

Presentation by the “Restructuring working group”

Status report

ICA General Assembly

19 October 2007, Singapore



Restructuring committee's composition

- Alban D'Amours (Chairperson)
- Dame Pauline Green (for ICA Europe)
- Seah Kian Peng (for ICA Asia-Pacific)
- Ramón Imperial Zúñiga (for ICA Americas)
- Elizabeth Aba Smith (for ICA Africa)
- Gun-Britt Mårtensson (for the Governance Working Group)
- Bruno Roelants (for ICA sectoral organisations)
- Iain Macdonald (ICA Director-General)
- Hans Dahlberg (as outside expert)

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Recommendations on membership strategy and structure






Membership eligibility- Basic criteria

Recommendation #1: *“that the eligibility be rigorously restricted to those organisations conforming with the ICA Statement on the Co-operative Identity on the basis of a predefined set of evaluation criteria”*

Membership eligibility- Mutual organisations ?

Recommendation #2: *“that an ad-hoc working group consisting of appropriate representatives be set up and submit to the ICA Board, for final adoption by ICA General Assembly, recommendations on whether ICA should accept mutual organisations of various sectors as members”*



Membership strategy- Global membership

Recommendation #3: *“that the view of “global membership” to ICA be the only one applicable with the corresponding single global dues’ contribution (with the exception of ICMIF members, until further recommendations are tabled) and that a defined period of transition be provided”*



Membership categories

Recommendation #4: *“that there be 2 categories of members:*

Members (full members with voting rights) and associate members

Membership categories *(continued)*

1. Members (full members):

- *National unions or federations of co-operative organisations*
- *National confederations of co-operative unions (Apex)*
- *National co-operative business organisations with majority individual ownership*
- *International co-operative organisations*
- *Regional federations or unions of co-operative organisations*
- ***Individual co-operative organisations (of a national or multi-regional nature)***

Membership categories *(continued)*

2. Associate Members:

- *Co-operative organisations who are not otherwise eligible to be full members*
- ***Organisations entitled in principle to full member status, but that need a period of time before becoming full members (typically, organisations that want to participate in ICA for a few years mainly at the regional or sectoral level)***
- *Organisations which are supporters of co-operatives or are owned and controlled by co-operatives;*
- *Educational, research and other institutions which promote or finance co-operatives and the co-operative movement*

Membership strategy- Statistics on members



Recommendation #5: *“that ICA establish in 2008 a data management system for the collection and use of key statistical data on ICA members and their national movements, collaborating with all parts of the ICA including its members, and build on readily available systems and data, to avoid any duplication of work and maximize limited available resources”*

Membership strategy-

Membership dues' collection and payment

Recommendation #6: *“that ICA accommodate and assist those national co-operative representative organisations wishing to be responsible for the co-ordination of ICA dues' collection within their country, in respect of existing institutional and operational arrangements between national representative organisations for co-operatives and their members”*

Membership strategy- Membership dues' monitoring

Recommendation #7: *“that ICA staff and board members stand by a firm application of the membership policy concerning dues’ payment, limiting the granting of special treatment to a few exceptional well-documented cases”*

Membership strategy- Support in promoting and monitoring

Recommendation #8: *“that ICA Board create a committee, “Membership Committee” to support ICA in the activities relating to the promotion and correct implementation of the dues’ formula as well as in designing a member recruitment strategy and that the Committee report to the Board with recommendations on all these issues”*

Membership strategy- Revenue diversification

Recommendation #9: *“that ICA seek to further diminish its reliance on annual membership dues as rapidly as possible through alternative sources of funding that are fully researched, fully costed and that do not damage the reputation of ICA. These include as a first step the possibility of setting up an ICA Foundation and/or seeking out other business opportunities”*

Structure strategy- Choice of organisational model



Recommendation #10: *“that the current organisational model be maintained and that global co-ordination of the specific and complementary contributions of all ICA structural components to the overarching strategic direction be strengthened”*

Recommendation #11: *“that a report be produced, within the timeframe of the current strategic plan, on the feasibility, according to Swiss law, of establishing the ICA as a co-operative”*

Structure strategy- ICA regions



Recommendation #12: *“that the number of ICA regions remain unchanged for the time being. If a sound business case is made in the future for a further region/sub-region, then the proposal should be presented to the Board and approved by the General Assembly”*

Structure strategy- Democratic structure



Recommendation #13: *“that the ICA sectoral organisations be represented collectively through formal representation with two seats on the ICA Board; that these representatives be nominated and elected by the ICA sectoral organisations themselves, based on criteria and terms of reference to be established by the “ICA Election committee” and that these representatives be formally elected by the ICA General Assembly”*

Structure strategy- ICA sectoral organisations

Recommendation #14: *“that all sectoral organisations be required to carry out a «SWOT» analysis (strengths, weaknesses, opportunities & threats) and provide recommendations to the ICA Board for reinforcing their respective organisation and create synergies beneficial to the whole ICA and that any change to the number and nature of existing ICA sectoral organisations be examined on a case by case basis with well-argued support documentation”*

Structure strategy- Thematic and other committees



Recommendation #15: *“that current thematic committees and working groups be required to carry out a «SWOT» analysis and report to the ICA Board who will appreciate the relevance of the pursuit of their mandate”*

Structure strategy- Strategic alignment



Recommendation #16: *“that all structural components of ICA make an assessment of their work programmes to enable an alignment with the ICA Strategic Plan; that they report to the ICA Board with their strategic plans”*

Structure strategy- Coordination requirements



Recommendation #17: *“that the Board ask the ICA Director-General to present a well-documented assessment of the human and financial resources required at all levels to deliver the new strategic plan and mandate him to improve and optimise co-ordination between ICA structural entities in the delivery of added-value services for its members”*

Committees and working groups



Recommendation #18:

- *“that committees and working groups be limited in number and their mission be directly connected to the global strategy; that their terms of reference be adopted by the Board;*
- *that committees be concerned with internal matters of the organisation, have a permanent character, be composed of board members and that these be: (1) the Audit & Risk control Committee (with relevant financial experience), (2) Governance Committee, (3) Membership Committee and (4) Human Resource Committee; that these committees be able to call on external expertise when necessary;*
- *that all working groups be concerned with strategic issues of the entire co-operative movement, have an ad-hoc character and an open membership;*
- *that an Intelligence Working Group be established;*
- *that these committees and working groups regularly report to the Board;*
- *that the external auditor be nominated by the ICA General Assembly”*

Structure strategy- Voting rights



Recommendation #19: *“that the voting right of ICA thematic committees and ICA sectoral organisations at the General Assembly be withdrawn and that the ICA rules be amended accordingly”*

Recommendation #20: *“that the Governance Committee of the Board review the voting system within ICA and report to the Board”*

Structure strategy- Rules' harmonisation



Recommendation #21: *“Following the decisions by the ICA General Assembly on proposed revisions of rules and subscription formula, that the Governance committee present recommendations to the Board to improve the harmonisation of ICA regional and sectoral bodies’ rules with those of the global ICA”*

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Proposal for a new ICA subscription formula





Criteria for a new subscription formula

- Simple
- Easy to apply and administer (as much for ICA representative organisations as for ICA staff)
- Ideally based on a rationale supported by concrete data
- More fairness to be brought into the system regarding the relative capacity of members to pay the required dues

Description of the favoured model

Calculations of the subscription fees, for **full members**, would take into account three parameters:

- A base fee, common to all ICA “full member” organisations
- The number of individual co-operative members that the ICA member represents (including “indirect members”)
- The World Bank Country Income Index defined for each country, to take into account the relative wealth of the country in which a member operates

Guiding principles – Application of the favoured model

- calculation of the number of individual members includes all individual co-operators represented by an Apex member, as per current formula
- elimination of the double counting of members: (contributions of non Apex members are calculated first and their total membership is subtracted from that of the Apex when calculating the Apex's expected dues)
- maximum limit of contribution per country- when reached, individual members' contribution in that country can be lowered in a pro-rata fashion or redefined through a consensus reached amongst themselves

Example of the application of the formula for full members

Base Fee
4000

Number of members	Weighting
< 50.000	0,5
Between 50.000 and 500.000	1
Between 500.000 and 2.000.000	2
Between 2.000.000 and 5.000.000	3
Between 5.000.000 and 10.000000	6
> 10.000.000	11

All weighting factors and numbers shown are for illustration purposes only

WB Country Income Index	Weighting
Low	0,5
Lower Middle	1
Upper Middle	1,5
High Income	4

Proposed next steps

- Approval from ICA delegates of orientations on membership strategy, structure and subscription formula model
- Commitment from ICA delegates to provide the required data within the set timeframe
- High-level participation of members expected in the upcoming direct member consultation on these issues
- Formal decisions on the recommendations and proposed subscription formula in the subsequent ICA General Assembly

Thank you

