Cooperating out of Poverty

Cooperative Guide

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Facilitators Guide

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The UN Convention recognizes the cooperative form of enterprise as a means for sustainable employment which can lead to improved livelihood and social inclusion.
Introduction and links

Co-operative enterprises involve at least 250 million individuals worldwide (In Kenya 63% of the population are said to derive their livelihoods from co-operatives)

This Guide will equip you to help you, other individuals or a group interested to consider starting a Cooperative. The content is taken from numerous online reports and websites, so we trust it is reliable and helpful.

Anyone with a concern for the development of new or greater opportunities for income generation in their community by working together, can take an initiative towards forming a cooperative.

Alternatively an established less formal Trading Association might wish to adopt a more formal structure and security by becoming a registered Cooperative. (A separate Aid for Trade programme is available to learn about trading associations on http://www.aidfortrade.info/training-programmes)

Establishing a successful cooperative is a challenging and time consuming initiative but one which can bring big benefits to families and potentially transform a community, so should not be undertaken lightly!

Interest to explore establishing a formal cooperative usually starts with individuals who see a good opportunity for income or a community need that could best be met by 15 or more people working together

Alternatively, one or more established traders might want to expand its market or see a significant new opportunity to create jobs

The Challenge for Cooperative Initiators!

Preparing to start a cooperative, then setting it in motion and making it successful and sustainable, is demanding and very time consuming which will require broad entrepreneurial and administrative skills, trading experience and initiators will need to have good grasp of financial principles, as well as understanding the seven principles framework needed – so persistence and considerable patience will be needed!
It is essential to learn from existing Cooperatives or an ‘umbrella’ organization for Cooperatives. Internet research can also be very helpful. Registration and any other legal obligations must be checked.

These video links and websites could be worth visiting online.

Selected Background Links

**Introductory Videos:**
- [https://www.youtube.com/watch?v=eJaFFtnxsfk](https://www.youtube.com/watch?v=eJaFFtnxsfk)
- [https://www.youtube.com/watch?v=AQXdydXbQI4](https://www.youtube.com/watch?v=AQXdydXbQI4)
- [https://www.youtube.com/watch?v=90FL_bBE4mw](https://www.youtube.com/watch?v=90FL_bBE4mw)
- [https://www.youtube.com/watch?v=eJaFFtnxsfk&t=8s](https://www.youtube.com/watch?v=eJaFFtnxsfk&t=8s)

**On line publications**
- [http://www.slideshare.net/jobitonio/basic-cooperative-education-seminar](http://www.slideshare.net/jobitonio/basic-cooperative-education-seminar)

**Cooperatives for youth**
Cooperatives depend for their success on good teamwork

There are two structures for working together as a team in developing trading activities:

**Trading Association** – informal, sharing benefits based on goods or work provided
(See [www.aidfortrade.info/](http://www.aidfortrade.info/)....)

**Cooperatives** - a more formal registered trading structure for working together as a team

Cooperatives exist in every African country and were introduced many decades ago.

**Is a co-operative right for you?**

The co-operative model of trading is a membership organization which usually requires 15 members to contribute to the costs by purchasing shares

A Cooperative gives joint ownership and profit sharing based on members shares in it, it harnesses their ideas for working together for mutual benefit. It is a tried and tested business model.

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### What is a Co-op?

A co-operative is:

- an autonomous association of persons united voluntarily
- to meet their common economic, social & cultural needs and aspirations
- through a jointly-owned & democratically-controlled enterprise

~ International Co-operative Alliance
Is a Cooperative right for you? Cont/

- Co-operatives are businesses owned and controlled by their members,
- Members have an equal say in how the business is run
- Members choose what to do with profits, whether distributing among members, reinvesting in the business or giving to the community

What are the Benefits of a Cooperative?

Cooperatives can:

1. Provide work where there are no jobs and help people out of severe poverty on a sustainable basis
2. Bring together and use a wide variety of skills and experience for worthwhile work and mutual benefit
3. Function as a savings association benefiting members by profit sharing
4. Successful growing cooperatives can bring substantial socio-economic benefits to their communities and can influence wider developments
Equal Opportunities

Cooperatives can and should provide equal opportunities for men, women, young people and should be willing to include some with disabilities – all having with equal ‘rights’

Women and Youth* Cooperatives

Groups of women and groups of young people can and do start their own successful cooperatives

*see Appendix 1

Cooperatives should endorse ‘gender equality’ to offer new opportunities to women and young people. In general terms, ‘gender equality’ means equality at all levels of education and in all areas of work, equal control over resources, and equal representation in public and political life!

In areas where women do not own land, do not manage the farm or are not ‘responsible’ for the main cash crop, cooperatives can encourage on-farm diversification activities to be undertaken by the women or young members that may then act as a supplement to household income when sold at market or used to produce other types of goods. Conversely, cooperatives provide female-headed households with equal access to productive resources, marketing opportunities and savings and credit services.
Types of Cooperative

1. Farmer Cooperatives

Working as an individual may limit what can be achieved and sickness can lead to loss of income. Through joint action and mutual responsibility, much more can be achieved, increasing one’s collective influence in the marketplace and potentially even influence regional or national governments!

Agricultural or Farmer cooperatives in rural areas are typically categorised according to the following activities, sometimes operating within all three areas:

- Supply – purchase products, services and inputs for their members
- Production – farmers can group to grow similar crops to sell together
- Service – a variety of services related to education, advice, savings and loan services (SACCOS see below), training and social care

Cooperatives begin at the local (community) level and as they grow, they can partner with neighbouring cooperatives to expand at the district and regional levels and advocate further up the chain, increasing political reach and influence.

Farmer cooperatives are formal methods of organisation for groups of farmers within rural communities. They are operated by local group members who generally ‘share’ resources and earnings, and work towards mutual benefits for all members. As such, farmers’ cooperatives unify the farms of small-scale producers while each farmer continues to own her/his land and farm it individually.

Farmer cooperatives work to promote sustained livelihoods, rural employment, sustainable resource mobilisation and use, empowerment and social reform.
2. Consumer Co-ops.

A Consumer Cooperative is a cooperative where members come together and decide that they will contribute money in the form of shares and membership fees so that they could purchase, stock and sell consumer goods of all types to its members and the general public in its area of operation. The members are also the customers, but when the area of operation is big, non-members are normally allowed to purchase from the consumer cooperative shops.

3. Purchasing Co-ops

Similar to consumer co-ops, the members of purchasing co-ops are also using the co-op to make purchases. In the case of purchasing co-ops, however, the members are independent businesses, or even government entities, using collective buying power to procure better services and prices. These co-ops often benefit from shared marketing and branding practices, in addition to expanded purchasing power. Best Western and True Value are two well-known examples of purchasing co-ops.

4. Producer Co-ops

Unlike consumer and purchasing co-ops, producer co-ops are comprised of independent producers of goods or services. Common in the agriculture industry in particular, producer co-ops allow smaller producers to band together for greater ability to market and distribute their goods. Some grow very large!

5. Worker Co-ops

Worker co-ops are owned and governed by the employees themselves, although it is not always necessary for every employee to be an owner or only workers to be owners. Two worker co-ops in Philadelphia (USA) are Home Care Associates, a caregiver co-op, and Childspace, a day-care worker co-op.
6. **SACCOs (Savings and Credit Cooperative Organization)**

This is a type of cooperative whose objective is to pool savings for the members and in turn provide them with credit facilities. The general objective of SACCOs is to promote the economic interests and general welfare of its members.

Saccos are well established and nationally controlled in many countries, especially Kenya and Uganda where they function as a savings and loan community ‘credit union’ offering lower interest than banks.

The objectives of the SACCO as for any cooperative have to be clearly documented, including statements of the SACCO vision, mission and strategies.

As SACCOs become larger, they engage in more sophisticated operations and officials enjoy less personal familiarity with loan applicants; therefore, volunteer committee operations become less effective. As they become larger, SACCOs usually generate sufficient income to hire professional staff. Volunteer owners/representatives are called upon for decisions, monitoring and oversight.
7. Multi-Purpose Cooperatives

This is an organized group of individuals, usually comprised of friends, coworkers, church members, neighbours or family members, who meet on a regular basis to network, learn and pool their spare cash and invest in the stock market and/or other investment opportunities. The principle of Multi-Purpose Cooperatives is the idea that together we can do more. Multi-Purpose Cooperatives are important vehicles for savings mobilization and wealth creation, through boosting long term investments.

The multipurpose cooperative society may have numerous functions. It can work for savings, arranging credit, improving seeds, selling, buy or renting agricultural implements, buying fertilizers, helping with sanitation, or health services for the benefit of its members.

Example of a multipurpose Cooperative

Lighthouse Cooperative is an associational cooperative established in Tuguegarao City, Cagayan, Philippines in July 7, 1998 with 15 members.

The members of the cooperative are also church members of the Victory Christian Fellowship of Tuguegarao.

This cooperative, which has won many awards, was started as a food catering service provider during meetings and occasions for fellow members. Currently, the Cooperative maintains four departments selling furniture, school and office supplies, computer sales and repair, and the Ybanag Food Products (selling milk candies, peanut brittles, cassava and rice crackers, and many other new processed foods.

The cooperative has two types of memberships. Regular members are members who are entitled to vote and are holders of commons shares. At the other hand, associate members hold preferred shares but are not entitled to vote. There are 144 regular members of this cooperative and 621 associate members The membership of the cooperative continually grows at an average of 5 new members per month. According to the Cooperative’s By-Laws, Regular Members are also members of the Victory Christian Fellowship of Tuguegarao and have met the requirements of regular membership; on the other hand, all others who have applied and have been accepted shall only be considered for Associate Membership if requirements are not met.
Cooperative Principles

Whatever type of Cooperative is considered they will all need to adopt the agreed seven basic international cooperative principles.

Operating Principles

The International Co-operative Alliance has established the following internationally agreed Cooperative Principles:

**Voluntary and Open Membership** - There are many cooperatives all over the world including consumer co-ops, worker co-ops and producer co-ops. No matter what their function, all cooperatives exist to serve their member-owners.

**Democratic Member Control** - Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights – one member, one vote – and cooperatives at other levels are organized in a democratic manner.

**Members’ Economic Participation** - Members contribute equally to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

**Autonomy and Independence** - Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
Education, Training and Information - Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They also inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

Cooperation among Cooperatives – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

Concern for Community - While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members. Cooperatives also encourage employees to participate in their communities through volunteer activities.
National Cooperative Associations

Most if not all countries have a national members organization or service specifically for Cooperatives which should be identified, most of which will now have a website. These support agencies may be:

1) Umbrella Organizations which are responsible for education, training, publicity, information, coordination, representation, advocacy and resource-mobilization for cooperatives;

2) Cooperative Finance Services, which are basically SACCOs offering rural finance services and potential to become future regional cooperative banks;

3) Cooperative Marketing Services, which like other private sector players have to be competitive in the domestic and external markets;

4) Area Cooperative Enterprises, which are associations of primary cooperative societies of all types in an area which can be a sub-county;

5) Cooperative Service Centres; these are District Unions which are best suited to providing such services as inputs, implements, processing, consultancy, marketing and extension services;

6) Cooperative Carriage and Distribution Services which provide the cooperative movement with competitive transport services.
Risks for Cooperatives

All trading activities have risks which must be considered as far as possible in starting a cooperative, to hopefully avoid problems later.

The main risk areas for all cooperatives are reported as:

- Lack of trust
- Poor planning
- Poor quality goods or services
- No market for the goods or services
- Few doing all the work
- Lack of scale
- Lack of investment
- Lack of training
- Lack of information
- Larger markets too distant
Special Risks faced by Farmer Cooperatives

Risk Management in Agriculture

“In today’s environment, opportunities have increased, but so have the risks. Risk management must become a key element of the ‘new’ agriculture. Risk management means engaging in agriculture with confidence in a rapidly changing world.”

- Effective risk management involves anticipating possible difficulties and planning to reduce their consequences. Effective risk management is not about reacting to unfavorable events after they occur.

Two key risks for farmers are reported as:

1. Collapsing market prices

Small newer farmer Coops which are not yet able to diversify their crops or sources of income can negatively affected by a market price drop, which can be caused by a surfeit of local production or possibly by imported produce or even international aid foods.

Since access to credit and inputs is essential for cooperatives, they can also become beholden to multiple micro-lenders and if there is a poor harvest or market failure, may be unable – even as a group – to repay money owed.

2. Political control and/or ‘Elite Capture’

In countries notably Latin America and Central Asia, government has asserted control over local cooperatives, utilising them as political platforms and reducing their function to an extension of the state.

‘Elite capture’ refers to individuals or groups who have more power in the decision-making process and whose interests are given priority within a community at the expense of less influential individuals groups.
Basics of starting a Cooperative

Basic steps for cooperative development

There is no fixed set of rules for forming a cooperative, nor can any list of steps be exhaustive for all situations. However the goal of starting a cooperative can only be reached once four basic steps, have been accomplished.

Step one: the idea

AT THE START OF ANY NEW CO-OPERATIVE IS A GOOD IDEA FOR A BUSINESS OR DEVELOPMENT NEED, WHICH COULD HELP A COMMUNITY - CHAMPIONED BY ONE OR MORE ENTHUSIASTS

Step two: the people

COOPERATIVES ARE RUN FOR AND BY THEIR MEMBERS, SO IT'S IMPORTANT TO FIND AND ENGAGE THE RIGHT PEOPLE TO DEVELOP A BUSINESS PLAN TO GET STARTED WELL. A FORMAL COOPERATIVE CONSTITUTION AND REGISTRATION WILL PROBABLY BE NEEDED – SEE APPENDIX

Step three: the money

HAVING A GREAT IDEA, A BUSINESS PLAN AND MOTIVATED PEOPLE IN PLACE IS ESSENTIAL. SO IS ACCESSING SUFFICIENT MONEY, FROM MEMBERS OR LOANS IF NECESSARY

Step four: the launch (and after)

PLANNING THE LAUNCH TO INTRODUCE AND RAISE PUBLIC AWARENESS OF THE NEW CO-OPERATIVE IS LIKE PLANNING A GOOD COMMUNITY EVENT OR CELEBRATION - AND IS A CHANCE TO HAVE A GREAT PARTY! REGULAR MEMBERS MEETINGS WILL THEN BE ESSENTIAL
The Development Process In More Detail

A possible sequence of 8 key events, activities and tasks is summarised in this sketch:

These development process steps are:

1. One or more people develop the idea for a joint economic initiative after agreeing that there is a common problem to be solved or a promising opportunity.
   - The initiators should find it helpful to go through this workbook together and gain background by visiting an existing cooperative and contacting the appropriate local or regional authority to establish what help is available and the legal obligations for starting a cooperative.

2. Build interest for a cooperative by inviting a group of at least fifteen people who could be interested to develop the idea for a cooperative initiative and introduce the common problem to be solved or the promising opportunity already identified.

   First meeting of people interested to work together

   Ensure everyone knows each other and explain the purpose of the meeting, what a cooperative is and what type of cooperative might be started.
   - Discuss any cooperative’s you know about?
   - Introduce the business idea or community need which has led to this meeting
   - Discuss if working together would be good for everyone?
   - Take details of all those who are interested to be involved as potential members, to become the ‘core group’
3. The core group then hold an exploratory meeting for potential cooperative members, which may include existing traders. Discuss the idea in small groups and share views on what a Cooperative might do and the benefits. If strong interest from at least 10 people, plan a second meeting to identify and agree potential leaders and select a steering committee to prepare a business plan and divide tasks.

4. Steering Group conducts a feasibility study on the income generating potential and a member survey of skills and experience available and prepares a business plan outlining the objectives, activities and the future direction of the cooperative which includes funding needs and sources and the possible issue of shares to members as the basis for profit sharing (the business plan is a precious tool for any loan application), Leaders/Steering Group prepare Business Plan and seek agreement and commitment from members. Agree a name for the Cooperative.

5. Work out an institutional structure and reach an adequate level of agreement and trust among potential members. Meet with regional or national or regional Cooperative association for guidance and registration. Appoint staff and agree shares or membership subscription and other source/s assets to start up the cooperative enterprise

6. Working together. Invite formal membership and plan use of the skills and experience members can provide. Identify potential leaders, select a steering committee to prepare a start up plan and divide tasks with an agreed time frame

7. Hold the formal inaugural general meeting to adopt the cooperative’s constitution and member rules (See Appendix) Detail the financing plan and invite share contributions with planned security – preferably for direct payment into a bank account

8. Assemble staff and assets to start up the cooperative enterprise Plan frequent progress meetings for both leaders and full membership Develop a sound culture of teamwork and commitment to clear objectives The first year will be hard on everyone, but if the planning and preparation has been done well success and growth will be possible and your community may be transformed with many residents able to achieve their full working potential
Cooperative Sources of Capital

The capital needed for development and growth of a cooperative can come from three sources:

- the members themselves
- net surpluses generated by the cooperative
- external finance such as bank loans

The first and best source of financing for a cooperative is from members who buy ‘common’ shares. The more financing members provide, the less the cooperative business will need to borrow from other sources. Cooperatives often also sell what are called ‘Preference’ shares to members and non-members to raise more start-up capital. Members of the community in which the cooperative is to be located may purchase preferred shares to keep the cooperative as a local business.

The common shares are usually tied to voting rights. Preferred shares have no voting rights but have preference in any return of capital if closure takes place. So, although owners of preferred shares have no voting rights, they carry less risk than common shares.

The capital created through the retention of profit or surplus earned, represents a commitment by members who otherwise would have had that portion of surplus allocated to them. It is called the institutional capital and it does not cost the cooperative any interest!

Case Study: Participation of both large and small farmers Cooperative organisations in Zambia have a membership composed largely of small rural agricultural producers. Given their limited economic means the mobilisation of shared capital by members has been insufficient. As a result the economic basis of the rural cooperatives may be very weak and if so, the prospects of these cooperatives are bleak.

It is very desirable for the development of strong cooperatives that farmers with a wide range of different-sized farms in various stages of development work together in the same organisation. With full participation of larger farmers, better governance and funding prospects often become available. Social coherence of course is a pre-condition for this. The stronger cooperative can borrow debt capital, e.g. from banks. The allowed or desirable amount depends on how much risk or equity capital members initially invest, on cash flow, on quality of management and on the degree of risk in the venture. Members should contribute equity capital amounting to at least half the total capital requirements. But, it usually takes several years of operation to reach this goal.

(Ex Agrodok 38)
Need for a Cooperative Constitution

It is vital for any cooperative to have its own constitution. An example of a possible template is shown in Appendix 2.

The constitution should include:

- Detail of the cooperative's name, objects, and its activities
- Office holder details
- Annual membership fee and new member fee and/or share prices
- Distribution of profits and made per share issued. (A cooperative can choose to have shares or not have shares. If the cooperative does not issue shares, another means of profit distribution must be determined in the constitution.)
- Requirements of the annual general meeting
- Method of voting
- Method of settling disputes
Appendix 1

**Equal Opportunities**

**Strategies for Including Women, Youth and Disabled in Cooperatives**

Whilst groups of women and groups of young people can and do start their own cooperatives there is also clearly merit in applying the principle of equal opportunities including women, young people and some with disabilities in any cooperative

**Women in Cooperatives**

- Reserve one-third or one-fourth of the seats in management and other sub-committees to women members. If the President is male, a female should be given with the position as Vice President.

- Membership: In types of cooperatives like consumer cooperatives, dairy cooperatives, SACCOS and cooperative banks, the promoters could be encouraged to admit one-third of the members from women.

- Joint membership: Joint membership of husband and wife should be made in cooperatives like primary agricultural cooperatives. Because in the absence of land ownership, such joint membership will boost the morale of women.

- Cooperative education: Special adult educational programmes, which may include literacy for women might be helpfully arranged on a continuing basis. An education and development fund might be established with possible external grant support, especially for educational purposes.
Youth

- Teaching of the principles of cooperatives can helpful and was found to be taking place in 13 of 16 countries researched by the International Labour Office.

- Some Latin American organizations have introduced the concept of household membership, ensuring that younger family members other than the head of household who owns the land can be involved in the organization (MIJARC/IFAD/FAO, 2012).

- Cooperatives can also play an important role in facilitating land access for young people. For example, cooperatives in Burkina Faso have negotiated with village chiefs to land to young women in their communities.

- Cooperatives should become youth-sensitive, particularly in their representation and governance. Youth sections should be created within mixed cooperatives, and gender inequalities should be addressed to ensure the active participation of young women.

- The creation of youth-only cooperatives should also be facilitated.

- Cooperatives should provide mentoring, guidance and advisory services to their young members, so that they can become leaders and farmer entrepreneurs, and can overcome constraints.

- Cooperatives should value indigenous/traditional agricultural knowledge and practices, while also promoting innovations to stimulate youth’s interest in agriculture. Youth focused agricultural development projects and training programmes should be made available.
Disability


Around the world, approximately one billion people or 15 per cent of the population have a disability.

In recent decades, cooperatives have improved the lives of many women and men with disabilities.

A growing number of disabled people are participating in society, increasing their independence and making decisions about their lives and futures through participation in cooperatives, many of which provide access to essential services and employment.

Estimates indicate that disabled persons experience unemployment rates as high as 90 per cent in some low-income countries, while rates in some OECD countries can reach 70 per cent.

Despite social stigma and exclusionary practices, people with disabilities have become increasingly proactive in asserting strength and confidence in their own abilities to lead self-reliant and independent lives.

One area where equal opportunity is important to enable this self-determination is the world of work. Standards and policy statements are one way the international community has responded to the barriers faced by women and men with disabilities. Specifically, the International Labour Organization’s (ILO) Vocational Rehabilitation and Employment (Disabled Persons) Convention (No. 159), calls for a policy on vocational rehabilitation and employment promotion based on equal treatment and equal opportunity for persons with disabilities.
Examples of Women and Youth Cooperatives in Eight Countries


**Kenya:** Empowerment of Women through producers cooperatives (139). Through a dairy development program, supporting poor and female-headed households through the addition of clauses to cooperative membership agreements that allow funds for shares to be raised over time; encouraging men to allow women to apply for women-friendly loans at lower interest rates; and paying women for their milk sales in kind.

**Lesotho:** Mohale Hoek Primary School Horticultural Coop: Students not only learn how to grow vegetables, market and sell their produce, but also put in practice the principles of self-help and care for the community. They sell their produce to the school cafeteria to improve the nutritional composition of school meals, as well as to the local community. Support fellow students who are orphaned or come from families who cannot afford school meals, books and uniforms.

**Ghana:** Multistake Savings and Credit Society in Ghana has developed innovative credit facilities for both teenage mothers, women and youth and has continually provided training and technical support to its clients through its mentoring programme.

**Uganda:** WOWOYA Savings & Credit Cooperative Society Ltd with the support of Coop Africa is supporting the transition from exploitative commercial sex work to alternative livelihoods and reaching out victims and potential victims of HIV/AIDS with prevention and mitigation services. WOWOYA has introduced a revolving chicken loan scheme by giving 35 local chickens to each registered beneficiary. After six months they will be expected to repay the SACCO with either 35 birds, handed down to a new group, or in cash, with a 2 per cent interest.

**Peru:** Young coffee growers in Peru: The National Association of Coffee Producers (JNC) of Peru represents 52 coffee producer organizations. Older members of JNC encouraged youth to participate in the organizations’ decision-making processes. As a consequence, the National Coordinating Committee of Young Coffee Growers (CONAJOC) was created as a section of JNC’s national board. CONAJOC activities include training and workshops targeting young coffee producers, technical support, and launching of a Youth Innovation Fund. To facilitate membership, CONAJOC encourages parents to anticipate the inheritance of part of their coffee plantations so that their children can join the committee.
Italy: Junior Farmer Field and Life School graduates: Junior Farmer Field and Life Schools (JFFLS), launched by FAO in 2004, follow a gender sensitive approach that combines support to vocational training with employment promotion and access to markets through the facilitation of youth’s inclusion in farmers’ organizations, federations and unions.

Israel: In the Hebron district of the West Bank, JFFLS graduates joined the youth wing of the Al-Shiva Hive Cooperative Society. They received training in beekeeping, bee hiving and honey processing twice a week in the afternoons after school hours. They are now full members of the cooperative society and are obtaining their share of the profits.

Japan: There are over 200 university cooperatives throughout Japan, with 1.38 million members and a volume of $924 million per year. There is a lot of synergy between the consumer and university cooperatives in their purchasing activities.
Appendix 2

Cooperative Constitution Template

[NB This constitution is only a guide. Most of its content is standard, however your coop may wish to change or make additions to the aims and objectives, and other areas.]

1. Name
The name of the group shall be ......................................Cooperative

2. Objects

- To……………………………………………………………………………………
- To raise funds and receive contributions where appropriate to finance the work.
- To open bank accounts.
- To make rules and standing orders for categories of members and their rights.
- To take out insurance.
- To organise meetings, training courses and events.
- To work with similar groups and exchange information and advice with them.
- To take any action that is lawful, which would help it to fulfil its aims.

3. Membership

a. Membership of .....................................cooperative shall be open to anyone over the age of 18 and of either sex, who is interested in helping the group to achieve its aim and willing to abide by the rules of the group.
b. Every member shall have one vote at general meetings.
c. The Management Committee shall have the power to refuse membership to an applicant, where it is considered such membership would be detrimental to the aims, or activities of the group.
d. Registration and termination of membership.

- Any member of the association may resign his/her membership and any representative of a member organisation or section may resign such position, by giving to the secretary of the association written notice to that effect.
- The Management Committee may, by resolution passed at a meeting thereof, terminate or suspend the membership of any member, if in its opinion his/her conduct is prejudicial to the interests and objects of the association, PROVIDED THAT the individual member or representative of the member organisation (as the case may be) shall have the right to be heard by the General Committee before the final decision is made. There shall be a right of appeal to an independent arbitrator appointed by mutual agreement.
4. Management  
a. ........................................food co-op shall be administered by a Management Committee of not less than three (3) people and not more than fifteen (15) members elected at the group’s Annual General Meeting. Committee Members must be at least 18 years old.  
b. The officers of the Management Committee shall be:  
   - The Chairperson  
   - The Treasurer  
   - The Secretary  
   - and such other officers the group shall deem necessary at the meeting.  
c. Voting at Management Committee meetings shall be by show of hands on a majority basis. If there is a tied vote then the chairperson shall have a second vote.  
d. Power to set up sub-groups and working parties as deemed necessary who shall be accountable to the committee.  

5. Finance  
   - Members may purchase shares at an agreed price with proportionate voting rights. Non members may be offered shares without voting rights  
   - Any money obtained by the group shall be used only for the group.  
   - Any bank accounts opened for the group shall be in the name of the group.  
   - Any cheque issued shall be signed by at least two of any three nominated signatures.  
   - The Management Committee will ensure that the group stays within the budget.  

6. Committee Meetings  
   - The committee shall meet at least four (4) times each year.  
   - The quorum (minimum number of people required) for a meeting shall be five (5).  
   - The committee shall be accountable to the members at all times.  
   - All meetings must be minuted and available to any interested party.  
   - All committee members shall be given at least seven (7) days’ notice of a meeting unless it is deemed an emergency meeting.  

7. Annual General Meeting  
   An Annual General Meeting shall be held within six months of the close of the financial year of the Cooperative, the business of which shall include:  
   (i) the receipt of the accounts and balance sheet,  
   (ii) the election of Committee Members, if it has been decided to have such a Committee.  
   The quorum for Annual General Meeting shall be at least eight (8) persons of which no more than four (4) shall be committee members.  

8. Application of surplus  
   The Cooperative shall not trade for profit. Any surplus of the Food Co-op shall be used as a general reserve for the continuation and development of the Food Co-op.  

9. Alteration of the Constitution  
   - Proposals for amendments to this constitution, or dissolution must be delivered to the secretary in writing. The secretary in conjunction with all other officers shall then decide on the date of a meeting to discuss such proposals, giving at least four weeks (28 days) clear notice.
Any changes to this constitution must be agreed by at least two thirds of those members present and voting at any general meeting.

10. Dissolution
The group may be wound up at any time if agreed by two thirds of those members present and voting at any general meeting. Any assets shall be returned to their providers, if they require it, or shall be passed to another group with similar aims.

11. Adoption of the Constitution
This constitution was adopted by the members present at the AGM held on...........................................

Signed .................................................................................................................. (Chair)
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(Secretary)