



General Assembly
22-23 Sept 2005
Cartagena de Indias
Colombia

TO THE ICA GENERAL ASSEMBLY PARTICIPANTS

Geneva, 19 August 2005

Dear Colleagues,

Following my e-mail message of 19 July and the mailing of 29 July of the General Assembly documentation published in the ICA Review as well as Independent Auditor's Report with Financial Statements (31 Dec. 2003 and 2004), it is my pleasure to send you further information on the meetings in Cartagena 17-23 September 2005 as follows.

- ICA GA Briefing on meetings, agenda, events and general information
- Meeting attendance form (to be returned to ICA by 31 August)
- ICA Annual Report 2003

We have attached a Meeting attendance form for you to fill in with the aim of having a better idea about the number of participants at each gathering and to provide appropriate meeting facilities. You should, however, register separately for meetings of the sectoral organisations and thematic committees if you want to attend them. We would like to call your attention to the fact that the seminars, 21 Sept as well as the GA itself (22-23 Sept) including the business fora and social events on 21 and 23 Sept, will be open for GA registrants only.

The ICA registration desk will be open at the Hilton Cartagena, where all meetings will be held, from Sunday afternoon. The details of opening hours are in the attached general information. Your badge and registration pack including a GA Programme booklet as well as the 2004 Annual Report will be distributed at the desk.

You will also find details on interpretation at the General Assembly events 21-23 Sept in the attached information sheet.

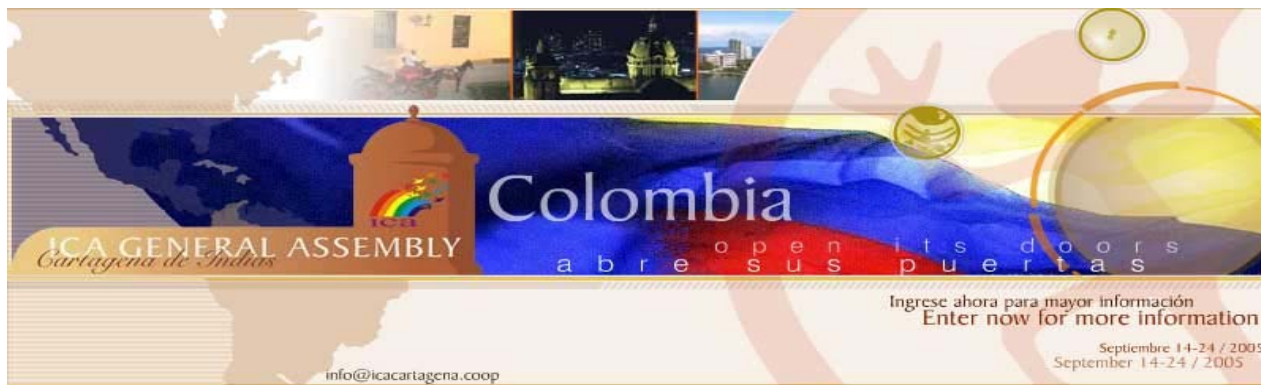
May I remind GA representatives to pick up their ballot papers during the morning of 23 Sept at the ICA registration desk.

I would like to call your attention to the new ICA website where the General Assembly information is regularly updated: <http://www.ica.coop/calendar/ga.html>. Information in Spanish is available on www.icacartagena.coop and www.aciamericas.coop.

Finally, our host Carlos Palacino invites you all to wear either your national dress or a personal interpretation symbolizing your country at the gala dinner on 23 September.

See you in Cartagena.
With co-operative greetings,

Iain Macdonald
ICA Director-General



ICA GA BRIEFING *August 2005*

The first three days of the GA Week are taken up with a variety of different sectoral, thematic and other meetings. They include the two-day **Youth Conference** where the global youth network is beginning to make a real impact. It will be free to all young people under 35. The **CICOPA World Conference** takes place on Monday, 19 Sept which highlights the work of artisan co-ops; worker co-op startups; co-operative contributions to local development and health services as worker co-operatives. The **Consumer Co-operatives International** will hold a workshop on *Successful Consumer Co-operatives Competing on Our Co-operative Values* on 20 Sept with case studies showing consumer co-operatives with clear marketing positions projecting the benefits of co-operative values.

Wednesday, 21 September

There will be a series of extremely interesting and wide-ranging seminars open to GA registrants.

08:00-18:00 The **ICA Americas** region will hold a seminar with the fascinating title *Free trade -- a challenge for co-operatives and their integration in the Americas (E/S)**. This has a clear South American remit but will have valuable insights for all co-operators.

09:00-12:00 The **Gender Equality Committee** is convening a meeting on *Microfinance and Co-operatives (E/S)* especially relevant given that this is the UN Year of Microcredit and this was also the theme of the International Day of Co-operatives. The seminar will highlight the experiences of co-operatives in providing microfinance, especially focusing on women.

09:00-12:30 The **Human Resource Development Committee** is hosting a special interest session on *The Co-operative Learning Centre- CLC: A Portal to Co-operative Education and Training (E/S)*. At this session the team from the British Columbia Institute of Co-operative Studies, together with others from the HRD Committee and the ILO, will present an introduction to the CLC followed by a discussion of its role in today's co-operative movement.

14:00-16:00 **The Global 300** briefing session will present a very exciting project, that of compiling a list of the largest 300 co-operatives and mutual businesses in the world. Preliminary estimates suggest that the largest 300 co-operatives and mutual organizations have a very real and significant global presence. This is rarely reported and is virtually invisible to the mainstream media, governments and the wider community. The business press would appear to believe that co-operatives have no real role in a globalised and competitive economy. We know they do but we have to prove it! This is what the session is all about.

14:00-18:00 **Consumer Co-operatives International** is involved with the **International Agricultural Co-operative Organisation** and the **International Federation of Agricultural Producers** in their joint seminar on *Co-operative Integration in Agricultural Marketing (E/S)*. This will discuss missions and successful strategies in building effective linkages between producer and consumer co-operatives. Speakers will be participating from all corners of the globe.

* Simultaneous interpretation provided in English/Spanish

Thursday, 22 September

09:00-12:00 The General Assembly (E/S/F/R¹)

This year the opening ceremony will be a grand affair featuring the Mayor of Cartagena, **Alberto Rafael Eduardo BARBOSA**; the Vice President of ICA Americas, **Carlos PALACINO**; and the President of ICA, **Ivano BARBERINI**. Our special guest will be **José Antonio OCAMPO**, the Under-Secretary General for Economic and Social Affairs at the United Nations. A Colombian himself, Mr. Ocampo was previously the Executive Secretary of the Economic Commission for Latin America and the Caribbean. He had previously held a number of posts in the government of Colombia and he obtained his Doctorate in Economics from Yale University. It is clear he is eminently suited to talk to us on the theme of this Assembly.

After setting the scene, the opening ceremony will be followed by four keynote presentations:

- **Johnston BIRCHALL** from Stirling University in Scotland is a well-known co-operative academic who will present a specially commissioned paper, circulated with the GA Review: *Co-operative Principles Ten Years On*.
- **Alban D'AMOURS**, president of the Desjardins group of Quebec, will talk to: *Co-operatives: Competitive Business Models*. He will highlight how co-operative values and principles are increasingly important in competition with other commercial businesses and how this has contributed to the success of the Desjardins group.
- **Sherron WATKINS** became very well-known to the world as the Enron whistleblower. As a former Vice President of Corporate Development at Enron, she exposed the huge ethical problems of that organisation and is therefore very well placed to judge how co-operative enterprise should use its natural advantages in this area. She will talk to: *Social Responsibility and Values Driving Mainstream Business Success*.
- **José Manuel SALAZAR-XIRINACHS** has recently been appointed as ILO Executive Director and will present: *Co-operatives Making Fair Globalisation a Reality*. He will speak from the perspective of the unique contribution co-operatives can make to fair globalisation, strengthening economic capability and corporate social responsibility through the application of values and principles.

14:00-18:00 Business Fora

All of this leads naturally to the more practical and participative sessions which are the Business Fora. Each subject has been carefully chosen to fit into our main conference theme and build on what has been presented by our keynote speakers. Organised as parallel sessions, participants can take part in two of the four choices as follows:

14:00-16:00 Best Practice of Successful Co-operative Business (E/S/R)

Chairperson: **Kian Peng Seah**, Chair, Singapore National Co-operative Federation

Secretary: **Shil Kwan Lee**, Regional Director, ICA Asia-Pacific

Coordinator: **Garry Cronan**, ICA Communications Manager

Presentations:

- **Carlos Palacino**, Executive President, Saludcoop, Colombia. Saludcoop is a healthcare co-operative which is the second largest employer in Colombia
- **Kari Neilimo**, President and CEO, S Group, Finland. This group of co-operatives has a turnover of approximately USD 9 billion
- **Trent Bartlett**, CEO, Capricorn Society Ltd, Australia. Capricorn is the largest independent automotive parts buying co-operative in the southern hemisphere with an annual turnover of close to half a billion USD.

¹ Simultaneous interpretation provided in English/Spanish/French/Russian

14:00-16:00 **A Level Playing Field for Co-operatives in Competition (E/S/F)**

Chairperson: **Elba Echevarria**, ICA Board Member, Puerto Rico

Secretary: **Manuel Mariño**, Regional Director, ICA Americas

Coordinator: **Maria Elena Chavez-Hertig**, ICA Deputy Director-General

Presentations:

- **Hervé Guider**, General Secretary, European Association of Co-operative Banks, will talk about European co-operatives challenging International Accounting Standards.
- **Hagen Henry**, Convener, ICA Legislative Advisory Group, will look at trends in co-operative legislation with particular reference to taxation, competition law and mergers.
- **Fabienne Derrien**, International Federation of Agricultural Producers, will talk about agricultural co-operatives and WTO negotiations

16:00-18:00 **Global Solidarity: Co-operating out of Poverty (E/S/R)**

Chairperson: **Esther Gicheru**, ICA Board Member, Kenya

Secretary: **Ada Kibora**, Regional Director, ICA Africa

Coordinator: **Jan-Eirik Imbsen**, ICA Director of Development

Presentations:

- **P.A. Kiriwandeniya**, Chair, SANASA Development Bank, Sri Lanka. He will talk about his organisation's role in reacting to the tsunami disaster.
- **H.M.Hanafia**, Chair, DEKOPINWIL, Indonesia, will talk about the post-tsunami reconstruction in Aceh.
- **Robby Tulus**, ICA Field Coordinator on Tsunami
- **Dave Sitaram**, President, Canadian Co-operative Association. He will give insight into his organisation's poverty reduction strategy
- **Ramon Imperial**, President, Caja Popular Mexicana, Mexico will talk about poverty reduction in an Americas context

16:00-18:00 **Co-operative Innovation: A Sectoral Perspective (E/S/F)**

Chairperson: **Jean-Claude Detilleux**, ICA Board Member, France

Secretary: **Rainer Schlüter**, Regional Director, ICA Europe

Coordinator: **Jin-Kook Kim**, ICA Sectoral Information Manager

Presentations:

- **Luis Fernando Añaez Pereyra**, General Manager, CRE Co-operativa Electrica, Santa Cruz de la Sierra, Bolivia.
- **Vivian Woodell**, CEO, Phone Co-op, UK
- **Martin Lowery**, Executive Vice President, National Rural Electric Co-operative Association, USA
- **Bruno Roelants**, General Secretary, CICOPA, Belgium

Each speaker will focus on the innovative characteristics of their co-operative; how co-operative values contribute to business success and the key strategic challenges they face.

Friday, 23 September

09:00-17:00 **GA Statutory Business (E/S/F/R)**

The statutory business of the General Assembly is of course a very important part of the week as with any co-operative gathering. This is where the President and the Director-General of the ICA report to the membership. Of course this year sees the election of a new board, audit and control committee and president. We will also have a presentation from the Governance Working Group which was asked by the Oslo Assembly to look into the responsibilities and competencies of ICA. Any motions put forward will be taken at this time and so far one has been accepted by the Board, endorsing the *World Declaration on Co-operative Worker Ownership*.

17:00-17:30 **Closing**

The final session of the Assembly will receive the address by **Alvaro Uribe**, President of Colombia. President Uribe is a well-known supporter of co-operative enterprise and the assembly is honored that he has chosen to speak directly to us.

“Co-operative values: A competitive asset in a globalised economy”

Hotel Hilton, Cartagena de Indias, 22-23 September 2005

Agenda

Thursday, 22 September

09:00-12:30

Opening

- Alberto Rafael Eduardo *BARBOSA*, Mayor of Cartagena
- Carlos *PALACINO*, President of the Colombian Co-operative Confederation, ICA Vice-President for the Americas
- José Antonio *OCAMPO*, Under-Secretary General for Economic and Social Affairs, United Nations
- Ivano *BARBERINI*, ICA President

Keynote presentations

- Ten Years On: Co-operative Principles Driving Success
Johnston *BIRCHALL*, United Kingdom
- Co-operatives: Competitive Business Models
Alban *D'AMOURS*, President of Desjardins Group, Québec, Canada
- Social Responsibility and Values Driving Mainstream Business Success
Sherron *WATKINS*, Former Vice-President, Enron Corporation, USA
- Co-operatives Making Fair Globalisation a Reality
José Manuel *SALAZAR-XIRINACHS*, ILO Executive Director

12:30-14:00 Lunch break

14:00-18:00 **Business fora** (parallel sessions)

- 14:00-16:00
 - Best Practice of Successful Co-operative Business
 - A Level Playing Field for Co-operatives in Competition
- 16:00-18:00
 - Global Solidarity: Co-operating out of Poverty
 - Co-operative Innovation: A Sectoral Perspective

Friday, 23 September

09:30-12:00 General Assembly Statutory Business

- Approval of the Agenda
- Approval of the Minutes of the General Assembly, Oslo
- Reports to the Membership from the
 - President
 - Director-General
 - Independent Auditor
 - Audit & Control Committee
- Election of ICA President, Board members and Audit & Control Committee members: introduction of candidates and voting

12:00-14:00 Lunch break

14:00-17:00 General Assembly Statutory Business (*cont'd*)

- Election results
- Report from the Governance Working Group
- Motions and Resolutions
- Presentation of the Rochdale Pioneers Award
- Invitation to the next General Assembly
- Any other business
- Closing of the GA Statutory Business

17:00-17:30 Closing

Address of Alvaro URIBE, President of Colombia

17:30-18:00 Meeting of the newly elected Board

19:00-22:00 Farewell Dinner

ICA GENERAL ASSEMBLY AND RELATED MEETINGS

Hotel Hilton, Cartagena de Indias, 17-23 September 2005



Schedule of events

Saturday 17 Sept	09:00-18:00	Regional Directors' meeting
Sunday 18 Sept	09:00-10:30 11:00-18:00 08:00-17:00 09:30-11:00 11:15-12:45 14:30-18:00 11:00-12:00 14:00-18:00 15:00-18:00 14:00-18:00 14:00-18:00 15:00-17:30	Global HRD Executive Committee meeting CLC planning workshop (Global HRD meeting) Youth Conference ICA Housing Executive meeting ICA Housing General meeting ICA Housing Seminar Gender Equality Executive meeting Gender Equality Plenary meeting Audit & Control Committee ICACC meeting CICOPA Executive and General Meeting Development Committee
Monday 19 Sept	09:00-12:00 09:00-18:00 09:00-18:00 09:00-18:00 09:00-13:00 09:00-12:00 12:00-14:00 15:00-18:00 14:00-18:00 19:00	CLC planning workshop (Global HRD Committee) Youth Conference CICOPA World Conference IHCO meetings Governance working group President's Committee DotCo-op Board meeting (incl. lunch) ICBA Executive meeting ICA Board meeting ICA Board dinner
Tuesday 20 Sept	09:00-12:00 09:00-14:00 09:00-12:00 09:00-12:00 09:00-12:00 09:00-12:00 09:30-13:30 09:00-18:00 18:00-19:00	CCI Workshop and General Meeting ICBA Seminar ICAO meetings IHCO Europe TICA meeting ICFO meeting (incl. lunch) ICA Board meeting New Members' reception
Wednesday 21 Sept	09:00-12:30 09:00-12:30 08:00-18:00 14:00-16:00 14:00-18:00 15:00-19:00 19:00	■ The CLC: a new portal to co-operative knowledge and training ■ Micro-finance is OUR business ■ Free trade: a challenge for co-op enterprises and their integration in the Americas ■ Top global 300 co-operatives ■ Co-operative integration in agricultural marketing Standing Committee of Asia/Pacific Welcome Reception
Thursday 22 Sept	09:00-12:30 14:00-18:00 18:00-19:30	General Assembly Opening and Keynote Presentations Business Fora .Co-op Celebration - The First Four Years!
Friday 23 Sept	09:00-17:00 17:00-17:30 17:30-18:00 19:00	General Assembly Statutory Business Address of Mr. Alvaro Uribe, President of Colombia Meeting of the newly elected Board Farewell Dinner

Meetings in **blue**: on invitation only

Meetings in **red**: open to General Assembly registrants only

Meetings in **black**: open at the chair's discretion

GENERAL INFORMATION

Airport service

To ensure pick-up at the Airport in Cartagena, please send your flight details to the host organisation.

If you fly via Bogota and need assistance in the transfer please also indicate this in your mail to our hosts. When leaving Colombia you will need to pay an exit tax at the airport: USD 20 or Colombian pesos 70.000 (only cash is accepted).

Transfer will be provided from other hotels to Hilton, main conference venue every morning.

Visa

Remember that you might need a visa to enter Colombia. If so ask for an invitation letter from Saludaco-op if you have not done it yet.

Registration

The ICA registration desk will be in the Hilton Cartagena, where all meetings will be held, on:

Sunday,	18 Sept.	14:00-18:00
Monday-Thursday	19-22. Sept.	8:00-18:00
Friday,	23 Sept.	8:00-12:00

Badge

When registering at the ICA desk you will receive your badge which will clearly indicate which meetings you are entitled to attend. Only GA registrants can participate at the Seminars on 21 Sept, General Assembly meetings on 22-23 Sept and social events on 21 and 23 Sept.

GA documentation

Please carry the ICA GA Review and other documentation previously received as there will be no further copies available.

Interpretation

At the General Assembly, 22 Sept. a.m. and 23 Sept all day, simultaneous translation will be provided in English, Spanish, French and Russian.

At each of the business fora three language translations will be provided (see briefing note). Seminars on 21 Sept. will be run in English and Spanish.

Social events / Dress Sense

The host organisations have arranged a welcome reception on 21 Sept and a Gala Dinner on 23 Sept for all GA registrants in the Hotel Hilton. These events will be informal. For the Gala Dinner put on your national dress.

Tourist programme

For information on tourist trips and programme for accompanying persons please go to www.icacartagena.coop or contact the host organisation.

Electricity

110 V, 60 cycles AC throughout the country. US-type flat, two-in plugs are used.

Currency

You are advised to buy local currency at the airport on your arrival. If you want to bring cash, US dollar is the most accepted currency. The current rate is: 1 USD = 2,397 Colombian pesos.

Health instructions/Immunisation

No immunizations are required for Colombia, unless you are coming from an area infected with cholera or yellow fever. The World Health Organisation (www.who.org) recommends vaccination against yellow fever and malaria in certain risk areas (not in Bogota or Cartagena).

Weather

The weather is hot and humid all year round in Cartagena with average temperature for September being 27 C /82 F. Be prepared for showers. Water temperature is 26 C

Main contact in host organisation: Fabian MUÑOZ - fmunozp@saludcoop.coop

Tel: +57 1 6001050 Ext 1620



General Assembly
22-23 Sept 2005
Cartagena de Indias
Colombia

ICA General Assembly 2005 Cartagena (Colombia)

Information on Candidates for Election

*President – Board – Audit & Control Committee
(Name of Candidate, Nominating Organisation, Country)*

Candidate for ICA President

 **BARBERINI Ivano, Legacoop, Confcooperative, AGCI, Italy; NCUI, India**

Mr. Barberini was elected as ICA President at the General Assembly in Seoul in 2001 and has over 40 years experience in the co-operative movement. Mr. Barberini began his co-operative career in the consumer co-operative sector and served as President of Legacoop, a multi-sectoral organisation representing over 10,000 co-operatives with more than 5 million members, from 1996 to 2002. During his career, Mr. Barberini has worked closely with European and international movements promoting Co-operative values and principles, and has also been involved in solidarity actions for developing countries and emergency aid.

Candidates for ICA Board (listed in alphabetical order by surname)

 **ARIKAMA CHABI Mouhamadou, FECECAM, Benin**

ARIKAMA CHABI Mouhamadou is the Executive Secretary of FECECAM Benin which is a microfinance co-operative institution in West Africa. He is a bank official and economist and started working in a savings and credit cooperative in 1994. This network has now 430,000 members and has offices in the whole country. The level of mobilized deposits reaches 68 million US dollars. As a financial system, they have links with the whole co-operative structure of Benin and notably agriculture and women's handicraft cooperatives. He has held the positions of Regional Director, Head of Department of the exploitation and more recently Executive Secretary. He has participated in several ICA activities, most recently the regional conference for West Africa in 2004 in Cap Vert.

 **BAHERAN Rahaiah, National Co-operative Organisation of Malaysia (ANGKASA), Malaysia**

Rahaiah Baheran is currently a member of the ICA Board, Chairperson of the ICA Regional Women's Committee for Asia and the Pacific and a member of the ICA Gender Equality Committee since 1996. Madam Baheran is currently Vice-President of the National Co-operative Organisation of Malaysia (ANGKASA). She has been actively involved in the Malaysian Co-operative Movement for 43 years and is also Chairperson of ANGKASA's Education Committee along with being on the boards of a number of primary co-operatives. She is politically active and was appointed as Senator in the Upper House of Malaysia Parliament and a member of the Women's Advisory Council. She was appointed Board member of the Malaysian Pertanian Bank for her third term since March 1996.

 **BARTUS Pal, National Federation of Consumer Co-operatives and Trade Associations (Co-op Hungary - AFEOSZ), Hungary**

Mr Bartus is President of the National Federation of Consumer Co-operatives and Trade Associations of Hungary. He was elected chairperson of a local co-operative at age of 24 and later became chairperson of one of the largest consumer co-operatives in Hungary. He has actively promoted the development of trade activities of co-operatives and 1997 was elected President/CEO of the newly formed Co-op Hungary. He has served co-operative commerce during his entire working life and played an eminent part in the establishment of national and regional wholesale purchasing organisations. He has served on the Audit and Control Committee of the ICA and has been a board member since 2003.

 **CHERAGHALI Abdolrahman, Central Organisation for Rural Co-operatives (CORC), Iran**

Abdolrahman Cheraghali has 20 years experience in research training and extension of agricultural co-operatives in Iran. He has worked closely with the Food and Agriculture Organisation of the United Nations (FAO) and is a member of the Board of Trustees of the Karaj Training Centre and Gorgan University. He is a member of the Superordinate Council of Training and Education Ministry. He has been involved in research on agricultural development, irrigation, agronomy and has presented several papers at international seminars. He has initiated an IT system in the rural co-operatives of Iran and developed new management methods and information systems in CORC. He is currently Chairperson of the Board and Managing Director of the Central Organisation for Rural Co-operatives of Iran.

 **CHUNG Dae-Kun, National Agricultural Co-operative Federation (NACF), Korea**

Mr Chung, Chairperson of the NACF has been re-elected in 2004 to another four-year term. He served, before this time, as President of the Samranjin Agricultural Co-operative, a NACF member for eight consecutive terms, elected for the first time in 1975. In 1998, Mr. Chung joined NACF as Standing Auditor. In 1999 he was elected Chairperson of NACF. As Chairperson of the Organising Committee of the ICA General Assembly 2001 in Seoul, he hosted the ICA event successfully and was elected to the Board of the ICA. He has also been Chairperson of the IFAP Standing Committee on Agricultural Co-operatives since 2004.

 **D'AMOURS Alban, Conseil Canadien de la Coopération (CCC), Canada**

Alban D'Amours, is President and Chief Executive Officer of Desjardins Group, the largest integrated cooperative financial group in Canada, with assets of US\$ 83 billion and 5.5 million members and clients. After having distinguished himself in an academic career in the field of Economics, he served in the Québec provincial government as Deputy Minister of Revenue and Associate Deputy Minister of Energy. In 1988, he joined Desjardins to hold the positions of Inspector and Auditor General of Desjardins Group, Senior Vice-President Planning, Communication, Marketing and Senior Vice-President and Chief, Development and Audit. He was elected in February 2000 and re-elected by acclamation for a second term in January 2004. Mr D'Amours is the recipient of several honorary prizes.

 **DETILLEUX Jean-Claude, Groupement National de la Coopération (GNC), France**


Mr Detilleux is President of the Groupement National de la Coopération (GNC), which represents and defends the interest of the French co-operative movement at national and international level. He was elected to this position in 1998 and has been an ICA Board member since 2001. Mr. Detilleux's principal occupation is that of President and Director-General of the Group Crédit Coopératif, a co-operative bank, which has 98 branches, 20 affiliated institutions, 1,700 employees and a balance of 8.5 billion Euros. At national and European level, Mr Detilleux holds a number of elected positions as a representative of the Co-operative Movement.

 **DOMAGALSKI Alfred, National Co-operative Council (NCC), Poland**

Alfred Domagalski, a farmer by first profession, has been a co-operator since his school years, active in student, banking, farmer, and worker co-operatives. From 1995 to 2004 he was Chairperson of the General Assembly of the National Co-operative Council, the supreme organisation of Polish national co-operatives. In 2004 he was elected as President of the Board. He is an active member of the Polish Peasants' Party and, amongst other posts, has been Vice-President of its supreme executive committee. He was a Member of Parliament between 1990 and 1997. He represented Polish farmers co-operatives in ICAO and COPA-COGECA and in 2004 chaired the Polish organising committee of the ICA Regional Assembly in Warsaw.

 **DVERGSDAL Steinar, Federation of Norwegian Agricultural Co-operatives (Norsk Landbrukssamvirke), Norway**

Steinar Dvergsdal is a farmer in the western part of Norway producing milk and beef. He has been very active in the Co-operative Movement in Norway since he started farming as a very young man. He has been a board member in consumer co-operatives at a local regional and national level. He has also had several positions in the agricultural co-operative movement including one as President of the Federation of Norwegian Agricultural Co-operatives. He is now Chairperson of the Board of the largest co-operative in agricultural purchasing and marketing. He chaired the Norwegian organising committee of the ICA General Assembly in Oslo in 2003.

 **ERMAKOV Valentin, Central Union of Consumer Societies of the Russian Federation (Centrosojuz), Russia**

Mr Ermakov serves as Chairperson of the Board of Centrosojuz and has been a member of the ICA Board for the last eight years. He is also the first President of the Association of Co-operative Organisations of Russia. He has participated actively in the consumer co-operative movement since 1950 and has been the leader of the movement for the past 25 years. During his office, three consumer co-operative laws were adopted, notably, a specific programme to stabilise and promote the co-operative movement, the advancement of women and youth in co-operatives and the establishment of a newspaper "Russian Co-operation". Mr Ermakov has been awarded many governmental awards including the orders for "services to the Motherland".

 **HAZEN Paul, National Co-operative Business Association (NCBA), USA**


Mr Hazen has been President and Chief Executive Officer of the National Cooperative Business Association since 1998. Well-known for his knowledge of the co-operative sector, he speaks often at national and international forums on the role of co-operatives in community and economic development. He has led several important NCBA initiatives including the creation of .coop, the top-level Internet domain exclusively for co-operatives. Since coming online in early 2002, the .coop domain has enhanced public awareness of co-operatives and created new business opportunities by allowing co-operatives to differentiate their member-owned businesses from other domains. Since 1998 NCBA's international co-operative development programme has grown to more than US\$20 million in annual funding. Paul Hazen also serves on the boards of the Consumer Federation of America and the NCB Credit Corporation.

 **IMPERIAL Ramón, Caja Popular Mexicana, Mexico**

Mr Imperial has worked in several positions in the federal organisation in the financial sector of the Co-operative Movement in Mexico. He is currently President of the Caja Popular Mexicana CPM, a financial co-operative which has approximately 900,000 members plus an additional 200,000 children who are holders of savings accounts. He has held a variety of other positions including board member of the Co-operative Development Committee in the Parliament of Mexico, President of COLAC headquartered in Panama, President of COMACREP, and a Board of Director in the International Raiffeisen Union (IRU), Germany. He has participated in several national and international events related with the Co-operative Movement and he has represented the *Movimiento Cajista Mexicano* in different international congress and conferences. He is also co-author of the book, *Banca Social Historia, Actualidad y Retos de las Finanzas Populares*, 2001.

 **MARTENSSON Gun-Britt, HSB Riksförbund (Union of Housing Co-operatives), Sweden**

A graduate in English French political science Ms Mårtensson has played an active role in politics and was Mayor of her town for 12 years. She was a member of the executive committee of the Swedish Social Democratic party where she was spokesperson for housing policies. Since 1997 she has been Chair and President of HSB, the National Federation of Tenants, Savings and Building Societies which is Sweden's largest organisation for co-operative housing. She is also board member of the Nordic Housing Alliance, the Swedish Co-operative Institute and Swedish Co-operative Centre. She served as Chairperson of the ICA Audit and Control Committee until she was elected to the Board in September 2003.

 **MIYATA Isami, Central Union of Agricultural Co-operatives (JA ZENCHU), Japan**


From April 1988 to date, Mr Miyata has been President of Shinshinotsumura Agricultural Co-operative serving at the same time as President of Kokkaido Prefectural Union of Agricultural Co-operatives. In July 1999, he was elected to the Board of the National Press and Information Federation of Agricultural Co-operatives. Mr Miyata is also auditor of the Central Union of Agricultural Co-operatives and on the board of IE-NO-HIKARI Association. In August 2002 he was elected President of the Central Union of Agricultural Co-operatives (JA Zenchu) and in May 2003 was elected President of Japan Joint Committee of Co-operatives. Mr Miyata has received many awards.

 **MUKASA Joseph, Uganda Co-operative Alliance, (UCA), Uganda**

Mr Mukasa attended Uganda Co-operative College from 1969 to 1972. He obtained a diploma in Co-operative Business and Management. He served in the Ugandan Government as a civil servant from 1972 to 1995 in the livestock, credit specialist, education and auditing sphere. Mr Mukasa has attended numerous international seminars. He is currently Vice-Chairperson of ICA Africa, a member of the ICA Governance working group and the HRD Committee. He has many years of experience on public and co-operative bodies and has been widely published a number of important co-operative issues.

 **ORTELLADO Lourdes, Cooperativa Universitaria, Paraguay**

Ms Ortellado has been member of Cooperativa Universitaria Ltda. since 1976, an organisation with more than 60,000 of members. She has held a variety of positions with the co-operative including member of the Education Committee, the Credit Committee, and Board member of Cooperativa Universitaria. She was appointed Director of PANAL, Compañía de Seguros-Propiedad Cooperativa in 2003 and continues to hold the position today. During the ICA Americas Regional Conference in Asunción, Paraguay in October, 2002, she was elected Chairperson of the Americas Regional Committee of Women Co-operators, (CRAMC ICA Americas). As Chairperson of this Committee, she has participated actively in several meetings with women co-operators in Dominican Republic, Brazil, Mexico, Paraguay and Canada.

 **PASZKOWSKI Janusz, National Auditing Union of Workers' Co-operatives (NAUWC), Poland**

Mr Paszkowski is actively engaged in the Polish Co-operative Movement. He is a graduate of the Law Faculty of the Jagiellonian University in Krakow. At a local level, he has been active since 1976 in the workers' co-operative movement. From 2000-2004 he was Chairperson of the Supervisory Board of NAUWC and since then has been President of the Management Board of NAUWC. He was also a member of the Executive Committee of the National Co-operative Council and is currently Deputy President of the National Co-operative Council. At the international level he is a member of the Executive Committee of CICOPA and CECOP. He is also a consultant on Polish co-operative law.

 **SCALVINI Felice, Confederazione Cooperative Italiane (CONFCOOPERATIVE), Italy**

Mr Scalvini has a degree in Law from the Pavia University in Italy. A solicitor and auditor, he first became involved with the Co-operative Movement when in 1976 he participated in the founding of one of the first social solidarity co-operatives in Italy. At a national level, he is Vice-President of Confcooperative Brescia, a Board member of Cariplo Bank Foundation and President of CFI. At the European and international level, he is a member of the ICA European Council and its Executive Committee, a member of the Cooperatives in Europe Council and President of CECOP. He is also Vice-President of CICOPA.

 **SEAH Kian Peng, Singapore National Co-operative Federation (SNCF), Singapore**

Mr Seah Kian Peng is the Chairman of Singapore National Co-operative Federation (SNCF), the apex body representing the Co-operative Movement in Singapore. Concurrently, Mr. Seah is the Deputy Chief Executive Office (CEO) and Chief Operating Officer of NTUC FairPrice Co-operative and the CEO of NTUC Media Co-operative. NTUC FairPrice is a leading retailer in Singapore, running a chain of over 130 supermarkets and convenience stores with a combined turnover of over US\$780 million and a staff of over 5,000 employees. NTUC Media is in the radio and broadcasting and publishing business. In February 2003 Mr Seah was elected as a member of the ICA Asia-Pacific Standing Committee. Prior to his involvement in the Co-operative Movement, Mr. Seah worked in both the public and private sectors. He is Board member of various subsidiaries with the NTUC Group and also serves various public and community organisations.

 **SISODIA Sawai Singh, National Co-operative Union of India (NCUI), India**

Dr Sisodia is a senior co-operative leader in his country. He was re-elected unanimously for the second term of five years as President of NCUI in March 2005. Dr Sisodia has been associated with the co-operative movement for the past forty years and has worked in various positions at different levels from the primary level co-operative society to the national and international organisations. He is a member of the International Raiffeisen Union (IRU) and President of the Asian Farmers Group on Co-operation (AFGC), Japan. A Trustee and Chairperson of the Indian Association of Parliamentarians on Population and Development, Dr Sisodia was a Member of Parliament for some fourteen years. Author of books and articles on different subjects concerning co-operatives, literature, legislative, social and culture, his contribution in the field of co-operatives, social and culture is well recognised.

 **SMITH Elizabeth Aba, Ghana Co-operatives Council, Ghana**

A graduate teacher from the University of Cape Coast and presently headmistress of a Secondary Technical School, Ms Smith joined the Co-operative Credit Union in 1989 and became the Regional Chairperson and then the National Vice Chairperson. She was the first female chairperson and is now President of the Co-operative Movement of Ghana.

 **UTUMI Americo, Organisation of Co-operatives of Brazil (OCB), Brazil**

Mr Utumi has a long career in the Brazilian co-operative movement, coupled with a deep knowledge of the co-operative way of doing business, particularly in the international arena. Not only a leader and Chairperson of relevant agricultural co-operatives and credit unions in Brazil, he also held the position of President of the Organisation of Co-operatives of the Sao Paulo State for four mandates. At the international level, Mr. Utumi has been a very active member of the Board of the Organisation of Co-operatives of Americas (OCA), having participated in the Latin American Free Trade Association. He is also a member of the Economic and Social Council of Mercosur

Candidates for Audit and Control Committee (listed in alphabetical order by surname)

GICHERU Esther, Co-operative Bank of Kenya

Ms Gicheru has a long and distinguished career in co-operatives both nationally and internationally. As principal of the Kenya Co-operative College, she has contributed a lot to the promotion of co-operative HRD in the African region. At the global level, she is currently serving as Vice-Chair of the ICA Global Human Resource Development Committee. She is also an active co-opted member of the Board of the ICA. Ms Gicheru has many years of experience on public and co-operative bodies and has been widely published on co-operative issues.

HOLMES Philip, Co-operatives UK, United Kingdom

Philip Holmes is a qualified accountant and a fellow member of the Chartered Association of Certified Accountants. He is currently the Finance Manager for Co-operatives UK. He has been a member of the ICA Audit and Control Committee for the last two years and was a member of the working group involved in the production of the ICA financial control handbook which was issued in December 2004. He is also a member of the special working group on international accounting standards.

OGURA Shugo, Japanese Consumers' Co-operative Union (JCCU), Japan

Mr Ogura has been a long time co-operative leader in consumer co-operatives in Japan. He serves as President of the Japanese Consumer Co-operatives Union (JCCU) and as Vice-President of Co-op Kobe, which is the biggest and most successful consumer co-operative society in Japan with 1.21 million members and an annual turnover of 284.7 billion Japanese Yen. He has been playing a vital role in implementing structural reform of business and management of consumer co-operatives in Japan. Mr Ogura has also been contributing to the ICA on behalf of Asian co-operators as a member of the ICA Audit and Control Committee since 2003.

PEDERSEN Roy Berg, Norwegian Federation of Co-operative Housing Associations, Norway

Roy Pedersen has been attached to the co-operative housing movement in Norway since 1974. He has held the position of Deputy Managing Director of the Norwegian Federation of Co-operative Housing Associations since 1994. He has studied economy at the University of Oslo and is currently Chairperson of BS Insurance, BS Media and a member of different other boards. Mr Pedersen was elected a member of the ICA Audit and Control Committee in September 2003 and has chaired that committee since December 2003.

 **SITTNER Rene, Konsumverband eG, Germany**

Mr Sittner became lawyer in 1994, having studied at the Humboldt-Universität in Berlin. In that year he also began working for the Association of East German Consumer Co-operatives. From 1996 to 2002 he was the chief legal adviser of that association and in 2002 he became the Executive Vice-President. Mr Sittner participated in the General Assembly of the ICA in Manchester in 1995 and in Québec 1999. He has also attended as a substitute at meetings of the Audit and Control Committee of the ICA

REPORT OF THE DIRECTOR-GENERAL 2003 TO 2005

Task Force

The main thread running right through the work of the ICA over the last two years has been that of the task force. Set up by the Seoul Assembly of 2001, its impact has been quite considerable although many of its aspirations have still to be achieved. Regionalisation, membership and governance could be said to be the main issues identified by the task force and in each case there have been changes made.

- everything the task force said was qualified by its most fundamental point, that ICA was a global entity of which its regions were an important part. *Regionalisation* however, and decentralisation which it implies, continues to be developed with specific powers now part of each region's constitution
- *membership* of the last two years has varied both in numbers and amount of subscription. Although a degree of stability has been recognised, there is still concern regarding the lack of attention given to the agreed criteria for payment. A working group is looking at how to resolve this problem without threatening our income base.
- An independent *governance* group has been set up to recommend changes resulting from all these issues identified by the task force. An interim report will be made to the 2005 General assembly and its work will continue after that as well.

International standing

Much of ICA's work is aimed at raising the profile of international co-operation to our links with international organisations and governments. During this period considerable progress has been made, particularly through:

- The Committee for the Promotion and Advancement of Co-operatives (COPAC). ICA provides coordination for COPAC which allows us considerable access to the higher echelons of the UN and its agencies. Recently COPAC has expanded its membership and worked closely with ICA in the field of co-operative development, particularly in reacting to the tsunami disaster.
- In 2004 we signed a memorandum of understanding with the International Labour Office. This has led to a dramatic increase in activity with ILO. In particular we have established a joint campaign against poverty showing how co-operative enterprise provides practical solutions in alleviating poverty. In addition strong links have been established with the Youth Employment Network and it is hoped to develop a project on conflict resolution showing again the potential benefits of co-operative enterprise.
- We also have a Memorandum of Understanding with the Food and Agricultural Organisation. Having spent much of the last two years

trying to persuade them not to cut back on their co-operative commitments, we have now agreed to second a member of staff to their operation. This has been done with the co-operation of NACF in Korea who will provide an appropriate person. This will also ensure that co-operative agricultural will continue to feature prominently in the affairs of FAO.

- Similar discussions have been held with UN Habitat which will lead to a stronger relationship with ICA Housing.

Further work has been carried out with the World Bank, UN Aids and of course we continue to provide support for International Co-operative's Day.

Regional offices

Regional offices have been very active during this period having run very successful regional assemblies as well as a variety of different conferences, training sessions and political lobbying. Each have established a new set of rules as designated by the last General assembly and this has helped with establishing their executives as constitutional entities within ICA. They now have agreed functions which help with the decentralisation process. [A restructuring took place in the Africa region calling for one regional office based in Nairobi. The office in Ouagadougou is continuing as a representation office.](#) In particular ICA Europe now has offices in Brussels rather than Geneva. This is particularly important at a time when the EU is expanding and co-operative influence is needed at its centre. They have currently established an operating platform called *Co-operatives In Europe* which is geared to this end.

Dotcoop

From a very inauspicious beginning .coop has emerged over the last two years to become a genuinely strong identity for the international cooperative movement. The recent purchase by Oxford, Swindon and Gloucester Co-operative Society of the registration business has ensured that this initiative is now safeguarded for the movement itself. Talks are now under way to allow the regional offices of the ICA to become registrars and resellers in their own right.

Development

The nature of our development work has been evolving in all the last two years. In working closely with our regional colleagues and our development partners, we are developing policies which more properly reflect the nature of our movement and our resources. This means more integration with our partners and providing services from the regions to those partners which complement each other. ~~We have seen the emergence of the UK movement as a new partner in development particularly with the Co-operative College and its work with DFID.~~ The aim is to have properly planned development

programme in which all partners, regions and the ICA are involved with clearly defined roles. [We have seen the emergence of the UK movement as a new partner in development particularly with the Co-operative College and its Strategic Grant Agreement with DFID.](#)

~~The e~~Examples of good practice in this area are:

- *Campaign against Poverty.* Announced in Oslo this joint campaign with ILO has recently linked up with The Global Campaign against Poverty, indeed ICA is represented on the global steering committee. ICA brings a much-needed practical purpose to the campaign showing how co-operative based businesses will bring not only self-help, self responsibility and solidarity, but the much vaunted democracy. Only co-operatives advocate democracy in business without which challenges the vicious circle and downward spiral of poverty, partly caused by the emphasis on capitalist business.
- Other examples of development projects [include the lobbying and sustainable forestry projects in the Americas, the project on promoting and strengthening agricultural co-operatives in Asia, and the rural finance and agricultural marketing projects in Africa.....](#).

Communications

There has perhaps been more advance in this area [than](#) in any other. Two years ago there was little in the way of Communications with our members, but all this has changed with the appointment of Communications manager and the introduction of the Weekly Digests. Now produced in seven languages this has been an undoubted success and much overdue. The challenge is now to build on this. Having improved internal communications in this way, the next step is for improved external communication. To this end a number of initiatives are under way and planned:

- a business review on a quarterly basis
- publication of the top 300 co-operatives
- refurbished web site
- proactive Communications committee

Sectors

The Task Force identified work with our sectors as being of crucial importance. Work has been ongoing to improve the relationship between the sectors themselves, the regions and head office. We are now in the process of establishing and reworking contracts with each, so that roles are clearly understood and identified. One of the important objectives is to clarify services which are delivered by the sectors to the movement as a whole, and how the sectors fit into the overall policies and programmes of global ICA and its regions. In the last two years, a workgroup has identified the way forward which has included an annual meeting with the ICA board itself. These issues will of course also be considered by the governance working group.

Thematic committees

Research, Gender Equality, Communications and Human Resource Development have each in their own way carried out important work in the last two years. The Task Force clearly separated these committees from the sectors and, head office, regions and sectors should consider thematic committees as part of their service provision. Indeed their constitutions should reflect this. At the moment each operate separately from one another and their constituents, and this will be part of their own reviews. Examples of work carried out by these committees are:

During the past few years the ICA's Global HRD Committee has been engaged in the planning and initiation of the Co-operative Learning Centre (CLC) designed to serve co-operatives, their members and those concerned with co-operatives worldwide.

■ ~~examples.....~~

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Youth

A global youth network has emerged over the last two years and a commitment was made at the Oslo assembly to extend its operation. As a result young people are now represented on the ICA board and plans are underway to extend this to the regions. The proposals for future action include:

- Members have collaborated on a book entitled 'Youth and Co-operatives' due for publication this year.
- Launch a youth web site
- There will be a two day Youth Conference in conjunction with the ICA General Assembly in Colombia.
- Organise meetings on youth employment through youth co-operatives

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Conclusion

In the last two years I have visited over 24 countries. This represents an effort by the ICA Secretariat to make more serious contact with our members and to respond to their wishes. Indeed our President in his ambassadorial role has visited considerably more countries than myself and I think this has been appreciated in general and reflected in the more stable position which ICA finds itself in today. However visiting countries and members cannot be an end in itself. There must be a result from such visits and formal action taken to ensure benefits emerge. A balance must also be struck between the benefits to be made and the resources used to that end. The visits to the tsunami countries is an example of where I feel proper use was made of resources and time. It is hoped that those countries will indeed have benefited

from an input of expertise and resources in reconstructing their cooperative movement. However to see the movement flourishing in all corners of the world, both rich and poor, and in those afflicted by poverty and conflict, is incredibly moving and convinces me of the inevitability of our success. Our main job is to convince the outside world of this as well.

Governance Renewal in the ICA

**A Report from the ICA's Governance
Working Group**

Governance Report to ICA General Assembly

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1. Summary of Report and Key Recommendations

1.1 Introduction

The *Taskforce Report* approved at the 2003 ICA General Assembly in Oslo, Norway recommended the creation of a governance working group. The Taskforce itself had been set up by the 2001 ICA General Assembly in Seoul, Korea.

The Governance Working Group (GWG) was formally established towards the end of 2004 and has produced this report for consideration at the 2005 General Assembly in Cartagena, Colombia. The brief for the GWG is outlined in detail below, but is in summary to produce a blueprint for governance improvements in the ICA.

Our report sets out a detailed series of recommendations with supporting argument and points for further discussion. These are all designed to achieve governance improvements. The GWG hope that the General Assembly will support our recommendations for immediate action outlined in part 2. Part 3 of the report includes recommendations which can be approved in principle for implementation in the coming year or so. The fourth part of the report articulates the wider set of structural and strategic issues we believed face the ICA and still require resolution. The guiding principle that has underpinned the work of the GWG is that as a global organisation, the ICA must be able to demonstrate to members, governments, donors and others that it works to the highest standards of governance.

We realise that this report, although lengthy, is only the beginning. Corporate governance refers to the way organisations are governed and powers distributed and exercised by different groups. As such governance is an ongoing process, which is constantly evolving as the needs and nature of the organisation changes. However, as the saying goes, a journey starts with a single step. We are aware of the symbolic importance of taking that first step. We hope that you will take that first step with us as we commence this journey.

1.2 Terms of Reference

The GWG has drawn its remit from the Taskforce. It was given the following terms of reference.

The Task Force report identified that the whole area of governance needed careful examination.

□“There is a need for very clear governance rules, within a framework of shared values respected by the whole organisation. To meet the need of transparency, ICA will draw up an internal paper, which lays down rules regarding the relations between ICA, globally and regionally, and specialised bodies”

**“The ICA Rules and Standing Orders define the competencies of the different levels of the organisation as well as the tasks of the elected and executive bodies. They should be reviewed in the light of the decentralisation process and a more active members’ participation”*

**“The Board should fully implement its role of governing body”*

Although some of these issues have already been tackled, particularly through the consequential rules changes, further analysis is required. A description of competencies and responsibilities is required for all parts of ICA together with organisation charts and a Code of Best Practice (already underway for financial practice”

Tasks

The main elements therefore of the Groups’ work within the context of the 2003 Report could be to examine:-

- 1. the role of the ICA Board and its relationship with Regional Boards*
- 2. the current structure of the ICA with a view to developing organisational charts in particular the relationship between Head Office and Regional Offices*
- 3. training for elected members*
- 4. the tasks of elected and executive bodies*
- 5. decentralisation as part of a global entity*
- 6. the establishment of a Code of Best Practice*

The terms of reference required the GWG to formally report to the 2005 ICA General Assembly. They also pointed to the possibility that an ongoing governance review and group could become a regular feature of ICA’s work recognising the need to constantly review, update and revitalise its constitution and structures.

1.3 Composition of Governance Working

The following people were appointed to the GWG.

- Gun-Britt-Mårtensson, ICA Board, (Convenor)
- Mervyn Wilson Co-operative College, UK
- Mauro Gori, Legacoop, Rome
- Anne Reynolds, NCBA, USA
- Dante Cracogna, Intercoop, Argentina
- Joseph Mukasa, Ugandan Co-operative Alliance
- Toshifumi Yamashita, JCCU, Japan
- Hans Dahlberg, ICMIF
- Bruno Roelants, CICOPA
- Garry Cronan, ICA (Co-ordinator)

1.4 Assumptions underlying the Taskforce

The Taskforce made explicit the assumptions informing its work. These provided the starting point for the GWG’s work. They included:

- The need for a global co-operative organisation
- Recognition that the process of regionalisation within ICA is still evolving

- The importance of sectoral organisations especially if properly utilised and developed

The Taskforce authors acknowledged some tensions and unresolved issues, particularly in relation to regionalisation, which they noted should lead to:

- Decentralisation from the global to regional level where appropriate
- Increased members involvement
- Integration of activities
- Wider autonomy for regions
- Adoption of policies and programmes to suit needs of grassroots
- A re-definition of fields of competences and subsidiarities
- A redefinition of ICA's global role
- Special attention for Africa

However, the taskforce made quite clear its view that:

- The global character of the ICA must be maintained throughout the regionalisation process
- Decentralisation must be carefully implemented
- There must be one set of rules; one global strategy, with regional business plans and budgets, ultimately approved by the global board consistent with the global strategy
- There needs to be clarity in terms of membership

One implication of these assumptions is that the process of governance renewal involves achieving a balance of possibility competing centralising and decentralising tendencies and processes. This is something which requires, in a longstanding international organisation where various views may be contested, time, goodwill and detailed analysis.

1.5 Meetings of the GWG

The GWG agreed to meet electronically wherever possible. Following an initial teleconference meeting, members of the GWG met in person alongside the ICA Board Meeting in Nairobi, in December 2004 to enable them to observe a board meeting in practice. A further meeting of the group took place alongside the Board Meeting in New Lanark in May 2005 to clarify the issues that would require the group's further consideration, and matters that could be addressed in this report.

1.6 Our Approach

The GWG set out the basis of its approach in a report to the ICA Board in Nairobi, Kenya in December 2004. Our approach included, a:

- Commitment to inclusiveness and consultation
- Commitment to share the workload
- Respect for confidentiality in our deliberations

We identified our guiding principles:

- As custodian of the statement on co-operative identity the ICA must demonstrate co-operative values and principles in its governance practice
- Governance must be based on our specific member based character – good co-operative governance
- A global organisation the ICA must be able to demonstrate to members, governments and donors that it works to the highest standards of governance
- Transparency and accountability are paramount to maintain the confidence of members, donors and the wider community
- Recommendations should strengthen democracy and participation in the ICA
- Governance processes should be simple and readily understood by members

A series of specific issues were identified, these included:

- The governance structures – global/regional/sectoral and the respective power, authority and financial responsibilities of the ICA component parts
- Governance within a decentralised organisation – what does subsidiarity mean for the ICA
- The skills and competencies needed for effective governance of the ICA
- The role and functions of the Board
- Board induction, training and performance review processes
- Board procedures – how it handles information and makes decisions (often in second languages)
- Board democratic renewal
- Membership – who are/should be the members
- The role and purpose of sub committees
- Board effectiveness survey / meeting evaluation
- Legal responsibilities of elected ICA representatives
- Map existing codes of best practice – especially but not exclusively within the co-operative sector

A background paper on these issues was prepared and further consideration given to these matters at our meeting in Glasgow in May 2005. This meeting identified these issues as broadly falling under three headings:

- Strategic
- Structural
- Procedural

We have structured our report around these three sets of issues and positioned them within a time context. Firstly, what can be immediately implemented. Secondly, what can be agreed in principle now and implemented over the course of 2006 and finally, what requires further discussion and resolution.

1.7 Strategic, structural and procedural categories

As mentioned above to help better understand the governance issues facing the ICA, the GWG identified them as belonging to three broad categories.

Strategic issues include such matters as the role, mission and purpose of the ICA. The question of membership is also intrinsically related to the type and purpose of the ICA. The GWG believe these issues require time to be considered. Although some of these matters are perhaps outside of the immediate remit of the GWG they nevertheless have a direct impact on the type of governance structures the organisation may chose.

Structural aspects include issues related to the regionalisation process, subsidiarity, forms of incorporation for the ICA, plus a range of issues related to the Board, Elections Committee and their relationship to other governing bodies. These are among the key issues referred to the GWG for consideration. Again some of these require further detail discussion and in some cases rule changes. Nevertheless, many can be given serious consideration and in the view of the GWG agreed and implemented over the course of 2006.

Procedural issues includes, matters not normally requiring rules changes and have the character of more administrative improvements, rather than major structural changes. Many are simply “good corporate governance” practice.

1.8 Staged implementation

Given the above framework of issues and timeframes we have recommended a staged approach to implementing our recommendations.

The GWG is proposing that a start be made by implementing those procedural recommendations we have identified as being immediately able to be acted on.

At one level this may appear counter intuitive. It is normally the head set of strategic issues which need to be resolved first and from which many of the structural and procedures issues flow. The ICA is not however, starting with a clear slate – it has over 110 years of history, traditions and corporate culture. This however is not the only reason for making a start on practical and realistic changes to governance processes as soon as possible.

Some governance changes are independent of any particular strategic or structural option – they are just “common sense” improvements and part of almost any good corporate governance model. We believe many of our recommendations fall in this category. Also, if a start is made then the gradual implementation of these improvements will per se make it possible to envisage the strategic and structural issues from a fresh angle. This may well, make their resolution easier. And finally, moving forward on some issues will help create a framework and hopefully, sufficient trust from all concerned to enable and encourage the more problematic, contested and complex issues of strategic direction and structure to be considered. Getting the right environment for change is a key aspect of ensuring that the governance renewal process is supported by all sections of the organisation.

1.9 The European Proposal

The GWG is aware that a number of European representatives have been discussing possible governance process and changes, particularly in regard to issues affecting ICA Europe. We are aware that these discussions address issues under consideration

by the GWG. We welcome the contribution by our European colleagues to these discussions and hope that work with ICA Europe can be seen as a pilot in developing new approaches to complex issues. These issues need to be resolved by continuing dialogue and consultation to ensure that regional priorities are effectively balanced with agreed global priorities – such as the need for solidarity with co-operatives in Africa and the developing world.

1.10 Perspectives on change

The ICA is a longstanding organisation, used to operating a specific mode of international relations. However, international organisations are being increasingly challenged by globalisation. The for profit company model has become even more dominant as the concentration of wealth increases. The ICA needs to adapt to these changed realities

1.11 Important leadership role for ICA Board

The GWG believe that ICA Board has a key role to play in leading governance renewal and in helping to create the right environment to ensure its success.

Many of the recommendations for action relate to the board and require agreement among Board members. By acting quickly, the Board will signal its seriousness about governance renewal

1.12 Inclusive consultation process needed

Many of the issues which we have identified as requiring further consideration and resolution are complex, contested and perhaps for some controversial. That is why the GWG wants time to consult with the sectoral organisations, regional bodies and ICA members as well as the Board, before bringing final recommendations on these matters forward.

1.13 Monitoring implementation

The GWG believes it has an important ongoing role to play in monitoring and reporting to the Board, and members via the Regional and General Assemblies on progress on the implementation of its recommendations.

1.14 Framework recommendations

The GWG made a number of framework recommendations

Framework Recommendations

- **That the GWG be mandated to continue its work along the lines outlined in this report with a requirement that it present its final report to the 2007 General Assembly in Singapore**
- **That the 2005 ICA General Assembly endorses the *programme of action for governance renewal* as detailed in this report and that it supports the**

call of the GWG for the ICA global Board to give immediate priority to commencing the process of implementing the governance renewal action plan during 2006.

- **That the 2005 ICA General Assembly:**
 - **notes the areas identified by the GWG as requiring urgent further examination.**
 - **supports the call by the GWG for an urgent meeting of the ICA's new global Board to agree a set of actions, implementing GWG recommendations**
 - **that the Board meeting detailed above agrees a timetable for resolving the outstanding strategic and structural issues to enable full consultation at the next round of Regional Assemblies and the 2007 General Assembly.**

The next sections of the report outline in detail our series of specific recommendations for governance renewal in the ICA.

2. Recommendations for Immediate Action

The GWG have identified a number of issues and actions which it believes the ICA should immediately commit to addressing.

2.1 Strategic Framework

Procedural Issues:

2.1.1 Strategic planning process and multi-annual budgets

The GWP believes that there is a clear need for the Board to comply with Article 19 (a) of the *ICA Rules* and undertake, in conjunction with senior ICA staff, a comprehensive strategic planning process to develop a three year strategic plan for the ICA. This can build on the recent work it has been doing in implementing many of the Taskforce's recommendations. In developing the strategic plan the Board will need to take account of the various regional and sectoral strategic planning processes and plans and seek to integrate these into their overall global plan along with their specific global priorities. The global Board has a clear responsibility to lead and coordinate this process.

To help achieve a degree of strategic coordination throughout the ICA it is suggested that over the next three years, a common methodology and strategic planning approach be agreed between the global, regional and participating sectoral parts of the ICA. There has been considerable progress in using consistent approaches, software etc in the multi-annual budgeting and accounting areas between the global and regional offices. This provides a model. It will be important to ensure greater sharing of information in this process leading to far greater coordination of activities and events along with a more unified strategic approach.

The GWP believes that an ICA wide strategic planning, monitoring and reporting system will lead to greater coordination and effectiveness and contribute to controlling and reducing the ICA cost base. It will also lead to greater accountability and transparency and enable better reporting to ICA members.

Recommendation

That the ICA Board fulfil their responsibilities under article 19 (a) and develop a unified strategic planning process for the whole of the ICA to enable it to produce a three year strategic plan. It needs to be acknowledged that this actual planning process needs to take account of the broader strategic issues raised in section 4.1 of this report.

It is also recommended that one of the annual ICA board meetings becomes a strategic planning meeting to ensure that the Board leads on and embeds the planning process.

2.1.2 Reporting to Board against strategic plans

It is the view of the GWP that the quality, materiality, and consistency of information placed before the board needs review. Future board reports need to be linked to the 3 year strategic plan and multi-annual budget and contain reports based on agreed key performance indicators (KPIs). Reports should focus on outcomes, and report on variations against, budget and targets to enable the board to monitor the implementation of their strategy consistent with the requirement of Article 19 (a) of the *ICA Rules*. It is recommended that similar and consistent reporting procedures be adopted in the ICA regions.

Recommendation

That as part of the strategic planning process the Board agrees and publishes key performance indicators, and that reports to the Board be linked to the strategic plan, programmes and budgets. Variations to agreed targets, plans and KPIs should be clearly indicated and explanations provided.

2.2 Improving Board Effectiveness

2.1.1 Board standing orders

The GWP recommend that a set of Standing Orders for meetings of the Board are developed urgently. The standing orders should provide clear procedures for meetings, and cover areas including:

- attendance by non-ICA Board members at ICA Board meetings,
- circulation of papers (to ensure adequate time for translation)
- clarifying and recording decisions
- physical arrangements at Board meetings
- procedures to encourage participation by all Board members

The GWG group have already considered some of these matters and would be in a position to draft a set of Standing Orders for Board consideration by June 2006.

Recommendation

That a set of standing orders designed to improve board effectiveness be prepared as a matter of urgency.

3. Recommendations Agreed in Principle to Commence within 12 months

The GWG felt that there were a number of structural and procedural issues on which it could make in-principle recommendations with the detail developed by the GWP, Board and other relevant constituent parts of the ICA.

3.1 The Regionalisation Process

The Structural Issues:

3.1.1 Decentralisation

The decentralisation process formally commenced at 1992 ICA Congress in Tokyo. Regionalisation was designed to make the ICA more relevant to its members; to be a platform for offering better services for members and to open up the global network by giving greater authority and autonomy to regional governance structures, programmes and priorities within an overall and reinforcing global structure so that “the sum of the parts was greater than the whole”.

The Taskforce statement quoted above, encourages and supports regionalisation while cautioning about the speed of its implementation and restating the importance and need for global control and coordination.

The ICA President has stated that “an efficiently decentralised structure requires a genuine network organisation held together by shared values, unambiguous rules and unifying strategic choices”. The notion of shared values offers one way of helping to operationalise regionalisation and to remove any ambiguity. If a set of guiding principles of regionalisation can be developed, then any action in the context of proposed regionalisation activities can be tested against these principles.

The GWP are offering the following draft guiding principles (or shared values) for the regionalisation process within the ICA for consideration:

- Regionalisation should be focused on delivering a demonstrable increase in member value and services.
- The ICA is one organisation and any change to the regional/global balance must be shown to benefit all parts of the ICA and not to benefit one area at the expense of either another region, sector or global.
- The regionalisation process must move forward in a way consistent with our shared values and principles.
- In deciding upon which activities are best carried out at global, sectoral or regional level, it is assumed that just because something has previously been performed at global, sectoral or regional level does not mean that this will necessarily always be the case. However, the principle of subsidiarity should be followed as much as possible.

Recommendation

That a set of guiding principles for operationalising regionalisation be developed.

3.2 Legal issues

The Structural Issues:

There are several matters of a legal nature about which the GWP would like more information and clarification.

3.2.1 Form of incorporation

The status of the ICA is that of an association organised as a corporate body regulated by the *Swiss Civil Code* in articles 60-79. There are a number of possible governance issues, including the legal obligations of Board members of such an association. There is also the issue of whether the ICA should be incorporated as an association rather than as a co-operative. For example the current legal structure of the ICA means that voting in the ICA is not based on one member one vote, it is based on a weighted voting system, dependent on the amount of membership subscription each member pays.

The GWP is not recommending any change at this stage to the form of incorporation, merely bringing it to the attention of members for possible further consideration.

Issue for further discussion

That the ICA examine whether incorporation under the Swiss Civil Code as an association remains the most appropriate form of incorporation for the ICA.

3.2.2 Legal position of ICA Board members

One concern to GWP members has been the legal position in relation to the duties and responsibilities of ICA Board members. Are they legally liable for their decisions, either individually or severally? As discussed above, the ICA is incorporated as an Association under the *Swiss Civil Code*. The *ICA Rules* note that the Board along with the General Assembly, Regional Assemblies, Regional Elected Bodies, Audit and Control Committee, President, and Vice-Presidents are the “authorities of the ICA”. This suggests that each of these authorities has a legal responsibility. However, it is understood that previous legal advice received by the ICA is not clear on this point and suggests that the only person legally responsible, i.e. who can be sued, is the Director-General.

These questions go to the heart of the legal powers and responsibilities of the board, indeed also the regional boards and other authorities of the ICA. It goes to the core of any corporate governance model we may chose to recommend. It is also a matter of ensuring transparency and accountability within the ICA. Members and others, third parties, need to know who is legally responsible for the organisation. Also, how far do the powers of the board, (regional boards) extend – is it possible for board members to

act ultra vires? In other words are the Board and the members, (along with the regional boards) merely advisory with no legally enforceable power? Is so, who is or should be legally responsible for the actions of the ICA? This obviously needs to be clearer.

The GWP have assumed that ICA global Board members are fully responsible as directors of the organisation. If Board members have the power to direct the organisation, approve membership, budgets and work plans than it is assumed that they also have commensurate legal responsibility – responsibility goes with authority.

Issue for further consideration

The legal status of the ICA Board members as directors of the organisation should be clarified. If it proves to be the case that ICA Board members (and regional board members) have no legal responsibility then this matter should be addressed by either changes to the by-laws or some other mechanism to ensure a degree of legal responsibility is commensurate with their powers.

3.3 Board – Best Practice Code

The Structural Issues

The GWG have identified a range of issues outlined below, in addition to the items listed in section 2.2, which it believes relate to best practice in terms of the Board, its composition and its way of operating. The GWG believe that a code of best practice should be developed within 12 months by the GWP in consultation with the Board and ICA members.

3.3.1 Possible limits on number of terms or an age limit

One feature of many corporate governance systems is a limit on either the number of terms served by board members or by providing for a maximum age limit for Board members. The GWG feel that this is an issue requiring further consideration.

Issue for further discussion

That an examination of options in relation to encouraging democratic renewal on the Board and other governing bodies in the ICA be undertaken.

3.3.2 Diversity and the representative character of the Board

The GWP has conducted an analysis of the global Board for the period 1992 – 2005. This is the period since the introduction of the regionalisation process.

Over the 12-year period, 45 people have served on the board, 40 men and 5 women from 26 countries. There are around 90 countries represented within the ICA membership. So, a little short of 30% of countries from within ICA membership have been represented on the board at least once during this 12 year period.

However, during this period there have been around 10-11 countries which have been almost continuously represented on the Board. This group includes Canada, USA, UK, France, Italy, China, Japan, Sweden/Norway, India, and Israel. It is perhaps, not surprising that this group, the “G-10”, should have such a high rate of representation on the global ICA. These countries are, with only one exception, among the strongest co-operative movements in the world. Also, the ICA has a weighted voting system which means the more membership subscription you pay the more votes you get, up to a limit of 25. With the exception of Israel and to a lesser extent India, this G-10 group is almost identical with a listing of the largest paying members of the ICA. To further make the point, of the top 16 subscription paying countries 13 are represented on the present Board. In summary it appears difficult for smaller, newer and poorer members to get elected to the Board as most Board members tend to come from a fairly limited range of countries.

The current voting system also seems to disadvantage women and younger people. Although the level of representation for women on the present Board is historically high, 3 of the 15 directly elected by the General Assembly are women with one of the regional Vice-Presidents also being a women, making 4 out of 20 on the Board, it is still well short of the target set by the ICA of 30% of elected positions. The ICA has also never had a women President in its 110 year history. The age profile of the present Board is also strongly skewed towards members over 40 or more particularly over 50.

The GWP is aware that co-operatives are involved in a contest of ideas for the hearts and minds of the general public, government, the media and other opinion leaders. We need to better argue and represent our case to the widest possible audience. Part of this battle is to align our governance structures more fully with not only past, but future supporters of co-operation. It would appear that there is considerable work to be done in terms of ensuring wider representation for new views and new voices on the governance structures of the ICA.

Recommendation

That diversity issues are addressed in the Code of Best Practice and that a serious effort be made to ensure a wider range of people, views and experience are represented in the governance structures of the ICA.

3.3.3 Youth Participation on the Board

A young person representing the ICA Youth network currently attends and participates in ICA global Board meetings. This initiative which followed the ICA General Assembly in Oslo has been warmly received by both younger co-operators, other ICA Board members and more generally throughout the movement.

Recommendation

That the status of the youth network representative on the ICA’s global Board be clarified and that transparent processes and procedures for the appointment be established and appended to the Standing Orders.

3.3.4 Barriers to participation

Participation in ICA governance structures such as the global or regional Boards is normally on a self-funding basis. This can act as a barrier to members from poorer co-operative movements or countries putting themselves forward for election.

It is understood by the GWP that a special fund, the President's Fund exists which has been used on occasions to assist co-operative representatives from poorer countries participate in ICA governance bodies. While welcoming this initiative, the GWP believes that there may be considerable value in formalising this arrangement and making it more widely known, prior to the calling of nominations for elections, so enabling all members to be aware that possible assistance may be available to them.

Recommendation

That a fund be established, similar to the President's Fund to assist poorer countries and co-operative movement participate in the governance of the ICA.

3.3.5 Co-opted Board members

The role of co-opted ICA Board members needs to be addressed. It is understood by the GWP that the decision to co-opt additional members to the global Board was taken in 1997 by the then ICA General Assembly. It was to be for a period of two years and was designed to address the need for much greater gender equality within the ICA - in other words the co-opted members were to be women. It was understood at the time that the co-opted members to the Board were to be full members. Succeeding boards have simply continued the practice.

There are however, a number of issues here. Are co-opted Board members still full Board members? How long should their terms be? Is the process of co-option the best way to address the issue of gender inequality, on the Board and more generally throughout the ICA? How many should be co-opted? Should the concept of co-option be extended to other underrepresented groups within the ICA as a means of addressing wider diversity issues? Should there be a limit on the number of co-options, to avoid changing the overall democratic base of the Board?

It is proposed that the GWP and Board examine and develop guidelines for co-opting members to the Board, including consideration of the rights and responsibility of co-optees.

Recommendation

That the ICA board examine the role and responsibility of co-opted members and develop a set of guidelines to deal with this situation, such guidelines to be an appendix to the Standing Orders.

3.3.6 Direct sectoral representation on the Board

The GWP have received representations to the effect that the ICA sectoral should be directly elected into the global Board. The GWG is of the view that in principle

sectoral should have some representation on the Board; however it is felt that the exact detail and number should be subject to wider discussion.

Issue for further discussion

The GWG believe that ICA sectors should have direct representation on the ICA Board. This issue should have priority in the discussions on governance changes.

3.3.7 Alignment between the Global and regional boards

Are or should the representation on the global and regional Boards be more closely aligned. There is currently differing patterns of aligned between the four regional governing bodies and the global Board. These range from an almost complete overlap of representatives at the Asian level to one in Europe whether there is virtually no overlap.

Recommendation

That the issue of alignment of the global and regional Boards be discussed to see whether any further action is needed.

The Procedural Issues

The GWG have identified issues of a procedural character relating to the Board. The recommendations will need to be considered as part of the Code of Conduct, to be developed within the next 12 months.

3.3.8 Code of Conduct

The Taskforce recommended that a Code of Conduct or best practice for governance be established for the ICA. The GWP believe that the Board needs to commence work on this task, using the GWG's recommendations and points for further discussion as a starting point. Regional Boards should also be involved in this process. The sections set out below 3.3.9 – 3.3.19 plus sections 3.4 and 3.5 would among others mentioned all be part of such a code of conduct. The introduction of the code is one of the key recommendations of the GWG. Given the work the GWG has already done in identifying areas for inclusion in the code, the Board may wish to ask the GWG to undertake the preparation of a draft code.

Recommendation

That a Code of Conduct be developed and introduced by the ICA.

3.3.9 Duty to act in good faith, duty of care

Members of the ICA Board occupy one of the most important elected positions in the global movement. Such a position requires the very highest standards of integrity, ethical behaviour, honesty, diligence and professionalism. Board members are bound by an overriding fiduciary duty to act in good faith in the best interests of the ICA as a

whole. The Board may need to think about possible sanctions or remedies if any of its members fail to carry out their responsibilities and act with the highest possible standards.

Recommendation

That all ICA board members undertake to act in good faith and to display the highest possible ethical behaviour as Board members – this will be part of the Code of Conduct all new Board members would be asked to sign.

3.3.10 Commitment to collective decision making

In an international democratic organisation like the ICA it is important that all Board members have the opportunity to fully participate in the decision making of the Board, However, it is normal governance practice that Board members must then respect the decisions of the board collectively and democratically reached and actively promote all policies that have been adopted, regardless, of their own personal views. They must also speak with a single voice once board decisions have been made.

Recommendation

That all ICA Board members commit to collective decision making and to publicly supporting the decisions of the Board. This commitment to be part of the new Code of Conduct.

3.3.11 Internal control and risk management

The Board should ensure that internal control systems are in place to effectively manage risk within the organisation. The ICA has made real progress in the area of financial controls over the last two years.

Recommendation

That the Board undertake during its 2006 – 2009 term a detailed risk assessment to determine if its existing internal control and risk management strategic are adequate.

3.3.12 Relationship between the Board and Management

One of the key governance issues for any board is its relationship with the CEO and other senior management. The introduction of the recommended strategic planning framework for the ICA offers the opportunity for a restatement of the Board/management split of responsibilities and duties within the ICA.

It offers a chance to revisit delegation by the Board of responsibilities to senior management and hence to formalise any of these arrangements. Each of these parties, the Board and senior management should know their respective boundaries and observe them – a successful organisation is one which balances and manages this relationship ensuring that they are working together rather than becoming a source of conflict and competition.

Recommendation

That as part of the broader strategic framework process the Board develops and approves a written scheme of delegation to clarify the split of responsibilities and duties within the ICA.

3.3.13 Review of Board and individual performance

Good corporate governance requires a board to regularly, perhaps yearly or bi-annually review its performance. Such a review normally includes a review of its own performance, and that of its sub-committees and also importantly the performance of its individual directors.

Recommendation

That the proposed Code of Best Practice includes a requirement that ICA Board undertakes a review of its performance, including individual board member performance at least once every two years. The Board should report on this review in the following year's Annual Report. The first such review should take place before the end of 2008.

3.3.14 Board members attendance at Board meetings

Board members should be willing and able to commit the necessary time to the governance of the ICA

It is proposed that in line with normal corporate governance practice the attendance record of elected board members be reported from time to time in the ICA's Annual Report. The attendance record of board members participating on Board Committees should also be published.

Recommendation

That the attendance record of ICA Board members be published in the ICA's Annual Report.

3.3.15 Skills of Board members

It is important that the Board has a range of skills, experience and knowledge. The Board should identify the skill set/mix it believes necessary to carry out its role.

Recommendation

That as part of the governance renewal process a set of skills needed for the ICA Board (and regional Boards) is developed.

3.3.16 Induction programme for new Board members

At present no formal induction programme exists for newly elected ICA Board members. Given the complexity and diversity of the international movement it is regarded as imperative that such a programme be developed. The GWP believe this should be developed during 2006.

Recommendation

That the Board in association with ICA senior staff introduce an induction programme for all newly elected board members.

3.3.17 Training for ICA Board members

Good corporate governance requires that board members have appropriate skills to carry out their tasks or role. The GWP understands that no specific Board training has been provided to ICA Board members for at least a decade.

To help commence this process the GWG believe that during 2006, that information on director training programmes commonly undertaken by co-operative directors and leaders be provided to enable the Board to commence a discussion on training strategies and needs.

Recommendation

That information on co-operative director training be provided to the Board to enable discussion on possible training needs for the Board and other governing bodies throughout the ICA. This material could be prepared by organisations experienced in co-operative leadership and director programmes.

3.3.18 Board member obligations in relation to member subscriptions

Article 18 (d) of the *ICA Rules* states that “no person shall be entitled to serve on the Board whose organisation is no longer in membership of ICA or is in arrears with its membership fee without a valid reason approved by the Board, or who has ceased to be an accredited representative of the nominating Member or, in the case of Vice-Presidents, of the respective Regional Assembly”. This rule has implications for both prospective and possibly new board members however; it does not specifically cover the situation of non-compliance with the subscription formula.

The GWP is aware that the issue of all board members own organisations paying according to the democratically determined formula are of real concern to a number of existing ICA Board members. Article 2 (c) of the *ICA Policies, Procedures and Standing Orders* contained in the *ICA Rules* spells out the agreed formula for determining the annual subscription fees payable as a member. There is discussion within the ICA at present about this formula and possible changes to it, but while existing rules remain in place they need to be complied with.

The governance issues of concern here relate to integrity, honesty, transparency and accountability. Board members not only need to do the right thing in terms of complying with agreed rules, but must also be seem to be doing the right thing. While this matter is initially focused on the global board it is strongly recommended that it also commence at regional board level as well.

There is a related issue. What is the most appropriate way for a Board member, or indeed any member organisation in the ICA to proceed when one feels that some members are deliberately not complying with the rules. Tolerating non-compliance disadvantages those organisations doing the right thing. For a membership organisation whose only real source of revenue is from membership duties, maintaining the integrity of this system is of paramount concern.

Recommendation

That all ICA board members and prospective Board members ensure that they comply with both the spirit and the letter of all *ICA Rules*, including the membership subscription formula. All ICA members should have the right to information concerning whether existing or prospective Board members are from organisations in full compliance with all *ICA Rules*.

3.3.19 Dealing with conflicts of interest

Conflict of interest situations sometimes occur on boards. The important thing is to acknowledge this, and have governance processes for dealing with it. There are well established ways of dealing with such occurrences. Firstly, it is important that the board member indicates to fellow board members and the chair that a real or possible conflict of interest is about to occur. The normal procedure is that the Board member normally then takes no part in the subsequent discussion on the matter concerned – in some cases the director will leave the room while the matter is being discussed.

Recommendation

That the Code of Best Practice includes guidelines and procedures for dealing with conflicts of interest. Once adopted these guidelines should be applied to each of the regional elected bodies.

3.3.20 Succession plans

Good corporate governance requires that the Board ensures succession plans for both directors and management are in place.

Recommendation

The Board examines the issue of succession planning.

3.3.21 A Board member only web site

It is proposed that the practicality of providing a restricted segment of the ICA's new website for ICA Board members be explored. Such an area would be able to house all the relevant documents for the ICA Board including minutes of all relevant meetings, ICA policy statements and the like, strategic plans, global and regional budgets, General and Regional Assembly resolutions and regional board decisions and other information.

Recommendation

That the feasibility of providing a restricted area of the ICA new website for ICA Board member information be explored and reported back to the ICA board.

3.3.22 Electronic versus physical meetings – cost benefit analysis

As noted above the ICA Board has been meeting on average three times a year over recent years. The issues associated with barriers to participation discussed elsewhere in this report suggest that the Board should urgently consider alternatives to costly physical meetings. While it is acknowledged that there is no substitute for physical meetings in creating bonds between members and in helping establish a strong corporate governance culture, we believe that electronic meetings can be effective once such bonds are established and development training provided.

The cost effectiveness of existing practices needs examination and greater use of technology offers one possible route towards greater cost savings. The GWP understands that the European region is increasingly using online meeting technology and this may provide a possible model with wider application throughout the ICA.

Recommendation

That the ICA investigates the relative cost of using online technologies for some of its governance activities with a view to the early introduction of online meetings.

3.4 The President's Committee

The Structural Issues

3.4.1 The role of the President's Committee

The President's Committee is a committee of the Board. Given that its membership comprises the ICA President, directly elected by the General Assembly and the four Vice-Presidents, directly elected by their respective Regional Assemblies, this committee uniquely provides a forum for better coordinating and integrating regional and global priorities and programmes. The GWP believe strategies should be found to better enable this committee to uniquely fulfil its potential as a central coordinating committee for global and regional activities.

Issue for further discussion

That the role and function of the President's Committee be reviewed with a view to developing a set of guidelines for its operation.

Procedural Issues

3.4.2 Appointment and review of ICA Director-General by ICA Board

Article 19 (g) of the *ICA Rules* says the ICA Board has the power to be “responsible for the appointment or removal and the remuneration of the Director-General of the ICA”. Article 15 (d) of the *ICA Rules* says that the General Assembly has the power to “ratify the appointment or removal of the Director-General on the recommendation of the Board”. One of the key tasks of almost any board is the appointment of the CEO of the organisation. It is understood that at present no formal recruitment procedure exists for this appointment. It is recommended that an agreed and formal recruitment procedure and policy should be developed and agreed by the Board. At present no annual review process exists for the Director-General. The GWP believes that such a process is essential. The President’s Committee would seem be vehicle to formally conduct this annual review, with a report back to the Board as a whole.

Recommendation

That the President’s Committee be formally assigned the task of annually reviewing the performance of the ICA Director-General.

3.5 The Elections Committee

The Structural Issues

3.5.1 Composition of Elections Committee

The *ICA Rules* provide for an Elections Committee. Standing Order V (3) of the *ICA Rules* states that the ICA board shall appoint a committee which shall be comprised of eight persons, including the Vice Presidents and be gender-balanced. The GWP understands that the four non Vice President’s positions on the Elections Committee for 2005 have been filled by the four retiring Board members – so in effect the 2005 Elections Committee is fully comprised of currently serving ICA Board members, at the time of its deliberations in terms of the forthcoming 2005 election for the new Board positions. Also, only one of the eight positions on the Election Committee in 2005 is filled by a woman.

The issue of independence is important. It is suggested that there is a need for an independent elections committee to avoid any possibility of a self-perpetuating aspect to Board representation. The GWP believe that a genuinely independent and gendered balanced Elections Committee should be established. It recommended that the Elections be directly elected by the General Assembly and that candidates for the Elections Committee should be fully independent. These new arrangements will require a rule change which it is proposed be presented to the 2007 General assembly for endorsement. In the meantime the ICA board take cognizance of this recommendation in any appointment of an Elections Committee prior to the 2007 General Assembly.

Recommendation

That a fully independent Elections Committee elected by the General Assembly be created with a rule change presented to the 2007 General Assembly for

endorsement. That a set of guidelines be developed for the Elections Committee be developed as an appendix for the Code of Best Practice. That an induction and training programme also be developed for this committee.

3.6 Disclosure and member involvement

Public reporting of activities is normally one of the key checks and balances in any governance system. Letting the “light of day” fall on the internal workings of an organisation generally results in a higher level of compliance with acceptable governance standards. The following recommendations are focused on communication, disclosure and increasing member participation in governance activities.

Procedural Issues

3.6.1 Annual report and financial statements

It is the responsibility of the board to ensure that the annual report presents a balanced and understandable assessment of an organisations position. The report and accompanying financial statements should include a coherent explanation of the organisations performance and prospects. Areas of poor performance should be shown with the same prominence as success areas.

The ICA Identity Statement sets out the ICA core values, which include a belief in the ethical values of honesty, openness, social responsibility and caring for others. Communications and disclosure is obvious an area where the ICA can demonstrate its commitment to honesty and openness with its members, its partners and the wider community.

The GWP feels that the ICA should make a commitment to regular communication with members and others on decisions and activities of the representative bodies of the ICA to enable members to understand how the governance structures of the organisation work. The GWP feels that there should be much greater coordination of public governance reporting systems. Annual reports are the public face of the organisation; they should reflect a consistent approach to governance, a set of shared values and a unified strategic framework for the activities which are being reported on.

Recommendation

That there be greater coordination and consistency of public reporting by the various parts of the ICA in line with our ethical values.

3.6.2 Member involvement in governance

Member involvement in governance matters generates greater member loyalty and helps generate from within its ranks willing future leaders.

The GWP has observed that the level of participation by members in the ICA ranges from passive, merely paying their membership subscription to very high levels of representation on a wide range of the constituent bodies. The ICA should strive for a fully active and engaged membership - one which is prepared to actively and publicly promote and support the ICA, particularly to their own members. The ICA governance system sits on the top of our member's own governance systems creating a world wide web of democratic governance. The ICA should use these wider governance networks to report back and receive information and encourage greater participation and identification with the ICA.

Recommendation

That the ICA regularly monitors the level of member involvement in ICA activities, including governance activities and develops strategies to increase the participation level of members in governance related activities.

3.7 Audit and Control

The following recommendations acknowledge and build on the work to date of the Audit and Control Committee.

The Procedural Issues:

3.7.1 Training and induction for Audit and Control Committee

The GWP would like to place on record its congratulations to the Accounting Working Group for the work it has undertaken, particularly the production of the ICA Financial Control Handbook. Along with the Taskforce Report, this handbook heralds the start of the governance renewal process in the ICA.

However the need for induction and training programmes for newly elected members of the A&CC was strongly made by members of the A&CC.

Recommendation

That the recommended induction and director training programmes also include provision for existing and prospective members of the A&CC.

3.7.2 Access of A&CC members and/or auditor to the Board

The GWP is aware that there have been previous problems in relation to financial governance within the ICA. In particular, there has appeared to be problems associated with timely, material financial information passing from and between auditors, members of the A&CC, senior management and the global Board. The GWP is satisfied that any previous deficiencies which may have existed several years ago have been addressed over the last 3 years. Nevertheless, the GWP would like to draw attention to the need to constantly ensure that financial information can flow, if necessary, from outside independent auditors and members of the A&CC through management to the Board. Auditors and A&CC members should be able to bring any issue they deem significant to the attention of the Board in a timely manner. The

Board needs to be satisfied that they have all the relevant financial information they need to make decisions about the financial position of the overall ICA. This process is a key component of the risk management system.

Recommendation

That members of the A&CC and/or the independent external auditor have a right of access to the Board to raise any significant matter of concern.

3.7.3 Periodical change of auditors

External auditors play a key role governance role. One of the lessons learnt from the recent governance failures in the corporate world is that auditors need to remain independent and uncompromised in their relationship with their clients. It is suggested that no audit partner should remain in charge of the audit for a period exceeding five years. It is further suggested that the Board should have an agreed policy for re-tendering the provision of the external audit at least every ten years.

Recommendation

That a regular review is carried out of the ICA auditors and that the audit is put out to competitive tender, at least every ten years, and that no audit partner should remain in charge of the audit for more than five years.

3.8 Staff

Procedural Issues:

3.8.1 The role of staff in corporate governance

The GWP is aware that previous corporate governance failings in the ICA have resulted in tensions between the senior staff and the global board. A written scheme of delegation is an essential component of good governance to mitigate against such tensions in the future.

Staff have a key role in helping to set this direction, bedding down changes and driving the ICA to a new level of relevance and service. Respect for their role and contribution is an important part of any governance changes in the organisation. Providing adequate resources and training is also important. This will help create improved morale, and match staff against the strategic direction set by the Board. Most modern organisational theories place people at the centre of the organisation as their most important resource.

Recommendation

That the key role of ICA staff in corporate governance renewal is acknowledged and that adequate resources are provided to enable them to play their role in carrying forward the recommended changes.

3.8.2 Staff code of conduct

The GWP believe that a Code of Conduct for ICA staff, similar to the Code of Conduct for Board members should be developed over the next 2 years.

Recommendation

That a Code of Conduct be developed as part of the governance renewal process within the ICA.

3.9 Commitment to make it Happen

3.9.1 Building support for governance reform

Good governance starts with good leadership. The current elected leadership of the broader ICA network includes the 20 ICA global Board members, the approximately 40-50 regional ICA Board members and the board and executive members of the nine sectoral and four thematic global and associated regional organisations – perhaps 200 elected people. Add to this the approximate 20 senior ICA staff, making 220. These are the people who will need to drive the process of improved governance in the ICA. They are the key constituency for change. They can either be supporters of this process or opponents of it. All change is uncomfortable, but the challenge for the current leadership is to take the opportunity presented and help drive governance reform within the ICA. This process needs to particularly involve this group of people. It is recommended that a governance renewal email list be created which includes this group and that regular information and discussion be encouraged among this group as the governance process unfolds.

It is also obvious that a budgeted amount of money will need to be set aside to for the implementation of the recommended governance renewal activities outlined in this report.

Recommendation

That communications strategy around the governance renewal process be developed and implemented.

Recommendations for Further Consideration

The GWG believe that there are a series of important issues which require much further consideration, discussion and agreement. The GWG is not proposing that no action occur immediately on these issues, rather it is not recommending any specific action at this point, outside of identifying these issues need resolution. This is why we have call for more time to have a proper and informed debate within the whole ICA on these matters concurrent with the implementation of our other practical recommendations.

4.1 Strategic Issues: mission, vision and membership

The Issues:

4.1.1 ICA's mission statement

The ICA Rules spells out the mission of the ICA. It states that the ICA is “an independent, non-government association which unites, represents, and serves co-operatives worldwide”.

Issue for further discussion

Is the current mission statement of the ICA still the most appropriate one reflecting the current and future purpose of the organisation?

4.1.2 What is the role of the ICA?

Article 3 of the *ICA Rules* spells out the methods the ICA will use to achieve its mission and objects. The combination of Article 2 and Article 3 really represented the statement of the ICA's role – “what it does” and “how it does it”. There also needs to be agreement about which of these activities and roles are carried out at what level of the overall ICA structure

The GWP believe there are a number of strategic priorities, these include:

- The need for much better intelligence and analysis of information, also better statistics
- The ICA should have an overall “helicopter” view of the international co-operative movement be able to better inform its members about likely future trends
- The ICA could have a greater role in promoting greater business co-operation, as well as promoting horizontal peer groups. There is a need to recognise that “ICA” expertise often lies in its member organisations.

There can obviously be a variety of possible roles the ICA can carry out. These include promoting and defending the co-operative identity, advocacy and representation to a wide range of international, regional and national organisations, knowledge management and exchange, communications, development and other services to members. Nevertheless, regardless of what the finally agreed set of

priorities or roles is, it is important that they link to the operational programmes and governance structures described elsewhere in this report. There should be an internal logic connecting the mission, objects, strategic plans, programmes and reporting procedures. When these are aligned then there can be no confusion, no ambiguity, each part of this governance system reinforcing the other.

Issue for further discussion

Are the current set of ICA objects and methods still the most appropriate ones reflecting the current and future purpose of the organisation?

4.1.3 Types of membership

The above questions about the mission and role of the ICA are intrinsically related to the question of membership. Members decide the role and priorities of the ICA. If the underlying nature of the membership changes, then there may well be a change in the character, role and direction of the organisation. It is not only a question of the existing members and what sort of organisation they want, but what sort of members the organisation will have in the future.

The sustainability of the ICA over the next ten to twenty years depends on the sustainability of our membership base. Are global and other competitive forces challenging the role of national apex organisations? Are these same forces also consolidating more co-operative resources into fewer and large commercial organisations? Are these trends similar across regions/sectors? How are our members responding to these challenges? Can we learn from this experience?

The ICA has traditionally been made up of national apex organisations. If such organisations are in relative historical decline, than this has implications for an organisational predominantly based on this type of membership.

The issue of possible new membership categories was discussed in the ICA commissioned Organisational Review prepared by Edgar Parnell in 1998. That report suggested extending membership to a class of members, known as business members. The GWP is not making any specific recommendations on this matter, but believes this issue is of paramount importance and requires further discussion throughout the ICA. . The debate needs to be informed by the need for the ICA to have the resources to fulfil the role its members assign it. There is a large amount of financial resources amongst the largest co-operative businesses in the world. These resources are not directly sourced by the ICA, for example the top 300 co-operative (and mutual) businesses in the world have been estimated to have a conservative combined annual turnover of approximately \$700 Billion USD.

Issue for further consideration

Is the current mix of membership types the most appropriate for the ICA?

4.2 Structural Issues:

The Issues

4.2.1 The Size of the Board

What is the best size for a board of an organisation like the ICA? Although the ICA Board is large by comparison with commercial co-operative organisations, it is not particularly large in comparison to similar national co-operative organisations or other international NGO's. The GWP is not recommending at this stage any change to the overall number of members on the board, rather the focus of its attention is on the balance of representation on the Board and the opportunities the ICA offers for democratic renewal on the Board.

Issue for further consideration

That this matter be examined against best practice models.

4.3 Procedural Issues

4.3.1 Commitment to act according to co-operative principles

The ICA is the custodian, promoter and defender of the international co-operative principles. It is not unreasonable to expect that the ICA should follow its own principles in the governance of its own organisation. A number of the ICA's members include the ICA principles in their own governance frameworks and ask their members to align their governance structures with the ICA principles. The GWP party believe that there is a special obligation on the part of the ICA Board to seriously examine the overall operation of the ICA, including the global Board and other constituent parts to ensure that they are all complying with the principles.

One specific area of responsibility spelt out in the current ICA Rules relates to the approval or otherwise of new members. The ICA Rules are quite explicit - it is the global Board that decides whether an organisation can be a member of the ICA. (There is an appeal process to the General Assembly.) One of the tests of membership is whether the prospective organisation "conforms to the ICA Statement on the Co-operative Identity, as approved by the General Assembly of ICA". The GWP believes there would be of considerable value, particularly from a transparency viewpoint if a set of evaluation guidelines were developed to enable an organisation to understand the process of evaluation and compliance. Likewise, this information could be of use to the ICA Board as it ensures that the ICA itself is operating fully in compliance with its own principles.

Issue for further consideration

That the ICA develops a set of guidelines on how it evaluates prospective members in terms of compliance with co-operative principles. Also, that the ICA board periodically review its own procedures to ensure that it is operating consistently with its own principles from a governance viewpoint.



CICOPA
INTERNATIONAL ORGANISATION OF INDUSTRIAL, ARTISAN
AND SERVICE PRODUCERS' COOPERATIVES

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WORLD DECLARATION ON WORKER COOPERATIVES

Approved in principle by the CICOPA General Assembly held in Oslo on 6 September 2003
Final draft approved by the CICOPA Executive Committee on 17 February 2004

GENERAL CONSIDERATIONS

1. Humankind permanently seeks a qualitative improvement of the forms of organising work, and endeavours to achieve ever better, fairer and more dignifying labour relations.
2. At present, human beings carry out their occupational activities under three basic modalities: a) independently as self-employed, being then defined by one's own capacities and self-regulation; b) as wage earners, under the continuous subordination to an employer who provides a compensation resulting exclusively from individual or collective negotiations; or c) under a third form, called worker ownership, in which work and management are carried out jointly, without the typical limitations of individual work, nor exclusively under the rules of conventional wage-based labour.
3. Among the modalities of worker ownership, the one being organised through worker cooperatives has attained the highest level of development and importance at present in the world, and is structured on the basis of the universal cooperative principles, values and operational methods enshrined in the Statement on the Cooperative Identity (Manchester, 1995), agreed upon within the framework of the International Cooperative Alliance (ICA), and incorporated in the ILO Recommendation 193/2002 on the Promotion of Cooperatives.
4. Worker cooperatives are committed to being governed by the above-mentioned Statement on the Cooperative Identity. Moreover, it has become necessary to define

CICOPA is a sectoral organisation of the International Co-operative Alliance (ICA)

at world level some basic characters and internal operational rules that are exclusive to this type of cooperatives, which have specific goals and purposes that differ from cooperatives belonging to other categories. This definition will enhance the coherence and universal identity of cooperative worker ownership, stimulate its development, and produce recognition at world level of its social and economic function in creating decent and sustainable jobs, while also preventing deviations or abuses.

5. A world declaration is also needed in order to focus on the importance of cooperative worker ownership, the promotion of worker cooperatives, and their relations with cooperatives belonging to other categories, as well as with the State, international organisations, the entrepreneurial world and the trade unions. This is necessary to guarantee the development and promotion of worker cooperatives, as well as the full recognition of their role as actors in the solution of the problems of unemployment and social exclusion, and as proponents of one of the most advanced, fair and dignifying modalities of labour relations, generation and distribution of wealth, and democratisation of ownership and of the economy.
6. Although CICOPA also affiliates cooperatives of individual artisans and other forms of cooperative management that are based on the central concepts of work and production, the present declaration is aimed specifically at worker cooperatives. This does not preclude that it could be, in so far as possible, used by and applied to users' cooperatives that also grant membership and ownership to their workers as a differentiated part from the other members in such a way that their interests are represented adequately, as well as to all the forms of management that grant special recognition to human work and to those who carry it out, such as workers' limited societies (sociedades anónimas laborales – SALs) that apply benefits of cooperative nature to their workers, and in general all those enterprises of community character that provide special labour relations to their members besides offering them welfare services.

On the basis of the above-mentioned considerations, CICOPA unanimously approves the following World Declaration on Cooperative Worker Ownership.

I. BASIC CHARACTERS

On the basis of the definition, values and principles enshrined in the Statement on the Cooperative Identity (Manchester, 1995), and incorporated in ILO Recommendation 193 / 2002 on the Promotion of Cooperatives¹, worker cooperatives contain the following basic characters:

1. They have the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker-members, dignify human work, allow workers' democratic self-management and promote community and local development.
2. The free and voluntary membership of their members, in order to contribute with their personal work and economic resources, is conditioned by the existence of workplaces.
3. As a general rule, work shall be carried out by the members. This implies that the majority of the workers in a given worker cooperative enterprise are members and *vice versa*.
4. The worker-members' relation with their cooperative shall be considered as different to that of conventional wage-based labour and to that of autonomous individual work.
5. Their internal regulation is formally defined by regimes that are democratically agreed upon and accepted by the worker-members.
6. They shall be autonomous and independent, before the State and third parties, in their labour relations and management, and in the usage and management of the means of production.

¹ A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (ILO R193, art. 2). The cooperative principles are: “voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community” (ILO R193, art. 3 (b)). The cooperative values are: “self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others” (ILO R 193, art 3 (a)).

II. INTERNAL FUNCTIONING RULES

In their internal operations, worker cooperatives must take into account the following rules. They shall:

1. Compensate the work of their members equitably, taking in consideration the function, the responsibility, the complexity and the specificity requested by their positions, their productivity and the economic capacity of the enterprise, trying to reduce the difference between the highest and the lowest compensations.
2. Contribute to the capital increase and the appropriate growth of indivisible reserves and funds.
3. Provide the workplaces with physical and technical facilities aimed at achieving an appropriate functioning and a good organisational climate.
4. Protect the worker-members with appropriate systems of welfare, social security and occupational health, and abide by the standards of protection in force in the areas of maternity, childcare and minors of age at work.
5. Practice democracy in the decisive instances of the organisation and in all the stages of the management process.
6. Ensure permanent education and training for capacity building of members and information to the latter, in order to guarantee professional knowledge and the development of the worker cooperative model, and to stimulate innovation and good management.
7. Contribute to the improvement of the living conditions of the family nucleus and the sustainable development of the community.
8. Combat their being instruments aimed at making the labour conditions of wage-earning workers more flexible or precarious, and from acting as conventional intermediaries for jobs.

III. RELATIONS WITHIN THE COOPERATIVE MOVEMENT

A strong invitation is made to the cooperative movement in general:

1. To make the promotion of worker cooperatives one of the main priorities within the world cooperative movement, and to effectively contribute to the creation of new enterprises of this type.

2. To establish strategic alliances that foster the development of worker cooperatives and to make their entrepreneurial projects possible, including the access to appropriate financing, and the promotion of the services that they offer and of the products that they produce.
3. To establish capital formation mechanisms in worker cooperatives, including the contribution to the latter of risk capital from cooperatives of other categories, with an economic compensation covering the opportunity cost and an appropriate participation in management, without endangering their autonomy and independence.
4. To promote the representative organisations of worker cooperatives at local, national, regional and international level, and the cooperation among them, and to support the creation of second-degree entities, entrepreneurial groups and consortia and common socio-economic agreements among cooperatives, in order to provide efficient entrepreneurial services, reinforce the cooperative movement, and strive for a model of society characterized by social inclusion and solidarity².
5. To promote initiatives that ensure that the State, in its different branches, create and improve the instruments for the development of this type of cooperatives, including relevant and appropriate legislation. This also implies furthering petitions to parliamentarians, in order to make such legislation possible.
6. To promote, in so far as possible, the integration of the wage-earning workers of the cooperatives as worker-members.

IV. RELATIONS WITH THE STATE AND WITH REGIONAL AND INTERGOVERNMENTAL INSTITUTIONS

1. Governments should understand the importance of the promotion and development of worker cooperatives as effective actors of job creation and inclusion to working life of unemployed social groups. For this reason, governments should not discriminate against worker cooperatives, and should include the promotion and development of this type of enterprises in their policies and programs, in order to fight some of the major problems which the world suffers from, generated as a consequence of exclusionary globalisation and development, such as unemployment and inequality.
2. In order to make cooperative worker ownership a real option, the States should establish national and regional regulatory schemes that recognize the specific legal nature of this type of cooperatives, allow them to generate goods or services under

² “The adoption of special measures should be encouraged to enable cooperatives, as enterprises and organizations inspired by solidarity, to respond to their members' needs and the needs of society, including those of disadvantaged groups in order to achieve their social inclusion” (ILO Recommendation 193/2002, art. 5).

optimal conditions and to develop all their entrepreneurial creativity and potential in the interest of their worker-members and the community as a whole.

3. In particular, the States should:
 - Recognize in their legislation that cooperative worker ownership is conditioned by labour and industrial relations that are distinct from wage-based labour and self-employment or independent work, and accept that worker cooperatives apply corresponding norms and regulations.
 - Ensure the application of the general labour legislation to non-member workers of worker cooperatives, with whom conventional wage-based relations are established.
 - Apply to worker cooperatives the ILO concept of Decent Work and clear, precise and coherent provisions regulating social protection in the fields of health, pensions, unemployment insurance, occupational health and labour safety, taking into consideration their specific labour relations.
 - Define specific legal provisions regulating the fiscal regime and the self-managed organisation of worker cooperatives that can enable and promote their development.

In order to receive an appropriate treatment from the State, cooperatives should be registered and/or audited.
4. Governments should ensure access to appropriate financing conditions for entrepreneurial projects launched by worker cooperatives by creating specific public funds, or loan guarantees or covenants for the access to financial resources and promoting economic alliances with the cooperative movement.
5. The States and the regional and inter-governmental organisations should promote projects based on exchanges of successful experiences, on information about, and development of structures of entrepreneurial and institutional support for worker cooperatives, within the framework of international and regional cooperation, for job creation, sustainable entrepreneurial initiatives, gender equality, and the fight against poverty and marginalisation.
6. Cooperative worker ownership should be promoted as an option and an entrepreneurial model as much in processes of entrepreneurial change and restructuring, start-ups, privatisations, conversion of enterprises in crisis, and transmission of enterprises without heirs, as in the concession of public services and public procurement, in which the State should define conditioning clauses that stimulate local development through worker cooperative enterprises.
7. In the context of the relations with the State, it is important to highlight the guideline of ILO Recommendation 193 concerning the necessity to endeavour towards the consolidation of a distinctive area of the economy, which includes the cooperatives ³.

³ “A balanced society necessitates the existence of strong public and private sectors, as well as a strong cooperative, mutual and the other social and non-governmental sector.” (ILO R.193, art.6); *Measures should be adopted to promote the potential of cooperatives in all countries, irrespective of their level of development, in order to assist*

It is an area in which profit is not the first motivation, and which is characterized by solidarity, participation and economic democracy.

V. RELATIONS WITH EMPLOYERS' ORGANISATIONS

Employers' organisations can promote the development of cooperative worker ownership as an entrepreneurial form whose first objective is the creation of sustainable and decent jobs with an entrepreneurial added value, and as an appropriate exit strategy for the recovery of companies in crisis or in the process of liquidation, while respecting their autonomy, allowing their free entrepreneurial development and without abusing of this associative labour modality to violate the workers' labour rights.

VI. RELATIONS WITH WORKERS' ORGANIZATIONS

The cooperative movement should maintain a permanent dialogue with the trade unions, as the representatives of the workers, in order to make sure that they understand the nature and essence of cooperative worker ownership as a distinctive modality of labour relations and ownership⁴, overcoming the typical conflicts of wage-based labour, and that they support it in view of its importance and the prospects that it offers to human society.

This declaration is in correspondence with ILO Recommendation 193 approved by governments, employers' and workers' organisations worldwide⁵. Therefore, we hope that the latter consider it seriously, in order to contribute to the solution of the grave world problem of unemployment that affects humanity and endangers world peace and human rights.

them and their membership to (...) establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community"(ILO R.193, art.4).

⁴ In this regard, the ILO Recommendation 193/2002 states that "*Workers' organizations should be encouraged to (...) promote the exercise of the rights of worker-members of cooperatives"* (art. 16 g).

⁵ The Recommendation states that "*The promotion of cooperatives (...) should be considered as one of the pillars of national and international economic and social development"* (art 7 (1)).

COOPERATIVES EUROPE

RESOLUTION FROM THE EUROPEAN REGION OF ICA TO BE SUBMITTED TO THE ICA GENERAL ASSEMBLY in Cartagena (Colombia), 23 September 2005 (Statutory business)

Submitted by:

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Preliminary remarks

1. European region decided to take the opportunity of the ICA General Assembly in Cartagena, highest democratic level of discussion within the ICA, to present this resolution aiming to reinforce ICA as a whole and safeguard ICA as one global organisation.
2. This resolution is a follow up of the recommendations for restructuring of the ICA adopted in Oslo in 2003¹ to strengthen the co-operative movement in the different regions & world wide and thus build a stronger ICA to serve and defend the co-operative community.
3. The European members recognize the progress made since the GA in Oslo. But the process of integration in course in the European region between the ICA-Europe and the CCACE (Co-ordinating Committee of European Co-operative Associations) agreed by the ICA board in Nairobi with the possibility of taking decisions at the European Regional assembly in Manchester in September 2006 which could be against some ICA rules, oblige the European region to submit this resolution to the GA of the ICA, the highest decision level, to guarantee that this process remains inside the ICA and compatible to global rules.
4. The European region recognize the strong linkage between these proposals and the work underway by the Governance Working Group established by the ICA Board, and looks forward to working closely with them in the coming months.
5. The European region and its members agree to confront and evaluate the results of this integration and reorganisation process with the other regions and the new elected ICA Board which will be a part of the discussion for further regionalisation and decentralisation decided at the ICA board in New Lanark to prepare together necessary adaptation of the ICA rules, structure and membership fee system according to agreed timetable.

“The European region members”

▪ **Having in mind**

1. Progress achieved since the GA in Oslo, September 2003
 - Creation of the Brussels office (2004, October)
 - Agreement by the ICA board in Nairobi on the integration process in Europe bringing together ICA Europe and CCACE in Cooperatives Europe
 - Nomination of a new regional Director and starting of a team (1st March 2005)
2. Areas where progress is to achieved
 - Governance issues between global ICA and regions
 - Improved subsidiarity on policies and functions between centre and regions
 - Adequate human and financial resources at all levels
 - Improving the membership fee system
 - Increase proportion of redistribution between regions and centre.
3. The ongoing process in Europe integrating the ICA Europe and the CCACE in Cooperatives Europe

¹ Restructuring of ICA 2003 : Proposals of the ICA Board submitted to the 2003 General Assembly in Oslo.

- **Ask the General Assembly to recognize the necessity to develop the following points:**

1. Support the continuation of the integration process in Europe;
2. Apply improved subsidiarity between regions and centre, particularly on issues like statistics, membership and development where the proximity to members has proven essential with a new coordination role at global level;
3. Improve subsidiarity and guarantee adequate human and financial resources to serve members regionally and globally;
4. Support Europe and the other regions to provide input to the elaboration of a new membership system for the ICA starting at the next regional assemblies in 2006;
5. Improve governance between regions and centre through the application of a multi-annual budget procedure, budget autonomy and long term planning from 2007 onwards;
6. Continue to apply up the ICA "Oslo" commitment of progressive increased redistribution in favour of the regions.

Considering this resolution as a strategic action for the ICA global and its regions, any concrete proposal developed on these different points shall be integrated in the regionalisation process and presented to the ICA Board according to the committed timetable.