

SIDA Evaluation Report, Cooperatives, Central America and the Caribbean

1991/5

JOINING FORCES

An Evaluation of Cooperative Integration in Central America and the Caribbean
through CCC-CA/SCC



by Elisabeth Lewin and Guido A. Monge



This evaluation was carried out in April – May 1991
by an independent team consisting of
Elisabeth Lewin and
Guido A. Monge.

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EXECUTIVE SUMMARY

Since 1987, the Swedish International Development Authority (SIDA) is providing major financial support to CCC-CA and its programme activities through the Swedish Cooperative Centre (SCC). The total amount of the support 1987 - 92 is Swedish Crowns 19.2 million (appr USD 3.2 million).

In early 1991, a major evaluation of CCC-CA and its programme was commissioned by SIDA. The main purpose of the evaluation was to give SIDA a solid basis for its upcoming decision with regard to possible continued support to SCC/CCC-CA beyond June 30, 1992. The focus of this evaluation was on the organizational development of CCC-CA, the effectiveness of SCC in implementing the Swedish support, the achievement of programme objectives and benefits to affiliated organizations and base cooperatives.

CCC-CA has a central office in San José, Costa Rica, and a small, subsidiary office in Puerto Rico. Its work is carried out mainly in the following areas:

- Institutional Development: developing the central office and efforts to enhance the integration of the cooperative movement at the national, as well as at the regional level.
- Training: strengthening of national training centres and the organization of national and regional courses and seminars in areas, such as administration, financial management, legislation and training methodology.
- Marketing: the development of strategies for the sale of goods produced by cooperatives on national and international markets and for bulk purchase of inputs required for the production.
- Information and Documentation: the promotion and establishment of an information network in the region and the publication and distribution of books, reports and newsletters.

In their report, the evaluators point out that the cooperative movement in Central America and the support to CCC-CA must be viewed in the perspective of the very difficult and unstable political, economic and social situation in the region. In the past decade, the cooperative movement has suffered from a severe crisis due not only to external adverse circumstances, but also to internal structural problems. There is a great disparity between the movements in the region as to their weight in the national economies, their level of development and the degree of national integration.



CCC-CA, the Confederation of Cooperatives of the Caribbean and Central America, is an international organization with more than 59 affiliated organizations in 12 countries of the region. Its principal purpose is to strengthen the cooperative movements in their dual dimension: as economic enterprises and social organizations.

The evaluation concludes that the cooperative model is a viable alternative to private enterprises in achieving economic growth, social development and democratization of ownership and working life. However, the cooperative movement needs to analyse and become more aware of its potential role as a social and economic force, before the movement is weakened and marginalized by current neoliberal or conservative government policies. CCC-CA should take the lead in this process and define strategies that will strengthen and integrate the movements on the national and regional levels.

CCC-CA has played a vital role as a catalyst and agent of change. Genuine processes of regional integration have begun and important contacts between national cooperative movements and their leaders have been established. Nevertheless, much remains to be done to enhance integration at the national level. Therefore, CCC-CA should give continued priority to support on this level.



The Director of the Board of CCC-CA, Daniel Nunez, talking to farmers in Nicaragua. CCC-CA has developed into a professional, mature and effective organisation. Photo: Nitza Kakossaios

Another area of particular concern is the degree of representation achieved by CCC-CA. It seems clear that CCC-CA is not representing the whole movement; only a fraction of the cooperatives are federated and CCC-CA must broaden its affiliation policy to include non-federated cooperatives.

CCC-CA's main programmes show satisfactory progress and results. CCC-CA has shown sensitivity and flexibility in adjusting strategies and programmes to meet the evolving demands of member organizations. With regard to Institutional Development, the evaluators conclude that in just a few years CCC-CA has developed into a professional, mature, and effective organization. It is now self-sufficient and sustainable in all areas except one: financial resources. Its continued dependency — to 80% — on external financing, mainly that from Sweden, is most unsatisfactory. A systematic and viable plan to raise more financial resources from member organizations needs to be developed urgently.

While CCC-CA has shown a notable progress in planning its activities, a lot more needs to be done to improve the monitoring and follow-up on the national level. In view of the enhanced role CCC-CA must play in defining a strategic position for the cooperative movement, it will be necessary to strengthen its

capabilities for research and analysis. It should also assist national movements in elaborating a diagnosis and a development plan and to set up mechanisms for planning, monitoring and evaluation of their activities.

The Marketing Programme has a great potential for developing the economic base of the cooperatives whereby the cooperative movement as a whole would gain power and influence. However, the programme is complex and exposed to great risks, both external and internal. In the present phase the most important thing is to continue strengthening the national marketing systems which will provide the backbone for future regional trading programmes.

Training has been a key area for the integration and development of the movement and has been instrumental in forming a critical mass of trained human resources. However, it will be necessary to adapt the training programme to respond to new demands. Training will have to become more specialized for example in management and marketing, the demand for technical assistance (consultancies) will increase and mechanisms for study visits and exchange of experience be developed. The Training, Marketing and Information programmes should become more closely coordinated than at present.

With regard to Information and Documentation, an information network called REDICOOP is being established in national information centres with computer equipment provided by PROCOOPCA (the European Community). Before the network can play a key role for the Marketing Programme, it needs to be further consolidated and promoted on the national level. With regard to documentation, the quantity and quality of publications produced by CCC-CA are impressive.

CCC-CA's presence and activities in the region have had an impact on member federations and confederations. They have benefitted from courses and seminars and links have been established with other organizations. CCC-CA's visions, strategies and priorities have influenced the agenda of member organizations. Its impact on the level of base cooperatives is more difficult to establish, although there are a few positive examples. The future will show if benefits will increase and prove sustainable in the long term.

A division of responsibility and mechanisms of co-ordination have been established among most of the international organizations supporting cooperatives. However, between CCC-CA and ICA (International Cooperative Alliance, Regional Office) undefined boundaries and a duplication of tasks may cause problems now and in the future. The similar functions of CCC-CA and ICA are confusing to the countries of the region and also to prospective donors.

The Swedish Cooperative Centre (SCC) has played a fundamental role in consolidating CCC-CA. Its support has not only been financial, but has also contributed to the organizational development of CCC-CA. The two organizations have been working so closely together that it is difficult to distinguish their respective roles. Given that CCC-CA has now reached institutional maturity and self-sufficiency — except with regard to financing — SCC's role should change. In the future, SCC should pull back and avoid participating actively in the planning and programming process and in the elaboration of application for funds. Instead,

SCC should be a dialogue partner, a sounding board to CCC-CA when it comes to its strategic planning and development.

SCC's reporting to SIDA should to be better adapted to the needs of SIDA and should follow established formats. SIDA's representative in the region (Guatemala) should be kept informed of the status of the support to CCC-CA and the situation of the cooperative movement in the region.

Finally, the evaluators recommend that SIDA continue the financial support to SCC/CCC-CA at approximately the same level for a new three year period (July, 1992 - June, 1995). The support should be given on the conditions that CCC-CA develop and implement a viable plan for increasing self-financing for the new period, that the general administration of the CCC-CA office be fully financed with internal resources and that disbursement of Swedish funds be tied to the achievement of measurable goals for internal financing.

Chapter 1

PURPOSE, SCOPE AND IMPLEMENTATION OF THE EVALUATION

As a matter of principle, the Swedish International Development Authority, SIDA, regularly undertakes independent evaluations of projects and programmes that are given major Swedish support for an extended period of time.

The reasons for the evaluations are several: SIDA needs to know whether supported programmes are in line with the general goals established by the Swedish Parliament, to what extent the objectives of programmes are being achieved, what has been their impact and whether the programmes are implemented in a cost-effective way. This is essential information not only to the decision-makers and programme officers of SIDA, but also to those who provide the funds, i.e. the Swedish people. Ideally, evaluations are also helpful to the organization being scrutinized in that they provide an independent and external analysis which may throw new light on strategies, plans and programmes and help give ideas for future directions.

According to the terms of reference (see appendix 1) elaborated and established by SIDA and approved by SCC and CCC-CA this particular evaluation has three purposes:

- to establish whether the Swedish support to CCC-CA meets the objectives of Sweden's regional support to Central America, specifically with regard to the promotion of democratic development and the collaboration among the countries in the region,
- to analyse whether and in what way CCC-CA and SCC have achieved their established objectives, and
- to serve as a basis for the elaboration of strategies and plans for a possible continued Swedish support.

The evaluation focuses on the following issues:

- 1 the development of CCC-CA since the inception of the Swedish support in 1987 and its role within the community of regional and international cooperative organizations
- 2 the evolution and characteristics of the support of SCC,

- 3 the achievement of objectives of the various programmes of CCC-CA,
- 4 the fulfillment of the goals of CCC-CA and SCC, especially in the areas of integration, legislation, training, information and documentation, financial support, technical assistance and women's participation,
- 5 how and to what extent member organizations have benefitted from the existence of CCC-CA and its programmes, and
- 6 the effectiveness of SCC in implementing the Swedish support to CCC-CA.

On the basis of their analysis and assessment, the evaluators were asked to give recommendations as to advisable changes with regard to the objectives, strategies and programmes of CCC-CA. They were also expected to recommend how possible future support to CCC-CA should be structured, should SIDA decide to offer continued funding.

The evaluation was undertaken during six weeks in April - May 1991 and included visits to the CCC-CA head office in San José and seven countries in the region (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic, Puerto Rico) where meetings and interviews were held with affiliated organizations. In addition, interviews with two other regional organizations of cooperatives (ACI and PROCOOPCA) were included. In the course of the study representatives of SCC and SIDA were also interviewed. In all the evaluators interviewed close to 140 people.

The evaluation was carried out by two consultants, Elisabeth Lewin, MBA, former Director of Evaluation, SIDA, Sweden, and Guido Alberto Monge F, MSc Economist/Sociologist, Association for Development Alternatives, Costa Rica. The two evaluators share the responsibility for this report and the conclusions and recommendations presented.

The evaluation was to have been composed of three consultants, each one with a different area of specialization. Unfortunately, due to factors beyond control, one of the consultants had to withdraw only a few days before the mission was to start why the team was reduced to two people. Nevertheless, the original terms of reference were kept intact.

The methodology approach for the evaluation was composed of the following steps:

1. Review of the documentation provided by SIDA, SCC and CCC-CA.
2. Interviews with programme officials of SIDA and SCC.
3. Elaboration of an evaluation plan including structure of interviews and questionnaires for the visits to CCC-CA and the countries of the region.
4. Interviews with the Director and Staff of CCC-CA.
5. Visits to seven countries. Interviews with affiliated organizations of CCC-CA and field visits to cooperatives.
6. Interviews with other international organizations of the cooperative movement.
7. Analysis of a matrix containing evaluation criteria and indicators for each programme component. This information was provided by the staff of CCC-CA.
8. Analysis of information received under step 1,2 4,5, 6 and 7 above. Discussion

and formulation of conclusions and recommendations within the team.

9. Report writing.

10. Presentation of conclusions and recommendations to CCC-CA, SCC and SIDA.

One point of departure for the evaluation was the base-line study commissioned by SCC/CCC-CA and carried out by Alternativas de Desarrollo in 1990. The information and data presented in this study proved very useful. However, one should be aware of the short time span between the time of the base-line study and the evaluation.

The team would like to thank CCC-CA and affiliated organizations for the very well organized programmes in all countries. We also would like to express our sincere appreciation to all those people who shared with us their time, experience and concerns. Without such generous collaboration and effective logistics this study would not have been possible. It is our sincere wish that this evaluation will be useful not only for SIDA, but also for SCC, CCC-CA and its member organizations.

Chapter 2

PROGRAMME CONTEXT¹

Introduction

An evaluation of the Swedish support to CCC-CA and the cooperative movement in Central America and the Caribbean must be undertaken in the light of the political, economic and social situation of the region and must take into account the particular circumstances of the cooperative movement in each one of the countries. It is necessary to determine the role that the cooperative movement has played in the past and might play in the future in the socio-economic development of the region.

Furthermore, the role of the movement must be viewed in the context of present international trends with regard to the transformation of trade patterns. Only then is it possible to establish the impact that external support and the programmes of CCC-CA have had and may continue having on the integration and consolidation of the cooperative movement.

With this perspective in mind, the reader's attention should be directed to the structural economic crisis affecting the countries of Central America and the Caribbean. This crisis has resulted in further concentration of wealth, wide-spread impoverishment of large segments of the population, rapidly increasing inflation, slower BNP growth rates, stagnation or even reduced level of production, increased foreign debt and consequently limited possibilities of a reactivation of the national economies.

It is also necessary to recognize the unstable social and political situation of most of the countries of the region in the past 20 years and that the cooperative model has suffered a major crisis in the past decade. This crisis is attributable to not only to external economic, social and political problems, but also to internal structural deficiencies at the various levels of the cooperative movement.²

¹This chapter has been written with the collaboration of Pedro Morales, MEcon. It is partly based on the Base-Line Study, Vol 1, Ch 2, elaborated by *Alternativas de Desarrollo* for SCC/CCC-CA in 1990.

²A brief summary of the programme context at the country level is included in Annex I as an introduction to the

Evolution of the Cooperative Movement in the Region

From the early 1940's, the cooperative movement has been characterized by an increasing participation in the economic, social and political life of the nations of the region. The movement arose among people as a legitimate and socially acceptable response to the injustice, oppression, poverty and material and spiritual backwardness that characterized the situation of the majority of the people.

The 1950's, 60's and 70's witnessed an expansion of cooperativism. The number of cooperatives rose, federations and cooperative unions were created. A new development model based on import substitution and increased participation by the state in the economic and social life of the nations promoted and favoured the development of the cooperative movement. As a form of social organization, cooperativism was important in that it gave people access to the means of production and thereby made it possible to generate and distribute wealth on a more equitable basis.

While fostering economic democracy the movement also inspires and strengthens the political processes in the region leading to further democratization and enhanced participation. It also becomes an instrument for the integration of people and nations. The contribution of the cooperative movement in this process is indisputable, although it can not easily be measured.

The depletion of the above mentioned development model, the stagnation of the world economy and the economic and political crisis of the late 1970's and early 1980's have seriously affected the cooperative movement. Except for a few activities, particularly those associated with the production and marketing of traditional exports, the cooperative movement has fallen into a deep crisis from which it has not yet recovered.

This crisis has brought out into the open structural problems of the cooperative movement in the region. The following problems are evident:

- i) weakness, lack of communication and problems of coordination at the national level,
- ii) disparity in the development of the various cooperative sectors and inadequate coordination among them,
- iii) insufficient information and analysis on the national level of the situation of the various cooperative movements,
- iv) inadequate planning, follow-up and evaluation,
- v) problems of financing and credits,
- vi) insufficient administrative and managerial capability in the cooperatives, and, finally,
- vii) deficiencies in the education and training programmes of the cooperative movements.

In spite of these difficulties, cooperatives play a notable role in the national economies. In most countries, their share of BNP ranges from 5 to 10%. The share in some sectors is considerably higher, for example in coffee and dairy production in Costa Rica and Savings and Loans in Puerto Rico.

In economies where a low national savings rate constitutes a structural problem,

the cooperative savings system has proven to be an effective instrument for increasing the national savings capacity. Besides, this system has been instrumental in creating sources of financing for cooperatives and their members who would not otherwise have access to credit.

The cooperative movement is also playing an important part in providing public services, such as transportation and the generation of electrical power, services that directly benefit lower income groups in countries, such as Costa Rica, Panama and the Dominican Republic.

The cooperative movement has also contributed to the stabilization of prices and the maintaining of a reliable food supply in Costa Rica, Guatemala and Nicaragua. To this effect, the cooperative movement has been supplying basic food stuff at low and stable prices and setting up cooperative stores in rural, as well as in marginal areas of the cities.

The Cooperative Movement as a Political, Economic and Social Force

The description in the previous sections is by no means exhaustive. Rather, it may serve as an illustration of the role played by the cooperative movement in the region. Largely, it is the access to means of production and the resulting generation of benefits for important segments of the population that has given and continues to give the cooperative movement political weight. The creation of second and third degree cooperative organizations (federations and confederations) by the movement itself and the establishment by governments of special institutions aimed at promoting cooperatives have also helped enhance the political role of the movement.

In the past decade, notable efforts have been made to achieve peace in the region, particularly in Central America, and to set the stage for economic development with social justice. It is being recognized that political and economic democracy is a prerequisite for lasting peace. It has been clearly demonstrated that the presence of the cooperative movement is in itself an expression of democracy at the local level. Consequently, the growth and consolidation of the movement help provide some of the preconditions for peace.

As indicated earlier, the political, economic and social crises experienced by the region have had adverse effects on the development of the cooperative movement, but they have also revealed its structural deficiencies. In order for the cooperative movement to make further progress it must overcome its structural problems and define strategies that will turn this movement into an active force capable of confronting the new challenges it is facing.

In defining its strategies, the movement must take into account changes taking place internationally that will undoubtedly affect the political and economic situation of the region in the next few years. The cooperative movement will have to adopt a position with regard to various issues and should take part in the formulation of national policies. It should also use its regional organizations to



Coffe-growing in Costa Rica. Cooperatives account for a relatively large share, between 5% and 10%, of total GNP. The cooperatives also increase savings and create sources of financing for groups that otherwise would not have been given credit.

Photo: Ulf Anér, Bazaar Photo Agency.

federations or confederations do not have a clear idea of what characterizes the cooperative movement.

The rapid international changes in technology and trade are revolutionizing production and commercial exchange patterns. This will force the countries of the region to incorporate new technologies and to become fully involved in the formation of a more integrated trade system dominated by a limited number of economic blocks competing with each other. Countries that do not take part in this process will inevitably lag behind and be destined to underdevelopment. And those economic and social organizations that do not keep up with the development described above will fail to survive.

In a situation of an opening of foreign markets and keener competition, one of the most serious limitations is the conception that the cooperative movement maintains of itself. Its character of social organization has been raised above its role as economic enterprise generating wealth and an equitable distribution. In the future, effectiveness, productivity and cost-efficiency will have to characterize any activity that the movement undertakes, if the cooperative movement is to succeed and survive.

In the light of the rapidly changing reality, a revision of traditional structures of cooperatives will be necessary on all levels, including federations, confederations and auxiliary cooperative organizations. Without sacrificing the democratic principles governing cooperative organizations, operations have to be streamlined and the roles and responsibilities of each organization clearly defined.

Potential of the Regional Cooperative Movement

Already Bolivar, Marti and other heroes of Independence had dreams of regional integration, a concept which is now a historic imperative. The recent Central American peace process initiated in Esquipulas is a true reflection of the desire for closer regional cooperation and integration. Regional integration is now always a key item on the agenda of meetings of governments and institutions of the region. Summit meetings of the presidents of Central America include not only follow up of the peace resolutions, but also of resolutions related to the process of integration.

The cooperative movement must not remain isolated from this process of change. On the contrary, it should play an active part to defend the movement against negative consequences and to influence the direction of change.

One of the challenges of the cooperative movement is that benefits of the new international order will only materialize for the vast majority of the population, if the cooperatives become effective producers and manage to distribute the results in an equitable manner. One of the prerequisites for this to happen is solidarity among people. The cooperativist doctrine put into practice has proven an effective instrument for solidarity.

Peace is an indispensable prerequisite for economic and social development. Without a participative democracy there will be no lasting peace. The political change toward pluralistic systems must be accompanied by increasing participation by people, organizations and entities in national decisions. The demand for

democratic decision-making must be met. Micro-electronic technology now makes it technically feasible for a majority of people to participate in a large number of decisions. Technical facilities also makes it possible to disseminate information on a scale which would have seemed impossible not long ago.

The cooperative movement is by its very nature participative. It is only through participation and democracy that social development will regain the predominance it should rightly have. The more social groups are able to express their demands to the political system and the more the idea of creating opportunities for all is promoted, the more inevitable is an extensive discussion of social issues. The cooperative movement has a special responsibility for making demands for social development and justice, because it is precisely in this movement that a strong concern for economic and social progress for a majority of people exists.

Today, more than ever, the societies of Central America and the Caribbean need a strong cooperative movement tightly interwoven with their regional organizations as an active agent of change for a fair, just and prosperous society. For this purpose, it is vital to consolidate the national and regional organizations of integration. Over and above any programmes aimed at specific needs, there must be a concerted effort toward dialogue in grass root cooperatives and in second and third tier cooperative organizations in order for the cooperative movement to recover its original philosophical doctrine and to define a strategy for its participation in the economic and social development of the nations.



*Peace is necessary for economic and social development. The cooperative movement supports and actively takes part in the peace process. The booklet is from the Conference of Cooperativism, Democracy and Peace arranged by CCC-CA.
Photo: Lena Granfelt, Bazaar Photo Agency.*

Chapter 3

THE SWEDISH SUPPORT

In 1987/88 Sweden initiated regional development cooperation with Central America. The underlying foreign policy motive was a desire by the Swedish Government to support the emerging peace process as perceived in the agreement called Esquipulas II, as well as to help promote democratization, integration and cooperation in the region.

The Regional Programme for Central America has grown substantially in past years and has reached an annual amount of SEK 90 million (appr USD 15 million) in 1990/91. The assistance is extended through the Swedish International Development Authority (SIDA) to selected regional organizations in Central America in areas such as human rights, economic and social development, environment and training in management and public administration.

One of the regional organizations supported under this programme is the Confederation of Cooperatives of Central America and the Caribbean (CCC-CA). In this case, although the programme is fully funded by SIDA, it is implemented by the Swedish Cooperative Centre (SCC). It was SCC that took the initiative to the support, that is the Swedish partner of CCC-CA and that has the full responsibility for the implementation and monitoring of the programme and support.

Thus, there is no direct link between SIDA and CCC-CA. However, it is an obligation of SCC to keep SIDA informed of the development of the programme and to provide SIDA with periodic reports and audited accounts. Furthermore, SIDA has the right and obligation to undertake periodic evaluations. There are formal agreements between SCC and CCC-CA, as well as between SIDA and SCC.

SCC's collaboration with CCC-CA started in early 1987. There have been three subsequent agreements between SIDA and SCC pertaining to the support of CCC-CA, as follows:

<u>Period of agreement</u>	<u>Amount (SEK)</u>
1 January - 30 June 1987	1 013 000
1 July 1987 - 30 June 1989	6 203 000
<u>1 July 1989 - 30 June 1992</u>	<u>12 000 000</u>
Total support	SEK 19 216 000

The first agreement was a short term support to keep CCC-CA going while plans for a medium term support were being elaborated. The two year agreement that followed (1987 - 89) was composed of support to four components: Institutional Development, Information and Documentation, Marketing and Training. The following (present) three year agreement (1989-92) is composed of the previous four components plus three additional ones, i.e. a Women's programme and special support to the consumer federation FEDECCON of Guatemala and the Confederation of Honduras. The two last mentioned components will most probably be removed from the CCC-CA programme in 1991 to be funded and administered directly by SCC. Therefore, they will not be further discussed in this report.

The objectives and main activities of the other five components are briefly described below.

1. Institutional Development

- Assure a normal functioning of the headquarters of CCC-CA in San José, Costa Rica
- Consolidate the financial situation of CCC-CA
- Improve the capacity for planning, implementation, monitoring and evaluation of CCC-CA
- Contribute to the strengthening and integration of cooperative movements in the region
- Stimulate analysis on national levels of the political economic and social reality and the potential role of the cooperative movements.

2. Information and Documentation

- Plan, coordinate, produce and distribute information to affiliates of CCC-CA
- Promote the establishment of an information network (REDICOOP) on the regional and national levels.

3. Marketing Programme

- Establish a system of interchange of commercial information among cooperative organizations and producers of the region
- Promote negotiations on the national level with regard to bulk purchase of inputs required by cooperatives
- Explore and penetrate markets for non-traditional products

Some of the components will have been subject to minor reductions, SEK 1,254,000 in all.



A wide variety of cooperatives are members of CCC-CA. Although mostly small cooperatives like the cooperative store whose board is shown below, CCC-CA also includes organisations such as the large insurance company above.

Photo: Armando Costa Pinto.



- Provide high level technical assistance in areas such as design, processing and packing
 - Create and develop the capacity of cooperatives to export and import through a revolving fund
4. Training Programme
- Strengthen the capacity of national cooperative training centres
 - Strengthen the coordination of the various training programmes and consolidate CCC-CA's own training programme
 - Promote the transfer of technology to modernize production processes
 - Provide management training to staff of cooperatives.
5. Women's Programme

- Attain a higher level of participation of women at all levels of the cooperative movement
- Achieve integration and collaboration among women at the local, national and regional levels
- Provide opportunities for women to participate in productive projects that will provide an income.

At the end of this chapter, the goals of Swedish development assistance are presented along with the goals, objectives and programmes of CCC-CA. As can be seen, there are several parallel objectives: democratization, economic growth, social development and equity. It may be concluded that the support to CCC-CA fits very well into the framework of Swedish development cooperation both at the level of Swedish overall goals and the specific goals of the Regional Programme for Central America.

Cooperativism has the potential of promoting economic growth and to serve as an effective mechanism to enhance a more equitable distribution of income and benefits as well as more democratic forms of decision-making. Cooperative production provides one of the few opportunities for ordinary people, especially those in rural areas, to get access to means of production and thereby make possible generation of income.

Peace is both a prerequisite and a result of social and economic development. Without economic democracy and participation and more equitable distribution of income and property there will be no lasting peace. Thus, the cooperative movement has no doubt the potential of contributing to the fulfillment of its established goals.

Chapter 4

BUDGET OF CCC-CA AND SOURCES OF FUNDING

Budget and Use of Funds 1989 - 92

The budget presented to SIDA by SCC/CCC-CA in May, 1989, for the three year period 1 July, 1989 - 30 June, 1992, was in the amount of SEK 14,690 million (appr USD 2.2 million).

In October 1989, the Swedish Government approved a grant in the amount of SEK 12 million. The reduction as compared to the budget was mainly a result of the omission of a special component for the Caribbean which could not be funded from the budget for regional support to Central America. About 10% of the approved amount was to cover SCC's administration of the support to CCC-CA. The composition of the budget was as follows:

BUDGET FOR THE SWEDISH SUPPORT TO CCC-CA 1989 - 92 (3 YEARS)

	SEK thousand	% of Programme Cost
Institutional Development	2,124.0	18
Information and Documentation	1,642.5	14
Marketing	2,677.5	23
Training	2,932.5	25
Women's Programme	455.0	4
CHC, Honduras/Fedeccon, Gua	1,923.0	16
TOTAL PROGRAMME	11,754.5¹	100%
(Caribbean Programme	1,436.5	- not approved)
SCC Admin support and monitoring	1,499.0	
Total budget proposed to SIDA	14,690	
(SEK - THOUSAND)		

¹ The contribution from SCC/SIDA was 49, 70, 61 and 65%, respectively, of total funds.

Total funds actually disbursed by CCC-CA deviate to a certain extent from the budget. The proportion of funds spent on each one of the programme components and on administration are shown in the table below. It should be noted that this table includes CCC-CA's administration as a separate item and that the percentage figures are therefore not directly comparable to those in the previous table.

FUNDS DISBURSED BY CCC-CA

% of Funds Spent	1987	1988	1989	1990
Institutional Development	25	26	27	22
Information & Documentation	1	6	10	7
Marketing	17	13	11	14
Training	9	38	19	20
CFC; Honduras/Fedecon, Gua	-	-	6	16
Other programmes	6	7	6	7
TOTAL PROGRAMMES	58	90	79	86
CCC-CA Administration	42	10	21	14
	100%	100%	100%	100%

Institutional Development (1990: USD 156,000, 22%) is rather stable at about 1/4 of the total budget. After the initial period of build-up of the CCC-CA head office a cut back should now be possible. The fact that in 1990 the percentage was down to 22% may be a sign of such a trend.

Information and Documentation (1990: USD 50,000, 7%) represents a reasonable amount and percentage for an organization with wide-spread membership and whose objective is regional integration. This programme will require continued support, although perhaps somewhat reduced, once the national information centres are fully established and in a position to market their services.

Marketing (1990: USD 100,000, 14%) is perhaps the programme with the greatest future potential for the cooperative movement. In the medium or long term, this programme may be self-financed. However, during the next 2 - 4 years major financial support will be required. This programme should therefore be given a greater share of total resources in the next few years.

Training (1990: USD 145,000, 20%) was by far the biggest programme in 1988 but has been reduced to about 1/5 of the overall budget. The fact that more events now take place at national training centres instead of at more expensive hotels have reduced the costs. Also, there are now fewer regional and more national events which also helps bring down the cost.

Strengthening of CFC, Honduras and Fedecon, Guatemala (1990: USD 106,000, 16%). As mentioned above, these two programmes will no longer be part of the CCC-CA support after June 1991, but will take the form of direct support from SCC. This appears a good idea considering CCC-CA's mandate as a regional organization that should satisfy the needs of all affiliated organizations, rather than giving preference to a few.

Other programmes, including Integration of Women (1990: USD 70,000, 4%). Integration and increased participation of women is a priority of Swedish development assistance. As such, it was natural to include this component in the CCC-CA support. It was a disappointment for the evaluators to learn that CCC-CA does not yet have a programme for the integration of women. Instead, it supports activities in this area organized by ICA. Only a fraction of the budgeted amount has been disbursed so far.

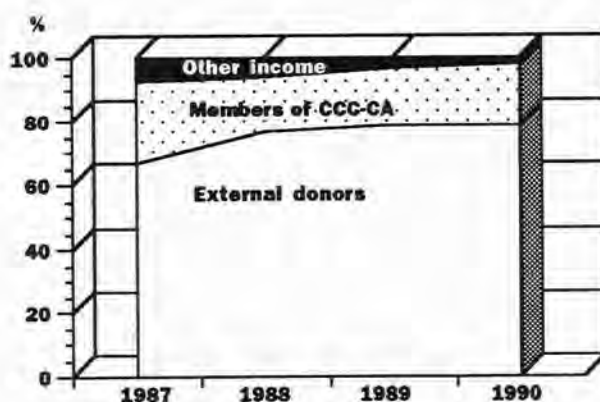
Funding of CCC-CA's Programme and Administration

In 1990, CCC-CA's total income was in the amount of USD 718,000. The sources were the following:

SOURCES OF CCC-CA INCOME

	USD thousand	%
External donors	566	79
Members of CCC-CA	139	19
Other income	13	2
TOTAL (USD thousand)	718	100%

FUNDING PATTERN 1987 - 90 (percentage of total income):



As may be seen from the table, CCC-CA's dependency on external funding has gradually increased since 1987. The dependency on Swedish funds remains at a high level and almost two thirds of funds are now from SCC/SIDA. It is disappointing to

find that no improvement has taken place with regard to the self-financing of CCC-CA. In fact the pattern is the opposite. The gap between external and internal financing is too large. Although some thought is given to ways of increasing funding from affiliated organizations, a consistent plan of decreasing the dependency and gradually phasing out the Swedish support has not yet been developed by CCC-CA.

It should be recognized, however, that some efforts to increase the income from internal sources have been made. One of the steps taken by CCC-CA has been to raise the contributions by participants in courses and seminars from 5 to 20% of the actual cost. Another step is to have recipient cooperative organizations pay 50% of consultancy services provided through CCC-CA. CCC-CA has also taken the initiative of establishing a Capital Fund. The goal is to raise USD 300,000 from 1991 to 1995 through contributions from affiliated members and cooperatives. The intermediate goal for June 1992 is USD 100,000. In the opinion of the evaluators, this is an over-optimistic plan.

Another measure taken to improve the financial situation has been to change the by-laws of CCC-CA (October 1990) whereby it is now possible to take disciplinary action against organizations failing to pay their annual fees. The amount of unpaid fees at the end of 1990 (for 1990 and previous years) was as high as USD 59,000, a considerable sum in view of the level of total fees for 1990 which was USD 70,000. It should be noted, however, that fees from new member organizations are compensating the shortfall of passive members, some of which have now been suspended.

Furthermore, CCC-CA has come up with other creative solutions. One example is that indebted member organizations - in order to reduce their debt to CCC-CA - are allowed to pay in local currency for events or seminars that CCC-CA organizes in that country. This mechanism has for example been applied to the Dominican Republic. Thus, it should be stressed that the lack of self-financing does not reflect an absence of good ideas and initiatives, but rather a lack of a systematic and viable plan on behalf of CCC-CA.

The ideal solution to CCC-CA would be to develop financially successful projects, for example in the area of marketing, that could become a potential source of regular income. Another possibility would be the development of marketable services through the information network, REDICOOP.

In summary, the very strong financial support to CCC-CA in its initial phase of organizational build-up and programme development may have been reasonable, but at this point in time CCC-CA must make serious efforts to become more financially self-sufficient and less dependent on external donors.

The size and financial strength of the affiliated member organizations of CCC-CA vary greatly. Some are small and weak and on the brink of bankruptcy, while others are large and financially successful. The membership fees range from USD 750/year for associate members to USD 1,500 (in a few cases up to USD 2,500) for full members. In the opinion of the evaluators, it should be possible to classify members into different categories according to size, financial strength or other criteria and charge different levels of member fees. It should also be possible to

increase the membership and thereby expand the financial base.

All participation in courses, seminars, study tours etcetera is heavily subsidized by CCC-CA participant organizations paying only a small fraction of the actual cost (up to 20%). This level of subsidy may be necessary in some cases but certainly not in all. Besides generating more income for CCC-CA, reduced subsidies may have another advantage. Experience shows clearly that paying for a service makes people value what they get much more. If members do not find CCC-CA's activities worth paying for, the activities may not be worth doing.

A recommendation of the evaluators is that SCC/SIDA demand a greater proportion of internal financing from CCC-CA. A plan should be developed to gradually decrease the dependency on external donors. Any new funding from SIDA should be given on the condition of a certain matching contribution from the affiliated members of CCC-CA.

Chapter 5

ACHIEVEMENT OF GOALS AND PROGRAMME OBJECTIVES

From an analytical point of view, separating the programme components of CCC-CA has the advantage of allowing an evaluation of each component and its specific objectives. A limitation of this approach is, however, that it does not recognize the coherence, interrelation and interaction among the various components. The latter is an evaluation criteria in itself aiming at determining whether each programme component is an "island" or whether it forms an integrated part of the whole.

It is the perception of the evaluators that the level of coherence and coordination among programme components is considerable. Judging from the evaluators' visits to the countries, this had not been the case in the early stages of CCC-CA's activities in the region when the various programmes were perceived by affiliated organizations as separate elements with little coordination. The clarity with which CCC-CA now formulates its strategies and programmes has helped enhance the coherence and integration of its programmes. Although this process is not yet fully completed, it is now evident that each one of the component has a particular place in the programme of CCC-CA, the various components supporting each other.


This introduction will set the stage for the evaluation of the programme components.

Institutional Development

Although institutional changes and restructuring certainly had taken place prior to the inception of SIDA's and SCC's support to CCC-CA in 1987, there is no doubt that the process of change was accelerated once the collaboration got off ground. The Swedish support has made it possible for CCC-CA to achieve internal consolidation and attain a higher level of institutional maturity.

Objectives

The main objectives of this component are: i) the strengthening of CCC-CA's central office, ii) consolidation of internal operational and financial control systems, iii) planning, implementation, monitoring and evaluation of CCC-CA's programmes and budgets and iv) financial sustainability.




The folder above gives basic advice on how to export products. For example, the importance of a good presentation of products is stressed.

...constituye un trabajo harto...
...es mejor dejar este trabajo en manos de agencias o ase-
...ores de publicidad.

FERIAS Y EXPOSICIONES

La exhibición de nuestros productos en ferias y exposición en el extranjero, pueden constituir una forma interesante de darlos a conocer. Además de atraer a muchos clientes potenciales.



A great virtue of the programme lies in its recognition of the importance that the current formation of economic blocks is having for the region. This process is relentlessly leading to a more interdependent and integrated global economic system in which economic blocks are competing with each other. At this point in time, the question is not whether integration is convenient and desirable, but rather how to proceed in order to fit into the new trade patterns characterized by greater openness and trade liberalization.

So far, the majority of the popular movements, among them the cooperative, have failed to promote or actively participate in the definition or discussion of possible schemes of incorporation or integration, such as the "Initiative of the Americas" by President Bush. Against this background, the Marketing Programme of CCC-CA is particularly important in that it represents a contribution to a scheme for regional economic cooperation among cooperatives.

Nevertheless, the complexities of a regional, economic integration process among cooperatives must be fully recognized. The development of the Central American Common Market (MCCA) in the 1960's and 70's with its successes and failures may serve as a historic framework and help put the potentials and constraints of the Marketing Programme in a proper perspective.

The structural weaknesses of the cooperative movement referred to in Ch 2 (Programme Context) must be overcome in the medium or long term to make possible a regional marketing system. This will be a long process requiring strong technical and financial support. The achievement of an effective regional marketing system may constitute a real potential of providing a financial base for CCC-CA's

entire operations. If successful, this programme may in the end justify all the support provided by Sweden to CCC-CA.

These introductory remarks will serve as an introduction to the evaluation of the Marketing Programme proper.

Evolution of the Programme

The development of the Marketing Programme is clearly reflecting the complexity of achieving regional, economic integration. The original formulation of programme objectives in early 1988 was extremely ambitious. The first attempts to organize commercial exchange revealed tremendous deficiencies in the cooperatives of the region, especially in those linked to production. Some of the major problems were the following: i) an almost complete lack of background as to inter-cooperative marketing, ii) non-existent market mechanisms - the cooperatives using traditional channels, i e private intermediaries, iii) absence of managerial marketing expertise, and iv) financial weakness of the cooperatives.

These limitations forced CCC-CA to redefine its programme and adapt it to the possibilities of the national cooperative movements. In 1987/88 the main tasks were to raise the awareness of the concept of regional cooperative integration and to promote a dialogue at the national level. For this purpose, national marketing committees were formed. These were conceived more as centres of dialogue and coordination than as operational entities. In this phase it was decided to implement the following activities: i) specialized training in marketing techniques for managers of cooperatives (their knowledge was practically non-existent), ii) a network of commercial information and iii) national data bases of exportable products. Both ii) and iii) would contribute to the establishment of the so called "Cooperative Information Network, REDICOOP" whose purpose it was to support the creation of an integrated cooperative marketing system.

The creation of these committees was a necessary step before viable schemes could be developed for negotiations on the national and regional levels. The outcome of the negotiations was the cooperative marketing consortia formed in 1990 which have more of an operative character.

Recently, CCC-CA has focused its attention on the consolidation of the minimum organizational structure required for the operation in each country and on the commercial information system which is to support the Marketing Programme, on the national level, especially in the early stages.

Objectives

The two main objectives of the Marketing Programme are: i) the establishment of a marketing and commercial information system for cooperatives and ii) the support to cooperative organizations through specialized training and technical advice. Without excluding other sectors, CCC-CA is concentrating its efforts on agriculture, handicraft and fishing.



Distribution of fertilizers. If the farmers can get together and order large quantities of inputs such as fertilizers, they will get a better price. CCC-CA is now negotiating with Norsk Hydro for a bulk purchase of fertilizers for the cooperatives in the region. Photo: Armando Costa Pinto.

Achievements

Implementation of a Marketing and Commercial Information System

In most of the countries visited the process is now in its initial phase of organizing basic structures, including the commercial consortia. In a few countries (Honduras, Panama and Costa Rica) feasibility studies are being undertaken to determine the operational viability of the consortia. In the Dominican Republic, Nicaragua, Puerto Rico, Guatemala and El Salvador feasibility studies are pending. The studies are financed by the countries themselves with the support of CCC-CA. This first step is important for defining the potential volume of trade, the operational mechanisms, the need for technical support etcetera.

As this phase is just starting, it is premature to pass an opinion on the achievement of objectives. However, it is worth noting that, as compared to the observations presented in the Base-Line Study in June 1990, there has been considerable progress.

Development of Commercial Transactions

With regard to the actual exchange of goods, sales have been effectuated only on a

limited scale until now, for example between Guatemala and Panama and between Nicaragua and Costa Rica. The majority of trade transactions has been of perishable products, such as soya beans, cocoa, sesame, onion, melon and water melon. These first experiences proved the viability of commercial transactions between cooperatives, but they also showed weaknesses and limitations related to the following: a) the productivity of the producer, b) the processing capacity, c) problems of transporting perishable products, d) packing material, e) quality control, and f) insufficient financing and inconvertibility of Central American currencies.

As part of the development of the Regional Information Network (REDICOOP), national information centres are being established to structure the information systems that are to support the Marketing Programme. In Honduras and Costa Rica national information centres are already functioning, while in the other countries centres need to be consolidated. As a direct result of the efforts on the part of CCC-CA, information with regard to the supply of exportable goods is now available in the entire region. The products with the best commercial potential have been selected.

Serious negotiations regarding the importation of agricultural inputs for cooperatives throughout the region have taken place. This is the case with Norsk Hydro of Norway, a company with which CCC-CA is trying to negotiate bulk purchase of fertilizers. The initial negotiations have shown that in order to succeed the cooperative movement needs to strengthen its negotiating power and to get the full mandate of the cooperatives in the region to buy the fertilizer they require. In addition, CCC-CA needs to negotiate with the distributors of Norsk Hydro in Central America and the Caribbean. At present, with the support of CCC-CA, a commission is dealing with these matters.

Considering the possible implications for the Marketing Programme, the case of Puerto Rico should not be over-looked. In consideration of the huge internal consumer market of Puerto Rico, the cooperative movement of this country may assume a key role in the development of a regional, commercial integration scheme. A study to determine the viability of a regional trade office in San Juan has been proposed by the Cooperative League of Puerto Rico.

In this connection, it is important to draw the reader's attention to the fact that Puerto Rico has reaped very little benefit from CCC-CA. If the proposed study would conclude that the establishment of a regional trade office in San Juan is viable, the lack of support to Puerto Rico on the part of CCC-CA and SCC may prove unfortunate. Given the strategic importance of the Puerto Rican market, it may in fact threaten not only the process of regional integration, but also the success of the Marketing Programme.

CCC-CA should define its position with regard to such an office in Puerto Rico and, if positive, start searching for financial contributions. Such a project may require a restructuring of the sub-regional office of CCC-CA which has been reduced to a bare minimum due to lack of funds and a concentration of activities to the central office in Costa Rica.

The priority of Sweden to support programmes in Central America — rather than in the Caribbean — has created a geographical imbalance in CCC-CA's support. Unless there is a change in SIDA's policy, CCC-CA should try to find other sources of funding to make possible a higher level of support to the countries of the Caribbean, particularly Puerto Rico. The cooperative movement of the US may be one possible source of funding.

Technical Assistance and Specialized Training

Some aspects related to specialized training and technical assistance merit a special comment. It is the opinion of the evaluators and of CCC-CA that this component is crucial and should assume more importance in the future.

The Marketing Programme has raised expectations and created specific demands for technical assistance, the exchange of know-how and specialized training. The positive interest in the Marketing Programme shown by federations as well as base cooperatives suggest a shift in the resource allocation of CCC-CA. The component is an asset to CCC-CA and its support to the region. The matter will be further discussed below in the section on Training.

A final aspect is that this component may become the solution to the problem of self-financing of CCC-CA. The potential strengthening of the national cooperative movements may facilitate a change of systems for setting member fees, mechanisms for special contributions in the form of sales commission or new funding schemes.

General Aspects of the Viability of the Programme

The key question is whether the Marketing Programme is viable and if its is, for what period of time it is reasonable to keep supporting it.

The perception in the countries visited is that the programme is viable, but that efforts should first be made at the national level to increase the exchange of products among cooperatives in each country to prove the potential of the programme, assess its limitations and search for solutions to its problems. This would require a higher level of support than the present one.

After an initial learning phase the organizational set-up of the programme is now being consolidated and its strategy formulated. A majority of the countries do not exclude the possibility of regional or extra-regional trans-actions once the mechanisms for trade on the national level have been well established.

To assure greater viability each country needs to develop a solid base. This would require maximum attention in the following areas: strengthening of minimum organizational structures, studies at the national and regional levels of the advantages and disadvantages of the consortia and, finally, the establishment of an effective information network. This phase should be allowed sufficient time. Certain goals and expectations should preferably be revised in order not to strain the national capacity in this difficult and demanding process.

Given the uneven level of development of the national cooperative movements, more attention needs to be paid to the peculiarities of each movement. The same results can not be expected from all the consortia. Some of them will move ahead, others lag behind due to internal structural weaknesses, as well as external factors.

In the short term, a few cases of irregular trade should be expected rather than a systematic commercial exchange. CCC-CA should be careful not to set targets or raise the expectations of the countries, because this may only lead to disappointment and problems in the course of the process.

Although members of the consortia are well aware of the benefits of regional commercial integration, much needs to be done to promote the concept at the level of base cooperatives. In some cases, such as Guatemala, promotion is also required at the level of federations and the consortia. It is obvious that a large sector of cooperatives needs promotion in order to make a consolidated effort of commercial integration on the national level.

In the short term, the impact of the programme should not be judged by the volume of commercial transactions, but rather by the strength of the organizational base. A reasonable period to achieve this may be until the end of 1992. The following quite complex phase will aim at setting up a regional and extra-regional commercial exchange system. This will require the surpassing not only of internal weaknesses of the regional cooperative movement, but also of competition from powerful private commercial consortia. This phase will require at least three years, i.e. until 1995. Evaluations should be undertaken at the end of the first phase (1992) and in the middle of the following phase (1994) to determine the level of achievement of objectives. Whether the programme is then to be continued would depend on the outcome of the evaluations.

Information and Documentation

Objectives

The main objectives of this component are the following: i) to promote the establishment of an integrated system of national and regional information on cooperatives (REDICOOP) and ii) to produce and disperse information about the regional cooperative movement and CCC-CA's development and activities.

Achievements

Regional Integrated Cooperative Information System (REDICOOP)

This system consists of the following four components:

- a) Commercial information
- b) Information on specialized technical human resources
- c) Information on cooperatives and cooperative institutions in the region
- d) Bibliographical information.

Just as in the case of the Marketing Programme, CCC-CA has gone through a learning process resulting in a lowering of expectations with regard to the advancement of an integrated regional information system. The priority has been shifted to the development of capacities for the design, management and implementation of a national information system as an intermediate step before establishing a regional information system.

As indicated above, this programme has been oriented toward the structuring of

national information centres. The centres are located at the confederations or the corresponding top level cooperative organizations in the respective countries. At present, there are information centres in Panama, Costa Rica, Honduras, El Salvador, Guatemala and at the central office of CCC-CA. In the other countries the establishment of such centres is pending. It must be recognized that the level of the centres varies considerably. Honduras, Costa Rica and Panama appears to have reached a higher level of consolidation. For example, information requirements have been well defined and progress has been made in identifying suitable computer software and systems required for transferring data. Also, incompatibility of systems due to the use of different type of computer hardware in the various cooperative federations has been dealt with.

The regional information centre at the CCC-CA central office is already in operation. The available computer equipment is adequate for the present system. Due to the importance of the information system to the Marketing Programme it is the first component of the four, i.e. Commercial Information, that until now has been developed the most. The same is true of the national information centres. The information that is now being collected and processed refers to basic goods being produced by cooperatives and available for marketing.

PROCOOPCA (the European Community) has supported the information centres in Central America financially by supplying computer equipment and technically by offering some training. Until now the priority of PROCOOPCA has been Central America. Puerto Rico and the Dominican Republic have only received support in the form of training, but have not been able to get computer equipment. The Dominican Republic has nevertheless made some progress as to the identification of information needs and the development of manuals for its national information centre.

Generally speaking and considering the various levels of progress, this programme is now being consolidated on the national level. In comparison with the situation at the time of the Base-Line Study there has been considerable improvement. However, much more promotion of this programme is required on the level of the federations, but even more on the level of base cooperatives — these being the last link in the information chain. The country visits revealed serious shortcomings on this level which may adversely affect the development of national information systems. CCC-CA should not leave the promotion altogether to the federations and the national top-level cooperative organizations but should sponsor events to give maximum information of the benefits of the information network to cooperatives at all levels.

In addition, CCC-CA needs to offer technical support on a selective basis to affiliated organizations. In particular El Salvador and Nicaragua need major support in the short term to catch up with the other information centres of the region. Difficulties may arise in establishing a uniform operational system which meets with standardized criteria and conditions required for an effective and speedy transfer of data from base cooperatives to federations. The insufficient level of development in a majority of the cooperatives may constitute a barrier to uniform national systems.



Magazines, bulletins and other information material produced by CCC-CA. The topics include production and marketing methods, and general information on the cooperative movement.

In addition, problems may arise on the levels of federations and confederations.

In addition, effective operations require more resources for specialized training, exchange of experience on the regional level and the purchase of equipment for new affiliated member organizations of CCC-CA and also possibly for selected base cooperatives. For this, CCC-CA should try to obtain further support from PROCOOPCA.

Even with such additional inputs the information system will not become fully operational until national integration is further enhanced. This is the reason why the direct support needs to be further strengthened., particularly in technical areas, not only to confederations but even more to the federations. These aspects will be further discussed in the following chapter.

Documentation

The evaluators wish to express their recognition with regard to the amount and quality of information material produced by CCC-CA. In a limited time, this organization has established an effective process of documenting and producing bibliographical and other informative material. Magazines, monthly bulletins, the publication of decisions taken by the various representative organs of CCC-CA and information about the cooperative movement in the area contribute to the impression of a transparent and democratic organization.

The only area where an improvement is needed is in the distribution of selected material to base cooperatives. This should be effectuated with the assistance of the organizations affiliated to CCC-CA.

Training Programme

Together with the Marketing Programme this component characterizes best the contribution of CCC-CA in enhancing the processes of integration, coordination and planning of the cooperative movement in the region.

Objectives

The main objectives of this programme are: i) the promotion and strengthening of the doctrinal and ideological education of the leaders of the movement, ii) the training of instructors in participatory training techniques, iii) the development of management capacity, including production management and the transfer of technology and iv) enhanced participation of women in cooperative production.

Achievements

General Aspects

In the course of four years of activities, i.e. courses, seminars, workshops and conferences, this programme has contributed to the integration and coordination of the cooperative movement both on the national and regional levels. These activities has made possible direct contacts among leaders of affiliated organizations, which otherwise would not have come about. The Training Programme should thus have a good part of the credit for achieving the objectives of integration and coordination of the movement.

Furthermore, this programme has been instrumental in developing a critical mass of qualified human resources in second and third tier cooperative organizations in such diverse areas as strategy and leadership, financial analysis, elaboration and evaluation of participative educational projects and methods. The effect of this direct education and training has been multiplied by the obligation of the participants to carry out further training programmes in their respective countries. Although this commitment may not have been met at full scale, the evaluators' country visits confirmed a reasonable level of fulfillment in most of the countries.

An important side-effect of the Training Programme is linked to the development and strengthening of the cooperative national training centres in the region. The programme has had an impact, in some cases through the transfer of methodological know-how and pedagogical experience, in others because it has contributed to the establishment of such centres. IFC in Honduras, CEFACOOPS in Puerto Rico and ENECOOP in the Dominican Republic are good examples of the latter category.

Doctrinal and Ideological Education and Training of Trainers in Participatory Techniques

With regard to objectives i) and ii) it is the opinion of the evaluators that there has been serious and systematic efforts to overcome existing short-comings. The quantitative achievements in this area (the number of courses and participants) are well documented in the evaluation matrix (Annex 2).

This generally positive picture needs to be qualified in the sense that the programme may now require a reorientation in the light of the economic, political and social changes taking place in the region and outside and in view of new demands and expectations emerging from other CCC-CA programmes.

In the opinion of the evaluators, the education and training offered by CCC-CA constitute a phase which is now about to come to an end. Without neglecting the need for some further action on the national level as to cooperative doctrinal education and training and participatory training methods (MATCOM-ILO), it is now necessary that the programme respond to the enormous demand for specialized training, technical support, exchange of production techniques inside and outside the region and management training. CCC-CA should make a rigorous study of the resources needed for such a reorientation and should consider, if necessary, a reallocation of resources from other programmes.

One possibility is to have the Training Programme concentrate on the regional level on areas that would contribute to strengthen the process of training in areas of general interest. Such areas could be: a) strategic vision and support to the formulation of economic and social platforms to be shared by the cooperative and other popular movements, b) management training, c) design and appraisal of projects, d) transfer of technology and e) financial schemes. In view of their direct links to the demands generated by the Marketing Programme, the above mentioned training activities should become part of this programme. The kind of training mentioned would also reinforce the specialized training efforts being made by the commercial consortia and the national information centres.

Legislation

CCC-CA should continue playing an active role in the creation of a model cooperative legislation which is modern and effective and characterized by strategic vision. Such intervention may have an enormous potential impact. Besides, it would not require a lot of resources to further develop some of the accomplishments achieved so far.

It is not a secret that prevailing cooperative laws in the region were not the result of the conceptualization of the cooperative movement itself, but of government strategies. This implies a limitation insofar as those who wrote the laws were not familiar with cooperative philosophy. With the exception of Honduras, all the countries need major or minor revisions of their cooperative legislation in the light of recent economic, social and political changes. This needs to be done urgently so that the legislation will promote the development of the cooperative movement rather than present an obstacle.

The support of CCC-CA in the area of legislation has been limited to the

sponsoring of regional seminars. The purpose of these has been to compare and analyse the various national cooperative laws, to compare and analyse the differences between the national laws and the legal framework proposed by the Cooperative Organization of the Americas (OCA) and to identify elements required for defining a legal framework for the respective countries.

By supporting these events CCC-CA has contributed to the development of a cadre of professionals specialized in cooperative legislation. This is particularly important since the cooperative philosophy can not be based neither on public, nor on private law. On the contrary, a genuine cooperative law is required. For this reason, it is of fundamental importance that CCC-CA supports the development of professional resources in this area of specialization and develops a data base (as part of REDICOOP) which includes professionals in the region and outside.

The process initiated by CCC-CA will hopefully continue and be carried on to a new phase where high level political negotiations take place to gain acceptance of the legal frameworks to be proposed by each national cooperative movement. CCC-CA would play the role of a coordinator in the process of promoting such legislation. OCA should, however, assume the main responsibility and any action that CCC-CA would take should be closely coordinated with OCA.

In this context, one should point out CCC-CA's successful intervention in the defense of some cooperative movements in Guatemala facing anti-cooperative legislation. This suggests the necessity for CCC-CA to be prepared to intervene at short notice on such occasions. This will require increased financial flexibility on the part of CCC-CA.

Integration of Women

The budget that SCC/CCC-CA presented to SIDA for the period 1989 - 92 included a programme component called *Integration of Women*. The idea was that the Swedish funds would complement a much larger women's programme funded by the Norwegian Foundation "Norges Vel". The Swedish funds were to be used primarily for training and research.

The Norwegian supported Women's Programme had been handled by CCC-CA in 1988 - 89. However, in late 1989 the Norwegian Foundation decided to have this programme implemented by the new regional office of the International Cooperative Alliance (ICA) which was established in San José in January 1990. The regional ICA office was originally conceived as a small office with representative functions, but almost at once it turned into an operational unit. Its main activity is now the Women's Programme funded by Norway. The reasons for choosing this area of work were several: ICA had a long experience of women's programmes in other regions of the world, funds were available and none of the other regional cooperative organizations had a major involvement in this area.

CCC-CA accepted the arrangement but without enthusiasm. Given the new situation, CCC-CA decided not to start a parallel women's programme, but to make the women's programme a basis for collaboration with ICA by contributing

the Swedish funds to selected events organized by ICA. According to an agreement between CCC-CA and ICA, this arrangement is temporary and the Women's Programme is to be transferred to CCC-CA in November 1991. However, it seems uncertain whether this will actually happen. If and when it does, CCC-CA intends to redefine the programme and take on a different approach.

In the opinion of the evaluators, what CCC-CA needs to develop is not a separate womens' programme but a strategy on how to better integrate women into existing programmes, particularly into the mainstream of cooperative economic activity. Creating separate programmes may lead to continued marginalization. Nevertheless, special action may be required in areas, such as leadership training and assertiveness, to open up more opportunities to women. An important consideration is that the programme should not be defined from above, but from the base, i.e. elaborated by the women themselves at the country level. By necessity, the strategy for the integration of women must take into account the profound economic, social, political and cultural barriers faced by women in the region.

The integration of women is not only a question of ideology and equity, but also of economic development. The goal are higher income, better living conditions and a more active participation by women in the first instance on the community level. To achieve this, it is fundamental to change the attitudes of both women and men. It is also necessary to give women opportunities to education, training and productive activities.

If CCC-CA would decide to take this approach to the integration of women rather than establish a Women's Programme, such as ICA's, there need not to be a clash or a competitive situation between the two organizations.

Although there appears to exist an agreement as to the areas of influence of ICA (Women's Programme, Ecology and Human Rights), this division of responsibilities certainly was not clear when the ICA office was established in the region.

The definition of certain priority areas of work is however not necessarily antagonistic. Areas that are given priority by the two organizations, such as strategic planning, could and should be developed jointly through an inter-institutional committee. At any rate, these matters should be resolved at an early opportunity. It is the opinion of the evaluators that the Executive Director and the Executive Committee of CCC-CA should take the lead in approaching ICA to try to find an acceptable solution to the situation.

Regardless of what has been discussed above, the evaluators found a certain confusion in the countries visited and among the donors with regard to priority areas and the division of responsibilities among the various international organizations supporting the cooperative movement in the region. For this reason, it is necessary to promote a better knowledge and understanding among confederations, federations and base cooperatives as to the respective roles that the various organizations are playing in the support of the cooperative movement in the region.

Chapter 8

THE SUPPORT OF SCC TO CCC-CA

SCC has been an intimate development partner of CCC-CA for the past five years and has monitored its growth and development closely. At SCC, the same person has been in charge of the support to CCC-CA. Also at CCC-CA the staff situation has been quite stable since 1988. The continuity on both sides has been valuable and has enhanced the results of the collaboration.

The relationship between SCC and CCC-CA has in fact been so close that it is difficult to distinguish their respective roles. SCC has participated in CCC-CA's planning and programming procedures and project documents and applications for funds from SIDA have been elaborated and presented by the two organizations jointly. SCC's Programme Officer has been visiting CCC-CA twice a year for about two weeks. On these occasions, all programmes have been thoroughly analysed, discussed and revised, as needed.

In this process, it is obvious that SCC has contributed much more than financial support. In addition there has been a transfer of knowledge and experience, particularly in the areas of institutional development and administration. The fact that SCC has been quite demanding in its reporting requirement has no doubt forced CCC-CA to adopt and follow strict procedures for budgeting, accounting and reporting.

Because SCC is also giving direct support to cooperatives in several countries in the region, it has a wide network of contacts at all levels of the cooperative movement. This puts SCC in a good position to advise CCC-CA on its role and priorities. SCC is also a valuable partner of CCC-CA in that it provides a link to the cooperative movement in other regions of the world.

Hopefully, SCC's support has had and is having an impact in the region in that it sets an example of solidarity by illustrating that a strong cooperative movement, such as the Swedish one, has a moral obligation to support weaker movements.

It is worth pointing out that the Swedish support is perceived in the region as less conditioned and less ideologically based than that of most other donors. While this allows for a more autonomous development of CCC-CA, at the same time, it calls for a certain supervision on the part of SCC in order to avoid side-tracking from the overall goals of Swedish development cooperation.

After years of hard work and close collaboration with and support from SCC, CCC-



SCC has been a close partner in the development of CCC-CA. In fact so close that it is hard to distinguish the respective roles of the organisations. Since CCC-CA has developed into a mature and competent organisation, the evaluators recommend that SCC now step back somewhat and allow CCC-CA to plan and implement its own activities.

CA has now reached a satisfactory level of professionalism and institutional development and maturity. While SCC's close involvement and active participation may have been necessary and useful in the past, the evaluators are convinced that it is now time to change the role of SCC and the character of the relationship with CCC-CA.

It is recommended that SCC now steps back somewhat and leaves it to CCC-CA to plan its work and to elaborate the new proposal for Swedish funds. SCC's involvement in the planning and programming procedure should be minimal and rather be that of a "sounding board" than an active participant. However, it is important that SCC retains the strategic control of the use of funds and the cost-effectiveness of the operation.

Thus, SCC's new role should be that of a dialogue partner with whom CCC-CA periodically can discuss its role, priorities, strategies and future development. SCC should also continue to provide an important link with the Swedish and other national and international cooperative movements.

The fact that SCC is now in a position to limit its involvement should be seen as a sign of success. Giving CCC-CA the confidence and trust suggested above will make this organization grow and develop further.

With regard to SCC's reporting to SIDA, certain improvements need to be made. Instead of just forwarding to SIDA voluminous documents produced by CCC-CA (in collaboration with SCC), it is recommended that SCC write an analytic report to SIDA twice a year, and in addition when special circumstances warrant it. In the reports SCC should outline the most important developments of CCC-CA and analyse the situation of the cooperative movement in the region. Five to ten pages may be enough. The reports should follow the formats established by the Agriculture Division of SIDA.

Reports and working papers from CCC-CA should be attached as annexes, as required. These reports from SCC should be sent to SIDA's Agriculture Division (as of July 1st 1991 "Naturbruksbyrån") with copies to the Latin America Secretariat, as well as to SIDA's representative at the Swedish Embassy in Guatemala. The main responsibility of this officer is the Regional Programme in Central America of which the support to CCC-CA forms an important part. Therefore, it is vital that he be kept well informed in writing of the development of the support to CCC-CA and that in addition the SCC representative visit him at least once a year.

Chapter 9

CONCLUSIONS AND RECOMMENDATIONS TO CCC-CA, SCC AND SIDA

Goals of the Swedish Development Cooperation and of CCC-CA

The Swedish support to CCC-CA is consistent with the general framework of Swedish Development Cooperation and in particular with the specific objectives of its Regional Programme in Central America. An equitable, solidary, democratic and sustainable development is a goal shared by Swedish cooperation and CCC-CA.

Role and Importance of the Cooperative Movement in the Region

Especially in the past decade, the people of the region have made tremendous sacrifice to establish a solid foundation for an economic development with social justice. In this process it has been recognized that political and economic democratization is a prerequisite for lasting peace.

The economic, political and social crisis affecting the countries of the region have had adverse affects on the integration and development of the cooperative movement and has revealed serious internal deficiencies of a structural character. The cooperative movement has nevertheless played a key role in voicing the demand of large segments of the populations for economic, political and social democratization. Due to the weakness of other popular movements, the cooperative movement is practically the only viable alternative for people to get increased access to the means of production and achieve a more equitable generation and distribution of incomes and benefits.

In order to play a more decisive role the cooperatative movement must however be strengthened and needs to adjust toto a regional and global environment characterized by profound political, economic and social transformations.

The Role of CCC-CA in the Development of the Cooperative Movement

CCC-CA has been a catalyst and agent of change in the development of the cooperative movement. The organization has initiated and promoted a process of regional integration and opened up areas of collaboration among the various national movements which until recently were isolated from each other and had not developed a common strategic vision.

Nevertheless, much remains to be done to enhance the process of national integration.

It should be noted that at present CCC-CA only represents a fraction of the cooperative movement in the region. CCC-CA should aim for a higher degree of representativeness.

CCC-CA has succeeded in strengthening the capacity of the movement to defend itself. Throughout the region CCC-CA has gained respect and credibility in this area. Thanks to the level of institutional maturity that the organization has attained, CCC-CA is in a better position to confront future challenges now than in 1987, when the Swedish support was initiated.

Except for the lack of financial autonomy, CCC-CA has achieved a satisfactory level of institutional sustainability. This is an accomplishment to be proud of.

Recommendations

The emphasis on national programmes should be continued constituting an intermediate phase prior to that of regional integration.

The direct support to the cooperative movements should be intensified in the following areas: i) elaboration of diagnostic tools for the national movements, ii) defining plans for cooperative development, iii) elaboration and implementation of processes for planning, monitoring, evaluation and control.

The criteria for membership of CCC-CA should be revised with respect to non-federated cooperatives in order for CCC-CA to achieve a higher level of representativeness of the cooperative movement in the region.

Components of CCC-CA's Support

The principal programme components of CCC-CA (Institutional Development, Marketing Programme, Information and Documentation and Training Programme) have contributed effectively to the development of CCC-CA and the achievement of its objectives. The clarification of strategies and programmes achieved by CCC-CA, particularly in the past year, has made possible a more coherent and integrated approach.

CCC-CA has demonstrated flexibility in revising and adjusting programmes to meet evolving demands. Over the past year, some important modifications have taken place as to the orientation and content of the programmes. As a result there is now a better balance between regional and national activities. This change in emphasis should be seen as a response to the imbalance identified in the Base-Line

Study of 1990 between the inadequate level of development and integration of the national movements on one hand, and the CCC-CA focus on regional programmes on the other. Now a proper balance between regional and national programmes has been achieved.

Recommendations

New and growing demands and expectations evolving from the present programmes will necessarily have to lead to important revisions and adaptations of CCC-CA's programme activities, for example as to their coverage, interaction and integration. This is particularly true of i) the development of a regional marketing system with its strategic importance for the future of CCC-CA, ii) the areas of the Marketing and Training Programme connected with technical assistance, specialized training and exchange of technical experience, and iii) complementary training to raise the level of managerial and financial expertise in cooperative production entities in the region.

CCC-CA should establish criteria and appropriate mechanisms to assure a greater coherence, interaction and a continuous feed-back among the programmes, particularly in relation to the Marketing Programme and the regional cooperative information network (REDICOOP).

Institutional Development

CCC-CA has made important progress with regard to the achievement of objectives of this component and has reached a good level of institutional maturity. The administration and management of finances and programmes are characterized by professionalism and credibility.

Nevertheless, there is a notable lack of concrete plans for increasing the internal financing and an decreasing the excessive dependency on external funding organizations, especially the Swedish cooperation. This dependency is risky and may jeopardize the results already achieved by CCC-CA. The problem is not the absence of initiatives on the part of CCC-CA but a lack of a viable, systematic and sustainable plan to achieve a higher level of self-financing. This dependency is risky and may jeopardize the results achieved until now.

Although it is of course not possible for CCC-CA to initiate processes and programmes that go beyond the national capacity, it is now necessary that this organization offer support to the national cooperative movements for the elaboration of a diagnosis as well as a development plan for each one of them. These tasks are urgent and will have a lasting impact on the national integration.

Certain weaknesses have been identified with regard to the monitoring and control of CCC-CA's activities on the national and regional levels.

The new challenges facing the cooperative movement, especially the formulation of a common visionary strategy and the development of an economic platform for the various popular movements, makes it urgent to strengthen the research and planning capacity of CCC-CA.

Recommendations

Design and promote the development of criteria and methodological approaches that will facilitate the national monitoring and control of CCC-CA's programmes. It is also necessary to establish uniform evaluation criteria to be applied by affiliated organizations at different levels.

Assist national movements in using the prescribed criteria and approaches thereby testing the proposed methodologies, the ability of the national movements to apply them and estimating the costs incurred. This recommendation reinforces and complements the proposals made in connection with the Information and Documentation Programme.

Establish a Research and Planning Unit at the central office of CCC-CA with the principal tasks of formulating strategies and developing plans for the cooperative movement in the region.

Develop a viable plan with quantitative targets for an increasing level of self-financing and decreasing dependency on external sources.

Marketing Programme

This programme represents a great potential for the consolidation of a strong cooperative movement, but at the same time it is facing limitations due to external and internal factors. Nevertheless, lessons learned in the first phase have created conditions for a potential and viable development toward a regional commercial integration in the medium and long term.

With regard to the achievement of objectives, this programme is perhaps the one that had the farthest to go but that has advanced the most, especially in the past year.

The program is of strategic importance not only for the desired national integration and consolidation of the cooperative movement, but also for the strength and survival of CCC-CA. The programme may also be a potential source of internal financing for CCC-CA. The impact of this programme should be measured only in the medium and long term.

It should be recognized that the failure of the Marketing Programme would in fact reduce the role of CCC-CA to that of integration, representation and defense of the cooperative movement in the region.

Recommendations

As long as a Planning and Research Unit has not been established at CCC-CA's headquarters, the Marketing Programme itself must explore themes that are of vital importance to its potential development, such as i) the insertion of the cooperative movement into the new trends of international trade, ii) mechanisms for collaboration among cooperatives in the region and outside, iii) national and regional schemes for investment and financing, and iv) schemes for the transfer of technology. In addition to completing the feasibility studies of the commercial

consortia, the programme needs to develop global strategies.

The emphasis on commercial integration on the national level should be maintained and enhanced. In the present phase, the programme needs to concentrate on two tasks: i) strengthening basic organizational structures in each country, ii) undertaking national and regional studies of the advantages and limitations of the commercial consortia and the established network of commercial information and specialized human resources.

In the short term, the impact of this programme should not be judged by the volume of commercial transactions, but by the level of progress in strengthening the organizational base.

A limited, mid-term, independent evaluation of this programme component should be undertaken in 1992 to determine the level of progress made in terms of consolidation of the basic organizational structures in the various countries. Through yet another evaluation in 1994 the operational achievements of this particular programme should be determined. Any decision on continued support of this programme should be heavily influenced by the outcome of the evaluations.

Priority should be given to specialized training, technical consultancies and the exchange of technical know-how among cooperative organizations at all levels. These activities should reflect and take into account the priorities of the respective national consortia. The positive experiences of such exchange of knowledge and experience suggest that many more opportunities of this kind should be opened up and that more of CCC-CA's resources should be allocated to such activities.

Information and Documentation

The development of the cooperative information system REDICOOP is in a phase of internal consolidation at the national information centres. Studies of the operational mechanisms of these centres have been or are being finalized. Although the development of the various centres is not homogeneous, progress is considerable in relation to established objectives. With the collaboration of PROCOPCA the information centres in Central America have received computer equipment. Because PROCOPCA was created to support cooperatives in Central America, the countries of the Caribbean have not yet received any computer equipment. This has created an imbalance among the cooperative movements in meeting the objectives of the regional cooperative information system.

In spite of notable progress, promotion is lacking at the level of federations affiliated to CCC-CA, but even more at the level of base cooperatives. This may affect the future development of the information networks.

One aspect that stands out is the positive contribution of the Marketing Programme to the specialized training, technical consultancies and the exchange of experience on an intra-regional level.

With regard to documentation, the evaluators wish to express their recognition of the quantity and quality of the bibliographical and information material produced by CCC-CA. The numerous publications on different aspects of the

regional cooperative movement and of CCC-CA contribute to the impression of transparency in the work of CCC-CA.

Recommendations

With the collaboration and participation of affiliated organizations CCC-CA should design a plan for the promotion of REDICOOP directed at base cooperatives. This can be done by means of workshops at two levels: i) a planning workshop for federations and confederations to define the content and methodology and ii) a second round of workshops directed at base cooperatives. This will result in a promotion of REDICOOP at the two levels and will also allow for the identification of information needs and existing limitations with regard to the operation of national information centres.

In order to achieve an effective and parallel development of the commercial consortia, on one hand, and the information networks, on the other, it is necessary to complement the technical training of the managers of the information centres.

CCC-CA should strengthen and give priority to specialized training, technical consultancies and exchange of technical information and experience among cooperative organizations on all levels. These activities should reflect the priorities established for the regional information system.

In close collaboration with affiliated organization CCC-CA should make an effort to distribute selected low cost information (for example the CCC-CA newsletter) more widely, i.e. to base cooperatives. The cost of distribution might be shared among the organizations.

Training Programme

The Training Programme has been crucial for the integration and coordination of the cooperative movements in the region. It has been instrumental also in developing a critical mass of qualified human resources in second and third tier cooperative organizations. The support of this programme to the cooperative training centres in the region has contributed to the reactivation and consolidation of these. As to the achievement of programme objectives, this is the programme that has been the most consistent throughout the years.

The Training Programme needs nevertheless to make considerable adjustments to adapt to the new demands of training that have evolved as a result of the Marketing Programme and the Information and Documentation Programme.

Recommendations

CCC-CA needs to redefine and revise the Training Programme taking into account the demand for technical assistance, specialized training and the exchange of experience in the areas of production and technology. This reorientation may well lead to a revision of the areas of competence among the programmes of CCC-

CA, an enhanced integration among the programmes and a reallocation of personal and financial resources.

One possibility is that the Training Programme concentrates its resources to the regional level and to areas of general interest that directly contribute to national training processes. Such areas might be a) the formulation of strategies and definitions of economic and social platforms for cooperative and other popular movements, b) management training, c) formulation and appraisal of projects, d) transfer of technical know-how and e) financial and investment schemes.

Legislation

CCC-CA is playing an important role by supporting the elaboration of a modern cooperative legal framework with a strategic vision. In this task, CCC-CA's role is subsidiary to that of the Cooperative Organization of America (OCA) which has taken the lead in the area of cooperative legislation. However, the positive impact of CCC-CA's direct intervention in the defense of some cooperative movements that were being threatened by anti-cooperative laws (Guatemala) suggests that CCC-CA should maintain the flexibility and possibility of such interventions in the future.

Recommendations

CCC-CA should

- maintain close collaboration with OCA in the area of cooperative legislation.
- support and strengthen the development of professional resources in the area of cooperative legislation and maintain an adequate register of such professionals as a part of the cooperative information network REDICOOP.
- be prepared to support affiliated organizations by means of short term consultancies in matters pertaining to cooperative legislation. Such unplanned interventions will require greater financial flexibility on the part of CCC-CA. Setting up a small fund for such short term consultancies may be considered.

Integration of Women

This is a component that has barely been developed by CCC-CA. No strategy has yet been formulated as how to achieve greater participation of women in the cooperative movement, in general, and in the programmes and activities of CCC-CA, in particular.

Recommendations

It is of fundamental importance that CCC-CA develop a strategy for the integration of women in the cooperative movement and in the programmes of CCC-CA. Taking into consideration the profound cultural, political, economic and social

limitations that face women in this region, this strategy should propose mechanisms that will facilitate the representation of women on various levels of the organizational structure of the cooperative movement and increase their possibilities for effective participation and integration in production and other economic undertakings of the coooperative movement.

CCC-CA should assign resources to assure a higher level of participation of women in each one of CCC-CA's programmes and activities.

Financial Support

Although the acquisition and channeling of financial support to member cooperatives is not within the mandate of CCC-CA, its presence in the region has in fact facilitated contacts between cooperative movements in the region and external sources of funding.

For example, the relationship between CCC-CA and organizations and funding schemes in Scandinavia has opened up potentials for funding. In some cases this has led to actual financial support from these or other external sources to cooperatives in some countries in the region. CCC-CA has played a certain, although often limited role in this process.

Recommendation

The Executive Director and the Executive Committee should take a more aggressive approach to funding organizations, such as PROCOOPCA, to try to negotiate financial and other support to cooperatives in the region. Such an effort by CCC-CA would constitute a basis for a complementary relationship between this organization and base cooperatives.

Technical Assistance

Although technical assistance is still a small component in the support of CCC-CA, it will play an increasingly important role in the consolidation of the Marketing Programme and the Cooperative Information Network, on the national as well as regional level. The technical assistance received so far through the intermediary and with the support of CCC-CA is highly valued by the cooperative movements. In the present phase of CCC-CA's programmes, the evaluators consider this form of specific support on the national level much more relevant than other forms of training on the regional level.

Recommendation

Increase technical assistance to affiliated organizations including base cooperatives. The latter should be done on a selective basis in the light of and within the framework of CCC-CA's programmes.

Benefits to Affiliated Organizations and Cooperatives

The presence of CCC-CA has led to qualitative improvements in terms of regional integration, level of representativeness and defense of the co-operative movement, the planning process and the level of management capacity in cooperative organizations. The evaluators consider this to be an important impact which will have long term effects on the intergration and consolidation of the national movements.

Although this development has not been homogenous in all countries, it is evident that second and third tier cooperative organizations generally have adopted and "internalized" the agenda of CCC-CA. This is a result of CCC-CA's efforts to initiate and stimulate processes in the respective national cooperative movements.

There is not yet enough information available to make a rigorous and systematic evaluation of the impact of CCC-CA's programme on base cooperatives. It is clear that CCC-CA's programmes in the first instance are directed at the level of federations and confederations. Nevertheless, there are examples of programmes that have had a positive impact on the living conditions and general well-being of members of cooperatives. The development of commercial transactions in the region and outside, technical assistance offered to productive cooperatives and training given at the base level by those who have been trained by CCC-CA are examples of how also base cooperatives benefit from CCC-CA's programmes.

The future will show whether CCC-CA will succeed in maintaining and increasing such benefits and whether they will prove sustainable in the long term.

Effectiveness and Cost-Efficiency in the Use of Funds

An evaluation of the level of effectiveness and cost-efficiency in the use of financial resources is extremely complicated in case of a programme aiming at institutional and organizational development and processes of integration, coordination and planning which are not readily measurable.

After considering and analyzing all facets of CCC-CA's work, the evaluators has reached the general conclusion that the results and achievements justify the level of support given by SCC/SIDA until now and that continued support to CCC-CA will be required at least until 1995 to further develop some of the programmes and to consolidate the results achieved so far.

The excessive dependency on external financial support, especially that from Sweden, implies great risks to CCC-CA. In case of diminishing support from external sources, the sustained results of the programmes as well as the institutional stability of CCC-CA may be at risk.

Recommendations to SIDA

SIDA should be prepared to extend the support to CCC-CA for a period of three years, i.e. from July 1st 1992 – June 30, 1995. The level of support required will be approximaely the same as during the present period (1989-92).

The support from SCC/SIDA should be given on the following conditions:

- CCC-CA must formulate and adopt a viable plan of self-financing for the period 1992-95. This plan should include specific targets for internal financing, for example on an annual basis making it possible to establish easily whether the desired level of self-financing has been achieved.
- SIDA should require that at the end of the period 1992-95 CCC-CA's budget item "General y Administrativo" (general administrative costs of CCC-CA) will be fully financed from internal sources. External financial resources should be used only for the development and implementation of programmes for the benefit of the cooperative movement in the region.
- Payments by SIDA to SCC for the support to CCC-CA should be made at a rate commensurate with the level of internal financing of CCC-CA, i.e. the achievement of the targets established by CCC-CA and approved by SCC and SIDA.

Relationship between SCC and CCC-CA

SCC has played a fundamental role in the development and consolidation of CCC-CA. SCC's support has not only been financial, but has also had the character of organizational support to CCC-CA. The transfer of knowledge and experience, the rationalization of processes of planning, monitoring and evaluation and the establishment of relations with cooperative organizations in other regions of the world are examples of benefits resulting from the collaboration.

SCC has benefitted from the collaboration in that it has acquired a considerable amount of knowledge of the cooperative movement in the region of Central America and the Caribbean. Through this, SCC has enriched and broadened its institutional perspective.

Recommendations to SCC

Given the achievement of institutional development and maturity that CCC-CA has now reached, the role of SCC should change.

From now on, SCC should step back and assume a less active role in the work of CCC-CA. The Swedish partner should not be as involved as before in the planning and programming process of CCC-CA or the formulation of a new proposal to SIDA. Instead SCC should concentrate on giving support in the formulation of strategies, an area which will require much more attention now that CCC-CA's programmes, especially the Marketing Programme, are about to enter the operational phase. SCC should be more like a senior partner and a "sounding board" maintaining a dialogue with CCC-CA. In addition, SCC should continue to exercise supervision of CCC-CA's programmes and activities and financial control.

Periodic evaluations should be undertaken of the progress of the various programmes, particularly the Marketing Programme which should be evaluated annually from 1992 on.



*Cooperative production give ordinary people a rare chance to earn a reasonable living.
Photo: Lena Granfelt, Bazaar Photo Agency.*

SCC's reporting to SIDA must follow the prescribed format and be directed to the appropriate entities of SIDA.

Coordination among International Organizations

The coordination and division of responsibilities among most of the international organizations supporting the cooperative movement in region appears to be working well. This is particularly true of OCA, PROCOOPCA and CCC-CA. Channels and mechanisms for consulting and collaboration have been established.

In the case of CCC-CA and ICA (the regional office of the International Cooperative Alliance), however, the evaluators have perceived potential or even current duplication of tasks and the lack of a clear division of responsibilities. This situation may cause problems in the programming and implementation of both organizations.

It should also be mentioned that the evaluators found that a certain confusion existed in the countries visited and among the donors in terms of the priority areas of work and the division of responsibilities among the various international organizations in the region.

Recommendation

It is desirable that ICA and CCC-CA clarify and establish their respective areas of work and roles at an early opportunity. In the opinion of the evaluators, the Executive Director and the Executive Committee of CCC-CA should take the initiative and the lead in a process aiming at finding a mutually acceptable solution.

Appendix 1

TERMS OF REFERENCE

1 Background

...

2 The purpose of the evaluation is:

2.1 to establish whether the Swedish support to CCC-CA meets the objectives of Sweden's regional support to Central America, specifically with regard to the promotion of democratic development and the cooperation among the countries in the region,

2.2 to analyse whether, and in what way, CCC-CA and SCC have achieved their established objectives, and

2.3 to serve as a basis for the elaboration of strategies and plans for a possible continued Swedish support.

3 The evaluation should:

3.1 describe, in general terms, the evolution of CCC-CA since the initiation of the Swedish support, and its role within the community of regional and international cooperative organizations in the region,

3.2 describe the evolution and characteristics of the SCC support,

3.3 evaluate, in general terms, the achievement of objectives in CCC-CA's operative programmes,

3.4 evaluate to which extent the objectives and strategies has been reached, in particular regarding integration, legislation, marketing, education, communication, economic support, technical assistance and women's participation,

3.5 evaluate to what extent the members of CCC-CA have benefitted from the organisation.

Appendix 2

MEMBERS OF CCC-CA (1991)

Belize

Belize Federation of Agriculture Soc. Ltd.

Costa Rica

CONACOOOP Consejo Nacional de Cooperativas
 UNACOOOP Unión Nacional de Cooperativas
 FEDECOOP Federación de Cooperativas de Caficultores
 CENECOOP Centro de Estudios y Capacitación Cooperativa
 FENACOTRA Federación Nacional de Cooperativas de Transporte
 CECOOP Consorcio de Cooperativas de Consumo
 C.P.C.A. Comisión Permanente de Cooperativas de Autogestión
 FECOPA Federación de Cooperativas Campesinas de Producción Agropecuaria y Servicios Múltiples
 INFOCOOP Instituto Nacional de Fomento Cooperativo

El Salvador

COACES Confederación de Asociaciones Cooperativas de El Salvador
 CONFRAS Confederación de Federaciones de la Reforma Agraria de El Salvador
 FEDECACES Federación de Cooperativas de Ahorro y Crédito de El Salvador
 INSAFOCOOP Instituto de Fomento Cooperativo de El Salvador

Guatemala

CONFECOOP Confederación de Federaciones de Cooperativas
 FEDECCON Federación Guatemalteca de Cooperativas de Consumo
 CENDEC Centro Nacional de Educación Cooperativa

Haiti

Unions des Caisses Populaires D Haiti

Honduras

C.H.C. Confederación Hondureña de Cooperativas
 AHPROCAFE Asociación Hondureña de Productores de Cafe

Jamaica

NUCS National Union of Cooperatives Societies

Martinique

Office de Coordination Des Movements

Nicaragua

UNAG Unión Nacional de Agricultores y Ganaderos

FECANIC Federación de Cooperativas de Ahorro y Crédito de Nicaragua

CONAPI Consejo Nacional de Pequeña Industria

Panama

FECOTRANS Federación de Cooperativas de Transporte de Panamá

FENCOSPA Federación Nacional de Cooperativas Salineras de Panamá

FUNDAVICO Fundación de Viviendas Cooperativas

COAGRO Confederación de Cooperativas de Agropecuarias

FEDPA Federación de Cooperativas de Ahorro y Crédito de Panamá

IPACOOOP Insituto Panameño Autónomo de Cooperativas

Asociación de Cooperativas de Veraguas

Puerto Rico

Liga de Cooperativas de Puerto Rico

Cooperativa de Seguros Múltiples de Puerto Rico

CREDESCOOP Federación de Cooperativas de Ahorro y Crédito Cooperativa de Servicios Fúnebres

COSVI Cooperativa de Seguros de Vida

Administración de Fomento Cooperativo

Cooperativa de Ahorro y Crédito de Manuel Zeno Gandia

Cooperativa de Ahorro y Crédito de Arecibo

Cooperativa de Ahorro y Crédito de Vega Alta

Cooperativa de Ahorro y Crédito de Barranquitas

Cooperativa de Ahorro y Crédito de Mayaguez

Cooperativa de Ahorro y Crédito de Empleadas Municipales Mayaguez

Dominican Republic

CODOCOOP Confederación Dominicana de Cooperativas

COOSEGUROS Cooperativa Nacional de Seguros

FECONS Federación de Cooperativas de Consumo

COOPNAMA Cooperativ Nacional de Servicios Múltiples de los Maestros

IDECOOP Instituto de Desarrollo y Crédito Cooperativo

COSEMIRHA Cooperativa de Ahorro y Crédito de los Trabajadores del Ing. Río Haina

Banco de los Trabajadores

BADEPRO Banco de Desarrollo y Producción

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JOINING FORCES

Support to the cooperative movement in Central America and the Caribbean is an important way of strengthening the democratic forces in this region.

Producer cooperatives are also instrumental in giving people a chance to earn a reasonable living. In a larger perspective, they provide a good alternative to private enterprises in generating national economic growth.

The Confederation of Cooperatives in the Caribbean and Central America, CCC-CA, was formed in 1980. Its main objective is to strengthen the cooperative movement in the area. Since 1987, this organisation has received SEK 19 million in support from SIDA. The funds have been channeled through the Swedish Cooperative Centre, SCC, which has played a fundamental role in strengthening CCC-CA.

The organisation is now mature: it can function without support from outside—except for funds. SCC should therefore step back from involvement in the day to day work, while CCC-CA must learn to pay its own way.

These are some of the main conclusions of this evaluation carried out by an independent evaluation team during April–May 1991.

Sweden's bilateral development co-operation, administered by SIDA, comprises 19 programme countries: Angola, Bangladesh, Botswana, Cape Verde, Ethiopia, Guinea-Bissau, India, Kenya, Laos, Lesotho, Mozambique, Namibia, Nicaragua, Sri Lanka, Tanzania, Uganda, Zambia, Zimbabwe and Vietnam.

Each year about 30 of SIDA's over 200 projects are evaluated. A number of these evaluations are published in the SIDA Evaluation Report series. Copies of the reports can be ordered from SIDA, S-105 25 Stockholm, Sweden.

