



Co-operatives Secretariat



TABLE OF CONTENT

- I) Message from the Manager of Advisory Services
- II) Highlights : The AG-CDI Program is Officially Launched!
- III) CDI «Advisory Services» at a Glance
- IV) Microfinance: If it Works for the Developing World,
Why Not Here?
- V) Co-operative Bulletin Board
- VI) Tips to Improve File Management
- VII) Upcoming Events

1) Message from the Manager of Advisory Services

Dear CDI partners,

I am very pleased to send you the second edition of the CDI Advisory Services electronic newsletter. A number of interesting topics are covered in this edition. First, you will get a more detailed look at the CDI-Agriculture program. Please feel free to pass along the details of the program to co-operatives in your province/sector, as well as to anyone else interested in the biofuel and agriculture sector. As with each newsletter, you will find information on the results achieved by the partners as well as the status of the projects. The current edition includes the results of a noteworthy analysis based on the list of all the co-operatives incorporated between 2003 and 2005. The study finds that of the 393 co-operatives incorporated during that period in Canada (Quebec excluded), 130 (or 33%) received advisory services from at least one CDI AS partner.

You will also read about microfinance, a development tool with a proven track record in the developing world, and one that can be reproduced locally to help tackle our own challenges. This is all the more topical in light of the decision to award the 2006 Nobel Peace Prize to Professor Muhammad Yunus, who founded the Grammen Bank, the world's first microcredit institution. Next is a look at how the co-operative sector can draw inspiration from the concept of results-oriented management to improve decision making, transparency and accountability within their organizations.

In closing, I would like to thank all the partners that were kind enough to assemble the content of the Co-operative Bulletin Board. At any time, if you have any questions or comments, or would like to send me articles for the next edition of the e-newsletter, please do not hesitate to call me at 613-789-5492 or email me at caroline@ccc.coop.

Caroline Albert

Manager, advisory services

2) Highlights: The Ag-CDI Program has Taken Wing!

In the last e-newsletter, you were informed of the announcement made by Minister Strahl concerning the injection of an additional \$1M into the Co-operative Development Initiative fund. This ad hoc contribution seeks to enable groups of producers to launch co-operatives so as to take advantage of opportunities relating to the production of biofuels as well as other value added activities. The program is now up and running and co-operatives can obtain further details on the various program components and can obtain funding application form



The program has three components:

1. Co-op Technical Assistance – Qualifying groups can receive funding for co-op advisory services (contributions ranging from \$10,000 to \$40,000). Groups may also be eligible to access contribution up to \$5,000 to conduct Learning Exchanges. Learning Exchanges will allow developing co-ops to address specific learning needs by meeting with similar producer groups in Canada and the U.S. who are further along the development continuum or who have specific lessons to share.

2. Co-op Promotion and Education – Educational opportunities will be available to producers interested in biofuel and value-added agricultural co-ops during the next weeks. These include web seminars, how-to guides, case studies, and other resources.

3. Capacity-Building – This component of the program will develop the knowledge and skills of professionals who assist co-op groups, and help broaden the base of support available to new biofuel and value-added agricultural co-operatives. Experienced co-op developers who wish to build their knowledge and expertise in the biofuel and value-added agricultural industries can apply, as well as groups of co-op developers. Ag-CDI will fund a range of learning experiences that support the successful development of co-operatives in the agricultural sector.

The various funding application forms are now available from the CoopZone Website at www.coopzone.coop/fr/idc-agri. Since the deadlines for submitting funding applications are approaching, we urge you to get in touch with the Agricultural CDI Program manager, Patti Giovaninni (patti.giovaninni@coopscanada.coop), or with her assistant, Nicole Boissonneault (nicole.boissonneault@coopscanada.coop), to get more details and answers to your questions on the new program. You can also reach them by telephone at (613) 238-6711, ext. 203 or 221.

III) CDI «Advisory Services» at a glance

A. Preliminary Results for 2006-07

Over the past period, a total of 15 co-ops were incorporated after receiving technical assistance from one of the delivery partner (see table below). 95 new co-op projects were assisted and 58 existing co-operatives received technical advisory services from one of the delivery partners. The level of support provided to co-ops is similar than at the same period last year.

National map of technical services delivered by the CDI partners
during the first quarter of 2006-07











CDI Advisory Services / IDC Services conseils					
First Quarter 2006-07					
	# meeting held with groups or co-ops	# new co-op projects assisted	# new co-ops created	# existing co-ops assisted	# co-ops that haven't been assisted (lack of \$)
ACL	-	-	-	-	-
BCCA	10	27	4	3	n/a
Prairie Hub	5	7	3	2	n/a
Ontario: On Co-op	3	27	4	16	n/a
Ontario: CCO	20	3	1	6	n/a
MYDAS	28	6	2	16	15
CDR-Acadie	4	3	0	4	0
CCANÉ	12	3	0	2	1
CDCIPE	-	-	-	-	-
NLFC	27	3	0	7	0
CWCF / FCCT	11	16	1	2	71
TOTAL Q1 2006-07	120	95	15	58	/
<i>TOTAL 2005-06</i>	<i>766</i>	<i>286</i>	<i>56</i>	<i>180</i>	/
<i>TOTAL 2004-05</i>	<i>784</i>	<i>181</i>	<i>41</i>	<i>165</i>	/

B. Three Years After the Launching of the CDI Advisory Services Program : Some Striking Results

Three years down the road, it is now possible to show the results achieved by each of the delivery partners since the beginning of the Initiative. An in-dept research was recently conducted to see how many of the co-operatives that have been incorporated between 2003 and 2005 received at one point some form of technical assistance from the CDI program partners. Numbers show that on the 393 co-operatives incorporated outside of Quebec during the given period, 130 (or 33%) of them were offered support from at least one of the CDI delivery partners.



Here are the overall results per province:

-  British-Columbia : 33 co-ops were supported out of the 72 incorporated during that period (46%)
-  Alberta : 9 co-ops were supported out of the 29 incorporated during that period (31%)
-  Saskatchewan : 5 co-ops were supported out of the 48 incorporated during that period (10%)
-  Manitoba : 5 co-ops were supported out of the 40 incorporated during that period (13%)
-  Ontario : 36 co-ops were supported out of the 71 incorporated during that period (51%)
-  New-Brunswick : 11 co-ops were supported out of the 15 incorporated during that period (73%)
-  Prince-Edward-Island : 18 co-ops were supported out of the 22 incorporated during that period (82%)
-  Nova Scotia : 10 co-ops were supported out of the 89 incorporated during that period (11%)
-  Newfoundland-Labrador : 2 co-ops were supported out of the 2 incorporated during that period (100%)
-  Yukon and NWT : 1 co-op was supported out of the 5 incorporated during that period (20%)



In NL, PEI, NB and ON, more than half of the co-operatives incorporated between 2003 and 2005 received technical support from at least one of the CDI delivery partners. In BC, it's a proportion of 46%. This illustrates the high visibility of those provincial associations in terms of services available to new co-ops. In NL, only 2 co-ops were created during that period. However, the situation has substantially changed since the establishment of the co-op developers network in September 2005. Since January 2006, four new co-ops have been incorporated, a significant increase compared to the previous years.

The low level of support available for emerging co-ops in Nova Scotia can largely be explained by the fact that there is no Anglophone organization in this region that is partnering with the CDI AS program. The CWCF and MYDAS team have been providing assistance, but only to a limited number of co-operatives.

Also, the level of awareness in the role played by the Prairie Hub's provincial co-op associations in supporting emerging co-operatives doesn't seem to be as high as in other parts of the country. However, the fact that they've recently adopted a provincial approach has enabled them to widely and effectively promote the technical services that they are able to provide to emerging co-ops in their respective provinces.

IV) Microfinance: If it Works for the Developing World, Why Not Here?

From November 12 to 15, Halifax will host the Global Microcredit Summit 2006, an event sponsored by a group of national and international stakeholders closely involved with the microcredit movement. Over 2000 delegates from a hundred or so countries are expected to attend. *Microfinance* is an increasingly popular concept on the world scene. For example, the United Nations General Assembly proclaimed 2005 as the International Year of Microcredit. Considering the growing awareness of the importance of microcredit, it is beneficial to apply this initiative to a Canadian context to see whether it would be useful in solving some of Canada's own social and economic challenges.



A few Canadian financial co-operatives, including Desjardins, Capital Coast Savings and Vancity, are among those institutions that have drawn inspiration from microcredit and have initiated programs along these lines. We will have a chance to get acquainted with some of these programs, including the Peer Lending Program (PLP), an innovative product developed by Vancity.

Microfinance consists in offering financial services to poor people, who are often excluded from the traditional financial system. The loans, characterized by their small size, are issued to individuals who are denied access to the regular banking system because they can't come up with the necessary collateral. Microfinance offers small-scale entrepreneurs access to lump sums that are to be invested as productive or working capital in revenue- and profit-generating activities that help them increase, stabilize and even diversify their income. The loan is then repaid from the proceeds of the business. Moreover, those programs provide incentives for the recipients to save a portion of the profits of their businesses.

It was during the 1970s that this practice was institutionalized with the creation of the Grammen Bank in Bangladesh. This institution revolutionized traditional banking practices by opting to directly target the poorest of the poor. The same is true of the *tontines* in West Africa, a practice built on trust and mutual assistance that has allowed thousands of women to obtain the capital they need to launch a small business. The salutary effects of microfinance on recipients are multiple: their finances are less precarious, their families' living conditions are improved, they develop abilities and skills, they become more independent and self-confident, they enjoy healthier gender relations, etc. It is also a known fact that the recipients have an excellent repayment rate.

In the face of these very positive results, a host of cooperation organizations and development institutions decided to integrate this approach into their overall anti-poverty strategy. This trend peaked in the 1990s, when microfinance emerged as a new and favoured solution in the fight against poverty and in efforts to improve the status of women in developing countries. Despite certain criticisms coinciding with the surging popularity of this poverty-reduction strategy, there is a broad consensus that microfinance is a proven formula in improving the living conditions of the populations of developing countries.

In Canada, a few financial institutions have developed microcredit programs in recent years in response to the needs of small entrepreneurs. These programs take different forms and are aimed at various groups. One such institution, Vancity, has drawn inspiration from foreign success stories in its efforts to better meet the financial needs of a particular segment of its members.



The Vancity Credit Union recently developed a very noteworthy financial tool called the Peer Lending Program (PLP). This program is aimed at self-employed workers or anyone wanting to launch a small business but lacking the necessary capital or credit history to qualify for start-up loans. The PLP is a credit arrangement whereby a small group of borrowers mutually guarantee one another's loans. This innovative service enables all the members of the group to acquire the capital they need to launch their business, while being surrounded by a group of entrepreneurs who believe in the business project and who can act as advisors. Launching a small business enables the program participants to hone their entrepreneurial skills, which in turn make them more employable on the labour market.

This program is particularly beneficial to immigrants newly arrived on Canadian soil. Despite their absence of a credit history – which means they cannot access credit from a traditional banking institution – the program lets them prove themselves and develop their credit rating.

As mentioned in the introduction, Vancity is not the only Canadian financial institution to take a page out of the successful microfinance formula. In partnership with social economy enterprises, the Mouvement Desjardins has developed two solidarity products aimed at offering support and credit to persons excluded from the traditional financing networks, namely *Microcrédit Desjardins aux entreprises* and the *Fonds d'entraide Desjardins*. Launched in January 2004, *Microcrédit Desjardins aux entreprises* allows entrepreneurs and micro-enterprises that are denied access to credit through traditional channels to obtain financing and local support to carry out their business project. This program enables small-scale entrepreneurs to help create lasting jobs and a sense of community solidarity. Coast Capital Savings, with its Rising Tide Loan program, also offers three innovative microfinance products of note.

How prominent is microcredit within your own community? Is your financial institution providing financial services to the poor and low income members of your community? Ask your financial advisor. The Canadian Gateway to Microfinance has developed a Web page aimed at executives of financial institutions, detailing the advantages of developing such programs (<http://www.microfinance.ca/en/a2.cfm>).

V) Co-operative Bulletin Board

A Winning Alliance Between the CCO and Ontario's Francophone Municipalities

Municipal authorities can be good partners to support your efforts at promoting the co-operative formula. Certain municipalities are playing a leading role in their region's economic development. Thus, the co-operative sector has a lot to gain by working closely with the network of municipalities and raising the awareness of the benefits of the co-operative formula. *The Conseil de la coopération de l'Ontario* (CCO) took innovative action in this regard when it entered into a partnership in the fall of 2005 with the *Association française des municipalités de l'Ontario* (AFMO), the *Réseau de développement économique et de l'employabilité de l'Ontario* (RDÉE Ontario) and *Économie Solidaire de l'Ontario*. The program to support co-operative development in Ontario municipalities seeks to strengthen the co-operative sector at the municipal level, i.e. in AFMO member municipalities. This three-year program receives funding from the Ontario Trillium Foundation.

The project launched nearly a year ago by the CCO emphasizes community wealth creation at the regional level through co-operative enterprise. The objective is to assist in the start-up and development of co-operatives in Francophone communities located in rural and semi-urban Ontario by providing : 1) support services to help implement collective projects and 2) co-operative entrepreneurship training workshops targeting municipal elected officials and representatives of municipal economic development corporations.



The project has three components : Information (Year 1 of the program); Training (Year 2); and Technical assistance (Year 3). During year 1 of the program, the CCO toured the municipalities and regions of Northern and Eastern Ontario to present the co-operative formula and its advantages for the communities. Adapted materials and tools to support the municipal co-operative development work were created. Year 2 of the program ushered in the Training component. This includes education sessions on the co-operative formula in the municipalities and training workshops on the feasibility of community projects and on themes having to do with co-operative business management systems. The Technical Support component is due to follow in 2007, dealing mainly with the delivery of advisory services to support the creation and development of co-operatives.

For further information on the program, please contact a team member of the *Conseil de la coopération de l'Ontario* at the following numbers (613) 745-8619 or (705) 560-1121.



ACCA has Launched a White Paper on Co-operative Development in Alberta

The Alberta Community & Co-operative Association held a Breakfast Forum on October 16th to launch its White Paper strategy process. At the Forum, the White Paper on Co-operative Development in Alberta was unveiled, and Forum participants were asked to determine a strategic direction for Alberta's co-op development. The White Paper, a summary of input from over 30 stakeholders in Alberta, indicates that the primary challenge for co-op development is the lack of co-op awareness and understanding of the model. Respondents to ACCA's survey also indicated that more education, funding and training of technical assistance providers are important components of a strategy. Some of the innovative ideas contributed by respondents include developing government and co-op procurement policies for purchasing from co-ops and moving the Co-op Secretariat to Industry Canada to promote awareness among businesses of the co-op model. The Breakfast Forum will be followed by further meetings with provincial government ministers and senior officials to develop partnerships for co-op promotion and by the publication of a White Paper Strategy in the Spring of 2007 that will document the outcomes of the Forum and the other aspects of the White Paper process.



North-South Solidarity Between Co-operatives: The Case of JustShirts. JustShirts is a Calgary-based co-operative whose activities seek to facilitate the production and sale of responsibly produced clothing. This co-operative connects producer co-operatives based mainly in Latin America with a series of individuals, businesses and organizations wishing to purchase responsibly produced clothing. JustShirts is an inspiring example of North-South cooperation in the area of worker co-ops. An article on emerging alternatives in the global apparel industry was published recently by the e-journal *Briarpatch*. The article mentions the efforts made by JustShirts and the challenges this co-operative faces in supporting co-operatives in the developing world. You can read the article at the following site: <http://briarpatchmagazine.com/news/?p=213>.



Transforming a Plant Closure into an Opportunity for Workers. The Canadian Worker Co-op Federation recently participated in a meeting that brought together some 20 regional leaders from the trade union and worker co-op community. The recent plant closures and the attendant loss of thousands of jobs in the Prairies topped the agenda of this meeting. Individuals from a number of groups and organizations came together to discuss how the worker co-op movement might be able to collaborate with the labour movement to facilitate employee buy-outs of closing businesses where appropriate, whether a planned succession or a crisis situation. For more information on this event or on the co-operative options available to workers in the event of business closings, please contact the Canadian Worker Co-op Federation (<http://www.canadianworker.coop/>).



Training opportunities in November:

1. The Canadian Worker Co-op Federation will be holding its AGM and Conference on November 16-18 in Edmonton, Alberta. Under the theme Taking Global to Local, a series of training workshops will be offered to participants in connection with this event. Javier Salaberria, President of the International Worker Co-op Federation (CICOPA), will be giving the keynote address. For further details or to register, please visit the Federation's Website at: www.canadianworker.coop.

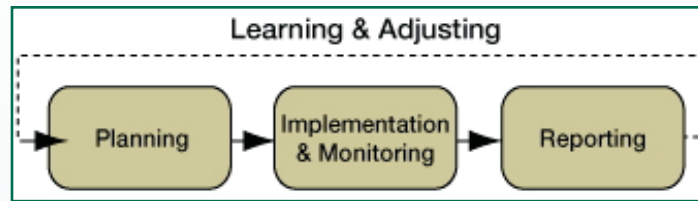
2. The Saskatchewan Co-operative Association and the *Conseil de la coopération de la Saskatchewan* invite you to register for a two-day workshop on co-operative development, which will be held on November 28 and 29 in Saskatoon. The workshop is aimed at co-op developers, co-op members and community economic development professionals wishing to learn more about co-operative development. Spaces are limited, so act now to reserve a spot by filling out the registration form at the following address:

[http://www.sask.coop/siteimages/November 2006 Training Invitation\(3\).pdf](http://www.sask.coop/siteimages/November%202006%20Training%20Invitation(3).pdf)

VI) Tips to Improve File Management

For some years now, the concept of results-oriented management has been a buzz word employed by public and private institutions alike. The product of a widespread desire to "do more with less", this approach seeks to improve decision making, transparency and accountability. Although the concept was originally developed in response to the specific needs of the public sector, the co-operative movement has a lot to gain by taking a page out of their book.

«Managing for results» (MFR) means focusing on results in every aspect of management. Organizations that perform successfully have a clear vision of why they exist, what they want to achieve and how well they are achieving it. They plan their work keeping in mind a clear set of objectives, activities, outputs, outcomes and measures. To take stock of their progress, they measure and evaluate as they go. They adjust their plans and approaches as required, on the basis of what they have learned. They also issue public reports on their results, making them more accountable to Parliament and Canadians, and providing a basis for dialogue about future decisions. Increasingly, today's public-sector managers have greater flexibility and discretion in deciding how best to use resources and deliver services. Good results information enables them to manage well in this environment.



Results-based management is an approach to improve decision-making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning and changing, and reporting performance.

Ongoing performance measurement and periodic evaluation are key tools through which progress is determined. Performance measurement and evaluation present valuable opportunities to learn and adjust so that the desired results may be achieved.

The "Advisory Services" component of CDI would like to move closer to this management model and put in practice its principles. First, you will be invited to share with us your impressions on the CDI program in the upcoming quarterly reports. Also, in the months to come, we will be sending to group of co-operatives randomly selected from across the country an evaluation form to gauge their satisfaction with the services rendered by CDI AS partners. In addition to assessing the degree to which these services have impacted on their development activities, we also hope to determine the strengths and weaknesses identified by service recipients so as to make improvements to the CDI program with an eye to its renewal.

To that end, we recently developed an evaluation questionnaire that we plan on submitting to a few dozen randomly chosen co-operatives early in 2007-08. A draft of this form is attached. If you have yet to develop such an evaluation tool aimed at co-operatives that have used your services, we encourage you to use the attached form as a template in developing your own questionnaire.

For further information on results-oriented management, please visit the following Treasury Board site: http://www.tbs-sct.gc.ca/tbsimScripts/topic-sujet-list_e.asp?ID=142.

VII) Upcoming Events : Mark your Calendar !

- **November 12-15th** : Global Summit on Microcredit in Halifax, NS. For more information, visit: <http://www.microcreditsummit.org/>
- **November 16-18th** : CWCF AGM and Conference in Edmonton, Alberta. Under the theme Taking Global to Local. Javier Salaberria from the Mondragon co-operative system in Spain will be a keynote speaker. Full details and registration information will be available at : www.canadianworker.coop.
- **November 28-29th** : Co-op development training in Saskatoon, Saskatchewan. For more info, visit the SCA website: www.sask.coop.
- **December 10-12th** : 2006 Canadian Renewable Fuels Summit, in Banff Springs, Alberta. This event is hosted by the Canadian Renewable Fuels Association. Learn the latest about the biofuels industry, network with key leaders and meet the industry players at this third annual Canadian Renewable Fuels Summit, hosted by the Canadian Renewable Fuels Association. This event may qualify for Ag-CDI Skill Development support (see p.2 for more details). For further information on the CRF Summit, follow the link from this page: <http://www.greenfuels.org/>.
- **January 22th 2007** : Deadline for the submission of the CDI Advisory Services proposal for 2007-08.