners, and then placing their new international development strategies at the center of their partnerships. The Canadian experience has shown all along

that those co-operative sectors in Canada are flourishing and fully deserving of government partnerships that respect the principle of independence and autonomy.

A host of block-funded and bilateral-funded projects in the Asia region are presented in detail in Chapter (F), including both successful and not-so-successful ones. An honest review which follows calls for a concerted search for new CDF paradigms in international development programming in the future.

Before concluding with a monographic and analytical review of new trends in international development, this paper includes personal reflections by Lorrie LaFrance on Asian interventions in early 1980s.

There are indeed so many interesting co-operative development interventions that CDF's blockfund engendered. It would be fair to state that a positive development trajectory was duly created toward long-lasting inter-cooperative partnerships in the Asia region and beyond.

The concluding chapter appraises co-operative advantages within the context of current international development trends. There was millennial excitement when the Millennium Development Goals were promulgated by the UN, but lessons were swiftly learned from the failures to achieve them. Fifteen years later the 2030 SDGs were produced. Current and future global development professionals will be expected to seek a post-neoliberal model of development that combines business and rights-based approaches to tackle global issues in a collective fashion. That includes weighty issues such as climate change and food security. For this to happen, partnerships with like-minded organizations must be developed and enhanced.

Then came the Pandemic. We do not know exactly of what a post-COVID19 world will look like. But we must rest on the belief that international development and co-operation remain crucial in managing post-Pandemic global challenges. The role and importance of co-operatives shall only be reinforced in the process and certainly not weakened. Co-operative agencies and entities at all tiers will be encouraged to formulate new strategies to sustainable development as encapsulated by the global consensus on the 2030 SDGs.

CDF is anticipated to rise to the challenges in the post-COVID19 world and to sustain its commitment to bring international co-operative development to greater heights. These challenges will only drive CDF to engage the Canadian co-operative movement more robustly in international development, most certainly over the next 25 years as it aims to celebrate its "Century of International Co-operation".

B

INTRODUCTION: A PERSONAL FLASHBACK

I am grateful to Benoit André and his team at CDF for placing their trust in me to write about “International Co-operative Development Strategies and Approaches in Asia”. This is a compendium of lessons learned from the past, based on my experiences and knowledge gained through an immensely gratifying tenure at CDF-CUC and CCA. I was Asia Program Manager of CDF-CUC between 1983-1987, and the Asia Region Director of CCA from 1986 to 1993.

Unlike the fictionalized and popular game-changing show “Fresh Off the Boat”, a socio-cultural portrayal of Asians in America run by ABC television, my Canadian story was factual and tangible. It was a concrete experience initiated by CDF in 1983 that led to the discovery of relevant international development models.

It all started in 1979 when Bruce Thordarson (then Executive Director of CUC) came to visit Indonesia with a group of WOCCU delegates to be shown the up-and-coming credit union movement in Indonesia, in which I took the lead as Managing Director of CUCO-Indonesia. The visit was also an occasion to pay a courtesy visit with H.E. Adam Malik, the Vice President of the Republic of Indonesia. In 1980 Messrs. Lorraine (Lorrie) LaFrance (CDF) and Augustine Kang (ACCU) visited Indonesia to get exposed to the nascent credit union movement founded by Revd. Karl Albrecht SJ and myself. What came afterward was a sponsorship from CDF to conduct leadership training programs for leaders of the credit union chapters in North and South Sumatra.

Lo and behold, in 1981 I received an invitation from CDF to conduct a “cross-Canada speaking tour”, allowing me to witness and speak to the high-spirited Provincial CU Centrals’ AGMs in Nova Scotia, Manitoba, Saskatchewan, and Alberta. I also met a host of credit union and co-operative leaders in Ontario and British Columbia. Credit for this rare and rewarding opportunity was due to Messrs. Bruce Thordarson and Jim Carmichael who, as CUC and CIDA leading figures respectively, decided to give the credit union movement in Canada a glimpse of credit unions in Indonesia through my humble pioneering efforts.

My presentations during those speaking engagements depicted the trials and tribulations of starting a credit union movement in a developing nation amidst diverse cultures, a repressive regime, and a usurious and money-oriented society.

The development education speaking tour was organized and facilitated by Milton Mackenzie, Development Education Director of CDF from 1979 to 1987. CDF's Development Education (DE) program was also embraced by the World Council of Credit Unions, which formed a team of development educators in Seattle in the early 1980s. Credit union development education aimed at increasing the understanding among credit union leaders and practitioners in Canada of the complex development issues in creating a credit union movement in the 'South', and how a force for change can be developed through 'North-South' linkages and collaboration.

The key learning from DE was: 'The acknowledgement that International Development worked well if and when organized within a common spirit and mutual help, based on trust and equality despite the asymmetry of development in the North and South.'

There was no greater satisfaction than to share lessons learned from the speaking tour in Canada and, to a lesser degree, from my earlier speaking engagement in 1976 at the International Association of Credit Union Managing Directors (IAMCD) Annual Conference in San Diego. The trials and tribulations experienced in instituting a credit union movement under a repressive regime in Indonesia, with no legal recognition granted, were made much lighter upon knowing that we had so much support from our "big brother" in North America. This sense of common spirit and mutual help was also shared by CDF with emerging credit union movements in Asia.



THE ASIA TEAM PLANNING SESSION IN ANAND, INDIA, 1991
(Included: International Affairs Director, Caribbean Region
Director, Development Education Director)

Upon retiring from CUCO-Indonesia as Managing Director in 1981, I was elected Chairperson of the newly restructured movement called the National Credit Union Co-ordination Organization (CUCO) of Indonesia. At the same time, I was employed by the Seoul, Korea-based Asian Confederation of Credit Unions (ACCU) as its Training Specialist between 1981-1983. The relationship between credit union movements in Asia and

the US was formidable on account of ACCU's membership within WOCCU's structure based in Madison, Wisconsin.

It so happened that during my Canadian speaking tour, John Nicholson from Nova Scotia CU Central - who was also President of WOCCU at that time - acknowledged the need for Credit Unions in the North to collaborate and create linkages with credit unions in the South. Thus, ACCU would be an excellent conduit for that purpose. Through the DE programs of CDF, the embodiment of Canadian credit unions in the global co-operative and credit union movement was also increasingly felt.

The speaking tour in Nova Scotia was also a great reminder of, and a lesson learned from, Mgr. Coady's work in building resilient communities in that province. The Antigonish Movement, as it was called, strengthened inclusive economies, and promoted accountable democracies in Nova Scotia. The phrase "Masters of their own destiny" became the hallmark of the self-reliant philosophy of Mgr. Coady. Further to the west, my speaking engagement in Manitoba and Saskatchewan reminded me of Rod Glen, the credit union pioneer in the western provinces of Canada.

What transpired from a one-month speaking engagement was the early creation of a symbiotic relationship between CU movements in Canada and Asia. Credit Union change leaders from Canada and Asia continued to interact, and through such interactions institutionalized partnerships began to emerge. The end result has been the creation of a strong foundation for a 'sustainable partnership' between credit unions in the North and South.

In 1983 CDF saw the need to expand its international development program in the Asia region. At this time, I was based in Seoul, Korea, working for ACCU. But when I tried to return to live in Indonesia, I was refused my right of Indonesian abode (citizenship) by the Indonesian regime, due to my Chinese ancestry. So, my family and I were forced to seek refuge in another country. We became fully



CDF-CUC 1983: 5 Staff of International Affairs, plus
Executive Director & Board member – Planning Session in
Mont St Marie

determined to move overseas to escape a system that was racially motivated. Since this tumult coincided with my work for co-op development in the Asia region under ACCU, I was indeed fortunate to have received a number of overtures from co-operative and non-governmental organizations in Australia, US, ACCU itself, and CDF Canada, offering me work-permit status from the outset.

Needless to say, and without any hesitation, I decided to choose Canada inasmuch as I was already captivated by the sound and solid co-operative movement in this country. The speaking tour provided me with such great opportunities to learn and interact with friendly and dedicated co-operators and credit unionists from all over Canada. It was also a true God-send that I was granted joint sponsorship by CDF and CIDA for this historic speaking engagement. CDF gave me a two-year contract at the outset, during which I was asked to design a comprehensive co-operative assistance program for the Asia region. Two years elapsed and I was granted a permanent position by CDF while securing my permanent residency in Canada as well.

Lorraine LaFrance was highly instrumental in guiding my initial role as training specialist of CDF from 1983 to 1984, and my later role as Asia Program Manager from 1985 to 1986. Jonathan Guss, who was then Credit Union Central's liaison to the Canadian Government, was instrumental in expediting the granting of my Permanent Residency status in 1986.

My role as Asia Program Manager allowed me to experiment with the very first bilateral programming at CDF. I managed to create a demand-driven opportunity to obtain bilateral funding from CIDA, the first one being the Philippine Co-operative Development Assistance Program (PCODAP) which started in 1987.

Fast forward, my transformation journey led to a number of important discoveries of international development paradigms, which in my opinion have maintained their relevance up until today. I call this the three archetypes, and which I will elaborate as follows:

C.1. The Concept of 'PARTNERSHIP'

Recognizing my reversed role as “recipient” of CDF between 1981 -1983 to that of “donor” from 1983 onwards, I was uneasy with being positioned either as recipient or donor. I was thus insistent from the start of my CDF career to avoid using the term “donor-recipient relationship” - as was fashionable at that time - but instead using “partnership” consistently as a key feature of building relations. In the first place, co-operatives in the North and South share strong common values and interests that are embedded in their ICA membership rights and responsibilities. This is unlike relations between governments and NGOs in the North versus the South which are often asymmetrical in their ideology, organizational structure, socio-political agendas, and values. Co-operatives in both the North and the South adhere to the ICA Co-operative Principles of 1966, thus making it easier for them to build relations based on equality, trust, and common spirit, despite the uneven development stages they find themselves in at any given point in time.

This significant hallmark of co-ops is often not easily understood by the general public, and must therefore be diligently advocated to public policymakers and the international development community. The notion of equality rests on the belief that decision-making must be pursued jointly on the basis of trust, with no hidden agendas on the part of either partner. And since “trust” is key to define the quality of Partnership, then ‘patience’ must also be assigned as an important ingredient thereto. This concept of partnership is also closely linked to the third archetype of “Technical Co-operation”. Co-operation is built on the basic values of solidarity and trust, and this is also how a genuine partnership should be built. On the other hand, the term ‘Technical Assistance’ means that a higher authority dictates what is best for its counterpart that is technically less competent, hence a hierarchical way of doing things from the top down. More will be described on this third archetype below.

The conventional wisdom of international development in the 1970s and 80s centered on a hierarchical system with the “donor” in the North dictating to the weaker “recipient” in the South with such measures as tied aid, thereby engendering a lopsided power-dominated relationship. As a result, many CSOs (Civil Society Organizations) or NGOs in developing countries ceased to exist once donor funding

ended. On the other hand, co-operative enterprises tended to grow and sustain themselves through self-help and self-reliance, reinforced by co-op-to-co-op partnerships. Regarding the latter, we maintain the strong belief that each partner has equal rights and advantages to contribute towards building sustainable relations for the good of the local, national and global co-operative movements (and thus building a better world).

C.2. The Concept of “Demand Driven” Development.

When sitting at my desk at CDF to study how best the block-fund mechanism could be utilized, I was keenly aware that precious funds mobilized by CDF from its members must be put to use prudently. I believe that funds are mute and neutral, but how funds are used speaks to the true philosophy of development. Accordingly, I deduced that donated funds from members matched by CIDA funds from the Canadian public, must not be utilized for the conventional “development project” despite any well-crafted logical framework analysis (LFA) it might entail. Instead, these precious funds ought to have the capacity to pump-prime development initiatives (i.e., not just ‘projects’) by co-operatives in the South, so as to create joint agenda-setting mechanisms. Using the block fund to develop these agenda-setting mechanisms, based on genuine partnership, would more likely result in the type of long-term strategic planning needed to underwrite the sustainability of a co-operative enterprise or a co-operative movement. A genuine and evidence-based strategic plan should, by all accounts, command the interest of bilateral or multilateral development agencies. Notwithstanding the short-term project funding that co-ops sometimes need urgently, a more significant Canadian co-operative policy would be to help strategic co-op partners in the South position themselves to be sought out by bilateral and multilateral funding agencies.

The first experiment with this approach was in the Philippines following the EDSA³ revolution, where co-operatives were already actively involved in promoting social justice among the oppressed during the Marcos era. Member-driven co-operatives in the Visayas, in particular, were repositioning and reconstructing themselves to countervail the failed Samahang Nasyon co-ops that were built from the top down. This caught the eye of CIDA (Jim Carmichael was head of aid at the Canadian Embassy in the Philippines then) who then supported these re-emerging co-ops, mostly credit unions, to strengthen their base for community empowerment. There was active demand from CIDA to expand the reconstruction process of co-operatives all over the country; hence CDF worked with the embryonic

³ EDSA is the Avenue in Manila where people were marching to demonstrate against the Marcos Regime.

National Confederation of Co-operatives (NATTCO) to rebuild the national co-operative movement from the ground up. To this end, PCODAP was created with funding from CIDA's Bilateral Programs Branch. This first Bilateral program of CDF received full endorsement of the Philippines Government under the newly elected President Maria Corazon Aquino (1986-1992). PCODAP was then followed by INCODAP and SRICUDAP as two additional bilateral programs in Asia, approved by CIDA in 1988 and 1989 respectively. The decentralized structure of CIDA during that period gave CCA a leg up, as the co-operative model of development created considerable demand at both the field and head offices of CIDA. This successful creation of bilateral programs in Asia was duly emulated by the Caribbean Desk at CCA and resulted in the development of CRICODAP.

Demand-driven development rests on the principle that funding responds to sound and effective programs, as opposed to program creation responding to available funds. This very development paradigm seems relevant today with the onset of SDGs, especially with the arrival of "Convergence" and the blended finance model that is currently being pursued by government bilateral programs all over the world. I relished both the process and the result of using demand-driven mechanisms to create impactful bilateral programs in Asia; this made for a rewarding time with CCA before I left the organization to join ICA.

C.3. The Concept of "Technical Co-operation"

In the past, CDF had two funding categories, i.e. a "Block Fund" and a "Bilateral Fund". As described earlier, the block fund mechanism is a more flexible source of funds that is derived from donations by CUC members and matched by CIDA. During the handling of the block-fund, I used the term "Technical Co-operation" (TC) instead of "Technical Assistance" whenever someone from the co-operative system in Canada was assigned to work with partners in Asia. TC connotes a give-and-take approach, a two way street rather than a one way street, since both sides can gain the benefit of the TC exercise. It will be a development education process for the Canadian co-operator/institution and a capacity building exercise for the Asian co-operators/institutions. As mentioned in the foregoing paradigm of "partnership", TC is also built on the basic values of solidarity and trust. This block-fund approach, well-regarded by the Partnership Branch of CIDA at that time, helped build a strong group of "development educators" within the co-operative movement in Canada. Loyal members of this group continue to expound on the international development work of the Canadian Co-operative Movement via the CCA in creating sustainable partnerships in Asia.

Unfortunately, to a large extent, the block fund mechanism now seems to have waned and been eclipsed by larger programs utilizing bilateral and multilateral open bidding mechanisms. The existence of the block fund was so vital and strategic in the past since it enabled CDF to build long term partnerships with its counterparts on the one hand, and to pump-prime bilateral funding grants purely on a sole-source basis on the other. Bilateral funding for projects such as PCODAP, INCODAP and SRICUDAP were granted by CIDA based on sole-sourcing for at least two phases following strong coop-to-coop technical cooperation utilizing the block fund. It would have been difficult to achieve without first planting the roots with partners using the block fund mechanism. This symbiotic relationship between CDF and its partners were so fruitful as learning experiences on both sides to face common



CCA International Development Planning Session 1988

development challenges in the global sphere.

Quite rightly so, with the onset of structural adjustment programs (SAP) in developing countries pushed by multilateral agencies under the Bretton Woods Agreement, CDF/CCA's partnership approach had to be adapted to the open bidding system (OBS), from which it had previously been exempt. OBS was instituted by agencies providing Official Development Assistance to justify value for money, by increasing competitiveness and efficiency, and mitigating risks identified through a more comprehensive analysis. But it could be argued that these benefits have diminished the effectiveness of the

development education (DE) process that was so much relished and appreciated by co-operators within the Canadian co-operative movement. Moreover, to the chagrin of co-operators around the world, the positive term “Technical Co-operation” was dropped and replaced by the conventional term “Technical Assistance”.

Technical Assistance (TA) connotes that the design and development process of relevant projects/programs is usually initiated by, and dependent on, the winner of the bid. This process is preceded by a thorough technical framework analysis, in the hope/expectation that all standard measurements of project progress will be met by the technical assistant(s), in order to maximize the project’s key results areas. No doubt the latter is vital and imperative, but from the ‘recipient’ perspective, the TA is seen as a ‘condition sine qua non’ of the project rather than the aspiration of building strong long-lasting partnerships with the ‘donors’. The stress is on building institutional capacity and a skills base for reforms (as per “structural adjustment” prescriptions), which in many ways are more suitable for government agencies than the people-to-people mutual co-operation approach used in building a sound co-operative movement.

On account of the dictates of neo-liberal policies since the structural adjustment days in the late 1980s, technical assistance has been aligned more to the program development agendas of donor/sponsoring agencies rather than the mutual agendas of North and South partners. The latter can only be established through sole-source funding mechanisms, which have not been in vogue for some time. All that being said, a new trend seems to be emerging to support successful programs based on solid partnerships.

This trend is obviously spurred by the UN agenda which aims at pursuing and accomplishing the SDGs by 2030.

DEVELOPMENT FINANCE IS MOVING TOWARDS BLENDED FINANCE TO ACHIEVE DEVELOPMENT OUTCOMES

Blended finance establishes a strong foundation to support the implementation of the 2030 Agenda for sustainable development, with an increased recognition of the importance of the private sector. There are not enough public sector resources to fill the SDG gap (\$2.5 trillion annually). Therefore private capital must be added to the development tool box as a source of development funds to address SDG funding gaps.

(Source: “Convergence 2020)

A key element of CDF’s mission is: “To invest in individuals, families and communities across the globe to drive sustainable development and inspire a better world.

And doing so through a CO-OPERATIVE with its democratic and inherently inclusive structure, to generate long-term prosperity, particularly for vulnerable people.” This commitment authenticates the genuine determination of CDF to remain a sound and viable organization after 75 years of serving the co-operative movement . It means putting faith in Canadian co-operative and credit union institutions, as well as their individual members, to contribute actively in building long-term partnerships with like-minded institutions in the South for sustainable co-operative development.

This global vision augurs well for CDF in its efforts to partner with qualified and reliable partners in developing countries. CDF’s contribution encompasses not only the technical and financial resources that co-operators in Canada can mobilize, but also the articulated mission of a Co-operative MOVEMENT that believes in international development. CDF thus embodies an over-arching philosophy that believes in building a better world through co-operative development. This is a philosophy that complements that of all other members of the international development community as they collaborate with developing countries in the collective quest to attain all of the targeted SDG’s by 2030.

C

HISTORICAL DEVELOPMENT REVIEW: A Theoretical Retrospect

The paradigm shift in international development assistance was quite perceptible in the early 1980s. There was a radical change in aid delivery goals from the mere development of community projects due to capital shortages in the South, towards policy-based programming with stricter conditionality. This began with the onset of Structural Adjustment Programs (SAPs), a product of the neo-liberal economic growth-targeted “Washington Consensus”, through which bilateral and multilateral aid must be contingent upon macro-economic structural reforms in recipient countries. This Washington Consensus, spearheaded by the World Bank, IMF and the US Government, admonished that developing nation aid recipients were obligated to liberalize their trade and investment policies.

Although the SAPs were directed more towards multilateral and government-to-government loan assistance, CCA’s bilateral projects were also impacted. Co-operatives that were assisted under these projects were urged to support their corresponding governments to open markets for foreign companies, notably US companies, thus underscoring a top-down model spearheaded by multilateral donor agendas. In fact, the U.S. was the principal force in imposing Structural Adjustment Programs (SAPs) on most countries of the South.

The term “Globalization” was coined to pressure developing countries to open their markets for goods and services from the North. Although SAPs were based on a short-term, profit-maximization model, their actual impact perpetuated poverty, inequality, and environmental degradation. Social safety nets and good governance reforms did not compensate for the serious flaws that SAPs introduced by promoting deregulation and diminishing the state’s capacity to protect the welfare of its citizens.

Another term that came into vogue in the late 1990’s was “Human Development and Ownership”, which was viewed as a prerequisite to the inclusive development model. However, the conceptualization of Human Development itself was developed in 1990 by UNDP using two distinct instruments: Human Development Reports (HDRs) and the Human Development Index (HDI). These instruments have greatly contributed to the implementation of human development initiatives around the world, and have been featured in many international development debates by international organizations, civil society organizations, the media and governments. The HDI is an aggregation of three dimensions (health, education and income) and four indicators (life expectancy, the number of years of education completed by those 25 years of age and above, the expected years of education of those entering the

school system, and GDP/capita). Most important from a development perspective is that the HDI has quickly become a credible alternative to GDP/capita alone. Before the launch of the Human Development Index, development was seen exclusively as economic growth, not development. The GDP/capita was the only measurable tool of development. Since then, the Human Development Index has contributed to the influence of inclusive development in the deliberations of governments, organizations and the media.

Thus, throughout HDI's first decade (1990-2000), the definition of development and the global debates on it, have been increasingly influenced by the concept of human development, which is also major concern of co-operatives. The Human Development Index, despite some criticisms regarding its simplicity, has greatly stimulated public debate. Even until now, while GDP/capita is still widely used by governments, the new human development categorization has begun to counter-balance those based only on economic growth. This is a significant shift in how states and international organizations perceive and discuss development.

During this time, CCA, by way of its demand-driven and partnership programming, aligned itself more with the UN-driven criteria rather than the SAPs promoted by the "Washington Consensus". By the mid-1990s, an implicit recognition emerged among the donor community in the North that donor-driven policy reforms had not succeeded in laying the foundation for a sustainable path to development among the recipient countries in the South. The new model of development which emerged was "Inclusive Development", one that is much more aligned to the co-operative model as it was based on the concepts of ownership and human development spearheaded by the UN.

CCA's programming in the 1990s was conducive towards inclusive development. In this regard, I delivered a paper on "Towards Local Ownership" at CIDA's International Cooperation Days, November 16-17, 1999, at the Ottawa Congress Center. This presentation included case studies in Indonesia and the Philippines, showing how co-operatives grew from the ground up not just to be inclusive but also sustainable (See Appendix 1).

On the part of civil society and government, there has been much recurring advocacy and debate on the Washington Consensus. This has been not so much on its practical application, but more so on the norms developed during its deliberations. The new models that emerged from these debates were the Millennium Development Goals (MDGs) and the Poverty Reduction Strategy Papers (PRSPs), even though the Bretton Woods Institutions still dominated global international development policies.

The past two decades of World Bank and IMF structural adjustment in Africa have led to greater social and economic deprivation, and an increased dependence of African countries on external loans. The failure of structural adjustment has been so dramatic that some critics of the World Bank and IMF argue that the policies imposed on African countries were never intended to promote development. On the contrary, they claim that their intention was to keep these countries economically weak and dependent.

The most industrialized countries in the world have actually developed under conditions opposite to those imposed by the World Bank and IMF on African governments. The U.S. and the countries of Western Europe accorded a central role to the state in economic activity, and practiced strong protectionism, with subsidies for domestic industries. Under World Bank and IMF programs, African countries have been forced to cut back or abandon the very provisions which helped rich countries to grow and prosper in the past.

Even more significantly, the policies of the World Bank and IMF have impeded Africa's development by undermining Africa's health. Their free-market perspective has failed to consider health an integral component of an economic growth and human development strategy. Instead, the policies of these institutions have caused a deterioration in health and in health care services across the African continent.

Ann-Louise Colgan,

Hazardous to Health: The World Bank and IMF in Africa, Africa Action - April 18, 2002

As mentioned above, from 1990 to 2000 the UN supported the institutionalization of inclusive development with new instruments to measure international development progress by way of HDRs and the HDI. In September 2000, 193 UN member states and over 20 regional and international organizations agreed on the Millennium Development Goals, which have now become a major symbol of inclusive development in the global debates on international development. The MDGs had eight objectives, 34 targets and 60 indicators.

The eight objectives were to halve extreme poverty in developing nations by way of (a), universalizing primary education (b), promoting gender equality (c), reducing child mortality (d), improving maternal health (e), reducing HIV infections and other diseases (f), ensuring environmental sustainability and (g) developing global partnerships in international development. Every country was invited to align its own policies to the MDGs, and encouraged to adopt additional objectives. However, even though the consensus around the MDGs was rooted in the UN system, it was perceived as a compromise between the UN and the Bretton Woods Institutions. Nevertheless, the PRSPs and MDGs, emanating from the UN, have greatly modified international development debates, and enhanced the influence of human development and ownership concepts.



In sum, from 2000 to 2010, the Poverty Reduction Strategy Papers and the Millennium Development Goals were seen as definitive progress in shifting away from the Washington Consensus, although PSP and MDG progress measurements were still confined mainly to reports from government institutions. The participation of civil society organizations, and to some extent co-operatives (through COPAC and the ILO), was penetrating and insightful, although the PRSP was predominantly a state-driven initiative with token input from the grassroots. Inclusive development as perceived by civil society and grassroots organizations, including co-operatives, was seen more as a micro influence that had not yet reached global public policy developers. Advances in human development and ownership by grassroots organizations were seen more as micro successes, with the PRSP's and MDG's predominating at the macro level.

At the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012, it was felt that the MDGs ought to be bolstered with more interconnected goals. For 15 years (2000 -2015), the MDGs drove progress in several important areas: reducing income poverty, providing much needed access to water and sanitation, driving down child mortality and drastically improving maternal health. It also started the global effort in 2000 to tackle the indignity of poverty, and made huge strides in combatting HIV/AIDS and other treatable diseases such as malaria and tuberculosis. The new objective was to produce a set of universal goals to meet the urgent environmental, political and economic challenges facing our world.

Subsequently, the Sustainable Development Goals (SDG's) replaced the Millennium Development Goals (MDGs) in 2015, and coincided with another historic agreement reached in 2015 at the COP21 Paris Climate Conference. Together with the Sendai Framework for Disaster Risk Reduction, signed in Japan in

March 2015, these agreements provided a set of common standards and achievable targets to reduce carbon emissions, manage the risks of climate change and natural disasters, and build back better after a crisis.

The 2030 Agenda for Sustainable Development, as it is called, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Hence the SDGs are unique in that they cover issues that affect us all. They reaffirm our international commitment to end poverty, permanently, everywhere. They are ambitious in making sure no one is left behind. More important, the SDGs were conceived to involve development and business actors in building a more sustainable, safer and more prosperous planet for all humanity. The following 17 SDG goals are well-known to the development community: 1. No Poverty; 2. Zero Hunger; 3. Good Health & Well-Being; 4. Quality Education; 5. Gender Equality; 6. Clean Water and Sanitation; 7. Affordable and Clean Energy; 8. Decent Work and Economic Growth; 9. Industry, Innovation and Infrastructure; 10. Reduced Inequality; 11. Sustainable Cities and Communities; 12. Responsible Consumption and Production; 13. Climate Action; 14. Life Below Water; 15. Life On Land; 16. Peace, Justice and Strong Institutions; 17. Partnerships.

Co-operatives and civil society organizations, together with other private and government institutions, are being called upon to play a role in the process of meeting these SDGs. During the declaration of the UN International Year of Cooperatives in 2012, former UN Secretary-General Ban Ki-moon stated, “Through their distinctive focus on values, cooperatives have proven themselves a resilient and viable business model that can prosper even during difficult times.

This success has helped prevent many families and communities from sliding into poverty.” This is an explicit recognition by the UN that points toward the multiple roles co-operatives can and must play in meeting a number of the goals of the SDGs, notably in poverty reduction, gender equality, reduced inequality, peace and education.

D

LESSONS LEARNED: International Development Strategies and Perspective from CDF Staff

The term “Lessons Learned” in the historical context of CCA Development Assistance should be interpreted more as “Reflections”, as they represent CCA’s commitment to excel in undertaking project management, and to learn from actual experiences of each other over the past three decades.

Experiences were also influenced by external conditions such as the decentralized approach of CIDA in the 1980s, its recentralization from 1990 onwards, and the paradigm shifts from the period of SAPs all the way to the MDGs and SDGs as explained earlier.



From an internal viewpoint, lessons learned were also dictated by the way projects were being managed to meet external conditions. The Asia Program in the 1980s, for example, was managed by just three persons in Ottawa (Robby, Chantal and Laurie), with five other field managers (in the Philippines – Eric Bellows, Indonesia – Al Scholz,

India – George Kuttickal, Sri Lanka - Kiriwandeniya, and the South East Asia sub-region – Zilla Potivongsajarn), as seen in the photograph above. Management was largely decentralized since block fund as well as bilateral projects were all secured on a sole-sourced and demand-driven basis. CCA’s Asia Region was swift in responding to environmental issues in the region and thus conducted an Asia-wide Conference on the Environment and Sustainable Co-op Development in Chiangmai, Thailand, in 1990. This was held immediately following the result of the Brundlandt Commission Report called “Our Common Future”.

The scope and scale of the Asia budget in the 1980s was approximately a \$ 450,000 annual block fund⁴ budget for Asia, a bilateral fund of \$ 34 Million in the Philippines, Indonesia and Sri Lanka, and a monetized fund to the tune of \$ 85 Million for the Oilseeds Development Program in India. Fast forward to 1990-2000s, project management staff increased significantly due to centralization at CIDA and the need to cater more to open bidding – bilaterally and multilaterally - that required more human resources to manage and operate.

In an attempt to provide a more objective and strategic account of “Lessons Learned” from past CCA Development Assistance programs in Asia, I conducted a rapid survey to assemble information for a collective retrospect on this important subject. Key survey respondents were CCA personnel who worked with me in the CCA International Development division. These experienced CCA colleagues were instrumental in either managing or appraising CCA development projects in Asia, be they bilateral or block-funded projects, i.e., Jim Carmichael, Alexandra Wilson, Michael Casey, John Julian, Eric Bellows, and James Lowe.

The same questionnaire was subsequently shared with Jo-Anne Ferguson and Kathleen Speake, who joined CCA after I moved to ICA.

However, Jo-Anne and Kathleen preferred to have a face-to-face discussion on the issues raised. The relevant Concept Note and Questionnaires are attached in Appendix 2.

⁴ Block fund connotes funding which were raised by CUC-CDF internally, and matched by CIDA accordingly.

REFLECTIONS AND LESSONS LEARNED

Perspective of **ALEXANDRA WILSON**

Preface

In 1987, Alexandra Wilson joined an external evaluation team hired by CIDA to conduct an institutional assessment of CUC-CDF's international development program. This assessment was mandated as a requirement under the block fund grant. Soon after completion of this assessment, Alex was hired as Manager of Special Projects of CCA's International Affairs Division. This new responsibility implied a broader relationship with international partners than one focused on the donor-recipient relationship. Alex stated her impression during her tenure with CCA as follows: "I was very impressed with the CCA programme and particularly with the calibre of the people managing and supporting it (Michael, Kenton, Jim C., Robby, John, Anya, Jim L. and others). There was room for criticism but, on the whole, good things got done in the name of the block fund and later under the bilateral projects, the first of which was getting underway when I arrived."

Lessons Learned:

- (A) Since Block Funding ended in the 1990s, the government has moved away almost entirely from sole sourcing Canadian partners for bilateral projects. This made it difficult for CDF to secure a reliable, consistent revenue stream to support its core activities. It poses the risk that CDF's identity has or will become that of a professional international development executing agency instead of the "arm" of the Canadian Co-operative movement connecting it with the co-operative movements of the developing world.

A lesson could be learned from the first co-operative-housing development organizations that were created by people working actively as volunteers to develop co-operatives in their own community.

Funding from government followed, which was essential to launch more of these organizations, and other people were attracted to the field. **The older organizations were building a movement with a vision independent of the government, and actually led them to try to influence CMHC's goals.** They were quite successful to take advantage of CMHC funding without ever letting CMHC set the agenda. **By**

contrast, the newer arrivals tended to turn to CMHC for direction. This is a clear shift from a demand-driven to a supply-driven reality. A very important lesson learned.

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(B) Several concepts learned that were key to CCA's success are:

2.1. Movement-to-movement assistance: Although the source and method of funding will determine the quantum of financial resources available for a given project, **development projects should be conceived and designed within the paradigm of movement-to-movement assistance.** Older movements can bring experience and technical knowledge (and a share of ODA) to bear, but the relationship is inherently reciprocal; mature, institutionalized movements have as much to learn from younger movements that are still in what we may call the energetic or inspirational phase of their development. We could learn from Kiri's work in Sri Lanka, or the work undertaken by women in African credit unions, but there are many more examples one could cite. Similarly, the inevitable difficulties newer movements encounter can also help mature movements see their own shortcomings. (Examples will appear in section "E" on CCA Block Funded and Bilateral programs)

(C) Technical co-operation: Words matter. "Assistance" implies an unequal relationship, "co-operation" an activity between equals.

(D) South-South co-operation: The block fund provided opportunities for CCA to fund activities that brought together co-operators from different regions in the south to work in areas of common interest. Rooftops supported a number of such activities, and so did CCA.

The financial support provided to the ICA development offices in Costa Rica, Africa and Asia are one example. The benefits flowing from that activity may have been intangible and we may even have doubted their presence at times, but one can say that, **along with our counterparts in places like Sweden, Norway and Germany, we helped forge connections among co-operators in the South, to their mutual benefit.** Notably, this was done at very low cost.

(E) Development education: Like South-South co-operation, this concept didn't arise within the co-operative movement, but **CCA made good use of this development education concept.** The idea was that Canadian development NGOs could help inform the Canadian public about the rationale for and importance of Canada's overseas development activities. Government support continued well into the new Millennium.

(F) Women in development (as we called it then): While the impetus came from government rather than from within the co-operative movement, it was a natural fit for co-operatives. That doesn't mean it was an easy sell; it wasn't. It means that **concern for equality between the sexes and a desire to help women assume their rightful place as leaders are completely consistent with co-operative values and principles** (note that, from the outset, the Rochdale Pioneers Society admitted women as voting members). In a real way, the Canadian co-operative movement can thank CIDA for acquainting us with such valuable tools as gender-disaggregated data. **CCA programming in Asia has been highly instrumental to the establishment of the Asia Women Co-operative Forum (AWCF),** which remains active and advocative for women empowerment in the Asia region until now.

(G) Space for co-operative development: From his first-hand experience trying to build a people-led movement in countries with authoritarian governments, Robby learned that co-operatives can emerge and grow in any environment in which government leaves it space; direct government recognition and sponsorship are not always necessary and, indeed, can snuff a movement out. He brought this idea to our work.



It resonated for me. In the co-operative housing sector here in Canada, the federal government let housing co-operatives, which arose spontaneously (after a lot of work by CUC to popularize the idea),

into the new social housing programs. It didn't seek the sector out. I say "let" advisedly. In fact, the co-operative sector lobbied the government hard to allow housing co-operatives to take advantage of existing CMHC programs. But throughout the following 40 years, **the federal government was easier to deal with than other levels of government because it was further removed from, not closer to, local communities (this challenges the subsidiarity principle). The federal government didn't have its own development arm (several provinces and many municipalities did) and it was less beholden to local interests.** In a somewhat different way, we can say that the space left by an absent government, accounts for the rapid rise of the Mondragon movement. The Basque region was solidly Republican and Franco punished it after the civil war by deliberately neglecting the development of the region and withholding public resources from the people who lived there. Left to their own devices, they filled the gap with co-operatives. I could give many other examples. What is the relevance of this to Robby's study? **The block grant approach was quite hands-off, creating space. Bilateral projects, conceived by governments for government purposes and executed by agencies selected through public proposal calls, leave little, if any.** On the other hand, bilateral projects place staff in the field, on salary (whether Canadians or local nationals doesn't matter). These staff can get to know key players in the movement in the country and scout out other sources of financial support.

Perspective of **JIM CARMICHAEL**

Preface:

Jim Carmichael was on a leave of absence from CIDA from 1987 to 1990, during which time he served as CCA's Regional Director for Africa. Jim states his impression during his tenure with CCA as follows: "It was a very positive experience. I fully supported the three concepts that Robby helped to develop, i.e., partnership, demand-driven programming and technical co-operation, and tried to incorporate these concepts into CCA's Africa program. One good example of this was my utilization of well-established co-operative leaders from India and Sri Lanka in the development of the credit union movement in Zimbabwe. Also, if ever a problem arose in any of my national African credit union programs (as happened in Ghana), I made sure to secure the active involvement of the African credit union apex organization as a partner in the resolution of the problem. Overall, my three-year leave of absence from CIDA to work at CCA was a refreshing change. I should say, however, that the part of CIDA I worked for in the early 1980's (ICDS Division in Partnership Branch) also embraced Robby's three concepts. Thus, moving from CIDA to CCA for three years felt very comfortable for me in terms of international development ideology."



Speaking Tour - 1981 Saskatchewan
With Jim Carmichael & Milton MacKenzie

Lessons Learned:

It is good that CDF continues to be closely linked with GAC's Partnership Branch, because that Branch has the strongest commitment of any part of GAC to the partnership approach. That said, it will still be useful for CDF staff to know some basic historical facts about CIDA, from which GAC evolved. By understanding the past, CDF may be better able to make plans for its future relationship with GAC. So here goes:

(A) Virtually all the Canadian Government funding that CCA has received for its international development programs has come from the Canadian International Development Program (CIDA), which has now been amalgamated into Global Affairs Canada (GAC). CIDA/GAC has always had three aid delivery channels: the Bilateral Programs Branches (including Asia Branch), the Special Programs/Partnership Branch, and the Multilateral Programs Branch.

It is only the first two of these which have provided funding for CCA's international development initiatives: Bilateral Programs for CCA's bilateral projects and Special Programs/Partnership for its Block Fund projects. However, the lion's share of CIDA's development assistance budget has always been allocated to the bilateral and multilateral channels, with much less designated for the Special Programs/Partnership Branch. The low level of funding available in the latter is one of the major problems CCA has faced in dealing with CIDA.

(B) Each of CIDA's delivery channels has always had a different operational philosophy. The Bilateral philosophy is that they are delivering CIDA programs, i.e., programs that CIDA itself designs, implements, owns, and is responsible for. Bilateral projects normally involve RFPs, unless a special case can be made for sole-sourcing.

(C) The Multilateral philosophy is that they are supporting the work of multilateral institutions which they can influence through their membership on boards, their participation in multilateral fora (such as the UN General Assembly), etc. However, it is the multilateral institutions themselves that design and implement their programs. In the multilateral domain, the influence of Canada and other countries is generally limited to policy, management and resource issues only.

(D) CDF's original access to CIDA was through the Special Programs/Partnership channel, which gave CDF and later CCA its Block Fund. However, in the 1980's, CIDA's innovative country focus strategy devised by its president, Marcel Masse, provided new opportunities for CDF to access bilateral funding for larger programs (although, this normally had to be done on the basis of the bilateral philosophy and bilateral procedures).

(E) This is how PCODAP, INCODAP and SRICUDAP were funded, although in these cases, there was sole-sourcing instead of RFPs, and CDF managed to secure a lot of independence in project design and implementation. For example, PCODAP, with which I am most familiar (due to my CIDA assignment in the Canadian Embassy in Manila from 1984-87), arose from the successful pioneering efforts of a

Philippines regional co-operative organization, VICTO, which Robby helped elevate to the national level with NATCCO. CCA created a sound partnership with NATCCO as the apex organization for an incipient yet dynamic co-op movement in the Philippines - and with NATCCO conducted a shared movement-to-movement project design process with virtually no CIDA involvement. This was quite an accomplishment, given CIDA Asia Branch's standard operating procedures. In fact, for PCODAP, INCOCAP and SRICUDAP, CCA really got the best of both worlds, i.e., bilateral funds combined with the partnership philosophy.

- (F)** In general, though, it is clear that the Special Programs/Partnership operating philosophy is the most attuned to and consistent with CCA's movement-to-movement partnership objectives. This branch treats CCA/CDF as an independent partner, while Bilateral Programs will normally view CCA/CDF as a CIDA executing agency. Moreover, Bilateral Programs Branch will usually select their executing agencies on the basis of a Request for Proposals (RFP) and open bidding, rather than sole sourcing. Asia Branch made an exception in the cases of PCODAP, INCODAP and SRICUDAP, allowing selection of CCA on a sole source basis. But this has never been the Bilateral Branches' norm, and their stance will likely have hardened further following the recent crisis that emerged from the Canadian Government's sole-sourcing the executing agency, "We". So, this issue will no doubt be a continuing constraint in the GAC-CDF relationship.
- (G)** On a more positive note, one factor strongly favouring CDF in its dealings with GAC is the huge size of the Canadian co-operative membership that it represents. In the early 1980's, this made it possible for CDF to secure 100% funding from Special Programs Branch (SPB) for a large program with the Caribbean Confederation of Credit Unions CCCU).

This was a highly unusual exception from SPB's normal requirement for project proponents to contribute, in cash, a significant percentage of the total resources needed for any given proposal. CIDA SPB was able to make this exception due to the very large number of co-operative members in Canada, including several who were ready to take on overseas assignments to assist with co-operative programming. The lesson



learned here is that CDF, in dealing with GAC, should always emphasize its relationship with, and representative role for, the Canadian co-operative movement with its massive cross-country membership.

(H) One of the most impressive aspects of CCA's co-op projects that got funded in Asia was their strong emphasis on membership direction, control and participation. This was in stark contrast to government-sponsored co-operatives, such as a fisheries co-op that CIDA was funding in the Philippines during the Marcos years.

a. **An important final note/lesson learned from Jim Carmichael when he Managed the Africa region is as follows:**

"While I worked at CCA, co-operatives in Africa were at an earlier stage of development than in other regions, and thus were usually behind others in piloting innovative approaches. However, one very notable exception to this was the South African credit union movement, which, even during the apartheid years, employed a multi-racial approach in fostering credit unions. Its Cape Credit Union League (CCUL) was led by former political activist Kwedi Mkalipi, who had been imprisoned for several years on Robben Island with Nelson Mandela. He was a charismatic leader who won the immediate respect and trust of South Africans living in their segregated townships. Under South African law at that time, CCUL was an illegal organization (because multi-racial organizations were illegal), but that did not stop CCA from supporting it. We did this without following our normal requirement of obtaining host government approval. In fact, we did not even notify the South African government of our involvement with CCUL, as we knew they would forbid it. We supported a small initial CCUL project at first, and then converted it into a larger-scale program with the approval of the CCA Board, under the chairmanship of Ian MacPherson.

b. Later on, after the end of apartheid, CCUL evolved into the nation-wide Savings and Credit Co-operative League of South Africa. So CCA's support not only struck a blow against apartheid, it also helped **lay the foundation for South Africa's national credit union movement."**

Perspective of **JOHN JULIAN**

Preface:

John Julian joined the Co-operative Union of Canada (CUC) in 1985. John handled what was then called the Public Affairs Unit and he officially left the organization 29 years later in 2014. Initially John worked exclusively with the international program, funded through the block fund, although the unit served all parts of the organization. That was one example



THE ASIA TEAM OF CCA – 1990

of the effort to integrate the development program into the broader Canadian co-operative movement. John arrived just shortly after the management of the development program was taken over by CUC from the Co-operative Development Foundation. CDF was retained as a charitable organization through which to raise funds.

Over his 29 years of work for CUC and CCA (including the management of CDF for a short period) the organization's structure changed at regular intervals. The Public Affairs unit was dissolved, and John's group worked exclusively for the international program. Later John became Communications Director for the whole of CCA, including the domestic functions. That too was eventually dissolved and John became Director of International Communications and Policy. And while some aspects of the work changed as a result of these adjustments, some parts did not. Over nearly three decades John and his team worked successfully to educate Canadian cooperators about life in the developing world, about the unique ability of co-operatives to improve the social and economic conditions of people living in poverty, about the value of approaching international development from a perspective of solidarity and respect, and about the fact that the CCA international development program, whatever it was called, was owned by co-operators of Canada as an expression of the co-operative movement's commitment to economic and social justice.

Lessons Learned:

- (A)** Intimately familiar with the Youth Internship Program, the Women’s Mentorship Program, and the Credit Union Coaching Program, John was involved in developing all three of those programs, and was the manager in charge of all of them, with his excellent staff doing much of the hands-on management. The Women’s Mentorship Program and the Coaching Program shared several common features.

These programs were designed to move and engage front line staff from our international partners and from Canadian credit unions in peer-to-peer learning. In part this was a reaction to the fact that there were many well-educated young people available for credit union jobs overseas, but very few people with actual banking experience. With the Mentorship program focusing exclusively on women, it allowed for a very direct sharing of practical credit union managements skills, in the workplace in Canada and overseas.

- (B)** In the past, most of the technical co-operants had been “experts’ working on issues at the national level. These programs democratized the development effort, and created a much broader and deeper ownership for the development program within the credit union system across the country.

- (C)** Another innovation was a partnership with the Irish Credit Union system. Over the years a number of Irish Credit Union professionals participated in the program, and the Irish League continues to run its own program based on CCA’s. A “twinning” program was attempted that created direct links between credit unions in Canada and overseas. There were some successes with that program as well, although the results were somewhat mixed. All of those efforts were funded with Partnership money from CIDA.

- (D)** The Youth Internship Program was a somewhat different beast. It came with its own funding, originating from Human Resources and Development Canada, via CIDA/DFATD. The objective was to provide Canadian graduates under the age of 30 with practical experience that would help them find employment, either at home or abroad. We were able to provide a number of individuals who had been part of the co-operative youth movement in Canada with exposure to the international development side of the equation. We also recruited many bright young folks seeking careers in development and introduced them to co-operatives.

- (E)** Several of the returned interns found their way into important roles within CCA. In 2014 there were at least 6 (possibly more) former interns working in the department including the person responsible for the program with the Partnership Branch. There were also former interns working with co-operatives

and credit unions across the country, bringing their international perspectives to the domestic movement. John managed that program for 18 years, providing international experiences to more than 200 young people.

- (F)** The Internship program was not unique. Many organizations took part in it. But CCA's approach managed to create a movement-to-movement connection through these young workers. The mentorship and coaching programs were unique in that they created a strong and intimate connection at the primary level that had not been seen at this scale at CCA, and would not have been possible without the shared co-operative philosophy that is part of the global movement.
- (G)** The sole sourced option never completely disappears. GAC program officers have always been looking for a sure thing. When they see a solid partnership achieving measurable results, they are often willing to bet on that partnership again. That was the concept employed in leveraging partnership projects into something more. But it can also happen through co-operative networking and partnership development outside of formal development funding. John currently works for an organization that is using VCP (volunteer program) in the same way. It was understood that CDF has recently secured a project from that source, and they should work hard to leverage those relationships. One important note about sole sourced projects. You can't be greedy. Big projects usually go the competitive route. Sole sourced projects need to fly under the bureaucratic radar. A larger number of smaller projects does mean more work, but the results from smaller, carefully managed projects, are often better than large, overly generous projects where there is more slack and slippage.
- (H)** Most food security projects, including some that fall close to the line with humanitarian assistance, usually start with production but invariably end up addressing value chain issues. And in the majority of the projects, the lesson learned is that the only way to establish processing, marketing, and distribution capacity is through some sort of collectively owned business, usually a co-operative.
- (I)** As well, there are finance facilities built into many projects – another opportunity for a co-operative approach. If CCA erred in the past it may have been to put a huge focus on building co-operatives. A better approach would be to build a solid value chain, including co-operative elements, and show how the value chain can be more effective because of those effective co-operative elements.
- (J)** CCA's true strength was its deep connection with the co-operative movement in Canada, and its commitment to connect, where possible, with co-operative institutions around the world. Canada is

well-populated with generalist development organizations. Therefore, it is the organizations with a clear sense of identity and purpose that have done the best to navigate shifting seas of development work. Thus, CDF needs to strengthen its co-operative identity and ownership.

An important final note/lesson learned from John Julian about programs in Asia is as follows:

My difficulty in coming up with a lot of block-funded examples in Asia is a direct result of Robby's success at securing bi-lateral funding in the region. There were communications funds associated with PCODAP (& SEDCOP), INCODAP (I and II), and SICUDAP that took me to Asia and dominated the information flow from that region during the time I was most involved with Asia. I know the project with the credit union movement in Thailand was funded through the block fund, and at the local level there were some really interesting activities.

I recall a golf-caddy credit union in Chiang Mai that was helping young women, many of whom were also involved in sex work, avoid falling prey to loan sharks, without any judgement about how their money was earned. I know that there was a mix of bi-lateral and partnership funding in Sri Lanka. I was impressed with an agricultural effort designed to support farmers using the "Kandi Garden" approach to farming, growing productive crops that mimicked the various levels of the rain forest, or a women's rope making co-operative in a community of landless people who had been resettled in the middle of a coconut estate.



The International Development Team of CCA + CEO – 1990

What is shared by these examples is the flexible use of the co-operative model to meet very different and specific needs. In every instance, development is measured at the village level, yet so many development projects over the years, including at CCA, have been designed at the national level without enough thought, or resources, to ensure that the model is applied flexibly in order to benefit people in poverty.

Perspective of **ERIC BELLOWS**

Preface:

Eric Bellows was recruited as Program Manager of PCODAP from 1987 to 1990, and following his tenure with PCODAP in Manila, CCA assigned him to replace Jim Carmichael as Regional Director for Africa in 1990. While managing PCODAP, Eric was also active in CCA's regional activities such as the Regional Workshop on the Environment and Sustainable Development held in Chiang Mai in 1990. Eric became Program Development Director of CCA from 1994 to 1996.

Lessons Learned:

- (A)** CCA was a dynamic organization due to the emergence of innovative development techniques that could be tested in the field. All that was dependent upon a receptive relationship with CIDA. CCA's credible civil society partners were a huge boon. CCA could demonstrate that long-established national organizations (for the CODAPs) had the standing and capacity to participate in the design stage and subsequently to implement the programs.
- (B)** Politics at the international level could have worked better. It would have been beneficial if the Credit Union Central of Canada would have a word with WOCCU to prevent the bush war they started through their partner, PFCCO (a successor of the Philippine Credit Union League – PHILCUL, and member of ACCU). That led to wasted resources on both sides. While it was not CCA's role to force mediation on domestic organizations, the Philippine credit coops could have benefitted from a strategic alliance.
Note: This matter has now been resolved since NATCCO has also become a member of ACCU and took the leadership for collaborative efforts in the Asia region.
- (C)** A comparative lesson learned from Africa was not to hot-house coops in Asia. The growth of credit cooperatives (called Village Banks) in Zimbabwe was carefully curated by CCA, with little blue huts popping up in villages all over the place, staffed by a local graduate. But the boards of directors funnelled loans to themselves and didn't repay. Then Robert Mugabe brought about hyperinflation and the whole structure collapsed. Even without hyperinflation, it was just too fragile.

- (D)** The CCA culture at the time was quite positive, with plenty of internationals at HQ in Ottawa and in the field enriching both ideas and camaraderie. The main case for promoting coops was the obvious one. Most co-ops are true grassroots organizations with middle to lower class members. Many had many years of experience to prove their business model. Co-ops are, in many ways, superior to NGOs who continued to helicopter in their goodies. There's no other institutional form more representative of real people, who aren't the elite, other than co-operatives (and credit unions) in the Philippines.
- (E)** However, the coop model still had the challenge of effective delivery. Elected leadership often lacked the capacity to lead. There was a tendency to pay low for skilled staff, with predictable results. Staying focused and running a tight ship was hard to do at that time.
- (F)** A lesson learned in open bidding is to match our coop niche with sponsors' requirements. If our coop partners didn't have the focus the sponsor was looking for, or capacity to deliver, we had no unique advantage to win a bid. This is far different from successful programming through sole sourcing. DID, on the other hand, had no qualms about this and started bidding on non-coop programming. DID won a few, although (in my opinion) their success with CIDA had a lot to do with proactive lobbying. The latter was a lesson Eric learned when he was Program Development Director of CCA from 1994 to 1996.
- (G)** In retrospect, CCA might have bid on non-coop programs too, if only as a financial bridging strategy to help adapt to the new realities. If CDF can't find RFPs where coops do not have a competitive advantage, perhaps CDF can leverage the capacity of Canadian coops for program implementation in non-coop institutional environments. As we know, Canadian coops have huge capacity in management, youth participation, IT, logistics, finance and much else.
- (H)** Funding agencies are largely ignorant of coops. To some extent they're thought of as Yesterday's Institution when compared to the private sector. Yes, truly grassroots. But quaint. Groovy. So, 20th century! CDF, therefore, in collaboration with other national and international coop agencies, should go on an education blitz of the funding institutions. Show them the mature co-op partners in developing countries where capable institutions are scarce on the ground. Show them the huge and successful coops in developed countries with something to offer.

- (I) Some mature CDF partners might be open to participation in activities not specifically targeted at coops, but still of (some) benefit to their members. For example, mobile health care delivery could be funnelled through select MPCs in remote areas where other delivery options are sparse. MASS-SPECC in Mindanao may still have some coops in the Sulu archipelago, where angels and government agencies fear to tread? There have to be better examples.
- (J) Given the large size of most bids, CDF may be constrained by the capacity of its overseas partners to deliver on large program commitments. Hence don't try to deliver the whole dish. CDF could look to be a junior partner with a bigger bidder. The big partner offers the mango, but CDF has the "bagoong" (Note: a local Filipino condiment made of fish). Of course, CDF has to build relationships with the mango sellers. In the long-run, CDF could try to work with its strongest partners to improve generic implementation capacity. This is to bring them up to scale for the size of bids these days.

Perspective of **JAMES LOWE, PhD.**

Preface:

Jim Lowe joined CCA in mid-1989, and had a highly “orientational” first year with the organization. Initially, Jim had little knowledge of international development and CIDA. However, he learned quickly about international development and managing huge projects_ after gaining many opportunities to learn about development and CCA’s approaches. His job title was “Co-operative Business Development Director” on leave of absence from Agriculture Canada. Jim relocated to Indonesia for four years from 1995 - 1999 to help manage the Second Phase of the INCODAP project under Country Program Director Michael Casey, dealing primarily with the National Union of Dairy Co-operatives and the Business Co-operative Network of DEKOPIN to promote their business development activities.

Lessons Learned:

- (A) CCA was functioning in a transitional phase, **i.e., expanding and undertaking somewhat new and innovative approaches to their international development program.** For example, the integration and support of interests of their more established co-op partners, e.g. the development of a business arm of the Indonesian apex organization as part of a larger program of development in Indonesia.
- (B) In addition, those **years introduced a trend toward more sectors, e.g., agriculture, and a higher proportion of non-credit /savings related projects with technical assistance beginning to encompass more technology transfer in some sectors.** Similarly, it seemed that there was a trend toward hiring different skill sets and experience (even from non-co-operative sectors) and acquiring more field staff to better manage more and larger projects.
- (C) CCA projects placed very strong emphasis on Women in Development, the most significant in terms of development approach. Even though CCA has been one of only two Canadian organizations that have capacity and a comparative advantage in developing co-operatives, it seemed at times that the emphasis in programming prioritized cross-cutting goals such as women empowerment/gender mainstreaming. CCA may have been somewhat unique among development agencies with respect to conforming to CIDA and Global Affairs emphasis on women’s issues, i.e., co-operatives can be solely women’s organizations and to a degree the co-op model can emphasize women’s roles and rights (democracy) more easily than traditional forms of organization in many countries.

- (D) **CCA's member commitment to development (at least by some members) was an attractive feature to CIDA** interest in both providing technical assistance/expertise from many co-op staff personnel but also the willingness of several co-ops to accept internship placements from among CCA's project partners/partner affiliates, as well as in-coming study tours and the like.
- (E) There are situations where the priorities of Global Affairs require a combination of development skills and experience which are beyond the scope of most development NGO's and other organizations.
- (F) To the extent that the development of co-ops is consistent and necessary but insufficient to meet these needs, **CDF should look to partnering with others (individuals and organizations) with appropriate technical expertise, especially country-specific experience and linkages.**
- (G) Although the development of co-operatives is no longer the "flavour of the month", CDF should consider returning to rebuilding its image and core strengths as a co-operative developer and rethink its apparent approach of being just another international development NGO.
- (H) **A project which "covers all of the bases"** (women, environment/climate change, trade including Canadian technology export, food security, value-chain oriented, and supported in part with local contributions) like the INVEST project - but smaller and more manageable - **would be attractive to Global Affairs.**
- (I) A recent example of this in which Jim Lowe has been involved is the collaboration of IICA-Canada with Connexion, a small but specialized company, to undertake an agriculture/agri-food project in Latin America. (At present the project has been submitted but not yet formally approved or funded by GAC. I believe this to be a sole-sourced project).
- (J) While not really conversant with "Convergence", Jim would assume some co-ops would have that ability. The somewhat **unique relationship of an interested constituency, however informal and fragmented that may be, may still provide a source of volunteer technical assistance to projects as the organization's in-kind contribution.** This feature should continue to serve CDF well as a cornerstone in this.
- (K) Phase II of the project in Vietnam was block funded, and overall, the project met its objectives, although the performance data was scarce. However, it had some very successful activities and elements.

Preface

Michael Casey worked with CCA in Asia for the decade of the 1990s (1990-2000) – as Program Manager of the bilateral Philippines Co-operative Development Assistance Program (PCODAP) in the Philippines (1990-1994), and as CCA Country Program Director in Indonesia (1994-2000). The CCA program in Indonesia was anchored in two successive bilateral programs – Indonesia Co-operative Development Assistance Program (INCODAP) Phase 1 (1988 -1993) and INCODAP 2 (1994-2000).

Joining CCA in 1990, Michael was not involved in the design or initial start-up phases of either PCODAP or INCODAP 1. However, Michael was a member of the design team of the INCODAP 2 program, and as well was active in the management and development of several country-specific and regional Block Fund projects during his tenure with CCA-Asia.

His immense contribution towards the successful programs of PCODAP and INCODAP could be perceived in his analytical account as follows:

Philippines Co-operative Development Assistance Program (PCODAP)

PCODAP was part of a major Official Development Assistance (ODA) funding commitment by the Government of Canada (through the Canadian International Development Agency - CIDA) to the Philippines.

It came shortly after the ‘People Power’ social movement 1983-1986 that resulted in the overthrow of the authoritarian Marcos regime and the restoration of democracy under newly-elected President Corazon Aquino.

In 1986, Canada was among the first of the western countries to recognize the new government, pledging a funding commitment of CDN\$100 million in ODA to the Philippines over five years (1986-1991).

The ODA was designed to support democratic and economic reform, including support for the government’s plan for the private sector – particularly NGOs, community organizations, and co-operatives – to play a new role in local governance and service delivery.

The PCODAP bilateral was part of this ODA -- a CDN\$4.9m program implemented nationally in the Philippines 1987-1995. The CCA partner was the National Confederation of Cooperatives (NATCCO), a third-tier national co-operative apex organization with five regional affiliates (second-tier regional co-operative federations – known in the program as Regional Development Centres (RDCs). CCA worked directly with and through NATCCO for the program, with input from a management group comprised of the Executive Directors of NATCCO and each of the five RDCs.

NATCCO was selected as a partner based on its history of activist community development and forming ‘people-based’ co-ops, which differed from and remained outside of the network of government-initiated and managed co-operatives that were largely failing throughout the country.

The focus of CCA’s program with NATCCO was institutional strengthening and capacity building of the national apex to meet the needs of the growing people-based co-operative sector. Most of the co-operatives in the NATCCO network were agricultural multi-purpose enterprises, which provided support to member-farmers with agricultural inputs, extension services (education), marketing, and savings-and-credit financial services. As part of the ‘movement-to-movement’ collaboration between the co-operatives of Canada and the Philippines, technical assistance (‘technical co-operation’ in CCA’s jargon) was provided by volunteer professionals on short-term assignments from Canadian co-ops to NATCCO and its members on the basis of identified needs.

PCODAP focused on strengthening the network. Programs were designed and delivered with a national perspective – building NATCCO’s capacity to serve as an effective apex organization and to bring the RDCs together for national coordinated initiatives.

This included a Central Fund / Central Finance Facility, training programs and program development, inter-co-operative trade facilitation, co-operative insurance, national government relations, and inter-sector relationships with other national co-operative organizations and networks (Philippine Federation of Credit Co-operatives - PFCCO; Federation of Free Farmer Co-operatives Inc - FFFCI; others).

Not all initiatives undertaken in PCODAP by the NATCCO network were initially successful, given the many logistics and technological challenges for unifying services and standards in a geographically vast archipelago. The Inter-Cooperative Trade (ICT) initiative never really established itself, primarily because of poor logistics infrastructure and strong competition from an emerging private sector. The Central Fund / Central Finance Facility was ‘ahead of its time’ in developing liquidity pooling, inter-lending, and payments systems, but the appropriate supporting technology was still almost a decade away from development. Implementation of these initiatives also experienced the inevitable management growth challenges in human resource development.

CCA's partnership and technical co-operation with NATCCO was catalytic in establishing NATCCO's leadership role in the national co-op movement of the Philippines. An example was highlighted in the CIDA Country Program Evaluation Report - Philippines (2004) (emphasis added):

The CIDA Private Sector Development (PSD) program contributed to the development of enabling policy and legislation for cooperatives. This **legislation had a central impact on the growth of cooperatives in the country. The effectiveness of program contributions in this area was attributable to the work of local champions and the political support garnered in the process. NATCCO was instrumental in having cooperatives recognized as important to the development of the economy.** It participated in drafting the Cooperative Code of the Philippines, which was passed in 1990.

The Code unified and rationalized existing laws related to cooperatives and contributed to significant growth in the number of registered cooperatives in the country. From 1986 to 1993, the number of cooperatives increased from about 5,000 to about 21,000. About 70 percent of the new cooperatives were multipurpose agricultural cooperatives.

NATCCO became **increasingly active and visible on a national front in its advocacy for the co-operative model, and over the years these activities evolved into an institutional presence as a registered political party under the 'Party List' system of the Philippines Constitution.**



Throughout the term of PCODAP and its successor bilateral project SEDCOP (Socio-Economic Development through Co-operatives in the Philippines 1998-2003 CDN\$7.2 m), the strong partnership relationship with CCA and the Canadian movement supported and enabled continued growth and development of the co-operative sector in the Philippines, a true collaborative partnership.

Romulo Villamin, General Manager of NATCCO from 1980 to 1992, added his perspective on PCODAP. Romy, his informal name, was key at the inception of PCODAP and instrumental in guiding the growth and development of NATCCO. NATCCO is now the strongest National Co-operative Organization in the Philippines, and an active member of ACCU and ICA. Romy also joined CCA as Program Manager in Zimbabwe from 1992 – 1998, where he developed viable grassroots Village Banks in many rural areas of Zimbabwe. He was subsequently recruited as Deputy Regional Director for South East Asia of the ICA from 1998 to 2002. Now he is “recycled” back to his early co-operative roots as Managing Director of the Institute of Cooperative Studies, MASS-SPECC Cooperative Development Center in Mindanao, Philippines.



His account:

PCODAP came to the Philippines just after the EDSA revolution in 1986 when development aid literally poured into the country that was newly liberated from the Marcos dictatorship. At the time, NATCCO was a small organization but a firm believer in self-help development having opposed Marcos’ program of mandated cooperative development. Many primary cooperatives affiliated to NATCCO through the regional development centers (RDC) had already achieved modest growth on their own despite government attempts to suppress them.

NATCCO leaders, therefore, **viewed PCODAP from the start as reinforcing rather than supplementing the self-help approach to developing cooperatives in the country.**

The idea of “partnership” as the basis for the relationship between CCA and NATCCO was seen as consistent with its belief system. And so, the components of PCODAP were designed to build the capacity of the RDCs to support the growth of the primary cooperatives which continued to depend on their own resources and grow from within.

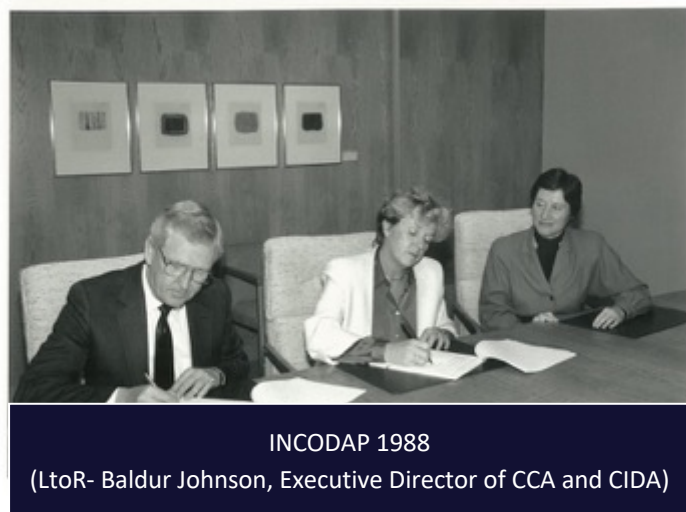
While many organizations, especially NGOs, were drowned out by development aid, or else came and went with such aid, NATCCO and the RDCs continued to grow (except one which failed). These organizations exist to this day. MASS SPECC, one of the RDCs, is now the strongest federation in the country. Although NATCCO changed its structure from tertiary to secondary federation, it remains a strong organization. PCODAP can be said to have contributed to the present state of NATCCO and its affiliates.

CCA was a supportive partner throughout and as GM of NATCCO, I felt CCA respected our independence. Since the relationship between the two organization was premised on mutual respect, I was able to manage our commitments to PCODAP with a view to ultimately strengthen NATCCO as a national federation.

Indonesia Co-operative Development Assistance Program (INCODAP 1 and INCODAP 2)

CCA's bilateral programs in Indonesia began in the same period as the programs in the Philippines – INCODAP 1 (1987-1992) and INCODAP 2 (1994-2000 - with a subsequent extension to 2004). The programs benefited from a strong interest by CIDA in Asia, a region that was emerging as a strategic target for Canadian trade and investment. CCA's co-operative model addressed many of the themes of Canada's ODA commitment – poverty alleviation; sustainable community economic development; democratic development; and good governance through the strengthening of civil society institutions.

Based on the success of CCA's partnership support (through a series of Blockfund projects dating back to the early 1980s) of the Indonesian credit union movement (coordinated by the national credit union apex organization – CUCO), CCA developed the Indonesia Co-operative Development Assistance Program (INCODAP) in 1987. This program brought together 13 civil society organizations (NGOs) to form



FORMASI (Forum for the Development of Indonesian Cooperatives), with the common bond of interest in community-based economic development through the co-operative model. CUCO was a founding member of FORMASI.

INCODAP provided core funding and institutional capacity building for FORMASI to support training programs focused on the co-operative model, human resource development for FORMASI member organizations, and promotion of people-based co-operatives. The latter was undertaken through ongoing dialogue and collaboration with the Indonesian Co-operative Council (DEKOPIN), the national apex of the government-initiated and administered co-operatives throughout the country.

During the early 1990s, the Indonesian economy was prospering, making the country one of the 'economic tigers' of Southeast Asia and attracting global trade and investment on a rapidly expanding scale, including from Canada. Leveraging the experience of INCODAP and CCA's ongoing presence in the Asia region, a second phase of INCODAP (INCODAP 2) was developed with a strong economic development focus on building sustainable business relationships between Canada and Indonesia and assisting in developing the capacities of the Indonesian co-operative sector.

INCODAP 2 brought CCA together with five national-level partners in the Indonesian co-operative sector: DEKOPIN - the national co-operative apex; GKSI - the national Union of Dairy Co-operatives; KAI - Co-operative Insurance of Indonesia; CUCO - the national apex of the credit unions; and FORMASI – CCA's partner from INCODAP 1.

The objectives of this 5-year (1994-1999) CDN\$14.9m bilateral program were to facilitate mature trade relationships between Indonesia and Canada through increasing the institutional capacity of the five Indonesian partners; strengthening co-ops as private sector entities; engaging co-ops in directing program initiatives towards small and medium enterprise sectors; and establishing viable agricultural and financial co-ops at the primary level.

The partnerships in INCODAP 2 matched sectors where the Canadian co-operative movement had proven major strengths and capacity – credit unions, dairy co-operatives, co-operative insurance, the national co-operative apex – with Indonesian counterparts. INCODAP was a 'movement-to-movement' collaboration between the co-operatives in both countries.

The capacity-building and institutional strengthening components of the program were founded on extensive technical co-operation. Experts in many technical fields were recruited as volunteers from Canada to work on short-term assignments in Indonesia in their respective sectors. They shared experience and knowledge in such fields as management development in the financial services sector, actuarial science and marketing in the insurance sector, dairy production and livestock husbandry, governance, co-operative legislation, and co-operative education and training.

In the dairy sector, a major initiative was undertaken with GKSI in importing genetic material and sophisticated laboratory equipment from Canada for improving dairy breeding stock and milk production, supported by extensive technical support and training from Canadian dairy co-operatives. In the credit union sector, **a national training program for credit union managers was resourced from the Canadian credit union movement (primarily from Saskatchewan credit unions). It featured credit union general managers from Canada donating vacation leave to come to Indonesia on periodic visits to teach different modules of the training program to their Indonesian counterparts.**

In addition to on-site technical assistance provided by Canadian experts, there were numerous 'exchange missions', with Indonesian co-op directors, co-op managers and staff visiting Canada on educational tours to familiarize themselves with Canadian counterpart co-operatives across Canada. These visits were reciprocated by Canadian co-operators (Board members, senior managers, and co-op staff) visiting Indonesia for educational visits to learn about the Indonesian co-operative system. **The missions were hosted by co-operatives in both countries, and created many lasting relationship bonds, both institutional and personal, among the participating co-op leaders.**

INCODAP 2 was an ambitious undertaking by the co-operative movements of Canada and Indonesia and had lasting impact and success in the development of the participating organizations. **The program was disrupted by the civil upheaval in Indonesia in 1998 and the onset of the pan-Asian financial crisis.**

However, the co-op sector demonstrated resilience and adapted to the changing environment, and the program was extended to 2004. **This resilience and adaptability were testaments to the strong supportive links built over the years between the co-operative movements in the two countries.**

Sri Lanka Credit Union Development Assistance Project (SRICUDAP)

Preface:

I was fully engaged in the creation and development of all initial Bilateral Programs of CCA in Asia, by cultivating sound partnerships through incremental block fund projects in the first place. On the basis of these partnerships, joint designs of the bilateral programs were then submitted to CIDA based on sole sourcing. It started with PCODAP, acting in response to the successful intervention of Jim Carmichael with VICTO following the EDSA revolution. VICTO was a strong regional center in the Visayas as a member of NATCCO, together with two other strong ones, i.e., MASS-SPECC in Mindanao and NORLU in North Luzon. The successful submission prompted the second bilateral program proposal in Indonesia, (INCODAP) followed by the third one in Sri Lanka (SRICUDAP). Both PCODAP and INCODAP enjoyed second phase bilateral support from CIDA as well. CCA's successful submissions of Asian projects to CIDA encouraged the Regional Director of the Caribbean to follow suit; hence, CCA secured its fourth bilateral project in a number of Caribbean countries called CRICODAP.

In retrospect:

In 1989, CCA successfully won a sole-sourced bilateral project in Sri Lanka, following a series of incremental block fund projects on credit union training and education for the SANASA Movement.

SANASA is a thrift and credit movement led by P.A.

Kiriwandeniya. Kiriwandeniya, Chair of SANASA, also joined the CCA Asia team from 1987 to 1991 as CCA's consultant to advise on people-driven development and government lobbying efforts in other parts of Asia.



Dr Ian MacPherson, Chair of CCA, accompanied by Robby Tulus, inaugurated the SANASA CAMPUS. Kiriwandeniya and the Co-op Registrar are seen in this picture.

Kiriwandeniya has always been a visionary leader, and shared the vision of many other prominent Asian credit union leaders in that member education is the most important imperative in building a strong and

sustainable future for credit unions. However, his vision extends beyond the provision of conducting regular educational activities. His idea, and **hence the design of SRICUDAP, was aimed towards building a comprehensive SANASA Campus that will at some point become a full-fledged university, offering courses in community finance and wealth management. Courses were to be attended by community activists in rural Sri Lanka, who were selected based on their proven commitment to help uplift the poor and underprivileged, primarily through thrift and credit co-op societies.**

His long term and far-sighted vision became a reality in 2014. The SANASA Campus was certified and accredited by the Ministry of Higher Education to become a full-fledged SANASA UNIVERSITY. The University was inaugurated by the President of Sri Lanka in 2015, a celebrated result of the longstanding collaboration and solid partnership between SANASA and CCA through the SRICUDAP program. Notwithstanding this feat in creating an academic institution, the ultimate vision of Kiriwandeniya and goal of SANASA is essentially to create a **Social Order in Sri Lanka.**

Ambitious as the latter may sound, a tangible road map of SANASA was already created in 1978 following a strong camaraderie with myself. The SANASA could not have grown and developed into such a vibrant movement without the far-sighted dream and leadership of Dr P.A. Kiriwandeniya. His leadership grew organically. In the first place, Kiri was exposed to a number of sustainable community schools led by Muslim leaders (called 'Pondok Pesantren') in Indonesia in the early 1970s. One of the leaders, (the late) Abdurrahman Wahid, was chief of the 'Pabelan Pondok Pesantren', and later became the Fourth President of the Republic of Indonesia from 1999 to 2001.

Based on his field experiences in Indonesia, Kiri set up the National Heritage Movement of Sri Lanka, after which I got to know him through my involvement in the Asia Partnership of Human Development. Then, in 1975, Kiri was recruited as a consultant to undertake a co-operative research project by the then Regional Director of ICA, Mr. Rajaguru. And in 1977 Kiriwandeniya joined a credit union training program in Bangkok, Thailand, with myself as one of the facilitators. Armed with the philosophy and knowledge of credit unions, Kiri made his firm commitment to transform the dormant thrift and credit co-operative societies (TCCS) in Sri Lanka into a massive people-based movement from the ground up, to be called SANASA. This movement, in the final analysis, would form the basis of creating a new Social Order in Sri Lanka.

In 1978, under his leadership, SANASA developed its long-term strategic plan with a well-defined ROADMAP to ensure that SANASA would not repeat the failure of the Thrift and Credit Co-operative movement. Since 1908 the TCCSs had been built from the top down by the government, and had failed to address the issues of rural poverty and social justice over seven decades. SANASA aimed to revive this

movement from the bottom up, based on self-help. The roadmap was vigorously planned with local leaders, and sequenced strategically with four consecutive stages:

The first stage was “Motivation and Promotion” from 1978 to 1984, the Second stage “Education and Training” from 1985 to 1990, the Third stage “Institutional Capacity Building” from 1982 to 2000, and the Fourth Stage “Creation of an Alternative Financial System” from 2000 onwards. This well-planned Roadmap created in 1978 also paved the way for the timely intervention of SRICUDAP in ensuring that an alternative financial system would be achieved in the year 2000.

The following delineates the logical steps and framework underlying SRICUDAP:

- (a) **1978 – 1984: Motivation and Promotion**, building the foundation with incipient rural thrift & credit co-operative societies (TCCS), and seeking the appropriate regulatory provisions to distinguish itself from the government-dominated multi-purpose co-operatives. Initial funding was received from Community Aid Abroad, an NGO in Australia.
- (b) **1985 – 1990: Intensify Education and Training**, by strengthening local leadership and constructing a campus in Kegalle in partnership with CCA. This campus was to be a centre of excellence for providing leadership training and professional development of TCCS’ managers. In 1985, CCA provided block funding to define the curriculum required for the training of TCCS primary members in a number of districts in Sri Lanka. Local leaders were also identified and trained.

SRICUDAP was designed right after the successful creation of primary TCCSs and with the initial development of local leaders. The timing was then ripe to submit the SRICUDAP proposal to CIDA at this strategic juncture, since CIDA was also quite decentralized during that time. CIDA’s head of aid and personnel in Colombo were well aware of the prominent role Kiriwandeniya had played in making Kegalle the educational hub for the SANASA Movement. The program was thus built on the premise of building a strong and sustainable partnership between the Canadian co-operative movement and the SANASA movement. CCA and CAA (Community Aid Abroad) were the only sponsors of SANASA at that time.

SRICUDAP was considered quite innovative as it was designed on a combination of “**soft-ware**”, “**flexi-ware**”, and “**hard-ware**” funding methods. CCA/CIDA contributed to the initial building construction of the Kegalle campus (the ‘hard-ware’ component). The building is called the ‘Alex Laidlaw Hall’ - named after Alex Laidlaw who was the first Executive Director of CUC and member of the Royal Commission of Canada who designed the Colombo Plan after World War II. The other hardware component was the purchase of two vehicles/SUVs, and office facilities in Colombo. This hardware sponsorship was

complemented by five hectares of land owned by SANASA in Kegalle, to represent its counterpart contribution. The hardware component was then accompanied by four ‘flexi-ware’ components, i.e., SANASA’s self-help efforts to create **Banking, Marketing, Construction, and Insurance development services**. The latter were subsequently called the “Four Pillars of SANASA”, whose sustainability would depend on continuous education, which was the SRICUDAP-sponsored “soft-ware” component.

The fundamental precept for designing SRICUDAP was the “sustainability” of the SANASA movement. Hence the Raiffeisen concept of self-help and mutual-help was envisioned to generate financial and human capital from the ground up to sustain the entire movement. The inculcation of the thrift and savings habit was to become the pillar that supported the entire movement.

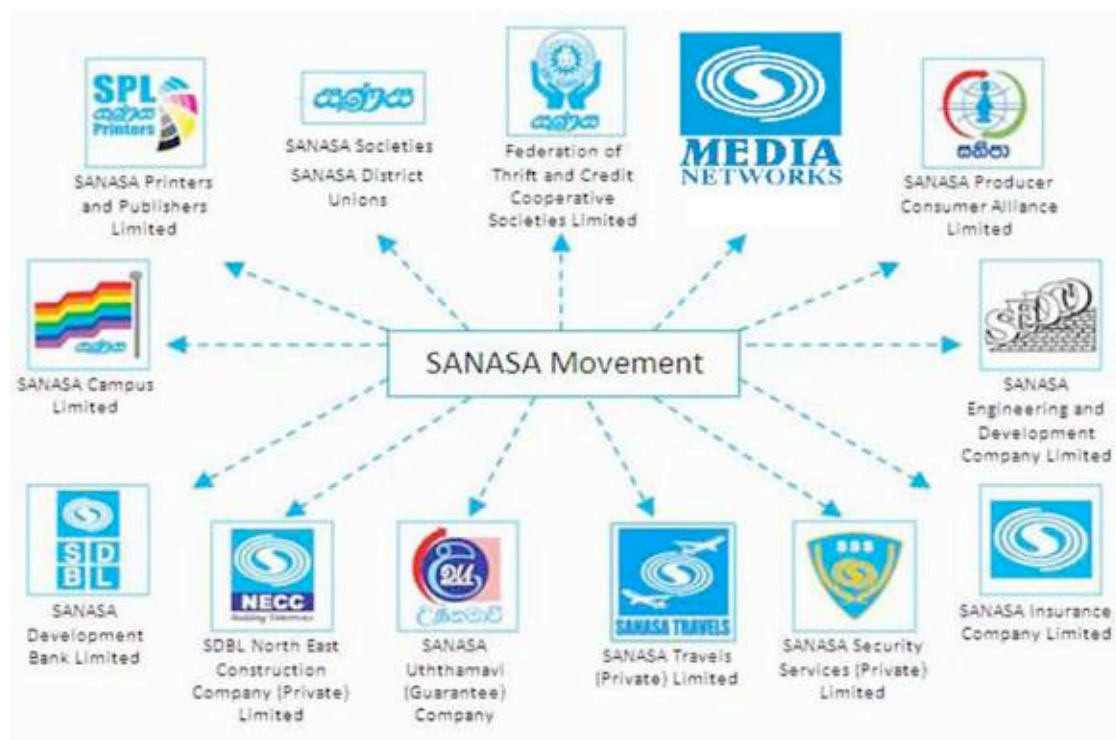
The functioning of SRICUDAP became a strategic catalyst towards the formation of subsequent SANASA ROADMAPS in the following areas:

- (c) 1991 – 1995: Enhancing Institutional Capacity**, by improving financial literacy and management of all primary and secondary TCCSs. The result of these SANASA efforts undertaken with the help of the World Council of Credit Unions was to enhance TCCS financial performance, as verified by coordinated CCA and WOCCU monitoring. By this time, SANASA had obtained additional funding from HIVOS, USAID/WOCCU, and a few other donors. In view of the perceived institutional strength and capacity of the SANASA Movement, the Government of Sri Lanka requested (or basically ‘pressurized’) SANASA to get involved in promoting the Million Housing Program (MHP), by channeling housing loan funds provided by the government under the sponsorship of the World Bank.
- (d)** In an attempt to evade any further compulsory co-option by the government, Kiriwandeniya took the initiative to establish a Donor Consortium, composed of all donors, which met annually to safeguard the self-reliant growth of SANASA. A CIDA representative was actively involved in chairing the donor consortium to promote and protect the sound and organic growth of SANASA, and to seek an appropriate exit strategy for SANASA if it became too entangled in the compulsory MHP loan program.

(e) 1996 – 2000: Building an Alternative Financial System. In an effort to expand the business services of SANASA that were aimed at strengthening the primary TCCSs, the SANASA Development Bank Ltd. (SDBL) was created. Its purpose was to support the development institutions under SANASA such as the marketing, insurance, construction, travel, and printing business entities. The Federation of TCCS maintained the largest shareholdings in this Bank, followed by the District Unions and some private investors. However, the gradual shift of savings and lending away from the TCCS Federation to the newly established SDBL created a new dynamic in the structural relationships of SANASA.

Throughout the dynamic functioning of SRICUDAP, Jo-Anne Ferguson was CCA's Program Director for the project based in Sri Lanka. She oversaw and managed the intricacies inherent in such a dynamic and complex environment, and, to the satisfaction of CIDA, succeeded in bringing SANASA to greater heights. Jo-Anne returned to Canada in 1995, and became the Senior Director at CCA, heading CCA's International Affairs department from 1996 to 2015.

In the final analysis, the following diagram will illustrate SANASA's latest achievements, which would not have been possible without the strategic interventions of Community Aid Abroad and CCA.CCA.



LESSONS LEARNED (SUCCESS FACTORS) FROM THE BILATERAL DEVELOPMENT PROGRAMS:

Although implemented in radically different cultural, geographic, economic, and social environments, the CCA bilateral programs in Philippines, Indonesia and Sri Lanka shared common principles and orientations that contributed to their success, as well as to the success of bilateral programs in other countries and regions:

Partnership – establishing truly collaborative relationships with national co-operative movements and their members based on the shared values of the International Co-operative Principles.

Programs not projects – building partnership relationships with a long-term perspective, transcending funding constraints.

Movement-to-movement relationships – engaging the co-operative sector in Canada as the major source of technical assistance ('technical co-operation') and support for the co-operatives in the partner country; and facilitating ongoing institutional relationships.

Dynamic supportive relationships with key leaders in national movements – helping to create an enabling environment for the programs with national and local governments

Participation in pan-Asian networks and relationships with international bodies (ICA; ILO; ACCU; etc.) – using 'South-South exchanges' among regional partners to actively promote and develop regional leadership and share best practices for co-operative development.

The India Oilseeds Project with NDDB

The India Oilseeds Project with NDDB (National Dairy Development Board) was quite a complex project, to which CUC, and later CCA, was engaged in providing and managing the technical assistance portfolio. CUC-CCA opened an office in New Delhi to handle the technical assistance program, first with Bruce Gunn as manager, and then succeeded by Fred Clark. CUC-CCA worked closely with Tom Carter who managed the USAID portfolio of PL 480 soya oil. Bruce and Tom shared the same office at the NCUI building. The project was handled directly by the International Director of the CCA, and I took over the management in 1991 following a sensitive restructuring process of the project. The restructuring took place after intense lobbying by the Canadian canola exporters, represented by CCA, which led to a rethink by both the NDDB and CIDA not to terminate the project but to find a plausible exit strategy instead.

The edible oilseeds project with NDDB was worth over \$180 million. It is a monetized project of CIDA, providing Canadian canola oil. \$8 million was added as technical assistance in support of project implementation. Approximately 18.5% of CIDA's total disbursements to India over the period of 1981 to 1996 were for this oilseeds project. This happened prior to the SAPs and thus NDDB had full government support to produce and market the edible oil for India, especially to support the welfare of low-income communities.

The NDDB has a long history of successful market interventions that raised the income and welfare of poor communities. It began in 1946 as a milk producers' cooperative in Anand, 400 km north of Bombay, and in 1965 was mandated by the government of India (GOI) to replicate the "Anand" model throughout India. Using local milk cooperatives, donated milk powder food aid and aggressive brand marketing called "AMUL" based on a network of efficient dairies, the model has been a major economic success. By the 1990s over 43,000 dairy cooperatives had been established throughout India with some 4.5 million farm household members. Net commercial imports of dairy products ended by 1976 and total milk production has increased more than two and one-half times since 1970.

In 1977 the GOI approved an NDDB proposal to restructure the production, processing and marketing of oilseeds along the lines of the Anand experience. "Operation Golden Flow" began in 1979 with a \$US 160 million five-year allocation of PL480 soya oil through USAID. CIDA became involved in 1980-81 with a pilot project of \$12 million and in 1983 approved an \$85 million multi-year food aid project jointly funded by the Bilateral Branch and the Food Aid Centre along with \$1.7 million of bilateral technical

assistance. Technical Assistance to the NDDDB was managed by CUC starting in 1983, and by CCA until the ending of the project in 1996.

The basic objective of the program was to combine small scale oilseed farmers with professional NDDDB management in a vertically integrated operation of production enhancement, processing in modern plants and aggressive brand marketing. By eliminating the middlemen, returns to the farmer would increase and create an economic incentive to boost production; the farmer-owner would be in command of the producer cooperative and directly involved in economic development.

The development of modern processing facilities was the major budgetary item (approximately 35%). The establishment of growers' cooperatives and production enhancement, through such activities as agricultural research and extension services, were important components of the project (30%) as was the provision of share and working capital (18%) to the local cooperatives and processing facilities. Project management was budgeted at about 15% of total costs.

There was widespread enthusiasm within CIDA for the oilseeds project. It supported the GOI/CIDA agricultural development priority; it responded to strong export marketing pressures from the Canadian canola industry; it was administratively efficient for CIDA; and the NDDDB had an excellent reputation. This "100% tied, 100% local cost investment" was an innovative way to provide both balance of payments support and at the same time be associated with an important local cost investment. Normally, at that time, the counterpart funds (CPF) from food aid and other commodities were used as general budgetary support by the GOI. With annual edible oil imports of \$US 600-800 million in the early 1980s, the need was clear and the NDDDB would use the crude edible oil as throughput in its production facilities and as a buffer stock in establishing its retail market share.

The establishment of the cooperative movement in the oilseeds sector was met with fierce opposition from the established oilseed traders and processors, and project disbursements went slowly. The interest bearing CPF grew rapidly as Canadian canola oil was shipped. During this period the NDDDB was also preoccupied with fulfilling a new GOI mandate to increase the price paid to local oilseed farmers through a market intervention program funded by the Union government. The NDDDB's operational capabilities were becoming seriously overextended.

In 1986 CIDA approved another \$85 million phase II of canola oil and \$4.0 million in technical assistance (subsequently increased to \$7 million). By the fall of 1989 there had been a substantial turnover in CIDA project team members and the NDDDB's project implementation was well behind schedule. To help focus the NDDDB's efforts, CIDA decided that the planned phase II mid-term operational review should be moved forward from 1991 to 1989.

The NDDDB objected and with wounded pride threatened to withdraw from the project if CIDA insisted on an early operational review. With the project going slowly and the NDDDB apparently refusing to acknowledge the need for urgent action, CIDA felt it had no choice but to recommend to the Minister that the project be terminated.

It was not to be. Determined lobbying by the Canadian canola exporters led to a rethink by both the NDDDB and CIDA, and the project was restructured rather than terminated. Although CIDA and the NDDDB would jointly approve the allocation of CPFs on the basis of a new plan of operations, the NDDDB was clearly in charge with CIDA providing program and technical assistance. Independently audited project and CPF accounts continued to be provided annually to CIDA by the NDDDB.

The phase II midterm review took place in 1995 and as a result, financial recapitalization and new management plans are being prepared under the project's technical assistance component in a concerted effort to save the more efficient of the fourteen processing plants and associated cooperatives.

Conclusions and Lessons Learned

- Edible oils were needed by India, and the provision of canola oil by CIDA was justifiable as balance of payments support.
- The concept of directing commodities to a parastatal (or NGO or local government) is a useful one. **Parastatal and co-operative institutions may be prepared to tackle sensitive issues which a national government may not be prepared to do directly.**
- **It is essential that the roles and expectations of each partner are clearly understood at the outset of a project.** In the India Oilseeds project, the respective roles of CIDA and the NDDDB were only clarified after a major misunderstanding occurred between the two partners.
- **The financial sustainability of the project must be justified well ahead of time,** hence a concerted effort must be made to ensure all processing plants are able to operate as autonomous and sustainable financial units.

F.1. THEMATIC

WOMEN IN DEVELOPMENT : GENDER MAINSTREAMING

As indicated in previous Chapters, CCA has been committed to enhancing the participation of women in co-operative development since the 1980s. It was apparent that co-operative development in most feudal and hierarchical societies in Asia, especially in the developing countries, were dominated by men. A report by the OECD Development Center⁵ in 1985 surveyed a broad sample of development projects aimed at women. It noted the lack of information about women's roles and activities, and called for greater research as input to development projects.

An analytical Women In Development (WID) framework was elaborated by the Harvard Institute for International Development in collaboration with the WID office of USAID, and picked up by CIDA for inclusion in development projects overseas. As a faithful conduit of CIDA's relevant policies, the Asia Region of CCA decided not to merely incorporate WID in existing projects in Asia, but to take one step further and develop a legitimate Gender Forum among partners in Asia. The forum, represented by both men and women activists, would eventually grow into a solid institution promoting gender mainstreaming to address the root causes of gender inequalities in the region. Initially, CCA brought together four of its partners in the Asia region, i.e., Credit Union League of Thailand (CULT), Credit Union Promotion Club (CUPC) of Malaysia, NATCCO of the Philippines and FORMASI of Indonesia, for a retreat in Pattaya, Thailand. The purpose was to discuss gender issues as they pertained to co-operative development in their respective countries. The result was an agreement to establish an ASEAN Women in Co-operative Development Forum (AWCF), and one additional founder was added from an NGO in Vietnam, i.e., the Center for Agricultural Extension Volunteers (CAEV). AWCF later morphed into an Asian-Wide Forum (not just ASEAN), with the same acronym.

AWCF became a powerful regional resource and advocacy body on gender and co-operatives, which exists until now. Its goal is to transform co-operative organizations into vehicles for achieving gender

⁵ Weekes-Vagliani, Winifred (1985). The Integration of Women in Development Projects. OECD Publishing

equality in society. It functions as a body to build the capacities of co-operative organizations in integrating gender perspectives into their policies, programs and services.

A secretariat in the Philippines was headed by its Regional Coordinator Lota Y. Bertulfo (see picture, standing fourth from the right). The secretariat conceptualizes, coordinates and implements all AWCF programs and activities. With Lota moving to another position focused on gender issues, the leadership of AWCF was taken over by Salome Ganibe.

THE ENVIRONMENT/SUSTAINABLE CO-OPERATIVE DEVELOPMENT

Parallel to CCA's Gender and Development initiative was its Asia Region commitment to tackle environmental issues. Although climate change was not yet the major issue during the late 1980s - early 1990s, discussions on climate were intrinsically associated with the environment in view of the fluctuating nature of farmland and agricultural crops. In retrospect, regional meetings among co-operatives in Asia, particularly the one held by CCA in Anand Niketan Ashram in Rangpur, Gujarat, in 1992, revealed trends towards the changing climate. These trends were confirmed and scientifically proven at the Rio Earth Summit + 20 in 2012.

During the first Environment and Sustainable Co-operative Development Forum held by CCA in Chiangmai, Thailand, in 1990, CCA invited a famous environmentalist from India, Shri Harivallabh Parikh, popularly known as "Bhai Ji". He was a prominent speaker, and a follower of Mahatma Gandhi. Participants at the Forum included co-operative and credit union leaders from Indonesia, the Philippines, India, Vietnam, Thailand, Sri Lanka, Malaysia and China, all of whom were very impressed by the presentation of Bhai Ji. He devoted his life to the welfare of an under-privileged tribe called the Adivasis, a community that eked out a meagre subsistence through primitive farming.

The Adivasis were also stigmatized by the general enslavement of their women, who were forced to fetch water every morning for their feudal masters' drinking and bathing.

In the early days, Bhai Ji suggested to the Adivasis that they dig wells to irrigate the dry agricultural land, but they ignored him because they considered such luxuries to benefit only "white races" like him. However, later on they began to follow his advice. As a result, by 1992, 55,000 acres (22,000 hectares) were already under irrigation, and the Adivasis were beneficiaries of the vastly increased agricultural output. Irrigation meant more than just one crop per year and, in most cases, yielded profitable higher quality crops.

On the basis of his presentation, all participants agreed to hold the next Regional Conference in Anand Niketan Ashram in 1992, so they could benefit from experiencing first-hand his great work with the Adivasis. Preparations for this were made by (the late) George Kuttickal, CCA Program Manager for India.

The live-in Regional Conference at Anand Niketan Ashram in March 1992 was truly an experience to be held dear and to ruminate on afterward. Participants from all CCA partner countries in Asia participated in the event, including a co-operator from Federated Co-operatives in Saskatchewan. We stayed in a very simple dorm-like building called “The Abode of Joy”, with no hot water or shower facility, and with food that was totally vegetarian. It was particularly a culture shock for our co-operant from Saskatchewan, who sported his cowboy boots and Stetson hat all along, having CCA’s International Development Director, Larry Hendricks, fetch water for him every morning so that he could have a half-decent body wash. He also had to eat vegetarian food with his hands every single day. A participant from Malaysia caught chicken pox during the event, and Dr. Phat from Vietnam (who more recently became Minister of Agriculture for two terms) was hardly able to eat the food. That said, the relative deprivations of the live-in exposure were totally superseded by the substance of the daily lessons learned in the field. Every single participant was impressed with the work of Bai Ji for the Adivasis.

At that time, Anand Niketan Ashram was associated with all aspects of Adivasi life—social, economic, cultural and educational. The social perspective was addressed by the ashram’s fight against community crime and excessive drinking (the anti-liquor campaign). The establishment of co-operatives and irrigation networks helped to improve the economic condition of the Adivasi communities. And running the schools and training courses fell neatly into the education category.

Most impressive to participants was one cultural dimension of Anand Niketan’s work known as the “People’s Court”, which was held under the shade of a huge tree. Also called the “Open Court”, it adjudicated family conflicts and land disputes, and tried Adivasis accused of various criminal acts. The trials or “legal proceedings” were open to all people who wished to attend (and so it was for the Conference participants as well). Members of the court were selected on the basis of reputation and respectability. When a complaint was registered, an Anand Niketan staff member would collect and study the relevant data. A summons was then issued to the person against whom the complaint had been made, and a day was fixed for the People’s Court hearing. The court was held in the presence of plaintiffs, defendants and witnesses. The purpose of the hearing was to clarify the issues in the light of evidence presented, in an attempt to find an equitable solution. This might be the imposition of a fine or damages. Although Anand Niketan had no legal authority to enforce the execution of the verdicts

pronounced by the People's Court, its decisions were always accepted, because the people had complete faith in its integrity and ability of its leaders. Interestingly, the total number of cases declined significantly over the years. During the period 1953-57, the Open Court handled more than 2000 cases per year and was in session almost every day. However, by 1974 the number of cases had dropped to a few hundred, and sessions were held only once a month or every two months.

Another interesting feature of the Anand Niketan approach was the collective management of village affairs. In certain villages, a majority of Adivasi families (75 per cent or more) decided to pool their land holdings in the interest of overall economic and social progress. The Village Assembly, chosen democratically by the community, had the power to set aside five per cent of the land for cultivation by landless peasants in the community.

In some cases, the Village Assembly disposed of certain assets, and these were then used for the benefit of families or individuals who had no source of income whatsoever.

The co-operative movement in Anand Niketan was remarkably successful at that time. There were 28 multi-purpose co-operatives with their own warehouses and office buildings, and a membership 2,342 in 104 villages. These village co-operatives were affiliated to a Federation established at Anand Niketan. The Federation's co-



operative societies performed a wide range of functions, including production (storage and sale of agricultural products and the output of cottage industries), as well as retail (purchase and distribution of agricultural tools and equipment and household articles), and savings and loans (for the purchase of fertilizer, equipment or cattle).

Although Anand Niketan Ashram was not directly involved in any political activity at that time, the Adivasis on their own volition decided to demonstrate against the development of the Sardar Sarovar Dam on the Narmada River. This dam was part of a huge government project to construct three dams, affecting 25 million people living in the river valley. This was a component of a major development scheme funded by the World Bank through their International Bank for Reconstruction and Development, aimed at increasing irrigation and producing hydroelectricity. However, the project was stalled by the Supreme Court of India in 1995 over concerns of human displacement.

F.2. COUNTRY-BASED

A good number of CCA's Blockfund project documents were destroyed during the fire in the basement of 275 Bank Street in Ottawa where they were stored. However, it is reasonable to estimate that CCA's block-funded projects had an average annual budget allocation of between \$25,000 to \$75,000, depending on the length and nature of the project. The following are examples of both successful as well as not-so-successful projects that were funded through the Blockfund mechanism.

CHINA

One of the block-funded projects which stood out in China was the "Gallnut Raising" project, which was undertaken in partnership with CICETE (China International Center for Economic and Technical Exchanges). It was initiated in 1990 when China was beginning to open up partnerships with international organizations under the leadership of Madam Du. Founded in March 1983, CICETE was a specialized international assistance executing agency under the Ministry of Commerce. Since its establishment, CICETE has contributed to China's social-economic development, and has been responsible for the coordination of the development activities of UN development organizations as well as NGO's. While still a recipient country in 1990 when CCA launched its project in the Guizhou Province, within 19 years China had become a donor country, with CICETE designated by the Ministry of Commerce as one of the implementing agencies for China-Aid's program of assistance to developing countries.

The Gallnut Raising project was a highly interesting one. CCA was asked to help small peasants in what was then the poorest province of China, the Guizhou Province, to cultivate gallnuts, a highly labor-intensive activity. The location of the project was in remote villages in Changsun Prefecture, and the local partner was the Academy of Social Sciences in Guiyang, with Dr. Li Munsheng as CCA's key technical collaborator.

The project included 23,000 poor farmers who were involved in moss cultivation in Changsun Prefecture. Moss is categorized as one of the bryophytes, which are non-vascular plants. The purpose of cultivating moss in tens of thousands of small pots was to harvest a special insect species called gall insects in those pots. Once an adequate quantity of gall insects had grown amidst the moss, the pots would be placed in a forest full of sumac trees. The insects would then move organically to the branches of the sumac trees, to produce what is called gallnuts.

Dr. Li describes gallnuts as a plant excretion produced when irritants are released by the larvae of gall insects, such as the gall wasps of the Cynipidae family. The tannin of gallnuts has been used for centuries for tanning leather (a process involving coagulating proteins).

Gallnut extracts are widely used in pharmaceuticals, food and feed additives, dyes, inks, and metallurgy. Dr. Li was keen to supply extracts of gallnuts to the ink industry in China under the name “Hero”, a famous brand exported to many countries in the Asia region. Gallnut extracts are also used for purifying “Tsingtao Beer”, a Chinese beer famous for its gallic and tannic acidity.

This gallnut production was a very labor-intensive endeavor, and CCA found out that the risk abatement strategies and supervisory mechanisms of the process were insufficient. Consequently, CCA, through the Academy of Social Sciences, undertook training activities in Changsun Prefecture to build a single agricultural co-operative to manage the gallnut production activities.



Small groups were formed to manage gallnut cultivation collectively. However, when the time came to collect the ripe gallnuts, a problem arose. These groups of small farmers had to fight against the intrusion of organized groups from urban sites around the prefecture who claimed their rightful hold on the land on the basis of the land tenure system. When CCA terminated its involvement in 1993, CICETE was still trying to resolve this issue, but it is understood that CICETE and the Academy of Social Sciences were set to sustain the project. There was no further follow follow-up evaluation by CCA since its block-fund for the project was at an end, despite its unique and intriguing nature.

Another block-fund project of CCA in China was undertaken in collaboration with the Gung-Ho Industrial Co-operative, and was aimed at building a sustainable ‘eco-tourism co-operative’ in the Lijiang Prefecture City of Yunnan Province. Its purpose was to cultivate and sustain a livelihood platform for the Naxi tribe. Lijiang, with an elevation of 2397 meters, was once the capital of a small kingdom under the Song Dynasty and today is a busy world heritage-listed tourist town. When I moved to ICA in 1993, the project continued to be managed by (the late) Zilla Potivongsajarn, CCA’s Asia Region Director, who contracted Andrew So, founder of the Asian Confederation of Credit Unions, as well as a lawyer from the B.C. Co-operative Association, to work with the Academy of Social Sciences in Yunnan and the Gung-Ho Industrial Co-operative of China.

VIETNAM

In 1989-1993, CCA started a project with the National Institute of Planning and Projection (NIAPP) of Vietnam, which was represented by Dr. Bui Quang Toon and Dr. Cao Duc Phat. In order to run this project, a Center for Agricultural Extension volunteers (CAEV) was set up in 1991 as the very first Non-Governmental Organization in Vietnam during the Doi Moi (renovation and change) era. CAEV still exists now, working for poverty alleviation among the poor.

There were seven co-operatives established in partnership between CAEV and CCA, namely: Phuc Thanh Co-operative in Thai Nguyen Province, Lien Son Co-operative in Hoa Binh Province (among the Muong people), Yen Sing Co-operative in Quang Ninh Province, Poan A Co-op (among the Ede people) in Dac Lac Province, Ninh Tay Co-op in Tay Ninh Province, Tho Lam Co-operative in Dong Nai Province (among Catholic people) and Bauson Co-op in Tra Vinh Province (among the Khe Me people).

Dr. Cao Duc Phat was given a scholarship by Harvard University in the early 1990's, and upon his return from Harvard, became the Minister of Agriculture in the Vietnam Cabinet for two successive terms. Dr. Bui Quang Toan continued his work as Executive Director, CAEV.

One of the outstanding features of CCA's project in Lien Son was the small dam built voluntarily by the local community, which was meant to irrigate the adjoining rice fields owned collectively by the community. This dam collected water for storage which was then distributed equally to the rice fields. Rice yield/production doubled due to the existence and management of this collective dam by the community. It also meant more income for local farmers; this could then be saved in their co-operative. In addition to the collective dam, each household was encouraged to promote their VAC (Vegetation, Aquaculture/Livestock and Co-operative) system. The vegetation aspect comprised cultivated plants and vegetables in whatever garden they had around their modest houses. The aquaculture/livestock component included small ponds to raise fish, together with poultry and/or other domesticated animals to be raised in whatever space was available. All proceeds from these household efforts would then contribute to the development of a co-operative.

Dr. Toan, as a key person at CAEV, was elected Chair of VietDHRRA (Viet Nam Partnership for the Development of Human Resources for Rural Areas). VietDHRRA is a member of AsiaDHRRA, a very respectable organization that is an associate member of the ASEAN Secretariat.

In Vietnam, VietDHRRA has a network of 19 member organizations, with CAEV as its coordinating member. The Vietnam Co-operative Alliance (VCA) is the apex co-op organization in the country, and is a member of VietDHRRA as well as the International Co-operative Alliance (ICA).

It is interesting to note that all seven Vietnamese co-operatives sponsored by CCA are still maintaining their basic co-operative operations, adopting the seven co-op principles of ICA, although some updating seems necessary since the socio-economic environment has changed over the years. At the local level, these co-operatives are members of the VCA, and their current generation of young men and women leaders are actively engaged in their operations. Most of these co-op leaders have been trained by CAEV and the VCA.

THAILAND

Up until the mid-1990's, Thailand was still considered a CIDA recipient country under its eligibility criteria. CCA was primarily involved in strengthening the credit union sector in Thailand, working closely with the Credit Union League of Thailand (CULT). One of the pilot projects funded by CCA in partnership with CULT was the credit union among golf caddies (Caddy Credit Union) in Chiangmai. These caddies came from local communities in northern Thailand and earned meagre fees from golfers because of their lack of bargaining abilities. The credit union was organized to gather all caddies into one organization, so it would become their institutional arm to set the fees and terms of payment for the golfers. In this manner all caddies received equal pay, without competing with each other for the rich or expat golfers who came to Chiangmai from different cities or even different countries. Earnings were then saved in the credit union to be used for enhancing household incomes of these caddies.

One of the not-so-successful programs CCA developed in Thailand was one undertaken in partnership with the CPD (Co-operative Promotion Department), a division of the Ministry Agriculture Fisheries and Co-operatives MAFC). The project, developed by CCA's Rafael Legaria in coordination with the CPD, aimed at establishing an aqua-culture project in Songkhla District in southern Thailand. It was a well-conceived Shrimp Farming project utilizing pen culture.

Shrimp farming had been practiced in Thailand since the 1950's. It was developing and expanding very rapidly during the mid-1980's when CCA was approached by CPD to help poor farmers in Songkhla raise shrimp in order to enhance their livelihoods. The rapid expansion of shrimp farming was due to the technological breakthrough in shrimp feed development and the successful production of larvae in 1986. The labor-intensive shrimp-farming project in Songkhla received praise from the MAFC.

What was unexpected was the fact that soon after the first year of successful operations of the Songkhla Shrimp Farming project, which helped farmers raise their income, a huge company (Aqua Star) from Taiwan came to the same location to raise shrimp using high-end technology. This was in contrast to the simple pen culture used in the CCA/CPD project. Although CPD was pleading with the MAFC to stop Aqua Star from infringing on the small portion of Songkhla Lake that was the CCA/CPD project's catchment area (a total of 3,100 square miles), the Government of Thailand was unable to do so. The fact was that shrimp farming in Thailand was a multi-billion-dollar industry and a major export earner. Moreover, the small-scale shrimp farmers were lured by the Aqua Star conglomerate to earn more money by working for their company using high-tech farming rather than cultivating the shrimp themselves using the traditional "pen" culture. In the final analysis, CCA decided not to extend the project, realizing that shrimp farming dominated by multi-nationals was a boom-and-bust industry, which did not allow profits earned in the booms to trickle-down to the traditional farmers around the Lake communities. Furthermore, use of high-tech farming had negative environmental and socio-economic impacts, because pollutants such as nitrogen phosphorus, suspended solids, chemicals and drugs, and antibiotic substances not only pollute off-site environments, but they also cause on-site pollution, threatening the long-term sustainability of the sector.

It was also revealed that during the financial crisis in 1997, Thailand suffered big losses in their aquaculture industries. This was then an important lesson learned from experimenting with an aquaculture project in Thailand.

In addition to the Prawn Breeding project in Songkhla, CDF contributed block- funding for a number of CULT initiatives. Under its General Manager Khun Sombat, funding for the training of Chapter leaders was granted to strengthen its chapters. One particular case undertaken in collaboration with CUSO was the strengthening of the North East Chapter in Roi Et, where refugees from Cambodia were assisted in forming their own credit union to help multiply livestock production, mainly in chicken farms.

Development funding in Thailand was discontinued by CIDA in the latter part of the 1980's as the country was considered to have reached middle-income status. Thus, CCA could not obtain or provide any further funding for the co-operative movement in Thailand despite the success of its block- funded projects there, which was comparable to those in Indonesia, the Philippines, and Sri Lanka.

KOREA

The National Credit Union Federation of Korea (NACUFOK) was officially formed in 1973. However, it actually started in the early 1960's under the motivating force of Maryknoll Sister Maria Gabriella, when poor people in South Korea were driven into deeper debt with moneylenders charging annual interest rates up to 40%. As of



2019, NACUFOK had grown into a federation of 888 credit unions with six million members and US \$84 billion in assets. NACUFOK is by far the strongest credit union movement in all of Asia at the present time.

Interestingly, in 1983 NACUFOK approached CDF to seek technical assistance from the credit union movement in Canada because two of their provincial leagues were deemed insolvent, namely those of Chungnam and Gangwon. In response, CDF used the block fund to dispatch the General Manager of the Ukrainian Carpathia Credit Union in Winnipeg to the two provinces. This led to a creative transformation in these provinces.

They studied how the Carpathia Credit Union on 950 Main Street in Winnipeg had become the pride of its members and the whole Ukrainian community in Winnipeg. What they learned triggered a reform process in both provincial leagues. Discussions about the prospects for credit union amalgamation were also held; to some degree, these must have contributed to the active amalgamation of Korean credit unions in the 1990's.

Being the most successful movement in Asia, NACUFOK established the Asian Credit Union Leaders Program, which provides scholarship opportunities for other Asian credit union leaders to gain firsthand knowledge of NACUFOK's development experiences. This program has been running from the 1960's to the present.

NEPAL

At the beginning, the role of CDF in promoting credit unions in Nepal was not through direct funding, but rather by linking a project of the Unitarian Service Committee of Canada (USC-Canada) with the Credit Union League of Nepal. Ram Shrestha, who was the country manager of USC-Canada, was passionate about credit unions. He worked closely with leaders of the Nepalese credit union movement to help elevate poor communities supported by USC-Canada through the development of credit unions. In addition, technical cooperants from ACCU and USC-Canada motivated Nepalese credit union leaders to initiate the formation of a national federation.

On August 16, 1988, the Nepal Federation of Savings and Credit Co-operative Unions (NEFSCUN) was formed. It was then fully registered as a national federation in 1993.

Since then, the roles of ACCU and CCA have been unmistakable in the development of credit unions in Nepal, primarily in strengthening NEFSCUN as the apex organization for credit unions. Currently NEFSCUN is offering competitive products and services to communities in 76 districts and has been able to bring 3.2 million individuals into the financial



mainstream. NEFSCUN provides co-operative management training for more than 20,000 leaders and staff annually, and has promoted formal finance access for the poor.

The credit unions, also known as SACCOS, manage their financial co-operatives locally with professional tools and techniques. ACCU has promoted ACCESS (A1 Competitive Choice for Excellence in Service and Soundness) BRANDING, for which members of NAFSCUN have received accolades for developing systems of quality control, thus creating value and differentiation in the marketplace.

BANGLADESH

Bangladesh also received the benefits of block- fund grants from CDF in the early 1980's. The late Ruth-Anne Mitchell, then Manager of the Caribbean region at CDF, started a project in Barisal, the southernmost district of Bangladesh, in 1982. It was undertaken in collaboration with the Barisal Development Society (BDS), a non-governmental organization engaged in improving the socio-economic condition of the rural poor in Barisal. I came to join CDF in 1983, and worked with Ruth-Anne to promote credit unions in this district.

With fresh ACCU experience in setting up credit unions in Dhaka and surrounding areas just the year before, I enhanced the socio-economic project of BDS with the introduction of credit unions. Daniel Corraya, as pioneer of the Credit Union League of Bangladesh, together with Peter Podovnikoff, CEO of the Delta Credit Union in British Columbia, provided technical assistance to BDS in setting up the credit union system in Barisal.

I have not tracked the credit union progress of BDS, as I was diverted to other priorities with CDF's increasing focus on its bilateral co-operative programs in the late 1980's. However, it would be safe to assume that the current Barisal-based "Sadar Shikhok Kormochari Co-operative Credit Union Ltd" is a logical offshoot of the roots planted by BDS. Information on this credit union was gleaned from the report of the Credit Union League of Bangladesh.

Since Bangladesh has been more popularly known as the global hub of microfinance, propelled by Dr. Muhammad Yunus of the Grameen Bank, it would not be surprising if more microfinance institutions have been established in southern Bangladesh as well.

One of these is the Grameen Development Society (GDS), established in 1997 on the initiative of some social workers in the Barisal district. Information gleaned from the GDS website shows that GDS has improved the conditions of poor and disadvantaged people of southern Bangladesh, especially women, children and disabled people. GDS believes in a non-directive, bottom-up, integrated and participatory development approach, utilizing financial and technical support from the Bangladesh Government and various donor agencies.

INDIA

CCA has multiple short-term but strategic co-operative projects in India which resulted in sustainable ones. One such project is the SEWA Co-operative Bank. Ela Bhatt, founder of the Self-Employed Women's Association (SEWA) of India, worked to mainstream poor women workers in the informal sector. Under her exceptional leadership SEWA managed to help home-based producers to organise their own welfare program and raised their dignity. However, their low self-generating income was not enough to meet their household needs because these women were still caught in the vicious circle of poverty due to indebtedness to money-lenders. SEWA then organized their own financial co-operative called the SEWA Bank. However, the Bank was unable to function properly due to technical drawbacks. CCA was approached by Lalitha Krisnaswami, a senior leader at SEWA, to provide technical assistance and improve the governance of SEWA Bank. CCA fielded Baldur Johnson in 1987 to evaluate the Bank, and through his expertise managed to identify the weaknesses and turnaround the SEWA Bank to become a viable and healthy bank. Baldur was Executive Director of CCA at that time, and his timely intervention coincided with his trip to Anand to observe the Oilseeds Development Project with NDDB and his meeting with Dr. Verghese Kurien, "Father of the White Revolution" of India, Chair of NDDB.

Another successful project was in partnership with SAMAKYA in Andhra Pradesh. SAMAKYA was known as an advocacy institution led by Ram Reddy and Shashi Rajagopalan. SAMAKYA's approach is to support grassroots and member-driven co-operative organizations while at the same time advocate legislative reforms in the State of Andhra Pradesh.

Just prior to my fulltime engagement with CUC, both Lorrie Hubbert and Michael Rosberg worked with SAMAKYA to assist Mulkanoor Co-operative in marketing their agricultural products. The project included the expansion of Mulkanoor's storage capacity and the purchase of a truck for to enhance their supply chain.

I took over management of the project in 1983. It so happened that I already knew Ram Reddy and Shahsi when they participated in ACCU's training program in the late 1970s. Mulkanoor is a cooperative society established in the year 1956 in Mulkanoor region of the Warangal district in Telangana. It is registered under Andhra Pradesh Mutually Aided Cooperative Societies Act. It currently extends agri-loans to 14 villages/18 Gram Panchayats in and around Mulkanoor village. In addition to extending loans, the society is engaged in trading of fertilisers, pesticides and seeds and also supports its farmer members by purchasing their agricultural produce, processing and, markets it under its own brand name. Since the termination of CDF blockfund support, Mulkanoor has established its own Cooperative

Rural Bank with a long track record of operations and diversified earnings profile. Now called MCRBMSL (Mulkanoor Co-operative Rural Bank and Marketing Society), it is primarily engaged in lending to its members, and offers value added services such as rice milling, cotton ginning and trading/sale of fertilizers, pesticides and seeds to its members.

CDF, using its blockfund mechanism, also sponsored a number of training activities for credit union promoters in India. George Kuttickal, who managed CDF's projects in India from 1986 to 1994, worked closely with CDF and ACCU to create grassroots credit union facilitators and organizers in many parts of India. Credit unions were successfully organized within



communities and mostly around Catholic parishes. However, these credit unions remained quite trivial since they were generally eclipsed by existing thrift and loan societies and rural banks already in existence, and which were formally registered under the State Co-operative Ordinances. Credit Unions, which followed the genuine Raiffeisen model, were shunned by local registrars who gave prominence to government-led thrift and loan societies. Also, the number of existing credit unions were still insignificant relative to the populace of India, hence the absence of a critical mass to form a feasible national movement.

That being said, these credit unions may still be in existence serving restricted common-bonds in and around Parish communities.

F.3. ADDITIONAL CCA-CDF PROJECTS

Above and beyond the above-listed Asia projects, it would be useful to quote some other projects that have been successfully carried out by CCA. Below are brief accounts of some projects undertaken after I left CCA, and written by David Shanks and John Julian in their joint article “Partnership in Changing Times”, in a book published by the Center for the Study of Co-operatives, University of Saskatchewan entitled “Canadian Co-operatives in the Year 2000”. I Quote:

CCA-CDF has completed hundreds of projects in more than forty countries around the world. In every instance, there has been a partnership with a local organization that functions as a co-operative, democratically owned and managed by the people it serves. CCA’s women’s credit union project in Mozambique is a good illustration of the empowerment that can occur through co-operative development.

There is always a need for innovation and creativity. Some ten years ago when drought wiped out the rice crop in northeast Thailand for several years running, a CCA-supported credit union project helped credit unions in villages such as Nong Ha offer loans so that farmers could breed water buffalo as an income-generating activity. In Zimbabwe, CCA has assisted small credit unions to construct attractive buildings and to hire staff in rural growth points in order to offer a full range of financial services where none previously existed. Once banned during communist rule, credit unions are now being re-introduced in Ukraine. In Costa Rica, the CCA has worked for well over a decade to help small farmers successfully produce and market crops other than the bananas and coffee that dominate their economy.

CCA has worked in partnership with the Rooftops Canada Foundation, the development arm of the co-operative housing movement, to develop co-operative solutions to housing issues. In rural Uganda, the Kataayi multi-purpose co-operative has developed its own brick making and construction capacity. In Bangkok, slum communities have developed under bridges, along canals, and on railways rights of way – anywhere there is unused space. With CCA’s help, the Building Together Association is developing housing co-operatives for slum dwellers.

Employment is a concern everywhere in the world. CCA-supported co-operatives have helped address the need, creating jobs through rattan furniture production in the Philippines, silk-spinning and weaving in India, and textile production in Colombia.

“Canadian Co-operatives in the Year 2000”

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In January 2005, I invited CCA's Asia Director, Lydia Phillips, to join me and Mr. Ibnoe Soedjono, head of the Institute of Co-operative Studies and Development, to observe the enormous devastation in the city of Banda Aceh and the island of Nias due to the Tsunami. It was the most horrifying Tsunami in history that wreaked havoc and killed hundreds of thousands of people. Lydia managed to develop a special project of CCA with the World Bank during the post-Tsunami rehabilitation and reconstruction, whereas I was named special envoy of the ICA for post-Tsunami reconstruction in Asia.

However, the most recent CDF Publication "LET'S MAKE PROSPERITY HAPPEN", describes in no uncertain terms the continuing legacy of CDF in developing sustainable co-operative projects all over the world. The focus is on ten countries, and I quote:

COLOMBIA: Improving the financial performance and stability of smallholder farmer co-ops and associations.

PERU: Working with smallholder co-op coffee and cacao producers to improve their capacity to produce and market their crops.

ETHIOPIA: Strengthening the country's rural co-op system through new financial products and services for smallholder farmers

INDONESIA: Helping smallholder aquaculture producers in South Sulawesi improve their incomes and business capacity through new and existing co-ops and networks.

MALAWI: Improving the economic well-being of smallholder farmers by increasing production of dietary staples and establishing marketing and financial co-ops.

MONGOLIA: Assisting herders to overcome obstacles to earning better incomes through business training, marketing and affordable inputs.

MYANMAR: Enabling smallholder farmers to access financial services and products through credit unions.

PHILIPPINES: Helping women-owned sari sari (variety) stores become less vulnerable to weather calamities through training and microinsurance protection.

TANZANIA: Developing a knowledge base and tools for co-ops, policy makers and development actors to improve rural financial inclusion for co-ops throughout Africa.

Over the past decade, CDF has implemented 120 projects in 32 countries with a total reach of 21.5 million plus individuals.

F.4. BLOCKFUND AS VALUABLE ASSET OF CDF

Lorraine LaFrance was International Development Director of CUC-CDF when I joined CDF in 1983. Lorrie (her friendly name) was very instrumental in helping Bruce Thordarson and Jim Carmichael during the process of my recruitment, because of her active work in promoting new projects in the Asia region. Lorrie wrote briefly about her role at CDF as she pursued international co-operative development projects as follows:

“When I joined CUC-CDF in 1977, a modest international cooperative development program had been started by my predecessor. CDF was providing assistance to a few small projects in Nicaragua and Barbados. In 1978, the International Cooperative Alliance invited CUC to participate in a fact-finding mission in West Africa with the goal of establishing a regional office in that region. One regional office already existed in East Africa. Contacts made in the region was the impetus to start funding cooperative projects in West Africa – Senegal, Ghana, and Nigeria initially. Contacts with ACOSCA (the African Confederation of Savings and Credit Associations) led to the opening of relations with ACCU (the Asian Confederation of Credit Unions).

CDF’s first foray into Asia started with a few projects in India but expanded after a trip in 1981 where discussions were held with the ICA office in Delhi. It was our hope to use the ICA office and its knowledge of the region as a sounding board for and source of cooperative projects in South-East Asia. The first project to develop from these discussions was support of the Cooperative College of Sri Lanka, followed by assistance to the burgeoning credit union movement. For a number of years, CDF funded various projects in Uttar Pradesh, Karnataka, Kerala, Telangana, and Gujarat states: the Gramodhara Dairy Cooperative, the Mulakanoor Rice Cooperative, the Bojjodi Housing Cooperative, credit union training in Hyderabad, a fishing cooperative in Mangalore, wells in Veeranagar and Jalligudda, the Shaktinagar Housing Cooperative and community centre, and a biogas plant in Tumarikop.

In 1979, CDF approved funding for the development of the Singapore credit union movement under the auspices of ACCU. CDF’s first visit to South Asia in 1981 marked the beginning of a more extensive relationship with ACCU, some of its member national credit union associations, and individual cooperatives.

Our first partner/advisor was Augustine J.R. Kang, founder of the first South Korean credit union and general manager of ACCU. It is with the knowledge and input of Mr. Kang that CDF embarked on a number of projects with the Credit Union Promotion Committee of Malaysia. By then, we were also

consulting with Robby Tulus, Chair of the Indonesian Credit Union League and Training Specialist of ACCU, and providing funding to a number of burgeoning credit unions, not only in Indonesia, but also in Hong Kong, Thailand, Taiwan, and South Korea.”



All the above thematic, as well as country specific, projects (or case studies) show how great an asset the ‘blockfund’ actually was, and especially to show how it was successfully employed by CDF in the 1980s. It underscored the trust and confidence among CCA/CDF members and stakeholders to make financial contributions both individually as well as institutionally, because international development was considered meaningful and useful to strengthen and unify the co-operative world as a whole, Blockfund projects showed ‘high-reciprocity’ partnership where both CCA/CDF and their partners overseas obtain satisfaction and credit for a strong and successful partnership that is based on trust and equal footing. Co-operative values and principles were the source for creating mutual agendas, which was an expression of solidarity between CCA/CDF and their overseas partners. It is certainly unfortunate that these days the partnership branch of GAC is no longer in a position to match financial contributions of CCA/CDF’s stakeholders. However, that should not deter CDF from setting aside a certain amount of donations as a “new blockfund”, using it as a “start small” mechanism to reach the “think big” outcomes. This development strategy and mechanism are presumably still valid today if stakeholders of

CDF are convinced of the mutual benefits derived from creating longstanding partnerships with their “peers” or partners overseas. In the previous paragraph on “Lessons learned”, CCA/CDF staff contributed many important remarks and observations (in red) regarding the useful attributes of CCA/CDF Blockfund mechanisms.

As well, the three archetypes or approaches of International Co-operative Development specific to CCA/CDF’s development policies in Asia, i.e., “(a) Partnership, (b) Demand-driven Development, and (c) Technical Co-operation.”, could not have been implemented without the important and strategic Blockfund facility.

The main important role of CDF in international development during that period was to promote partnership with co-operative peers in developing countries. “Peer” not in terms of equal standing in rank, status or growth, but peer as ‘partner’ in the philosophical sense, driven and guided equally by the Co-operative identity statement (Definition, Values and principles). This is an important distinction between the conventional model of international development and international co-operative development. Stakeholders of CDF in Canada possessed the technical instruments necessary for co-operative development that could be shared with partners overseas to promote and build their emerging capacities.

With small-scale but effective interventions, the blockfund managed to gradually optimize partners’ potential, in terms of their institutional, financial as well as social capital. Sharing these instruments is a two-way traffic between CDF stakeholders in Canada and their partners overseas. The cultural and collective nature of decision making and problem solving among some Asian partners overseas could well contribute towards strengthening the human and social capital among co-operatives in Canada as well. Such partnership and technical co-operation side-stepped the tendency to be hierarchical or paternalistic, and could thus maintain more longstanding relationships. Once again, this was made possible by the availability of the blockfund, derived from CCA/CDF member contributions and which was previously matched by CIDA.

If CDF were to undertake an evidenced-based research activity with some of the previous CDF partners such as NACUFOK, SEWA Bank, SANASA, Mulkanoor, CICETE, AWCF, and many others, it would be interesting to see how these partnerships could be rediscovered and strengthened. CDF adopted exit strategies in the past to ensure partners are sufficiently empowered to sustain their existence and become successful change agents as well. Conventional international development models often leave partners or target groups still dependent on outside sources to sustain their development programs. The

donor-recipient model often prolongs dependency on part of the recipient institution once funding ends. International co-operative development, on the other hand, is to enable people around the world to take control over their livelihoods, thus empowering co-operatives to take charge of their own development. Blockfund was a very important and strategic mechanism of CDF, not just in terms of finance, but a facility to share whatever means and capacities available with partners towards their own development and sustainability.



INTERNATIONAL DEVELOPMENT TRENDS AND THE CO-OPERATIVE ADVANTAGE

As mentioned earlier in this paper, the Sustainable Development Goals (SDG's) replaced the Millennium Development Goals (MDGs) in 2015. The change coincided with another historic agreement reached in 2015 at the COP21 Paris Climate Conference. Together with the Sendai Framework for Disaster Risk Reduction, signed in Japan in March 2015, these agreements provided a set of common standards and achievable targets to reduce carbon emissions, manage the risks of climate change and natural disasters, and build back better after the financial crises of 2008.

However, an economic analysis of UN DESA (Department of Economic and Social Affairs) in August 2020 noted that “five years into the implementation of the 2030 Agenda for Sustainable Development, progress had been uneven and acceleration was needed in many areas. The world was not on track to deliver the SDGs by 2030”. Just when development agencies were trying to reduce a further decline in meeting the targets of the SDGs, the pandemic struck and abruptly messed up these efforts. In some cases, the disruption turned back years of progress. Still raging during this writing by end of 2021, the pandemic is affecting the world's poorest and most vulnerable people, and exposed harsh and profound inequalities. COVID19 has also exacerbated further disparities within and among nations, touching all segments of the population, all sectors of the economy, and all regions of the world. Had the world been on track to achieve the 2030 Agenda, it would have also been better prepared to deal with the pandemic. The effects of the pandemic and the measures taken to mitigate its impact, have disrupted educational, health, and business systems globally, and not least international development and co-operation as well. Data from UN DESA in 2020 showed that about 71 million people are pushed back into extreme poverty and about 132 million more people suffer from undernourishment.

The “Devpolicy Blog”, a platform for analysis, discussion and debate at Crawford School of Public at the Australian National University, indicated that “COVID-19 needs to be regarded as a game-changer in international relations, including development co-operation. However, looking at the evidence available, the COVID-19 pandemic might instead speed up several pre-existing trends.

The international development cooperation environment continues to be characterised as highly competitive even during the COVID-19 crisis”. There seems to be a fundamental paradox between the increasing demand for greater and better cooperation, and a decreasing willingness of the international community to act collectively. The analysis in the DevPolicy Blog further stated that “International

Development cooperation is weakening in many areas. The sharpening role of rising powers and their impact on development cooperation norms and standards through South-South cooperation might serve as important illustrations in this regard. Thus, such indications hint to COVID-19 being a super-accelerator for trends that existed in the international system before the pandemic”.

While COVID-19 began as a health crisis, the most serious effects right now are increased food insecurity and poverty for vulnerable communities impacted by the pandemic. Families are struggling to cope with loss of income and livelihoods. The current crisis forces the development community to rethink what the collective future looks like. Development gains in poverty reduction and food security must urgently be protected. In the longer term, returning to ‘business-as-usual’ cannot be an option. Instead, the global community must act decisively and with resolve to build back a better ‘new normal’ centred around inclusion and resilience. It means building back better more inclusive, resilient and greener economies. A pro-poor development with women’s economic empowerment and climate-smart approaches as cross-cutting mechanisms.

Managing the socio-economic consequences of the COVID-19 pandemic might lead to perceived trade-offs between “smart recovery” and “quick wins”. The rationale behind the ‘Agenda 2030’ and its 17 Sustainable Development Goals (SDGs) remains unequivocally valid. But countries tend to look for quick solutions. And the same might apply to



international development cooperation. The tendency for quick wins might neglect and override fundamental priorities of the SDGs and most recent actions to address climate change. Therefore, international development cooperation needs to adopt a “smart recovery” approach even during the ongoing Pandemic, in order to replicate the unsustainable policies and practices of the past.

Inequalities have been lingering and actually rising on account of the dictates of neo-liberal policies since the structural adjustment programs in the late 1980s.

The COVID-19 pandemic is deepening these inequalities. Hence the crisis of inequality is a structural problem, and it comes with economic costs.

To mitigate rising inequalities, co-operatives play a very important role. Cooperatives have the advantage of offering a socially conscious business model because co-ops are inherently concerned with community well-being. Even after the global financial crisis of 2007-2012, Johnston Birchall wrote in an ILO (International Labour Organization) paper "Resilience in a Downturn" in 2013 that cooperative institutions were less likely to fail compared to their commercial competitors during the financial crisis. The cooperative banking sector had 20% market share of the European banking sector, but accounted for only 7% of all the write-downs and losses between the third quarter of 2007 and first quarter of 2011. In 2008, in the U.S., the rate of commercial bank failures was almost triple that of credit unions, and almost five times the credit union rate in 2010. Credit unions increased their lending to small- and medium-sized businesses while overall lending to those businesses decreased.

At the ICA Congress in Quebec City in 1999, Lynn Benander, CEO of Co-operative Life, and Tom Webb from the Francis Xavier University in Nova Scotia, presented research findings and case studies which showed how successful co-operatives can actually be if they managed to utilize effectively the powerful qualities of the ownership structure in a co-operative. The study shows that the Credit Unions in the US, for example, have discovered that people feel more respected by their credit union than they do by a bank. The Electric Cooperatives in the US have discovered that people value having a voice in their cooperative. These qualities of respect and consumer voice arise directly from being consumer owned. The same virtues are present among co-operatives in the developing world, just that less educated co-operative members in the South need to undergo more thorough educational and awareness raising programs.

Both findings of Lynn and Tom at the Congress are critical reminders for co-operators worldwide that letting people know co-operatives offer the qualities they value, is a service people appreciate. There are risks if we do not advocate and market the cooperative advantage as well as the benefits it offers. As co-operators we have to advocate strongly and let people know that cooperatives can provide them with the right qualities they are looking for, lest other profit-making businesses step in and fill the bill.

In fact, large private businesses such as Costco are proactively taking on the "We're local" look, offering personal service and a membership card. Fortune 500 businesses are stepping forward to become "learning organizations" or "total quality organizations" based on core principles that mirror the cooperative principles. For change to happen, promoting the co-operative advantages must be done within the co-operative movement itself as well as through collaborative efforts with global agencies, such as the UN special agencies, civil society and business working groups of the G-20 countries, and within the Social Solidarity Economy (SSE).

During the 33rd World Congress of ICA held in Seoul, Korea, in December 2021, one of the panel discussions centered on the UN's 2030 SDGs. It stated that the foundation of the Co-op Identity is to pursue fundamental and positive changes in the world by supporting strategic global policies and programs such as the UN's 2030 Sustainable Development Goals. As grassroots organisations led by their members, cooperatives are working strongly to offer effective approaches to sustainable development in the communities in which they are rooted. The concept of sustainable development enshrined in the UN Agenda 2030 and the SDGs is linked to the concept of triple-bottom-line, covering economic, social and environmental concerns. Cooperatives' type of ownership and control provides a coherent business model with a business perspective that contains the triple-bottom-line. Economic and social bottom-lines have all along been practiced in the working of genuine co-operatives, as spelt out in the Statement on the Cooperative Identity. Co-operatives are both associations and enterprises, aimed at meeting the economic and social needs and aspiration of their members. Co-operatives reinvest their common reserves towards their long-term sustainability and also offer returns to members based on their patronage and economic participation within the co-ops, and not on the capital they invested. Not only are co-operatives concerned about the social and economic bottom lines, but also about the environment.

Take the most recent experience close to home in Canada. In 2021, Canada experienced the "heat dome" that killed hundreds of people in Western Canada. Hundreds of wildfires followed, especially the one that burned to the ground the town of Lytton in British Columbia. Then widespread flooding followed in that same province that destroyed homes and businesses. The dire impacts people in Canada are seeing now are already predicted by many scientists. Extreme heat, floods and wildfires are definitely fuelled by climate change.

CDF is keenly aware that the impact of climate change is going to get worse. CDF has made bold preliminary steps to originate a Co-operative Climate Action Proposition (CAP). This proposition is both a call to action and a roadmap to action in order to reduce carbon emissions in an effort to reach net-zero objectives. The thinking within CDF bodes well for inter-cooperative collaboration as also observed and discussed in the 33rd World Congress of the ICA. The benefits of climate action are certainly obvious. Research consistently finds that slowing climate change is a net winner, not just in terms of human health and the environment, but also in terms of jobs and the economy. To realize those benefits, and to ensure a fair transition for all, co-operatives need to make the big decisions and the big upfront investments today and not tomorrow.

In addition to Climate Action (SDG #13), Zero Hunger is a crucial second goal of the 17 SDGs. Extreme hunger and malnutrition remain a huge barrier to development. There are 821 million people estimated to be chronically undernourished as of 2017, often as a direct consequence of environmental degradation, drought and biodiversity loss. Over 90 million children under five are dangerously underweight. Undernourishment and severe food insecurity appear to be increasing in almost all regions of Africa, as well as in South America. The SDGs aim to end all forms of hunger and malnutrition by 2030, making sure all people—especially children—have sufficient and nutritious food all year. This involves promoting sustainable agricultural, supporting small-scale farmers and equal access to land, technology and markets. It also requires international cooperation to ensure investment in infrastructure and technology to improve agricultural productivity. Extreme hunger and malnutrition remain a huge barrier to development in many countries. There are 821 million people estimated to be chronically undernourished as of 2017, often as a direct consequence of environmental degradation, drought and biodiversity loss. Over 90 million children under five are dangerously underweight. Undernourishment and severe food insecurity appear to be increasing in almost all regions of Africa, as well as in South America. The SDGs aim to end all forms of hunger and malnutrition by 2030, making



sure all people—especially children—have sufficient and nutritious food all year. This involves promoting sustainable agricultural, supporting small-scale farmers and equal access to land, technology and markets. It also requires international cooperation to ensure investment in infrastructure and technology to improve agricultural productivity. (Source: SDGs, UNDP.org).

In the Co-operative movement globally, and in spite of cooperative growth and development in all sectors of the economy, agricultural cooperatives still remain by far the largest part of the cooperative movement in terms of members. Given the importance of food production and distribution for the survival of human beings, and cooperatives' important market shares in many countries of the world, the pandemic has highlighted problems of global food distribution and hence food security. Ideally, agricultural producers, suppliers, traders form cooperatives in order to get access to more supplies and markets at a reasonable cost. Their goal is to reduce cost by increasing the scale of their economies. In other words, the more agricultural producers combine their efforts in a co-op, the cheaper the total cost

of production becomes. ICA has seen successful agricultural co-operatives among its members in many parts of the world such as in Japan, Korea, France and the Netherlands. However, in many developing countries government policies often ran counter to the bottom-up development approach of co-operatives. Patience needed to organize farmers in a meaningful way, through education and training, is often interrupted and harmed by government's nucleus-plasma policy, where smallholder farmer-members as the plasma are subjected to profit maximization by the large private sector companies as the nucleus within the production cluster. Farmers tend to become objects of trader-bosses who have access to markets, especially in a neo-liberal environment. Small agriculture farmers continued to be impoverished as their landholdings are getting smaller and subsistence work became the only option. Productivity of household farms remain very low and meagre, whereas household expenditures are constantly increasing. A self-reliant Co-operative is by far the most strategic institution that could play a role in empowering farmers in order to integrate their food business interests through on-farm as well as off-farm facilities, using the latest - yet affordable - technologies and economic digitalization.

Cooperatives also need to work closely within the sphere of the SSEs. It is recognized that the social and solidarity economy (SSE) create wealth in urban and rural areas and contributes meaningfully to sustainable local and territorial development. Social and Solidarity Economy (SSE) is a concept that encompasses organizations and enterprises that have explicit economic and social (and often environmental) objectives. SSE includes cooperatives, mutual associations, women's self-help groups, community forestry groups, social provisioning organizations or 'proximity services', fair trade organizations, associations of informal sector workers, social enterprises, and community currency and alternative finance schemes. SSE is an important pathway to transforming the world for the better and is a critical driver in achieving the 2030 Agenda for Sustainable Development. It is also present in all sectors of the economy ranging from production to finance, including distribution, exchange, consumption, and governance.

The 2021 UN Secretary-General Report on 'socially just transition towards sustainable development' recognizes SSE as an alternative model of growth, aimed at finding a new balance between economic efficiency and social and environmental resilience. The ILO Centenary Declaration on the Future of Work, adopted in June 2019, calls for promoting an enabling environment including for the SSE. In support of the UN resolution on SSE, ICA published a position paper entitled "cooperatives as a key constituent of the social and solidarity economy".

CDF's focus and strategy on International Co-operative Development is to advance inclusive economic development based on a co-operative-enabled business model for members and communities. CDF's

engagement with global, regional as well as national SSEs is thus a sound and coherent proposition. In collaboration with other SSE organizations, CDF is well-positioned to promote the co-operative identity and how the co-operative advantage will be employed to reduce poverty and inequalities. Partnership with other SSEs also signifies the 17th important goal of the SDGs, i.e., "Strengthen the means of implementation and revitalize the global partnership for sustainable development". Several countries in the South where CDF operates already adopted policy and legal frameworks on SSE, such as in the Philippines, Sri Lanka, Ghana, Mali, Mexico, Colombia, and in Canada itself (Quebec Province).

CDF Canada's Theory of Change is certainly well placed in support of the trajectories towards achieving the SDGs UN 2030 Agenda, and the G-20 mission. The mission addresses major global economic issues such as international financial stability, climate change mitigation, and sustainable development. And doing so within the sphere of the SSEs. CDF's Canada Theory of Change, as published in CDF's Business Case edition of 2019/2020 sees that "Low-Income people improve their lives and communities in a sustainable way through membership and participation in: a) stronger institutions that can foster change, b) successful and resilient economic entities or enterprises, c) sustainable, member-driven initiatives."

It further indicates that this theory offers the flexibility of co-ops and co-operative systems to empower local women and men to take control and exercise ownership of their economic futures. The philosophical underpinnings of F.W. Raiffeisen continue to echo in this Theory of Change, in that development and self-reliance of the poor will transpire if and when "the poor help each other through self-help and mutual-help", thus "to fight poverty by fighting dependency first". CDF Canada provides the empowering instruments through educational opportunities and an enabling as well as a well-integrated co-operative business model.

H

CONCLUSION

In conclusion, it would be fair to state that CDF's strategic interventions in international development had been effective for the most part and well appreciated by partners overseas. This is evidenced by the many positive external evaluation results of the projects undertaken in the Asia region. Important to emphasize is the fact that these successes would not have been made possible without the support of members and constituents of CCA/CDF. The latter continued to embrace the spirit of North-South and South-South co-operative partnerships by combining their own local development strategies with those of their overseas partners. This has also gained the genuine support of CIDA and other funding agencies in the past. CDF placed international development strategies at the center of these partnerships. The Canadian experience has shown all along that co-operative members and sectors in Canada have shared their hard-won successes with partners overseas, showing that respect for the principle of democracy, independence and autonomy will go a long way towards self-reliance. That said, there are also some not-so-successful projects such as the bilateral-funded project of KAI in Indonesia, and the block-funded project of shrimp cultivation in Thailand. Those are all lessons learned for future development.

It is also worth taking notice of the two funding categories of CDF in the past i.e., the "Block Fund" and the "Bilateral Fund". The blockfund mechanism is a more flexible source of funds that is derived from donations by CUC members and matched by CIDA. The blockfund is not only flexible but also strategically positioned to meet the three development archetypes. It is strategic as a means firstly to build genuine 'partnerships' with co-operatives in developing countries, secondly to induce and generate 'demand' for larger projects, and thirdly to institute 'technical co-operation' to strengthen and sustain the partnership as well as co-operative development itself.

Partnership is central to the CCA's vision of development. The organization makes a difference in the developing world, not by doing things for the people, but by strengthening local co-operative partners to help them better serve their members. The CCA's member co-operatives across Canada are very much partners in this effort, along with the Co-operative Development Foundation – a co-operative charitable organization that supplies funding in this effort – and the Canadian International Development Agency, the government arm of the federal government.

David Shanks and John Julian
"Partnership in Changing Times"

During the application of the block-fund, the term “Technical Co-operation” (TC), instead of “Technical Assistance”, continued to be used. TC connotes a give-and-take approach, a two-way street rather than a one-way street, since both sides can gain the benefit of the TC as a development education process. This blockfund approach was well-regarded by the Partnership Branch of CIDA at that time, and helped build a strong group of “development educators” within the co-operative movement in Canada.

The amalgam of reflections, lessons learned, and rich experiences shared by past CCA-CDF professionals in International Co-operative Development will hopefully be valuable for the new and younger generation at CDF, inasmuch as the latter are transitioning in earnest from their older seniors at this historic juncture of the 75th Anniversary of CDF.

Financial support from the Canadian Co-operative Movement as well as individual co-operators to the CDF continues to be key and fundamental due to the fact that (a) It shows the strength of the Canadian co-operative movement who believes in, and support, the international development work of CDF; (b) It will induce more willingness and confidence on part of the government (GAC) and other funding agencies to grant financial support to CDF; (c) It shows the spirit of solidarity and trust with CDF partners overseas in supporting those “still left behind”, hence an articulated mission and overarching philosophy shared by the international development community.

In the end analysis, CDF has responded approvingly throughout the changing waves of ‘Development Assistance’ over the past 30 years ago. CCA-CDF helped improve regulatory and legislative changed of partners overseas to meet the challenges faced during the Structural Adjustment era, in close collaboration with the ICA.

Both CCA-CDF and DID (Développement International Desjardins) succeeded the SCC (Swedish Co-operative Center – now called ‘We Effect’) in sponsoring the organization of the Asia-Pacific Co-operative Ministers’ Conferences in the 1990s, which led to a number of legislative reforms of co-operative movements in the Asia Pacific region.

Most importantly, CCA-CDF had been backed by the strong credit union and cooperative movement in (English Speaking) Canada all along during my tenure with this wonderful organization. CDF projects continued to evolve in a planned yet incremental manner due to its strategic blockfund availability during the 1980s and 1990s. It is conceivable to state that the groundwork was laid during that period for CDF to morph into and engaged in open bidding system of ODA funds, as well as other project development models, either doing so alone or in partnership with likeminded cooperative organizations and/or donor agencies.

The amalgamation of CDF and CCA under the new CDF Canada brand has been a true blessing due to its continuing focus on, and dedication to, co-operative development in the international sphere. Based on its core values of Collaboration, Excellence, Integrity and Impactful, as well as acting on co-operative principles, CDF's partnership and co-operation with all its stakeholders will only bring economic and social development to greater heights, towards the creation of a better world built on self-reliance and co-operation.

It will become more effective when it continues to bank on the rich and abundant human talents and professions from within the Canadian co-operative system, as represented by the CDF Board and their constituents/stakeholders, and further backed by its professional staff and dedicated overseas partners.

As a final note, I wish to express my sincere gratitude to CCA-CDF for having engaged me unceasingly until now, both officially during my term with ICA as well as personally following my retirement. I am delighted to have been engaged as volunteer in the most recent INVEST development project in South Sulawesi from 2017 to 2020, just as the project was effectively restructured and finished with a positive evaluation and successful ending (I attached an article I wrote about this project, published by the ICA).

A PANORAMA OF CCA-CDF EXPONENTS

Lest we Forget

A multitude of CUC-CCA-CDF personalities with whom I have so much pleasure of collaborating with all this while ought to be remembered and acknowledged. They include, but not limited to, the Board Chairs of CUC-CCA whom I worked closely with, starting from Ray Siemens, Ian MacPherson, Bill Turner, and Glen Tully, the executive directors starting from Bruce Thordarson, Baldur Johnson, Lynden Hillier, Nora Sobolov, Lynne Toupin, Jean-Yves Lord, Carol Hunter, and Denyse Guy. Needless to say, I cherish my close co-operation with Michael Casey and Benoit André as the most recent Executive Directors under the new CDF Canada brand name, as well as working closely and passionately under and/or with International Affairs Directors, starting with Lorraine (Hubbert) LaFrance, Gerald Schuler, Larry Hendricks, and Jo-Anne Ferguson, and with my peers and colleagues starting from Ruth-Anne Mitchell, Kenton Eggleston, Michael Rosberg, Alexandra Wilson, Jim Carmichael (in various capacities), Milton McKenzie, John Julian, Jim Lowe, Zilla Potivongsajarn, Eric Bellows, Annette Costigan, Lissa Donner, P.A. Kiriwandeniya, George Kuttickal, Lydia Phillips, Kathleen Speake, Ingrid Fisher, David Shanks, Chantal Boisvert, Laurie Tennian, Susan Wright, Christine Seguin, and still many others; Last but not least are of course all colleagues I enjoyed working with and who are managing and involved in the most recent project of CDF INVEST South Sulawesi project team, as well as the current CDF staff.

Some technical co-operants who were so deeply ingrained during their collaborative work with CCA-CDF partners in Asia, and with whom I have maintained long-standing relationship are namely Bill Knight, Peter Podovnikoff, Peter Wouters, Jonathan Guss, and still so many others.

The following pictures, in addition to those already posted in previous pages, illustrate the memorable and historical moments/episodes of CCA-CDF exponents as well as partners:



CCA Asia Staff Meeting and Consultation with SEWA & ICA
in Ahmedabab - 1991
Larry Hendricks, Lisa Donner, Meena Chalam, Chantal
Boisvert, Lauri Tennian, Kenton Eggleston, Eric Bellow,
Karl Fogelstrom, Kirivandeniya



Traditional opening at Anand Niketan Ashram -



Visit of CCA – Ian MacPherson & Gerald
Schuler with ACFSMC – Beijing - 1988



Discussions with the Ibani Dayak tribes in
their long house



ACCU Workshop hosted by SANSA
Sponsored by CCA & Attended by WOCCU

Alexandra Wilson, Myra Barclay, Eric Bellow and Al Scholz at
INCODAP Office - 1990



A rickshaw ride in Bangladesh





Alexandra Wilson trying to crack open a Durian
in Bandung, Indonesia



With Jonathan Guss in Lampung, Indonesia - 1985



John Julian's birthday with ACCU and Jonathan
Guss in Toronto - 1987



Happy moments with Jo-Anna, Ingrid & Kathleen



The Invest Project Team



Signing of INCODAP II Bilateral Project Agreement 1992
Prof. DR. Sri-Edi Swasono & Amy Dauphinee Witnessed
by Indonesian Ambassador & Lynden Hillier



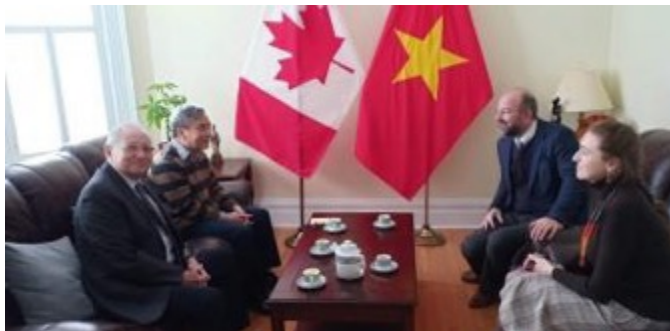
Signing Agreement of SRICUDAP: 1985
Baldur Johnson & Kiriwandeniya



Jean-Yves Lord and Zhao
Xianren (VP, ACFSMC)



Visit of NATCCO Leaders to CCA in 1989 - A week following my achilles
tendon surgery; accident happened during meeting with WOCCU & CUNA
Mutual in Madison, Wisconsin.



Benoit & Inna meeting with Vietnamese Ambassador,
Ottawa.



Canadian Ambassador Cameron MacKay's
visit to Invest Project in South Sulawesi



Lorrie & ACCU in Sri Lanka - 1985



Toward LOCAL OWNERSHIP: Key Issues in International Development Co-operation

With special reference to Co-operatives

Presented by: Robby Tulus⁶

Executive Summary

This paper offers a “Back to basics” model that defines Local Ownership from a co-operative perspective. The defining properties stem from the values and principles enshrined in the ICA Co-operative Identity Statement (ICIS)⁷. The model propounds that:

1. Local Ownership is a key requisite for, and a vital ingredient of, sustainable development.
2. Local Ownership must be based on organized self-help, autonomy and independence.
3. By definition, external funds injected into an economic activity of a project/ program – be they in the form of revolving loan funds, revenue-generating funds, or any other form of debt-based financing -- will have an adverse impact on the self-help capacity of the beneficiary group. This negative impact is particularly true when co-operatives receive external funds from the government. Thus, LOCAL OWNERSHIP is more than just stakeholders’ participation and partnership. Local ownership means living up to an abiding set of socio-economic standards on which SELF-HELP capacities can be measured to ensure program continuance, hence to ensure development sustainability.
4. If Ownership is to be broadened from its primary (base) ownership level, it must do so by building federative structures, or horizontal networks, that ensures democracy, legitimacy and credibility. Credibility and trust represent the most powerful working capital in driving economic growth and people’s development. To ascertain results, appropriate regulatory provisions, preferably through self-regulation, and supervisory mechanisms, must be set in place to make these integrated structures work effectively.

⁶ A Presentation at CIDA International Cooperation Days, November 16-17, 1999, at the Ottawa Congress Center; the writer is Regional Director for Asia and the Pacific, International Co-operative Alliance (ICA), based in New Delhi, India.

⁷ ICIS was adopted during the Centennial Congress of the ICA in Manchester, U.K., in 1995.

5. To sustain Local Ownership, intervention at the grassroots from bilateral and multilateral agencies should avoid bypassing credible democratic structures at national, regional or international levels. Democratic structures should deliver Technical Co-operation and/or Program Financing by focusing mainly on HRD, Research/Studies, Informational and Communication Technology (ICT) and data-base, Standardization, Guarantee Systems, Risk Management Programs, etc., all of which are instruments of empowerment. Direct financial support to primary structures tends to reverse the empowering process, hence antithetical to Self-help and Local Ownership.

To validate and highlight the above “basics”, three short case studies on co-operative development are presented in this paper to characterize the variables of local ownership as dictated by the specific conditions and intervention in the respective localities.

1

LOCAL OWNERSHIP vis-à-vis THE ASIA CRISIS

From my experiences in Asia and the Pacific, I consider the issue of LOCAL OWNERSHIP as critical and also increasingly relevant today. When aid was overtaken by trade as the main channel of relationship between Canada and the Asia Pacific region in 1996/97, the “more trade and less aid” policy was apparently driven by sheer growth digits of trade and investment during that time. Asia became the symbol of progress, prompting policy changes of governments all over the globe. Predictions were made that the material aspiration of middle-class Asians will spur rapid economic growth in this region. Strong community-based business successes that were owned and managed by people or communities at the local/grassroots level were totally overshadowed by the rise of globalization where businesses identify less with the development of their country or region and as a result are less accountable to their local communities. Businesses are increasingly becoming anonymous entities as they focus single-mindedly on paying attractive dividends to shareholders that above all seek the accumulation of individual wealth, without regard for the development of their own community. Indonesia, Korea, Thailand, and the Philippines were badly hit by the crisis. Countries imposing more financial regulatory controls such as India, China, and even Malaysia, were spared from such intense crisis.

Foreign investors, including those from Canada, jumped the bandwagon of some leading mainstream economists who believed in the Asia Miracle. Local traders and investors were not operating by strict rules of efficiency or profit and loss but simply by taking advantage of foreign capital that maximized the benefits of globalization while minimizing changes to their own national politics and trade regulations. No one at that time cared about small, albeit viable, businesses owned by local communities because they tend to be limited in scope and size, and oftentimes close-minded, and would or could not join the “speculative game” of generating quick returns on investments.

LOCAL OWNERSHIP was nowhere to be found in the lexicon of business parlance during the hay days of the Asia miracle. Good business at that time was confined primarily to the ownership of physical capital and, to some large extent, professional management. Conglomerates and Chaebols ruled the markets, bringing in more and more foreign capital that was managed by young middle class MBA graduates.

Social capital was simply ignored. Business enterprises overlooked the development of good rules and regulations, respect for these laws, the willingness to obey them and the setting up of critical monitoring systems. Many business houses in a number of Asian countries failed to live up to these high standards,

and also worked with governments that lacked the fundamental assets of legitimacy, credibility, good “clean” governance. Fast tracking trade and investment was by and large the mode of developing business with the Asian tigers at that time.

Local Ownership, which should have been measured by credibility standards at the community level, was neglected owing to the belief that only government macro economic intervention should be the rule of the game. In the case of Co-operatives, for example, macro economic policies of many governments in Asia prompted even rural based co-operatives to make deals with conglomerates, with the result that micro level intervention was kept at minimum and distributive channels were left to these powerful conglomerates. Then the Asia Crisis struck.

What positive lessons can be learned from the role played by CIDA when the Asia Crisis hit the region? First, we must acknowledge that CIDA played a significant leadership role to the development of civil society in many developing nations in Asia, which became the safety valve during the crisis.

Working with NGOs and Co-operatives, CIDA ‘s vital contribution led to the creation of buffer zones to mitigate the marginalizing effects of the Asia crisis. A study on “Co-operatives in the face of the Asia crisis” conducted by the International Co-operative Alliance (ICA) revealed that many co-operatives, both large and small, are much less affected by the Crisis as compared to corporations and businesses in the private sector. CIDA bilateral and institutional programs carried out by the Canadian Co-operative Association (CCA) and the Développement international Desjardins (DID) in Asia have been strengthened in spite of, as well as because of, the crisis. Local ownership of a well-diversified co-operative structure in many countries in Asia, within the context of self-help and independence, managed to curb the marginalizing effects of the Crisis because they have reserves and equity built over time that constitute as its “buffer zones”.

Within this context, the continuing thrust of CIDA to promote its program priority on “Human Rights, Democracy, and Good Governance” augur well in the future if local ownership can be strengthened from the base up, avoiding fast track and short cut approaches. This will be the great challenge for furthering democracy and good governance in the new Millennium.

2

UNDERSTANDING LOCAL OWNERSHIP FROM THE CO-OP VIEWPOINT.

It seems that finding the right properties to define LOCAL OWNERSHIP is still open for a good debate, as represented by the differing viewpoints in this panel.

One argument to be made is that Local Ownership goes beyond participation, especially in paternalistic cultures when participation is confined to “being there simply to be seen by others”, as against actively contributing to decision making in the interest of the welfare and development of their community/group. It is here contended that Local ownership must embody the important element of **organized self-help**, where local initiative and local motivation are the drivers, and standards used to ensure continuance and sustainability. This is a simple “back to basics” concept of local ownership.

When Local Ownership is to be defined within the framework of ODA, more succinct standards must be considered lest the marginalizing effects, resulting from external support on the self-help character of the community owning the activity or program, become irreversible.

From the co-operative perspective, a community or collective must be able to develop themselves without any external assistance, provided the right environment to develop their own capacities is created as a result of sound macro policy. This assumption is borne out of the historical fact that co-operatives, if initiated by the people in the community themselves, can take full control, and hence ownership, of their co-operative without necessarily obtaining any financial support from outside. It takes time, but unless growth and development is to go in tandem with the pace and capacity of the local community or beneficiary-group, it usually ends in retrogression.

In my experience, external support, be they in the form of investment or capitalization, tend to stifle any private or collective enterprise. That is so, unless they add value to the strength of organized self-help (or community, co-op, or corporation) already built by the beneficiary group (i.e., investors, co-operators, community) themselves over time.

It is therefore by definition that any form of external funding received by a community or a beneficiary group will likely have an adverse impact on their self-help capacities.

Key to local ownership is that the initiative and motivation must come from the beneficiary group themselves as reflected by their commitment to develop their own self-help institution with a long-term vision. Once initiated, standards must be established to measure the sustainability of the project owned by the beneficiary group.

Local ownership is best measured by long term continuance of the development program⁸ initiated locally, be they capitalized from internal sources by the community/partner themselves or, in by necessity, through a partnership with local government and non-governmental institutions, or an external agency⁹, over a defined period of time. In a co-operative organization, the standard of local ownership is basically composed of ownership (members' equity & capital contribution) as well as user-ship (use of various co-op services as demanded by members). Ownership and User-ship form the basis of organized self-help.

But to guarantee local ownership even further, program continuance should be based on, but not limited to, the following three pillars:

- (A)** social relevance of the program, with visible impact generated on the social conditions of the community (e.g., health or education), with safety valves set in place for the “socially excluded”;
- (B)** b) economic relevance in terms of the relative weight of the program in the local economy as a whole, particularly in employment creation, which will strengthen people’s self-help enterprises as an “EFFICIENT BUSINESS with a HUMAN HEART”;
- (C)** c) Community relevance, the proportion of time and mindfulness that the average person -- belonging to the beneficiary group -- devotes to the core activity of the program, be they as economic contributors and as users of demand-driven services generated and provided by the program;

These standards, which can be further broadened, can serve as basic measurement to other commonly agreed development goals such as sound/good governance, best business practices (competitive and profitable), collective thrusts (equitable share ownership), cultural congruence, equal involvement of men and women, and long-term expansion and consolidation. Thus, Local ownership is best understood if there is sound program continuance that will guarantee sustainability.

⁸ The term “ program” as against “ project” is used to denote continuance for a longer term as implied by local ownership in this paper.

⁹ External agency referred to in this document denotes Bilateral Agencies and/or their development partners (from the same country represented by the Bilateral Agency).

CASE STUDY I:

The Baguio-Benguet Community Co-operative, with its major thrust on savings and loans, started with 15 teachers on December 23 1958, and got registered on December 10, 1976. With US \$ 52 million in assets as of last year, BBCCC has become a household name for more than its 10,000 members.

Unlike banks, poor members can enter their office with pride and ask for a loan between Pesos 1,000 (US \$ 25), and Pesos 100,000 (US \$ 2,500), on the basis of their fixed deposit, with a loan interest of 8% per annum. Yearend dividends, from the interests paid by members, are usually plowed back into members' fixed deposits.

Members become committed to their co-operative because they feel they own the co-op and are enlightened by the social, economic and community rewards generated by the co-operative. Membership commitment is clearly demonstrated by prompt repayments of loans by members (delinquency is almost non-existent), and one of the major community rewards is represented by a grocery store owned by the co-operative wherein members and their families can purchase goods based on a one-month credit scheme.

The self-help character of BBCCC is exemplified by the members' own tenacity to build a solid co-operative without any outside support whatsoever, with the exception of HRD programs rendered by their secondary co-operative. A simple showcase of Local Ownership.

Source: Philippine Daily INQUIRER, feature story, July 20, 1999.

3

LEVELS OF OWNERSHIP

From a co-operative viewpoint, LOCAL means Primary Co-operatives and their member constituents, be they located in rural or urban areas, regardless of whether they are community or occupational based. The range of primary co-operatives in the Asia region is very wide, because the strength of primary co-operatives has been tested both in terms of the above standards as well as the length of time it takes to build it. As such, member-owned primary co-operatives may range from one with as low as 20 members in a developing country, to one with as high as 6.8 million members in a more developed country.

The former represents a share capital of less than US \$ 1000.00 (e.g. Indonesia), and the latter a share capital of more than US \$ 70 Billion (e.g. South Korea)

Using the above standards, Local Ownership could be measured from the extent to which program beneficiaries can overcome discrepancies arising from their expectations and the goods and services produced by the development program itself, thus ensuring long term commitment.

What is important is that the driving force comes from **motivation, as opposed to funding.**

To guarantee local ownership, any program at the micro level must be established only to strengthen such local initiative, and not otherwise conceived by others, be they government or non-government. To sustain local ownership, a program must preferably be designed to ensure the creation a favorable environment – i.e., to empower these people to want to do more -- rather than stifle or pamper them with the granting of external loans or subsidies (including revolving loan funds and other debt-based financing).

CASE STUDY II:

PLAN International (or Foster Parents Plan/FPP, as it was called earlier), on realizing the drawbacks of its hitherto charity approach, approached the Credit Union Central Organization (CUCO) of Indonesia to set up credit unions in three districts in Bali in 1979. CUCO went into partnership with FPP for conducting motivational training to poor clienteles in Bangli, Karangasem, and Gianjar districts (East Bali). Subsequently, credit unions were organized on the initiative of these clienteles as beneficiary groups. However, FPP continued to provide cash grants to these clienteles, provided that at least 50% of such grants be saved into the credit union to reach the goal of capital adequacy as set out in their business plan, so self-help lending can begin. The credit union by-laws, evolved by these clienteles-cum-members themselves, set out standard loan policies and delinquency control mechanisms. Three years later a secondary structure (Credit Union Chapter), encompassing the three districts, was established to promote inter-lending services to the existing 60 primary co-operatives.

A recent evaluation conducted by CUCO proved the point that capital formation, accompanied by injection of funds from outside, failed to sustain the self-help capacities of the credit union members. When FPP phased-out from these districts and terminated all cash contributions, members began to withdraw their savings and loan delinquency started to soar.

Local OWNERSHIP is definitely in question not only because of dependency on outside sources but also because of the credit union project failed to fit the basic economic and community standards and make them relevant for program continuance.

CUCO took the initiative to control the damage, and in 1989 began to restructure the Credit Union Chapter by consolidating only those credit unions that met the basic viability standards. Out of 60 credit unions, only 26 met the standard criteria, were consolidated, and now boast a membership of 5538 individuals, shares of Rp. 729,493,830.00, assets of Rp. 1,592,497,643.00, and loans outstanding of Rp. 1,702,520.635.00 by the end of 1998.

The restructuring process was done through HRD and HRM programs and was made possible through the support of Swiss Inter-cooperation. In comparison the FPP-supported credit unions, the ones initiated and developed entirely through self-help efforts by the community themselves in Denpasar, Tuke, and Singaraja (West Bali) in 1997, managed to grow and develop by leaps and bounds, even during the height of the economic crisis in Indonesia. By end of 1998, 15 credit unions were established with 1419 members under the supervision of a Chapter, with total savings of Rp. 1,430,379,778.00, assets of Rp. 5,845,846,678.00 and an outstanding loan of Rp. 4,584,112,000.00. The latter has a much greater sense of ownership because of their independence and local self-help capacities.

Source: CUCO-Indonesia, Jakarta, November 5, 1999

Reflecting on the above case study, I am convinced that even in the best of market forces, savings mobilisation is central to the innovative approach prescribed by the co-operative concept. Credit is viewed only as a product of inter-mediation between savers and borrowers, rather than an input that can be supplied by a donor project. When financial development is allowed to evolve naturally on the basis of people's collective need, intermediaries mobilise savings from poor households that do not have high return investments and lend these funds to borrowers who do.

Savers benefit from the interest paid on their deposits, and borrowers benefit from having access to lending funds, and the intermediaries benefit by charging borrowers more than they pay depositors. Top-down external credit programs disrupt this natural process of inter-mediation and, in so doing, damage the sustainability of financial institutions, and in the process destroy local ownership.

The strategy for Co-operatives, therefore, is to innovate new ways to mobilise savings as a natural evolution. It means providing institutional space for local initiatives to evolve and grow. Neither political representation nor bureaucratic authority systems, even if they are deemed to have the co-operative interest at heart, are viable mechanisms for social innovation. They usually have the effect of taking away from the real stakeholders or members their opportunity to engage in social innovations of their own. Government and donor agencies must often refrain from direct intervention and instead take a back seat by providing institutional space for local initiatives to emerge and grow.

Should it be imperative that additional loans or subsidies be made available to raise additional capital, they must be made available through a higher-level federative structure, be they national, regional or international, for so long as they are elected and hence jointly “owned” by the primary structures. This is to ensure that a minimum accountability structure be built into any such development program. For the Co-operative, it means their apex -- i.e., their vertically integrated structures. In English Canada it means the Canadian Co-operative Association, and for its partner in the Philippines, for example, it is the National Confederation of Co-operatives.

For an NGO, it could well mean an institutional framework whereby beneficiaries are represented in the governance structure of the corresponding NGO, hence an accountability structure built into its higher structure.

Apex level co-operative structures must become accountable “buffers” if they were to ensure local ownership, hence loans (market-based and demand driven) as well as financial assistance must be translated as “liabilities” rather than “assets”.

Key to empowering the primary level organizations are services provided by their apex structures, such as the provision of HRD, R & D, Info and Communication Technology, Studies, Legislative and Regulatory reforms, Liquidity Pooling, and other social and economic services as well as relevant infra-structure. Primary level beneficiaries must equally be held accountable for the manner by which these 'ownership' funds are utilized.

It is my fervent belief that external funding by necessity could become anti self-help, hence anti-development, if they are designed only to accelerate development without regard to local initiatives. By definition, people owning and managing their own institution are more empowered than those who are beneficiaries of external agencies, regardless of whether they participate actively in response to outside intervention.

Likewise, adding external funds to a self-help process will disrupt local ownership because such funds are perceived as "easy money" that will disrupt the demand-driven capacities inherent in a self-help institution.

The only exception in Asia may be in Singapore, where initiatives could be taken jointly by the Government and the NTUC (National Trade Union Congress), whereas the success of the co-operatives is predicated on professionalism and management excellence, a tangible value addition. NTUC Income and NTUC FairPrice in Singapore have a significant market share in the country, and they continue to grow and develop based on the provision of quality services to members. Their success and sustainability, however, rest on the fact that the co-operative leaders are responsive to members' needs, and a number of social-oriented forms of co-operatives such as funeral, old-age home, etc., are being innovated and developed.

4

BARRIERS TO LOCAL OWNERSHIP

In many developing nations in Asia, the co-operative image has been tarnished due to excessive government support and control in the day-to-day affairs of these co-operatives. In fairness, it is not so much their keen involvement as much as their permanence in providing these support structures. After all, Government-led initiatives or interventions tend to be driven mainly by political motives and not by locally generated initiatives. And since the burden of proof is with the government, funding and other support services are provided to meet the state agenda, and such intervention is usually fraught with moral hazards. Hence government should concentrate more in the area of regulation and facilitation rather than in “organizing” and “developing” co-operatives.

Governments in developing countries have lost their legitimacy and trust as direct organizers of and service providers for the poor. Governments should limit their role to regulation and supervision, ensuring that sound macro policies are established, and sound distributive structures set up. The latter is to trigger the formal and informal sectors of the economy to gain equal benefits from local as well as foreign trade and investment, with adequate (midterm) employment created for the poor and disadvantaged. If the role of governments continues to trample on the self-help capacities of people at the grassroots level, LOCAL OWNERSHIP is bound to be by-passed and will never be achieved.

Likewise, bilateral and multilateral agencies supporting governments with development aid should create greater democratic space for grassroots communities to form their own self-help capacities. They should focus funding more on regulatory and catalytic roles that will equalize the distributive outcome of the lopsided markets still so prevalent in many developing countries in Asia.

The following case study in India is a classic one when it comes to co-operative development. Locally initiated co-operatives such as the Dairy and Sugar co-operatives thrived against all odds, on account of their strength in abating the direct involvement of the government.

CASE STUDY III:

In India, co-operatives have been adopted as instruments of the state to support its development agenda. Massive financial assistance has been injected, resulting in the growth of a diversified co-operative landscape. As a consequence, these co-operatives have nurtured a dependency syndrome ushered by massive bureaucratization and politicization.

Primary level agricultural co-operatives, which exist to promote local ownership at the base level, continue to remain weak and are still dependent on external support. Of the 91,580 primary agricultural co-operatives, only 66% are considered viable. In sharp contrast to the agricultural co-operatives, urban co-operative banks and co-operatives promoted by non-governmental institutions like SEWA in Gujarat and the Co-operative Development Foundation (CDF) in Andhra Pradesh, have emerged stronger as sustainable institutions. They grew out of members' own initiative and have developed a strong sense of local ownership.

In the case of Dairy and Sugar Co-operatives, these successful co-ops received external support and funding, but that such support was primarily provided to strengthen local initiatives and community needs.

The Indian Co-operative movement showed an interesting variable in the context of local ownership:

- (a) External support provided to co-operatives to implement government-sponsored programs – without due regard to members and community needs – has been an encumbrance to the achievement of local ownership;
- (b) External support provided to strengthen local initiatives and capacities of co-operatives based on members and community needs proved much more effective in sustaining co-operatives as institutional frameworks to promote local ownership. The case of Amul Dairy Co-operatives, IFFCO (Indian Farmers Fertilizers Co-ops), and Sugar Co-operatives are prime examples of success stories.

Source: National Co-operative Union of India, November 5, 1999

Other barriers to Local Ownership are also evident when dealing with grassroots institutions. Inadequate resources may trigger members' propensity to seek external resources without relying on their own self-help capacities. Worst still if host governments step in to fill the void. The establishment of artificial or "ghost" co-operatives are the most likely results arising from such intervention.

Even in the case of well-initiated co-operative enterprises at the grassroots level, one or some of the following barriers could still be observed:

- Professional Management: management in many co-operatives in developing countries is still largely based on voluntary efforts, hence weakening internal check and balances as well as financial strength, including absorptive capacity;
- Competitiveness: products and services are in many ways not yet competitive as compared to capital rich institutions, hence weakening its financial strength;
- Marketing strategy: market information and product development system are by and large still absent;
- Deposit Guarantee: deposit guarantee or stabilization funds have not been instituted in many movements in the developing countries;
- Business Planning: As a business system co-operatives have not set annual revenue targets with competitive pricing analysis to pay for basic needs such as professional full-time management, this will weaken its public image and institutional strength;
- Capital adequacy: as a system, many co-operative movements have not build up enough capital to support structures at all levels. Financial support from the base level all the way up to the national level tend to be incoherent, hence creating dependency on external funding most of the time.

Local Ownership is also highly dependent on how well various agendas among external agencies are coordinated. The problem with development activities to date, especially those involving external/donor funding, has been the failure of institutionalising a co-ordinated approach to development.

Because of the multitude of agendas of external/donor agencies, sometimes even conflicting ones, local accountability systems have been disrupted because insistence has been placed on reporting back to so many donor organisations having varying objectives and requirements. This does not augur well for the creation of accountability systems on the ground of partner organisations, as they continue to be driven by external demands rather than local demands of members/constituents.

When external agencies and governments get involved in the development activities the tendency is for them to meet deadlines and time-bound results, rather than empowering the local beneficiary group as a process that will lead to program continuance. Even if well-written plans are set in place, but simply because of time imposition and control, the program has little tolerance towards failure, and time is used to produce massive sets of data in lieu of “learning”. In the end, long and medium-term plans imposed from outside will have value only to the governments or external agencies. Some processes also focus more on technical innovations than on social and economic innovations. The result is that these activities are never grounded in the local communities, i.e., the beneficiary groups, hence suppressing the natural process in building local ownership.

Local Ownership will be more effectively promoted if local organisations and communities are allowed to take direct responsibility for design and implementation, in co-ordination with their apex organisations. They are the ones who should have the right to call in technical experts in consultation with their higher (democratic) structures, not merely be passive recipients of technical advice from outside. Local Ownership becomes feasible only if beneficiary groups are allowed to set the conditions under which the activity is expected to proceed. The challenge is not to be able to fit people into projects but to fit technical cooperants, be they national or foreign, into processes that are locally generated. Outside consultants and technical assistants must accept that their role is only secondary and that learning and ownership building must be an opportunity foremost for the insiders. Such an approach is a prerequisite for the much-abused notion of "EMPOWERMENT".

In conclusion, the process of building LOCAL OWNERSHIP in the co-operative development context is best attained when external funds are not channelled directly to primary or grassroots co-operatives. Instead, upper federative structures should deliver HRD, Research, ICT, Legislative support, and other catalytic programs so members can have access to education, and counsel, information and data base, and for these higher-level federations to continue advocating reforms in legislation to make them more enabling for co-operative development. The rest should be left to members to decide which type of expansion or consolidation they require, what technical assistance they require, and – in the end -- what strategies they wish to shape to reduce poverty in their immediate community and beyond.

This “back to basics” model of local ownership that is founded on organised self-help is indeed the new challenge for CIDA in promoting renewed international co-operation in the years to come. A model that has been tested well over one hundred years by co-operators and co-operatives over the world; A model that promotes, and augurs well with, the vision of development assistance in the new Millennium.

CDF INVEST CO-OP INDONESIA PROJECT: BREAKING NEW GROUNDS FOR SMALL AQUACULTURE PRODUCERS

A case study of Canadian Assistance to build sustainable aquaculture Co-operatives

By: Robby Tulus

Introduction

The aquaculture sector, where populations of seawater (and fresh water) are cultivated under controlled conditions, plays a very important role for human consumption as well as local employment. The demand for aquaculture products, especially seaweed, milkfish, and shrimp (SMS) is very high and it continues to rise to add to the diet of seafood lovers. In spite of such high demand, producers in coastal areas are still faced with immense challenges that are structural in nature. Marginalized by trader bosses and money lenders, these small producers remain poor and their livelihood diminishing day by day. If this trend continues, and aquaculture stock exploited by trader bosses simply to reap as much profit without heed to the environment, the problem will not just be poverty but also food safety, food security and environmental degradation.

State-managed aquaculture resources has come under scrutiny because of its top-down nature, so it has to be co-managed by bottom-up mechanisms at which producers will have their say in controlling these rich coastal resources themselves for betterment of their livelihoods. What better than to form well-conceived CO-OPERATIVES among these small aquaculture producers. Below is a short case study to show how co-operatives manage to help small aquaculture producers to become masters of their own destiny.

The CDF INVEST CO-OP PROJECT

Indonesia being one of the largest maritime countries in the world with immense and rich coastal regions, fish and aquaculture resources are naturally in abundance. With the knowledge that the provincial government of South Sulawesi was planning to boost aquaculture production among the poor coastal producers in a number of regencies in the early 2010s, the Canadian Co-operative Association

(CCA) took the initiative of initiating a project with the development assistance of CIDA (now called Global Affairs Canada – GAC) to help these small aquaculture cultivators in 2015. The idea was to boost their productivity and form well-governed co-operatives to gain access to markets and hence raise their income.

A project by the name of INVEST Co-operative Indonesia was established as part of a group of INVEST projects in Malawi, Mongolia and Indonesia. It was initiated by CCA, and since CCA morphed into the newly organized Co-operatives and Mutuals Canada (CMC) in 2014, the International Development arm of CCA continues actively by naming it the Co-operative Development Foundation (CDF) of Canada, the original Charitable Foundation of CCA founded in 1947.



CDF went into partnership with the Marine Institute of the Memorial University in Newfoundland to enhance the quality of seaweed products so as to meet international standards, to train best farming practices, sustainable aquaculture, warehousing, and also assists in identifying alternative aquaculture crops with co-op members. The second partner is Kospermindo, a marketing co-operative in South Sulawesi. Kospermindo, with the technical assistance of a number of experienced volunteers from Canada as well as local consultants from Indonesia, provided training which generated four seaweed co-operatives in four regencies, namely in Bantaeng, Jeneponto, Takalar and North Luwu. With these four co-ops well-established, co-op leaders and members were further trained on value-chain and market analysis, the design of sound marketing strategies and business plan, as well as strategic negotiations and contracting with buyers. The integrated co-operative model encourages sustainability by reducing uncertainty and risk.

A very important cross-cutting mechanism throughout the co-op enhancement process is the empowerment of women with gendered value chain analysis for shrimp, milkfish, and seaweed (SMS) and additional crop(s) for sale through co-operatives and other channels. In doing so, sound co-operative governance was also intensively and experientially inculcated by way of a Development Ladder Analysis (DLA) by a Canadian volunteer and local consultants.



Only towards the second year of project implementation did CDF entertain the imperative for the small producers to have decent access to finance; there is an urgent need to provide financial literacy training to these small cultivators in order to defend themselves from the intrusion of moneylenders and middlemen who exploited their livelihood conditions. A third partner was identified by CDF, namely the Credit Union Central

Organization (CUCO) of Indonesia who fielded experienced trainers on the important subjects of financial literacy and credit union development. The combination of high-quality production, marketing access and access to finance, creates a holistic approach to development in the aquaculture sector in South Sulawesi, whereas its sustainability strengthened by collective actions through the co-operatives and credit unions built from the ground up.

Notwithstanding, existential challenges could not be easily shaken off. Historical evidence has shown that state-sponsored aquaculture in the past have failed because co-operatives were often indulged with government subsidies, leaving a climate of dependency among these small aquaculture producers and cultivators. Thus, the newly organized co-operatives and credit unions are subjected to a dependency way of life and the additional burden of indebtedness to moneylenders and trader bosses.



Mindset change is therefore high on the priority list of CDF. Experiential training and continuous education must be engendered. With proper guidance and mentorship by experienced Canadian

volunteers and local consultants, the INVEST project has been progressing steadily with increased self-reliance by both the male producers as well as women cultivators in all four Regencies.

In addition to intensive monitoring by voluntary co-operative leaders selected by CDF, the government of Canada has also conducted its own field observation. No less than two successive Canadian Ambassadors to Indonesia and their Development Officials conducted their field observation in the project sites in South Sulawesi (see Picture). The gendered value chain mechanism has been given particular attention, through which women are empowered and involved in the decision-making processes of the co-operative from production, handling, and marketing of seaweed. Women have shown their vigilance in the strengthening of their co-operative enterprises, despite a familiar male-dominated environment witnessed in many rural communities in Indonesia. These women aquaculture co-op members eventually decided to also form their own Women Credit Union in South Sulawesi, and despite the disruption of COVID19, they have continued to discuss procedural and subject matters among themselves using online Zoom conferencing to formalize the establishment of the much-anticipated Women Credit Union. In one regency in North Luwu, milkfish production has increased significantly and is now being primed not just for local consumption but also for exports. Marketing of seaweed also proceeds as planned, and in all these cases Co-op leaders and members are heeding the advice to keep social distancing and by staying home as much as possible.

This case study is a demonstration of the Co-operative resilience in time of crisis, and their success will obviously be determined by members themselves who will dictate the extent to which effort, time and space will be best utilized for the ultimate growth and development of their collective actions.

Robby Tulus

<Views expressed are in a personal capacity and do not reflect that of CDF>