



Government of the Republic of Vanuatu
Office of the Registrar of Cooperatives & Business Development Services



National Co-operative Policy 2017 - 2022

“Empowering Co-operative Enterprise - Growing Stronger Together”



© Government of the Republic of Vanuatu
Office of the Registrar of Co-operative & Business Development Services
Monfort Street
George Pompidou
PMB 9032
Port Vila
VANUATU
(678) 33390
www.cooperative.gov.vu
Facebook: Vanuatu cooperative Movement
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FOREWORD

With great pleasure, I present to you the Co-operative Policy 2017 -2022, “Empowering Co-operative Enterprise – Growing Stronger Together” which has been prepared by the Office of the Registrar of Co-operatives and Small Businesses, and approved by the Vanuatu Government, as our blueprint for the future. It provides guidance and directions focusing on two main aspects - *The Role of ORCBDS as a Regulator and The Transformation of the Co-operative Movement into the Co-operative System of Enterprise.*



This Policy will change the structure and strengthen the role of ORCBDS as a Regulator while helping to support positive changes across the co-operative movement. Specifically, this policy includes strategies and processes to address issues and barriers as well as opportunities that have been identified. Also in future, this policy will see ORCBDS placing greater emphasis on legislation and compliance

This policy will also affect directly the Co-operative Societies and their members. It defines and empowers co-operatives by giving them power to operate in new and sustainable ways. Further, it empowers co-operatives to organize themselves into an integrated system of co-operative enterprise. It encourages a new and innovative national system that values member involvement, that works in co-operation with government and with other donors in creating new income generating activities, and is a system that helps people to help themselves, and as they may choose, to grapple with broader challenges in the fields of healthcare, social justice, employment, as well as with issues involving energy and climate.

While the implementation of this policy extends for the next 5 years, we must be proactive and innovative in contributing to the continuous development of our country through government that involves providing opportunities for co-operatives to contribute to the realization of “The People’s Plan 2030”, as well as the United Nations 17 Sustainable Development Goals. Co-operatives must focus and also combine their efforts locally, nationally, and globally. Equally important is the remembering of co-operative principles in our co-operatives, and using co-operative values in our lives. By doing so we will help ensure the success and sustainability of our co-operatives while also bringing peace and harmony into our lives, and into our communities.

It is my challenge to you to embrace the changes which this policy offers, to know that through co-operative enterprise you are making a difference, to see challenges as opportunities, and finally to promote co-operatives as a means for turning opportunities into successes. I urge all of you to use ORCBDS and Co-operative Enterprise as your chosen path to grow stronger together.


Hon. Joe Natuman
Deputy Prime Minister
Minister of Tourism, Trade, Commerce and Ni-Vanuatu Business.

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The National Policy Committee wishes to thank the Australian people and the Governance for Growth program for their support and advice in making this policy possible.



The technical advice and support from the various government and other stakeholders contributing towards developing this policy is gratefully acknowledged, in particular that of government directors and officers namely, Mr. Antoine RAVO, Director of DARD, Mr. Hannington TATE, Director of Forests, Francis QURANI, Principal officer of Biosecurity services, Mr. Lonny BONG, Director of Livestock, Mr. Kalo PAKOA, Director of Fisheries, Mr. Noel KALO, Acting Director of Industry, Mr. Roan LESTER of DESPAC, Messrs. Willie Pakoa LUEN and James TATANGIS of Trade Development Unit, Francois KAVIRERE of Vanuatu Chamber of Commerce and Industry and John HURI from the office of Intellectual property and copyrights.

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This Policy also builds on an analysis of the inputs of close to 70 Co-operators representing over 2500 co-op members from the co-operative movement to a Leadership and New Strategies (LENS) exercise from participants at the sessions where the initial discussions on the policy were presented.

The contribution of the Office of the Registrar staff in shaping and concluding the policy is gratefully acknowledged. The Office of the Registrar of Co-operatives and Business Development Services expresses its sincere gratitude to Terry MacDonald, as our international co-operative consultant, and to Sowany Joseph MATOU, our national consultant who have helped to craft this policy.

We also acknowledge the contribution from the Honourable Minister for Trade Tourism Commerce and Ni-Vanuatu Business for his advice and keen interest in the policy process, and making sure that the policy document is relevant and provides new perspective on the co-operative development in Vanuatu. We are grateful for his contribution.

A blue ink signature is written over a circular official seal. The seal contains the text 'REPUBLIC OF VANUATU' at the top and 'MINISTRY OF TRADE, TOURISM AND INDUSTRY' and 'MINISTÈRE DE COMMERCE, DU TOURISM ET DE L'INDUSTRIE' at the bottom, with a star on the right side.

George BORUGU
Chairperson
National Policy Committee

ACRONYMS

Coop	Co-operative
COM	Council of Ministers
DARD	Department of Agriculture and Rural Development
DL	Department of Livestock
DoF	Department of Forests
DoFis	Department of Fisheries
DoL	Department of Lands
DoTD	Department of Tourism Development
DSPPAC	Department of Strategic Planning, Programming and Aid Coordination
EDF	European Development Fund
EU	European Union
GfG	Governance for Growth Program (Australia)
GoV	Government of Vanuatu
ICA	International Co-operative Alliance
ICT	Information and Communication Technology
ILO	International Labor Organization of the United Nations
MALFFB	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity
MoE	Ministry of Education
MoF	Ministry of Finance
MTTCNB	Ministry of Tourism, Trade, Commerce, and Ni-Vanuatu Business
MIPU	Ministry of Infrastructure and Public Works
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
NCLMC	National Co-operative Leadership and Management Council
NGO	Non-Governmental organization
ORCBDS	Office of the Registrar of Co-operatives and Business Development Services
PMO	Prime Minister's Office
SLO	State Law Office
TVET	Technical, Vocational Education and Training
UNDP	United Nations Development Program
VCBN	Vanuatu Co-operative Business Network
VCCI	Vanuatu Chamber of Commerce and Industry
VCF	Vanuatu Co-operative Federation

Contents

Executive Summary	1
1. Vision of Vanuatu Co-operatives	4
2. Purpose of the National Co-operative Policy	4
3. Vanuatu Co-operative Policy Context.....	4
4. The Nature of Co-operative Enterprise	2
4.1 The Co-operative Difference	2
4.2 Co-operative Principles and Values.....	3
5.1 Pooling Resources to Create Value	5
4.3 Tangible and Intangible Benefits and Contributions.....	7
4.4 Why Co-operatives Can Succeed and at Times May Fail	8
5. Barriers and Issues to Co-operative Development	10
5.1 Barriers and Issues	10
5.2 Inability to Implement Key Elements of the 2011 - 2016 Co-operative Policy.....	11
5.3 Too Many Co-operatives - Few Qualified Co-operative Leaders and Managers.....	11
5.4 Misunderstanding and Misuse of the Co-operative Enterprise Business Model	12
5.5 Roadblocks to Co-operative Development	13
6. Opportunities for Co-operative Development	13
6.1 Working Together	13
7. Risk Management.....	14
8. Policy Objectives and Strategies for Moving Forward.....	15
8.1 Moving Forward.....	15
8.2 Policy Objectives.....	15
8.3 Strategies for Moving Forward	15
8.3.1 Strengthen and Mobilize Inclusive Co-operative Leadership and Management	15
8.3.2 Begin Creation of a New Co-operative Legislative and Regulatory Framework	15
8.3.3 Restructure ORCBDS Functions, Roles, and Responsibilities	16
8.3.4 Restructure Functions, Roles, and Responsibilities Across the Co-operative Movement	16
8.3.5 Acquire and Deploy Information and Communications Technologies.....	16
8.3.6 Encourage the New Co-operative Business Network	16
9. Action Steps for Moving Forward	16

9.1 Preparing for Change (0-6 months).....	16
9.1.1 Establish an Interim 7-person National Co-operative Leadership and Management Council...	16
9.1.2 Commence Reorganization and Restructuring of ORCBDS.....	16
9.1.3 With the NCLMC Engage 6 Lead Co-operatives to Pilot New Approaches.....	16
9.2 Discovering and Applying Best Practices (6-12 months).....	17
9.2.1 NCLMC to Arrange a Study Tour of Co-operatives in 3 Other Countries	17
9.2.2 NCLMC to Lead in Human Resource Capacity Building	17
9.2.3 NCLMC to Lead in New Co-operative Marketing and Branding.....	17
9.3. Introducing Legislative and Structural Change (12-18 months).....	17
9.3.1 Government to adopt new co-operative legislative framework.....	17
9.3.2 NCLMC to Lead in Creating Business Units and the Vanuatu Co-operative Business Network.	17
9.4 Focus on Longer Term Key Initiatives (18- 36 months).....	17
9.4.1 VCBN to Work with ORCBDS in Supporting Vanuatu 2030 the People’s Plan	17
9.4.2 ORCBDS, to Explore Establishing an International Pacific Co-operative College or University .	18
10. Enabling Environment.....	18
11. High Level Budget and Policy Funding	18
12. Concluding Comments	20
Appendix A.1 - Current Functions of ORCBDS	1
Appendix A. 2 - Future Functions of ORCBDS.....	2
Appendix A.3 - Makeup of the Co-operative Movement Today.....	3
Appendix A.4 - Future Makeup of the Co-operative System.....	4
Appendix A.5 -Implementation and Planning Framework	5

Executive Summary

The Co-operative Movement in Vanuatu has over the past over forty or so years had a “grand” and at time a “not so grand” development history.

Prior to independence co-operative were active and thriving in many of the islands which today make up the country of Vanuatu. Control over the sale of primary imports and even shipping services between islands meant that many Ni-Vanuatu co-operative members and employees had livelihoods to help sustain themselves.

With independence in 1980 came an entirely new set of challenges. Free trade meant the lucrative and exclusive sale of key imports through co-operatives quickly disappeared as new competitive businesses sprang up. Not long afterwards the co-operative structure at the local, regional and national levels began to weaken, and eventually in large measure collapsed. Many co-operatives closed and even the national financial co-operative body was taken over by what today is the National Bank of Vanuatu. The Vanuatu Co-operative Federation itself failed, when regional co-operatives on which it depended also failed.

Beginning in the first decade of the new millennium most of the dust has cleared. While there were still a great number of co-operatives locally, there were also a large number of inactive co-operatives still registered. In an effort to assist in the re-building the co-operative movement the government began granting funds through the Co-operative Development Fund (CDF) for on lending to co-operatives. Suddenly many inactive and new very small co-operatives sprang up across the country - primarily to access funds being made available. In a very short period of only a few years, with little or no repayment of loans, a great many of these co-operatives once again fell inactive, but were still registered. In 2014, the Co-operative Registrar successfully undertook to remove all inactive co-operatives from the national registry.

Over the past 4 years existing co-operative as well as new co-operatives have begun demonstrating real growth is possible, and membership numbers once again are climbing. Accordingly, between 2013 and 2016 the total number of co-operative members registered increased slightly. However, had Cyclone Pam not hit in 2015, co-operative membership would have grown by roughly 3,000, or 20% over the same 3-year period. At present, there are 15,000 co-operative memberships in Vanuatu.

Looking to the future, and based on direct inputs from stakeholders, co-operative leaders and managers, and from the ORCBDS, this policy includes high level objectives and policies, together with a range of strategies and action plans intended to empower the co-operative movement in Vanuatu.

This policy and the associated planning and implementation framework address issues and barriers that have hindered co-operative development in Vanuatu in the past, while also seizing upon opportunities that have been suggested for moving forward. The most important issue addressed is the need to completely overhaul the current co-operative legislative and regulatory framework. The current framework not only hinders future development, but also puts financial co-operatives and government potentially at risk.

It is with these and other related factors that the National Co-operative Policy for 2017 to 2022 has been developed. In the simplest of terms this is a transformation policy. It is transformation in that it facilitates changes in the ways co-operatives are structured and operate across the country, and in the manner that government, particularly through the ORCBDS supports co-operatives. In many ways it is innovative, yet it is also based on international co-operative best practices. This policy is right for Vanuatu co-operatives, for their members, for the ORCBDS and the government as a whole, and for all Ni-Vanuatu.

The policies and strategies that follow when implemented will **promote growth** - in the number of co-operative members, in greater involvement of youth and women, and in providing better services to satisfy needs in areas such as banking access, and consumer purchases.

The strategies will also **strengthen of the co-operative movement** through creation of a sustainable Vanuatu Co-operative Business Network thru greater integration of core functions, capacity building and education of leaders, managers, members, and youth, coupled with better governance and financial management of co-operatives.

Importantly, strategies included are based on direct inputs from co-operative leaders and managers, and also from stakeholders which clearly suggest co-operative must be, and are - **willing to work together** in new and creative ways, and also in future with government as partners in development.

In a relatively short time (within the first 6 months) this policy will support the creation of what will be recognized as the Vanuatu Co-operative Business Network - a national co-operative governed by a National Council of Co-operative Leaders and Managers capable of driving positive and sustainable change across the co-operative movement.

One of the key tasks in future is for National Council of Co-operative Leaders and Managers will be to focus on selecting key business areas where it will be mutually beneficial for co-operatives and government to work closely together.

This policy requires everyone to recognize co-operatives operate as autonomous business enterprises and as such are expected to govern themselves accordingly over time. Over the first three years of this policy the role and focus of the ORCBDS will transition from supporting new co-operative development to legislative and regulatory compliance. New business

development and support for other forms of co-operative development are intended to become the responsibility of the co-operative system itself.

1. Vision of Vanuatu Co-operatives

To support the creation of a sustainable, inclusive, member owned and controlled co-operative business network, for the social and economic benefit of members, and for the nation of Vanuatu.

2. Purpose of the National Co-operative Policy

The purpose of the National Co-operative Policy is to provide clear direction which the Government of Vanuatu wishes to follow in strengthening and developing co-operative enterprises across the country.

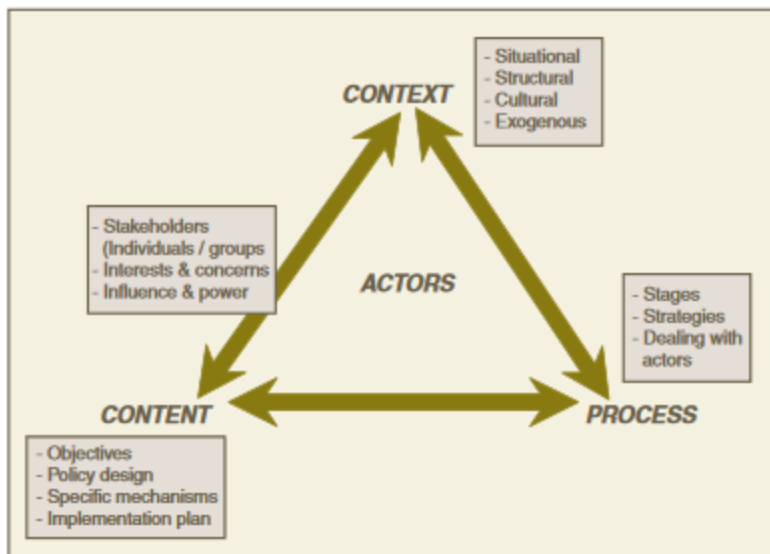
This policy considers conditions which influence co-operative performance, and describes the barriers and issues, and the opportunities facing the co-operative movement in Vanuatu.

This policy includes high level policy objectives, strategies, and processes, including significant structural and organizational changes desired within the Office of the Registrar of Co-operatives and Business Development Services (ORCBDS), and across the co-operative movement, which are intended to assist in strengthening co-operatives and in improving the livelihoods of all co-operative members.

Finally, this policy is intended to serve as a catalyst for positive changes both within government and across the co-operative movement as a whole. Accordingly, detailed implementation plans and action steps required are also included.

3. Vanuatu Co-operative Policy Context

Typically, national policies bring together and links context, actors, process, and content. This is the



manner in which the Vanuatu National Co-operative Policy has been framed.

In terms of **context**, this means the National Co-operative Policy links to the Vanuatu 2030 - The People's Plan, and to various plans of selected ministries and departments wherever practical, and with the plans of the ORCBDS. The context has previously been more fully described in terms of the situational assessment which

touches on a variety of facets including the capacity of ORCBDS, as well as the current state of co-operative enterprise development within the country. Particular co-operative development barriers and opportunities have been identified, as have **processes** and **strategies** for addressing them.

In terms of **actors**, the largest group of key stakeholders includes 322 active co-operatives, having 622 employees and serving more than 15,000 co-operative owner members from across Vanuatu. Close to 70 representative co-operative leaders and managers from across Vanuatu provided clear inputs into shaping this policy. The other major influencers of this policy have been the two main Ministries of Government - MTTICNB, MALFFB, and the PMO (DSPPAC). At the same time the consultation process has also given voices to various private sector actors, as well as various donor agencies.

Other key actors in this case include members of the National Co-operative Policy Committee, the National and International Co-operative Experts, and of course all of the Members of Parliament who ultimately must see fit to adopt the policy and thereby ultimately agree to support its longer-term implementation.

A total of three validation workshops and five policy committee meetings have been held to verify the thinking which has gone into this policy.

4. The Nature of Co-operative Enterprise

4.1 The Co-operative Difference

The co-operative business model logically is based on the notion of co-operation. This is different from private corporation model. This is important because, as you will see, the co-operative model emphasizes values, motivations, and behaviours that are not as commonly found in the private sector or in the corporate world. A second difference between co-operatives and other forms of enterprise is the "member - versus – investor" orientation. Co-operatives focus on generating benefits (which may or may not always be in the form of profits) and satisfying member's needs, while corporations typically focus on creating and maximizing wealth for private investors. In co-operatives, when they earn surpluses, the earnings typically remain within the communities in which they were created. Given these differences, the operating philosophies between the two can differ greatly.

Co-operatives are established because people in communities identify common needs that they want met. The priority of the co-operative is to ensure the continued availability of the service it provides, with earning generation being a secondary concern. In producer or consumer co-operatives sustainability of the enterprise or structure may be the top priority, with the priority of returns to members following closely behind.

Co-operatives are therefore driven by both social and economic concerns. They are often community-based enterprises that are established by their member/owners to meet their economic and social

service needs. A priority for a co-operative is to improve the quality of life for its members, not simply to maximize profits for shareholders.

While co-operatives differ in a number of ways from other business enterprise models, the three basic differences that make co-operatives unique can be summarized as follows:

Different Purpose: Whereas the primary purpose of a private sector enterprise is to maximize profit for its owners and/or shareholders, the primary purpose of a co-operative is to meet the common service needs of its members. Needless to say, a co-operative must always aim to maintain a level of earnings sufficient to support current operations and to provide for future growth.

Different Governance Structure: Whereas share ownership is the controlling factor in most private sector businesses, members are the controlling factor in a co-operative enterprise. In a co-operative, each member has one vote regardless of the number of shares held.

Different Allocation of Earnings: Whereas investor-owned businesses must distribute profits in the form of dividends allocated based on number of shares held, co-operatives distribute profits to members in proportion to the business they conducted with the co-operative during its business year.

Underpinning the business model as described above are the basic values and principles adopted by co-operatives around the world. These principles and values have evolved only slightly over the past century, although they continue to be refined as time goes on.

4.2 Co-operative Principles and Values

The co-operative principles are a set of basic standard guidelines that shape the operation of all co-operative enterprises. They are the way in which all co-operatives put their values into practice. They are what distinguish co-operatives from other enterprise models. Since providing its first list of Principles in 1937, the International Co-operative Alliance has revised and updated them twice. The most recent revisions have been undertaken because of the ever-widening use of the co-operative model and in response to economic and social change. As a result, there is now a new generation of socially and environmentally conscious individuals who are using the co-operative business model because co-operative principles and values fit with their own values and lifestyles. For example, bicycle and car sharing co-operatives are being formed to conserve energy and harness wind energy, and biofuels co-operatives are being formed to produce “green” energy. Although the co-operative principles and values have been reframed, their original elements have been maintained and continue to be relevant in our contemporary world.

At its world conference in Manchester, England, in 1995, the International Co-operative Alliance adopted a new definition and set of principles and values for the 21st century. These ten values and the seven principles which arise from them are embodied in what the International Co-operative Alliance refers to as the Statement of Co-operative Identity as explained below.

Statement on the Co-operative Identity

Definition

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

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organisations 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 co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members 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 their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: **Education, Training, and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: **Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: **Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

The Statement of Co-operative Identity as shown above is provided by the International Co-operative Alliance. The core principles were first adopted in 1844 and revised in and adopted in 1937, again in 1966, and with slight revision adopted in 1995 at the international Co-operative Alliance Global Congress in Manchester England, by more than 2,000 co-operative leaders from around the globe.

5.1 Pooling Resources to Create Value

Simply stated, co-operatives allow people to pool their human, financial and technical resources, and to achieve results that otherwise would not be possible. Tangible benefits may be seen immediately in areas such as improved services, more product availability, and better prices. It is not uncommon for co-operatives to provide useful business skills and other types of education to members as part of their service offering.

Intangible or difficult to quantify benefits include leadership and problem-solving skills developed by and for members. The local ownership and governance of a co-operative means the business plan, the strategies and the policies adopted by the co-operative, reflect the situations within the community. Another intangible benefit is that, over time and based on experience, co-operative members and leaders come to rely on themselves to solve economic and social problems instead of on government or outside agencies. In some cases, co-operatives join together, or act through their federations or central organizations, to take action or advocate action by governments in order to address issues of concern.

While there are always reasons for confidentiality respecting a particular member's dealings or an employee's work performance, co-operatives operate on an open and a transparent basis. Openness and transparency are two avenues for avoiding corruption within any organization.

When dealing with a co-operative member, concerns can easily be raised and issues or concerns addressed by approaching the co-operative manager or by contacting a member of the board of

directors. Since members own the co-operative, they also have the right to attend and speak out during annual meetings of their local co-operative.

One member, one vote is an important principle in all co-operatives. The democratic dimension of co-operatives is an important educational and developmental element in co-operatives around the world. The members of a co-operative democratically elect their board of directors and in some cases committee members. The board and committee members frequently receive little and in some case no remuneration for their efforts. Elected officials that do receive a per diem or other form of remuneration, typically senior professionals from larger co-operatives, must do so within the co-operative's approved policies. In a co-operative, elected officials always know that they are accountable to the members who elected them. Often these same leaders are or go on to become successful leaders or business persons within their local community.

As well, different types of co-operatives can create particular benefits. Marketing co-operatives can help members increase their sales volume and obtain better selling prices. Producer co-operatives can add value to their members' raw products. Profits that usually go elsewhere can instead be passed on to co-operative members. Consumer co-operatives can help their members to buy in volume and at increased savings. Consumer co-operatives may also be able to provide increased access to goods and services not previously available to them (e.g., affordable home delivery of fresh vegetables and organically grown food). Savings and loans co-operatives help their members save money when borrowing for a house, a vehicle, or for education. They can provide competitive rates and services to assist savers. Finally, worker-owned co-operatives can create improved working conditions for workers, including job security, and of course, member owners share in a portion of the profits of the enterprise depending upon the labour they provide. Typically, worker co-operatives have lower employee turnover, higher productivity, and stronger profits when compared to other forms of enterprise.

Clearly, co-operatives have a significant positive impact on the communities in which they serve. They create and retain local jobs, pay various taxes, and typically have a long-term commitment to the community and its future success. Since co-operative surplus earnings are returned to local owner members, more money remains in the community, thereby strengthening the local economy. Earnings retained within co-operatives also become a source of capital (both working and equity) to support local and regional economic development and business expansion. Most co-operatives support through purchases other businesses within their community. The presence of a local co-operative along with other businesses may even mean more competitive pricing of products and services.

The seventh co-operative principle - Concern for Community - is expressed in a wide variety of ways. Local co-operatives often help by funding raising to support community events, helping to facilitate community and member educational activities and by helping co-ordinate activities during a natural disaster. Larger co-operatives or a group of co-operatives actively support other service organisations, that are helping within a community or region. The presence of local directors, officers, and committee members also means hundreds and in fact thousands of individuals are receiving hands on experience in leading and governing some very complex co-operative enterprises. This contributes substantially to the

pool of skills and talent available locally to undertake other business and community leadership endeavours.

In addition to illustrating the value which co-operatives create for themselves and their communities, we wish to emphasize that co-operatives around the globe are impacting the social and economic lives of women. "I am able to be self-sufficient," "I am able to feed and educate my children," and "I am able to plan for a brighter future," are common statements made by women who have learned about and have benefited by joining a co-operative. The variety and diversity of women's co-operatives around the world is amazing. Women have organized themselves using the co-operative enterprise model to address issues ranging from powerlessness and HIV all the way to obtaining financing for women entrepreneurs. The outcomes are clear: greater equality and empowerment as well as financial strength for women members.

While the above list illustrates co-operatives that have been organized and run by women, we must recognize that women also play important roles in the leadership and management of many co-operatives. It is common to see women serving as general managers and as elected directors of savings and credit co-operatives around the globe. Accepting and promoting gender diversity allows co-operatives to be more adaptable and to strengthen communities by ensuring that the needs and interests of all members are fairly represented in the organization.

Across society from India to Rwanda, to the Philippines, to Australia, to France, the Ukraine, Canada and Chile, and in all of the countries in between including Vanuatu, co-operative forms of enterprise are helping to build a better world. In and through co-operative forms of enterprise, people of almost every nation on the globe are able to participate in discussions and in debates about their organizations and about policies and issues that are of concern to them

4.3 Tangible and Intangible Benefits and Contributions

At the global International Co-operative Alliance General Assembly held in Cancun, Mexico, in November of 2011, the United Nations Secretary General Ban Ki-Moon via video congratulated the co-operative movement for its contribution to the global common good. The message came a little over two weeks after the United Nations' launched the International Year of Co-operatives in New York. The Secretary General said, "Co-operatives are a unique and invaluable presence in today's world. They help to reduce poverty and generate jobs." In his message, Moon emphasised the important role that co-operatives play in strengthening communities socially and economically. He also noted co-operatives are value-based businesses that are rooted in their communities because they are owned by their members. In closing, he called upon the audience and the worldwide co-operative movement to "create better businesses and a better world" through co-operative enterprises. A summary of the benefits associated with co-operative forms of enterprise follows below.

The Benefits of the Co-operative Form of Enterprise		
For Members	Some Tangible Benefits	Some intangible benefits
	Provides a needed service or product which may not be available, and often at a lower cost.	Leadership development of elected officials and workers.
	Provides a practical means for pooling resources and creating sustainable livelihoods.	Aids in poverty reduction and improved standard of living and independence.
	Supports individual and family savings and wealth accumulation.	Helps develop attitudes of self-help and empowerment.
	Payment of patronage dividends based on use and or contribution.	Enhances recourse and ability to address issues and or concerns.
	Policies which provide for fair and equitable treatment of all members (i.e. gender equality).	Limited liability and risk sharing across members of the co-operative.
For Society	Some Tangible Benefits	Some Intangible Benefits
	Avenues for greater social and economic equality and empowerment of women globally.	Demonstration that co-operative efforts can lead to peaceful relations.
	Avenues allowing for broad involvement and participation of people in the discussion and debate of policies and issues of concern.	Provides a constructive mechanism for motivated individuals and groups to take action to address issues of concern.
	Tangible contribution to the overall quality of life through poverty reduction and job creation around the world.	Clear demonstration of co-operative democracy in action.

4.4 Why Co-operatives Can Succeed and at Times May Fail

It is important to point out that the situational assessment did not look in-depth at all of the factors which would have influenced the success or failure of individual co-operatives in Vanuatu.

The performance of any co-operative (and thus the ability to survive) is the consequence of a series of cascading factors. Please refer to the figure provided concerning the reasons for poor performance (and ultimately failure) of co-operatives at a macro or country wide level.



The first set of factors reflect the extent of perceived needs. From the consultations with co-operative leaders and managers conducted recently, the perceived needs that were described involve the creation of sustainable livelihoods, achieving economies of scale and the desire for marketplace participation.

The second factor affecting co-operative performance is the presence or absence of an enabling environment. Clearly the historical, social, legal, political and economic factors have significantly impacted the past performance of co-operatives in Vanuatu. During recent consultations with co-operative leaders and managers the political, legal and to a lesser extent economic factors were raised as obstacles to the success of the co-operative movement. In Vanuatu's case the co-operative legislation framework was noted as a factor affecting the overall performance of co-operatives, particularly financial co-operatives. It has also been noted in passing that the unwise use of co-operative development funds by government authorities has also contributed to the registration and then the dissolution of many co-operatives throughout the country.

A study commissioned by the United States Agency for International Development in 2006, entitled *Co-operatives Doing Business*, asserts that over much of the last century, co-operatives (and thus their performance) in many developing settings were subjected to a similar legal framework (their enabling environment) through which management was accountable to the state rather than to membership. Within this setting, the role of members in the governing of co-operative businesses was minimized and government or party officials were allowed control over co-operatives. Co-operative laws around the developing world empowered government representatives to determine many aspects of the co-operative, e.g. appoint and lay off managers and directors, direct basic business decisions, dissolve co-operatives that were performing below expectations, and prescribe membership requirements. Hence,

the Co-operative Principle of Democratic Member Control was violated, and co-operative performance lagged. To at least some degree this is what has happened in Vanuatu post-independence, with ministers, co-operative registrars, and others in government intervening at various time, in ways that were inappropriate and not in the best interest of co-operatives.

The third factor affecting co-operative performance involves internal governance. These types of failure are specifically related to a failure to understand and to abide by best practices and the stated co-operative principles and values, as previously described, and to operate within the legislative framework provided. Co-operative that do not engage their members, or allow committee members or managers to act in their own interest, over their members' interest, or who fail to challenge officials who are abusing their positions over time, lose the support and commitment of regular members. Member support is a critical success factor for any co-operative. Properly applied co-operative principles and values provide a sound basis for good governance.

Of course, not all co-operatives succeed survive over time. This is to be expected with any enterprise. Sometimes member-owners consciously decide their co-operative is failing to achieve its purpose and that it is time to sell, merge, downsize, or wind up. In other cases, a co-operative may cease to be sustainable because of unfavourable market conditions, and thus be unable to achieve its intended purpose. It may merge with another co-operative or a series of co-operatives in order to remain viable, and thereby continue to serve its members, or it may be sold in part or in whole to interested investors, or it may simply wind up operations and cease to operate.

The reality is that far more co-operatives succeed than fail. As of the present, around the globe there are more than 2.6 million co-operative enterprises, with more than one billion memberships and clients. Generally speaking, this means one in every six persons in the world is a co-operative member. Globally co-operatives employ more than 12.6 million persons, which is more than all the multi-national corporations in the world employ. Together they have combined assets of some 20 trillion USD, and operate in 145 countries around the globe.

The evidence shows that co-operatives can and do succeed when they are able to perform within generally enabling legal, political and economic environments, and when are they are governed based sound business practices and on co-operative principles and values. This means they must truly be member owned and controlled, and that they must work together to satisfy customer needs.

5. Barriers and Issues to Co-operative Development

5.1 Barriers and Issues

Barriers and issues are circumstances which are deeply entrenched, have existed for some extended time, and as a result are difficult, to address. There are three key barriers to co-operative development:

5.2.1 Inability to Implement Key Elements of the 2011 - 2016 Co-operative Policy.

The first and greatest barrier to successful co-operative development in Vanuatu has been the inability of the Government of Vanuatu to effectively and successfully implement most of the eight recommended strategies, and many of the eight supporting actions, from the draft 2011-2016 National Co-operative Policy, including in particular two key recommendations. The two key policy recommendations were to:

- Seek the revision of the Co-operatives Act - Strategy II
- Establish a National Co-operative Consultative Council (NCCC) – Strategy VIII

While it is recognized that there were intervening circumstances – the reality is what it is. Five years have now passed. As a consequence, the current legislative frame work remains inadequate as a long-term support for the co-operatives in Vanuatu. At least two studies have been done which have point out the weaknesses and limitations which exist within the current legislation. A cursory review of the existing legislation by the international expert confirms various aspects of the legislation are not in fact in keeping with suggested guidelines for a country's co-operative legislation. As well the existing co-operative legislation and supporting by-laws are weak in terms of regulating financial co-operatives. It has also been noted that for a variety of reasons including a lack of qualified human resources, the ORCBDS responsibility for ensuring all co-operative are in fact in compliance with the existing legislation has not received the attention required for co-operatives to operate effectively, efficiently, and safely. In some instances, this has resulted in losses of members' savings which may have been averted!

As a consequence, the ORCBDS has come to be looked to in representing the interests of co-operatives to government through the Registrar, and at the same time the Registrar is left being looked at as the channel through which other government departments look to implement their policies and plans.

In the absence of a National Co-operative Advisory Council or a national functioning co-operative apex organization, it has been extremely difficult for local co-operatives to be properly represented in dealing with each other as a system, and with government. The ORCBDS was never intended or mandated to serve as the co-operative movement's trustee in dealings with outside interests or with transactions with other departments of government. Nevertheless, that is what the ORCBDS has been pressed by default into doing.

5.2.2 Too Many Co-operatives - Few Qualified Co-operative Leaders and Managers

The reality is that at present there are too many individual co-operatives and too few well qualified and experienced co-operative leaders and managers across Vanuatu. Being an effective co-operative leader or co-operative manager across a movement is far different than simply being a good committee member, or administrator or store manager. At the same time in many rural areas, because of the

small size of many co-operatives it is difficult to train and retain elected leaders and managers and to educate them concerning their roles and responsibilities and responsibilities in serving their members.

There are qualified leaders and managers available in Vanuatu, and there are other innovative and effective ways for addressing this shortfall. Vanuatu is not the first or only country where co-operatives have had to face this issue. There are today co-operative systems who have found and implemented new and effective ways for organizing and educating their limited human resources into becoming effective co-operative leaders and managers.

5.2.3 Misunderstanding and Misuse of the Co-operative Enterprise Business Model

From consultations with stakeholders and co-operatives it is clear that in some cases government departments have little and in some cases no deep understanding of what makes the co-operative enterprise model unique. Given the history of co-operatives prior to and following political independence this reality is not overly surprisingly. Since persons were not informed many younger officials are prone to assuming co-operatives are the same as private businesses or even associations and so they should readily accept direction or encouragement when and if it is provided.

Perhaps the best example relates to the analysis done in around value chains. In many cases co-operatives were only seen as producers, and yet it is likely co-operatives are or would wish to be involved in areas such as financing, processing, transporting, and marketing, if given the opportunity. The value chain analysis also assumes the ORCBDS is capable of serving as a co-operative corporate head office, which it is not, and was never intended to be. So, this barrier is the lack of understanding, and the resulting misunderstandings of how co-operatives function, and in turn how they might best participate in economic development within Vanuatu, as partners. by department heads, ministers, and even by managers and elected leaders within some co-operatives.

Another good example of what is being referred to here is in the fact that The Vanuatu 2030 The People's Plan makes only one reference to co-operatives, and then only as an extension through the ORCBDS in terms of value added production. This has significant consequence for the future growth and potential of co-operative enterprise in Vanuatu, since it means the involvement and the potential real contribution co-operatives can and would wish to make has, either intentionally, or more likely inadvertently, been overlooked. More importantly, it means co-operatives are likely to be excluded funding wise in new as well as ongoing development initiatives aimed at strengthening other forms or organization or enterprise.

With all due respect, there are a significant and very important differences between how an "association" or even a group of associations functions, compared to how an individual co-operative operates or how a "co-operative system of enterprise" functions.

5.5 Roadblocks to Co-operative Development

In addition to what we have described as barriers and issues, there are various roadblocks hindering the growth and development of co-operatives in and across Vanuatu.

Roadblocks are described as obstacles that can reasonably and relatively easily be addressed with well-crafted strategies and through the effective use of resources. The terms roadblock and obstacle are used interchangeably to mean the same thing. The following roadblocks have been identified in the situational assessment or taken from consultations with co-operative leaders and managers, stakeholders, discussions with ORCBDS staff, from a review of a relevant literature review, as well as observations in and around Vanuatu. The roadblock following are stated in the same format and priority as were defined during consultations with co-operative leaders and managers.

Limited Human Resources

Poor Coop – Government Relations

Access to Development Financing

Co-operation Among Co-operatives

Co-operative Market Access

Information Access

Poor Infrastructure

A number of strategies to address these barriers and roadblocks are presented later in this policy.

6. Opportunities for Co-operative Development

6.1 Working Together

During consultations with co-operative leaders and managers four strategies or as they are described here as opportunities have clearly emerged. In order of importance they are as follows:

New ways for Co-operatives to Work Together

Government and Co-operative Need to be Working Together

Human Resource Capacity Building

New Ways for Accessing & Using Co-operative Financial Resources

Perhaps the strongest, most important and most compelling opportunity discovered during detailed consultations with co-operative leaders and managers (as summarized in the supplementary Situational Assessment report) is the desire for elected leaders and managers across co-operative movement to begin to work together, and at the same time to begin working in partnership with government in moving forward, in building a better Vanuatu.

One excellent example is for the Co-operative Movement locally, and also through the ORCBDS, to begin working with government to begin including “co-operative enterprise” within school curriculums.

The strategies and action plans which follow together describe practical ways in which it can be possible to work together more effectively and efficiently.

7. Risk Management

Whenever a new policy direction is being introduced, or change is being made to what had been the status quo for some time two things can be expected. First, the sense of uncertainty typically increases, particularly for employees, and as a result, without good leadership, resistance to change can increase fairly quickly. Uncertainty will also be experienced by other interests who may be affected by the change. If change, regardless of what it is, is not well managed, through clarifying goals and plans, and through involvement in decision-making, then introducing change can sometimes end up failing.

A second point to note is that not implementing or delaying a policy or a plan in itself can be a serious risk. For example, the situation involving the continued rapid growth of large financial co-operatives exists today. It exists because legislation governing financial co-operatives was never reviewed and updated as had been previously recommended. As a result, the needed more detailed monitoring and compliance is yet to be implemented. In a co-operative movement, the failure of any one co-operative affects the reputation of other co-operatives, even though they are different organizations.

Two other areas, being ministerial misuse of authority, and corruption have been risk factors in the past. A new legislative framework will serve to further enhance governance and thus limit the possibility of harm as a result of these two risk.

Risks are inherent in any enterprise or endeavour. Too much growth, if not carefully managed can be a risk, as can too little growth. By identifying various risks, it become possible to either manage them in such a way so as to limited their impact should something unexpected occur, or in some cases to act in such a way so that the risk can be eliminated.

Natural disasters (tsunami, earth quakes, and cyclones) are very high risk factors in Vanuatu. Co-operatives should participate in local and national disaster preparedness and recovery planning exercises. More particularly, financial and other co-operatives can help offset natural disaster and other business disruption risks through the use of automated system which provided for off-site data storage of important member files and accounting records. Strengthening financial savings and loans co-operatives means greater access (for the unbanked) and greater resilience for individuals, family and

small businesses (and thus resilience through access to savings and loans) during times of disaster. Property insurance, if practical, may be another means for managing natural disaster risk. Implementation plans include technology and insurance assessment.

8. Policy Objectives and Strategies for Moving Forward

8.1 Moving Forward

The following objectives and strategies for moving forward are intended to help grow and strengthen the co-operative movement in Vanuatu. Specifically, they are intended to transform what is now a co-operative movement of individual co-operative organizations into an integrated system of co-operative enterprise, thus dealing with the barriers and roadblocks, and seizing opportunities described earlier.

8.2 Policy Objectives

Policy Objectives are as follows:

1. To empower the Vanuatu Co-operative Movement through institutional strengthening (jointly with ORCBDS and through lead co-operatives).
2. To transform the Co-operative Movement and the ORCBDS to more effectively and more efficiently contribute to the social and economic well-being of the Ni Vanuatu.
3. To align and where possible link the Vanuatu Government's developmental priorities with the Co-operative Movement's developmental priorities.

8.3 Strategies for Moving Forward

Strategies are as follows:

8.3.1 Strengthen and Mobilize Inclusive Co-operative Leadership and Management through targeted and innovative capacity building in areas of co-operative governance, government advocacy, and gender and youth mainstreaming.

8.3.2 Begin Creation of a New Co-operative Legislative and Regulatory Framework to support the formation of a new and sustainable system of co-operative business enterprise with

the careful, which in turn serve to facilitate transformational change in and across the entire co-operative movement.

8.3.3 Restructure ORCBDS Functions, Roles, and Responsibilities thru organizational changes over time away from being a government co-operative developer to becoming a more effective co-operative government prudential regulator (See Appendices A.1 and A.2).

8.3.4 Restructure Functions, Roles, and Responsibilities Across the Co-operative Movement - to help support membership growth and to become a more integrated system of co-operative enterprise (See Appendices B.1 and B.2).

8.3.5 Acquire and Deploy Information and Communications Technologies to improve national co-operative enterprise governance and control, to support capacity building, and to improve co-operative business system efficiency, and member service quality.

8.3.6 Encourage the New Co-operative Business Network to work closely with government in selected initiatives in each of the three pillars of the Vanuatu 2030 Plan in areas where there is good potential for positive social and economic improvements within the country.

9. Action Steps for Moving Forward

The timing of various processes is important. Formal implementation is to commence upon approval by the Council or Ministers, expected in June of 2017.

9.1 Preparing for Change (0-6 months)

9.1.1 Establish an Interim 7-person National Co-operative Leadership and Management Council (NCLMC) through appointment, to begin work jointly with the ORCBDS to advice on key aspects of each of the strategies as described for moving forward.

9.1.2 Commence Reorganization and Restructuring of ORCBDS for it to focus on two main arenas: legislative and regulatory reform, and compliance, and interim transformational support for co-operative business system development.

9.1.3 With the NCLMC Engage 6 Lead Co-operatives to Pilot New Approaches (3 financial and 3 other types of co-operatives) in evaluating new financial services (i.e. insurance services) and the restructuring of functions into more effective business service units, as well as working together with the ORCBDS in preparing new co-operative legislation and regulations. An

implementation matrix will establish activities required and outcomes expected indicators, as well as timing and budget (and possible sources) required.

9.2 Discovering and Applying Best Practices (6-12 months)

9.2.1 NCLMC to Arrange a Study Tour of Co-operatives in 3 Other Countries with good examples of co-operative development for 3 carefully selected government representatives and 3 carefully selected lead co-operative representatives, and afterwards have them report their findings to co-operatives and to government in Vanuatu (via Thailand, Philippines, Malaysia). Study tours are mini research projects and co-operative networking.

9.2.2 NCLMC to Lead in Human Resource Capacity Building through the development and delivery of an innovative human resource and capacity building plan with lead co-operatives.

9.2.3 NCLMC to Lead in New Co-operative Marketing and Branding through the creation and roll out of an awareness program jointly with ORCBDS aimed at informing members and potential members concerning the ways in which co-operatives are changing and improving sustaining livelihoods across the country.

9.3. Introducing Legislative and Structural Change (12-18 months)

9.3.1 Government to adopt new co-operative legislative framework and supporting regulations applicable to co-operative enterprise business units, and to the ORCBDS, including a fixed period (3 years) for concluding the ORCBDS's responsibility for co-operative business development and transformational support services.

9.3.2 NCLMC to Lead in Creating Business Units and the Vanuatu Co-operative Business Network (VCBN) through joint planning and development with lead co-operatives, and the ORCBDS.

9.4 Focus on Longer Term Key Initiatives (18- 36 months)

9.4.1 VCBN to Work with ORCBDS in Supporting Vanuatu 2030 the People's Plan in 3 or 4 areas which appear highly beneficial for both co-operatives and government, as priorities, such as: Society Pillar - inclusiveness and good governance coupled with educational advancement, Environmental Pillar - through sustainable agriculture increase production and food security, and Economic Pillar - job creation, financing new business units, and strengthening communities.

9.4.2 ORCBDS, to Explore Establishing an International Pacific Co-operative College or University on behalf of the Government of Vanuatu, and jointly with the VCBN establish formal linkages to the ICA, ILO, other co-operative colleges and universities, and other co-operative development organization.

Detailed strategy implementation plans and detailed budget amounts are included as an Appendix C.

10. Enabling Environment

This is a bold and innovative policy and plan intended to cross the path between yesterday's barriers and roadblocks and tomorrow's challenges, and opportunities. It is also intended to make up for lost time in implementing the National Co-operative Policy and Plan for 2011 -2016.

It is bold because there is a great deal to do to successfully complete the changes envisioned. It is also bold because nothing like this has ever been attempted before in Vanuatu or in the South Pacific for that matter. It is also bold because it requires a great many constituents (from government, from co-operatives, and other stakeholders) to come together around the vision of a "We can Do it!" through a highly successful "Vanuatu Co-operative Business Network" and to voluntarily agree to be a part of the change which when (Not If) it is successful will bring real benefits (economic, social, and technical) to the people of Vanuatu. Over the next five years it will require sacrifice, and maybe even bravery on the part of its proponents and advocates if it is to become a reality.

While this policy is bold it is also rooted in the reality that the world in which we live, has and still is changing rapidly. Most organizations, including the various forms of co-operative enterprise found in Vanuatu can either choose to adapt or find themselves with fewer options in the not too distant future.

Finally, this is not simply a National Co-operative Policy and 5 Year Plan for ORCBDS, but rather it is the start of a blueprint for government, and for the co-operative system to begin working together for the benefit of the people of the many islands which are now called Vanuatu. It is therefore crucial that the legislative framework receive the attention required sooner rather than later, and that the overall change process commence with the corresponding creation of the National Co-operative Leadership and Management Council.

11. High Level Budget and Policy Funding

The following transformational budget illustrated the estimated cost involved in accomplishing the ten strategies as described earlier. It is important to point out that this is a transitional budget and is intended to strengthen the co-operative movement to the point where over the upcoming five years it as an integrated system becomes self-sustaining. It is also important to note that after a three-year period co-operatives are expected to assume the majority of their major growth and development costs, and to do so on a 'self-help' and sustainable basis.

Strategy		Year 1	Year 2	Year 3	Total Cost
1	National Co-operative Leadership and Management Council	13,000,000	10,500,000	8,500,000	32,000,000
2	Reorganization and Restructuring of ORCBDS	21,000,000			21,000,000
3	Engaging 6 Lead Co-operatives in Pilots	2,000,000	500,000	500,000	3,000,000
4	Study Tour of Co-operatives in Other Countries	6,000,000			6,000,000
5	Innovative Human Resource Capacity Building	6,000,000	2,000,000	1,000,000	9,000,000
6	New Co-operative Marketing & Branding Program	7,500,000	1,500,000	1,500,000	10,500,000
7	New Co-operative Legislative Framework and Supporting Regulations	6,000,000	3,000,000	500,000	9,500,000
8	Formation of New Co-operative Business Units	3,000,000	4,000,000	4,000,000	11,000,000
9	VCNB to support 3 or 4 key areas from Vanuatu 2030	1,000,000	500,000	500,000	2,000,000
10	ORCBDS & VCBN jointly establish an International Pacific Co-operative College and University		6,000,000	4,000,000	10,000,000
Total Costs		65,500,000	28,000,000	20,500,000	114,000,000

There are a number of practical factors to be considered including the defining how the national co-operative policy and implementation plan are to be funded. The following are factors to be considered:

- Going forward, all services provided by the ORCBDS are to be accounted for in terms of actual costs involved in delivering or providing the services to co-operatives. The ORCBDS should in consultation with co-operatives determine which priority instances warrant continued subsidization of the service by the Department, and why. Over the course of this policy, all except essential core elements of the ORCBDS should be cost recovered through fees and other

funding from the co-operative system, or else the service should be housed within co-operatively structured business units as described elsewhere.

- The other new legislation, and regulatory compliance functions for the ORCBDS, even if they are more streamlined will with growth (as anticipated) over time require roughly the same number of personnel as is presently the case, however some additional competencies will be required in the areas of auditing, and compliance thus the carrying costs will remain similar to present, together with any public service commission across the board adjustments as may be made from time to time.
- Transformational funding is to be used once and terminated. A transformational budget of has been included with the implementation plans for the first three-year period of 2018 thru to the end of 2020. This one-time funding is to be used for the transition away from of government's direct involvement in co-operative development, and towards the creation of a self-sustaining national co-operative network in future. This message needs to be clearly communicated to all co-operatives so they are informed as to future options available to them, such as joining with other co-operatives in their local area or province.
- New developments such as the transformational development (including co-operative leadership and management development, ICT development, and start-up of the Vanuatu Co-operative Business Network) initiatives as described in the detailed implementation strategies should in some measure be funded from monies and resources currently held in trust for co-operative development by the ORCBDS, supplemented with funding from co-operatives, using an annual movement determined allocation formula based on co-operative assets and membership.
- Other funding is expected to come via DSPPAC sourced by the three primary donor groups who provide aid funds to Vanuatu for development – Australia, New Zealand and the European Union.

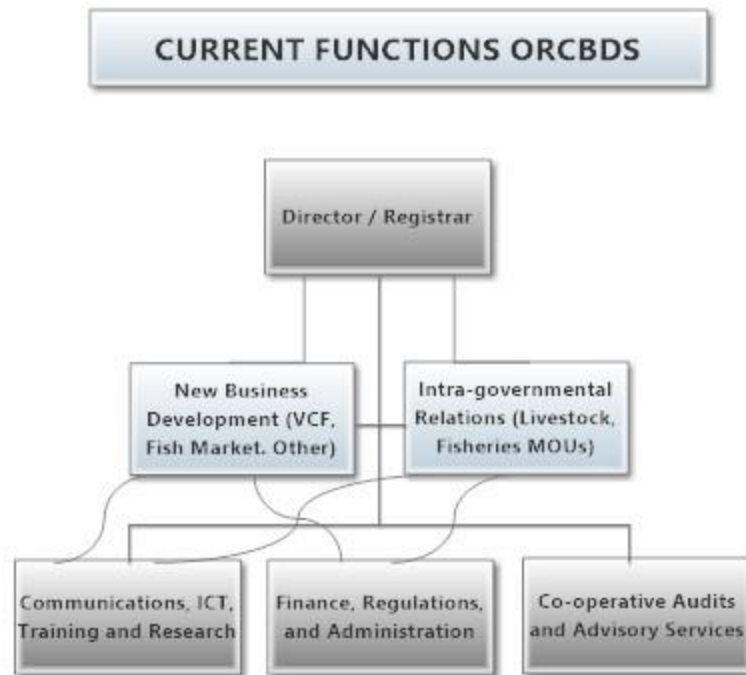
The International Co-operative Alliance (ICA) does not provide funding, but should be looked to as an important avenue for accessing technical expertise and co-operative experience. The Global Co-operative Development Group Inc thru its Managing Director is open to providing materials for use in curriculum development and in assisting on a pro bono basis with strategy implementation as may be requested.

12. Concluding Comments

The people of Vanuatu know and they love their islands and the surrounding seas. At the same time, they are concerned about their future, and they wonder whom can they trust to be interested in their welfare. Of course, they look to their government, and their elected representatives. However, the reality is governments today cannot by itself solve all of today's social and economic challenges. Success

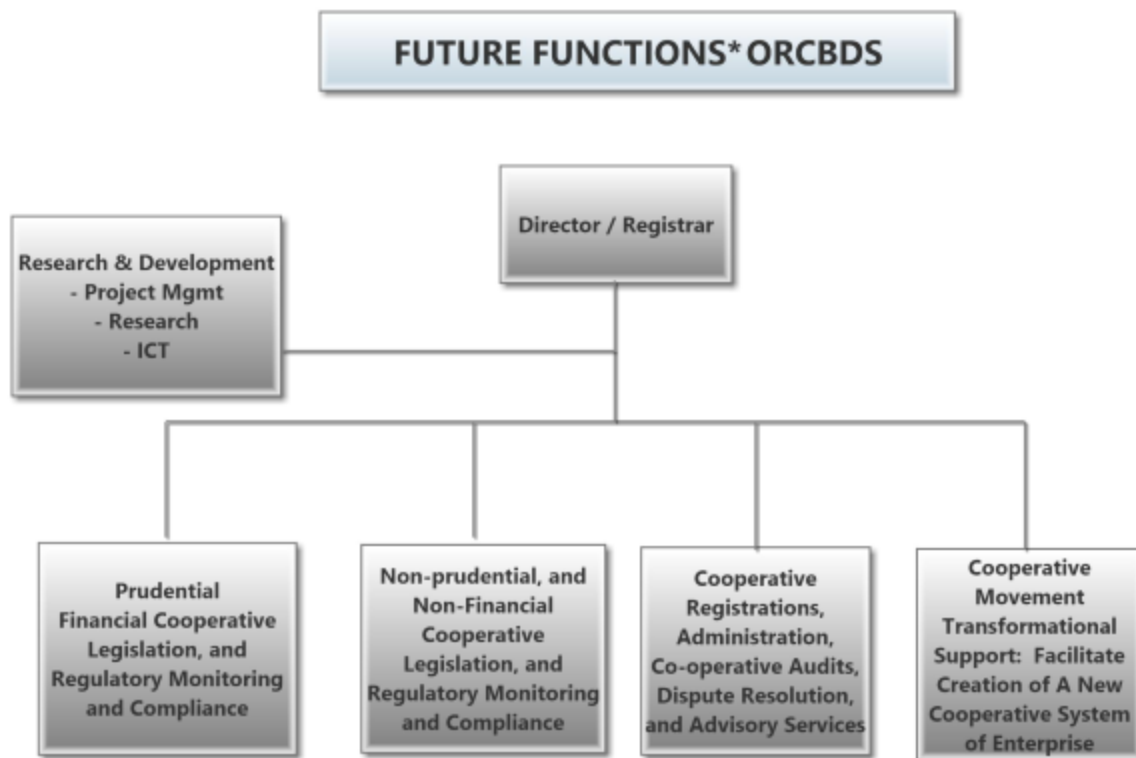
in dealing with broader issues must be recognized as shared responsibility, one which can be shared and shaped by co-operatives and by others. This policy provides co-operatives and co-operative members an opportunity to improve their livelihoods, better themselves educationally, while also helping to strengthen their nation.

Appendix A.1 - Current Functions of ORCBDS



The existing organizational chart shows a total of 40 positions. As of April 2017 only 28 positions are filled. The New Business Development and Intra-Governmental Relations are unofficial functions currently being performed by the Registrar, with some assistance from existing line functions as connected with wavy lines. The regulatory compliance function (not shown) has not yet been fully defined, staffed, or performed.

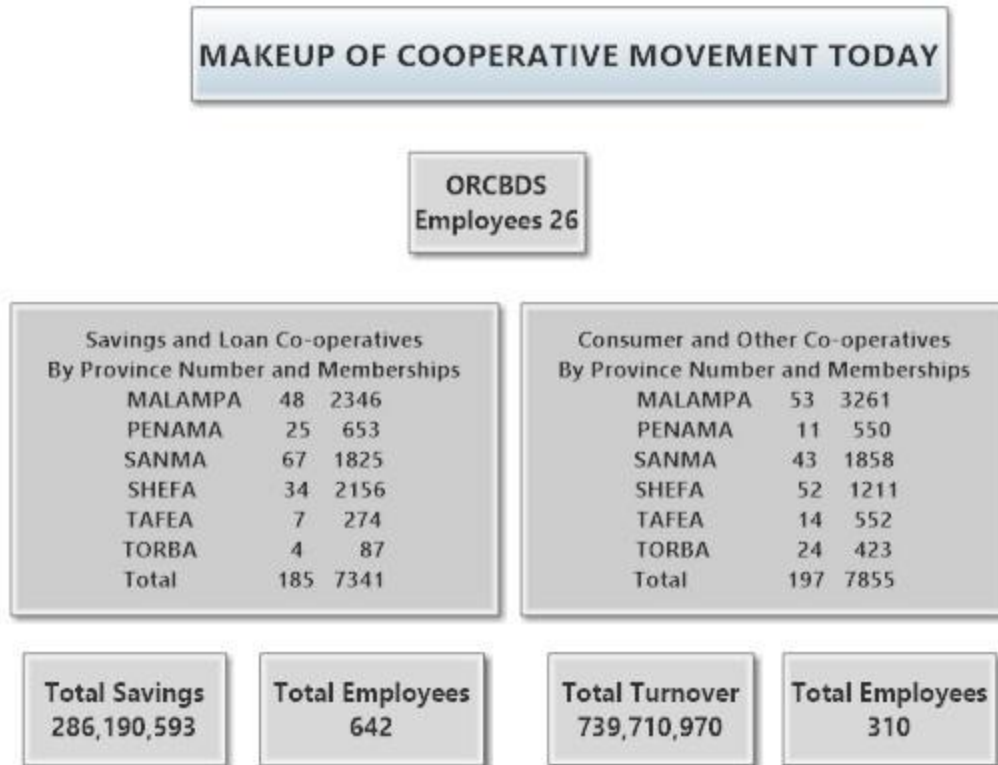
Appendix A. 2 - Future Functions of ORCBDS



The Future Functions of the ORCBDS are focused in four main areas, with the majority of focus now being in the areas of legislation, and regulatory compliance. The fourth functional area is transition only and in future is intended to evolve into a supportive Co-operative Government Relations & Co-ordination function. Various research and development functions, as shown, will also be required going forward..

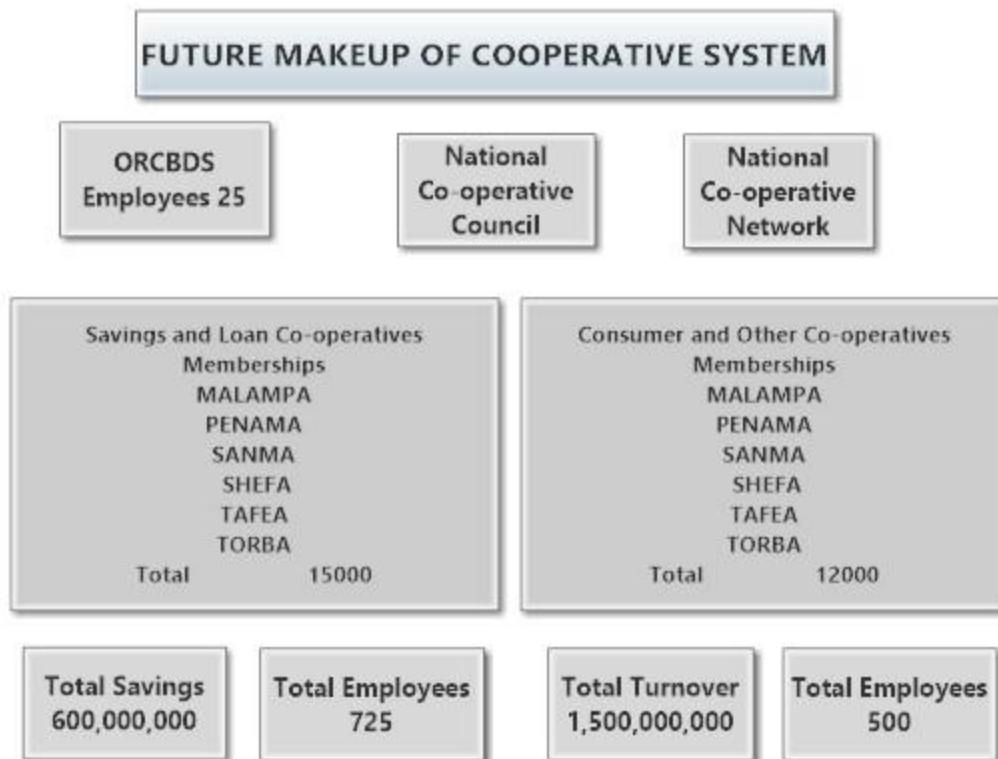
* This description of the Future Functions of ORCBDS is contingent upon legislative and regulatory reform.

Appendix A.3 - Makeup of the Co-operative Movement Today



The co-operative movement today is located primarily in rural areas across rural Vanuatu. Growth in the past 5 years although limited has been in financial services and has occurred in both rural and urban areas. Recent initiatives by the ORCBDS including the VCF, the Port Vila Fish Market are not yet organized or operational. They have been undertaken by the ORCBDS as a trustee for co-operatives.

Appendix A.4 - Future Makeup of the Co-operative System



The co-operative system of the future (2025) is active in both rural and in urban areas across rural Vanuatu. Growth is more than double in savings and loans and close to double in other areas and membership. The National Co-operative Council is democratically elected and forms the board of the National Co-operative Network. The National Co-operative Network provides all manner of people, money, and development services to the 18 to 20 co-operative service centers located across the country. It also facilitates wholesale and production marketing on behalf of the co-operative network. It incorporates initiatives previously undertaken by the ORCBDS on behalf of co-operatives. It represents Vanuatu co-operative members internationally. Its governance structure is based on one member one vote, and is accompanied by multiple internal control mechanisms to prevent misuse or failure.



Appendix A.5 – Implementation and Planning Framework

Implementation and Planning Framework “Empowering Co-operative Enterprise - Growing Stronger Together”

Implementation Strategies and Plans for the 2017 to 2022 Co-operative Policy

0 - 6 months

- 1. Immediately establish an interim 7-person National Co-operative Leadership and Management Council (NCLMC) through appointment, to begin work jointly with the ORCBDS to advice on key aspects of each of the strategies as described for moving forward.**

Context

- Create terms of reference for the NCLMC, detailing creation of the first NCLMC together with the process for the election of subsequent NCLMC members. Nominees should be selected from at least five of the islands and should be asked to volunteer a minimum of 24 days per year. Nominees should have a minimum of 3 years' experience either as an elected official in a co-operative or as a salaried employee of a co-operative. The first council of nominees will be chosen by secret ballot by the Registrar by nominees themselves. The first council is expected to serve for one two-year term. Subsequent councils will have staggered terms of one, two and three years. NCLMC members may not serve for more than five years without stepping down for at least one year.
- To the greatest degree possible co-operatives across Vanuatu should nominate 5 persons to serve as the first interim members of the NCLMC. The Registrar should select one additional person to serve as the government's representative on the council. The Registrar (or his named alternate), plus his appointee make up the two additional members of the council. The Registrar is responsible for secretariat services for the NCLMC for the first three years of the NCLMC's operations, after which the council will appoint its own secretariat.
- Annual funding for the work of the NCLMC is provided by the ORCBDS based upon this a pre-authorized budget. Major expenses are to include travel, meals, and accommodations, website design and maintenance, internet and communications, plus a fixed daily per diem to help offset lost employment or business earnings.
- In addition to meeting as a council, council members are expected to meet and regularly communicate with all co-operatives in their respective region. In some instances, council members may be required at times to cover more than a single region.
- Council members are responsible to the co-operatives in their respective regions, and as such they are to institute a national democratic governance structure through which future members of the NCLMC will be elected. The NCLMC will in future lead in the creation of the Vanuatu Co-operative Business Development Network (VCBN).
- The NCLMC as a group is responsible to work with the Registrar, but individual council members are accountable to the co-operative system within their region.

- Commencing in the third year of the NCLMC, co-operative in the region will be responsible for funding the expenses of the NCLMC

Activities

- NCLMC organization and start-up activities
- Regular monthly NCLMC meetings
- Engaging and communicating with co-operatives concerning policy and plans
- Establishing pilot and overseeing pilot projects
- Meetings to provide legislative reform project planning inputs

Outcomes as Deliverables

- Completion of all activities, including 7 council members chosen
- Creation and signed – off Terms of Reference for the NCLMC
- Registered as a national co-operative with members serving as the board of directors
- Share purchases by at least 24 co-operatives network hub
- Up-to-date website of the NCLMC of the VCBN
- Quarterly meetings by NCLMC members with 75% of Vanuatu’s co-operatives
- Commitment by 6 co-operatives to pilot at least two management support (to neighbouring co-operatives) and / or technology initiatives
- Two of the council members shall be female, and one shall be a under 30 years of age
- Preparation and finalization of development plans for the coming 18 months
- NCLMC to sign-off on draft legislation and by-laws within the legislative reform project

Responsible

- Registrar is responsible to lead the process up to the registration of the NCLMC
- Registrar is responsible for providing a senior project management and secretariat support to NCLMC
- After 18-36 months, the NCLMC is responsible for its actions and its decisions to local co-operatives in regions of Vanuatu
- Registrar is responsible for the legislative reform project deliverables
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	NCLMC organization and start-up activities	5,000,000	4,000,000	3,000,000	12,000,000
2	Regular monthly NCLMC meetings	2,000,000	2,000,000	2,000,000	6,000,000
3	Engaging and communicating with co-operatives concerning policy and plans	1,000,000	1,000,000	1,000,000	3,000,000
4	Establishing pilot and overseeing pilot projects	4,000,000	3,000,000	2,000,000	9,000,000
5	Meetings to provide legislative reform project planning inputs	1,000,000	500,000	500,000	2,000,000
	Total Cost	13,000,000	10,500,000	8,500,000	32,000,000

Budget

- NCLMC member activities
- ORCBDS transition support (planning and project management resources / other)
- Legal and technical support to the NCLMC

2. Commence reorganization and restructuring of ORCBDS for it to focus on two main arenas: legislative and regulatory reform, and compliance, and interim transformational support for co-operative business system development.

Context

- ORCBDS will need to continue to provide transitional support to all co-operatives while it begins work on regulator reform (advisory and dispute resolution)
- Transitional support will include those activities which are essential to the continued safe functioning of all co-operatives
- Regulatory reform will take time and efforts; new co-operative legislation will precede the development of new regulations and bylaws
- A new simple framework for monitoring financial and non-financial co-operatives performance will be developed and implemented, which will at the same time be helpful to co-operative managers and committees in gauging their performance

- New compliance and monitoring functions will be identified as will functions which may be best suited to be based within a national co-operative body will identified
- Any and all staff changes will be openly discussed and explained well in advance, and all staff well be assured of continued positions regardless of changes to be made

Activities

- Draft plan and budget for co-operative regulatory reform
- Conduct background research and form project work team with technical resources
- Draft legislation and draft by-laws (special provisions pertaining to non-financial and financial co-operatives)
- Joint consultations in each region and nationally respecting draft of co-operative legislation and related co-operative by-laws
- All “party” information meetings with members of the national legislature
- Creation and implement interim organizational structure for staff of the ORCBDS
- Continuation of all critical ongoing communications, education and compliance tasks

Outcomes and Deliverables

- All activities immediately above, and all deliverables as described in 1. above
- Solid support by NCLMC and by major co-operatives for draft legislation
- ORCBDS staff moved into interim positions (five functional areas as in Appendix)
- New National Co-operative Act and associated bylaws for both financial and non-financial co-operatives presented for ratification (new nomenclature used for financial co-operatives)
- Creation of Co-operative Standards and Best Practices Framework (including monitoring) for financial and non-financial co-operatives,

Responsible

- ORCBDS to lead with support from NCLMC as required
- State Law Department responsible for drafting legislation
- External technical resource as necessary
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Draft plan and budget for co-operative regulatory reform				
2	Conduct background research and form project work team with technical resources	4,000,000			4,000,000
3	Draft legislation and draft by-laws with provisions for financial co-operatives and non- financial co-operatives	8,000,000			8,000,000
4	Joint consultations in each region and nationally respecting draft of co-operative legislation and related co-operative by-laws	5,000,000			5,000,000
5	All party information meetings with members of the national legislature	2,000,000			2,000,000
6	Creation and implement interim organizational structure for staff of the ORCBDS				
7	Continuation of all critical ongoing communications, education and compliance tasks				
8	Creation of Co-operative Standards and Best Practices Framework for financial and non-financial co-operatives	2,000,000			2,000,000
	Total cost	21,000,000			21,000,000

Budget

- Background Research and project initiation
- Consultation process with co-operatives and other stakeholders
- Information meetings and advance consultations with legislators
- Technical Advisor (s)

- 3. Invite and support the NCLMC to begin the process of seriously engaging 6 lead co-operatives (3 financial and 3 other types of co-operatives) who are willing to help in pilots the new approaches and services (i.e. insurance services) and the restructuring of functions into more effective business service units, as well as working together with the ORCBDS in preparing new co-operative legislation and regulations. An implementation matrix will establish activities required and outcomes expected indicators, as well as timing and budget (and possible sources) required.**

Context

- To help foster system wide change a strategy of working with lead co-operatives will be used
- Lead co-operatives are generally those who have the resources to undertake new initiatives and who also typically have reasonably strong committees and management.
- Pilots will be used to introduce new policies, procedures and technologies which may be of interest to lead co-operatives
- Lead co-operatives will be asked to partner with the NNCLMC in undertaking one or more pilots
- Successful pilots will in turn be accessible via the lead co-operatives to other cooperatives
- Lead co-operatives may also be invited to provide supervisory services to neighbouring smaller co-operatives on a fee for service basis, also on a pilot basis

Activities

- Lead co-operatives will be invited to undertake the following pilot projects:
 - o Selection and implementation of new savings and loans technology
 - o Selection and implementation of new sales and inventory technology
 - o Contract management and support services by lead co-operatives
 - o Research and test marketing of new services (i.e. insurance services)
- Each pilot project will be assigned a co-operative project lead who will be responsible for developing a more detailed pilot project or projects in the areas identified
- Each co-operative is to report its experiences on a quarterly basis to all co-operatives via the NCLMC
- Successful pilots will be evaluated and recommended for adoption by other co-operatives by the NCLMC
- Co-operatives will show case their results during annual or bi-annual system meetings, as well as international when invited

Outcomes and Deliverables

- At least two and possibly four pilots will have been used to determine alternative service delivery and management structures that may be used to help strengthen different types of co-operatives.
- Pilot project reports describing what worked, what failed, and what would be recommended in moving forward
- Any legislative reforms required can be identified and provided for based on the pilot experiences.

Responsible

- Co-operatives thru NCLMC to work with the ORCBDS in pilot selection. implementation and reporting
- ORCBDS will be responsible to funding and for monitoring project developments
- Advisory support from Financial Intelligence Unit and Reserve Bank of Vanuatu
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Lead co-operatives will be invited to undertake the following pilot projects: <ul style="list-style-type: none"> o Selection and implementation of new savings and loans technology o Selection and implementation of new sales and inventory technology o Contract management and support services by lead co-operatives o Test marketing of new services (i.e. insurance services) 	2,000,000			2,000,000
2	Each pilot project will be assigned a co-operative project lead who will be responsible for developing a more detailed pilot project or projects in the areas identified				
3	Each co-operative is to report its experiences on a quarterly basis to all co-operatives via the NCLMC				

4	Successful pilots will be evaluated and recommended for adoption by other co-operatives by the NCLMC				
5	Co-operatives will show case their results during annual or bi-annual system meetings		500,000	500,000	1.000.000
	Total Cost	2,000,000	500,000	500,000	3,000,000

Budget

- Funding for each pilot project will be shared 20 – 80 by the co-operatives and by ORCBDS and in all cases, will also be provide in-kind by co-operatives
- Detailed budgets will depend up pilots that are undertaken

6 – 12 Months

4. **NCLMC to arrange a study tour of co-operatives in 3 to 4 other countries with good examples of co-operative development for 3 carefully selected government representatives and 3 carefully selected lead co-operative representatives, and afterwards have them report their finding to co-operatives and to government in Vanuatu (via a series of 12 - 3 minute videos). Thailand, Philippines, Malaysia). Study tours are NOT vacations / Study tours are mini research projects and co-operative networking**

Context

- Study tours are a way for developing external contacts and as a way for learning what has and has not worked in different settings
- Study tours should be undertaken with specific research goals in mind (i.e. e-learning options, feasibility of co-operative insurance services, national co-operative democratic structures)
- Study tours can also serve to create future champions and future cooperative supporters (future election of NCLMC)

Activities

- NCLMC to define selection criteria of co-operative representatives (possibly 3 tours)
- Registrar to define selection criteria for government representatives
- Study tour itinerary to be determined based upon research needs identified
- Study tour to include 2 weeks' time and visit to 3 and possibly 4 countries
- Study tour to include Bangkok and the Asian e-learning Credit Union Institute

Outcomes and Deliverables

- Videos and / or showing lessons learned based on photos and representative interviews
- Basis for tentative agreement to access e-learning platform by Vanuatu students
- Videos accessible via ORCBDS site as well as NCLMC (VCBN)
- Draft capacity building proposal submitted to National Leadership and Management Council and ORCBDS
- Gender (2) and youth (1) mainstreaming
- Identify external donor to fund up to ½ of study tour

Responsible

- NCLMC in co-operation with ORCBDS
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Council to define selection criteria of co-operative representatives				
2	Registrar to define selection criteria for government representatives				
3	Study tour itinerary to be determined based upon research needs identified				
4	Study tour to include 2 weeks' time and visit to 3 and possibly 4 countries				
5	Study tour to include Bangkok and the Asian e-learning Credit Union Institute	6,000,000			6,000,000
	Total Cost	6,000,000			6,000,000

Budget

- Joint funding by co-operatives 1/6 portion, by ORCBDS 1/3, by another donor ½ if possible, otherwise funded by ORCBDS

5. NCLMC to oversee the development and delivery of an innovative and targeted human resource and capacity building plan across co-operatives and aimed towards lead co-operatives.

Context

- Simply stated “capacity building” as used in the past is extremely expensive and unless properly applied can be a waste of both time and money
- New delivery channels directed towards personal interests and self-directed learning are now available and may be accessed remotely in many cases at a fraction of the cost, and in some cases without charge
- Co-operative leadership and management development at a systems level are critical to success of co-operatives within any country or region
- Successful learnings (whether self-directed or other) needs to be recognized

Activities

- Sharing of study tour videos online and via regional meetings of co-operators
- Creation of Co-operative Learning Circles within all regions (financial literacy)
- Use of e-learning content and materials (as may be available from 4 above)
- Use of technical assistance in video creation and editing
- Field staff of ORCBDS to assist in facilitating learning circles and e-learning
- Creation of a monitoring regime as well as a learning achievements / certification framework:
 - o Annual baseline surveys (member and non-member comparisons of average savings and loans by rural and urban areas, with tracking by age and gender, and levels of participation in self-development or other education activities)
 - o As required use of new compliance monitoring data to track progress in poverty alleviation and in tracking the success of agricultural co-operatives
 - o Recognize successful learning achievements by members, leaders and managers (and certifying when appropriate)
- Board-management performance planning dashboard introduced to cooperatives

Outcomes and Deliverables

- Across country appreciation of co-operative development underway elsewhere
- 12 Co-operative Learning Circles started and continuing
- 6 persons enrolled in certified e-learning courses
- ORCBDS learning through active involvement in facilitating learning sessions
- Improved data for tracking progress in poverty alleviation and improved livelihoods
- Improved criteria for measuring and rewarding management performance

Responsible

- NCLMC to obtain guidelines and lead in introduce Learning Circles
- ORCBDS field staff as support
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Sharing of study tour videos online and via regional meetings of co-operators	1,000,000			1,000,000
2	Creation of Co-operative Learning Circles within all regions	1,000,000			1,000,000
3	Use of e-learning content and materials (as may be available from 4 above)	1,000,000			1,000,000
4	Field staff of ORCBDS to assist in facilitating learning circles and e-learning	1,000,000	1,000,000		2,000,000
5	Creation of a testing regime as well as a certification framework will be needed	1,000,000	1,000,000	1,000,000	3,000,000
6	Board-management performance planning dashboard introduced to cooperatives	1,000,000			1,000,000
	Total cost	6,000,000	2,000,000	1,000,000	9,000,000

Budget

- E-learning agreement with Asia Credit Union Institute
- Learning circles to be self-funding
- Updating and distributing performance management system to all co-operatives

- 6. NCLMC to jointly oversee creation and roll out of a New Co-operative Marketing and Branding Program aimed and informing members and potential members concerning the ways in which co-operatives are changing and improving and sustaining livelihoods across the country.**

Context

- The image of co-operatives across Vanuatu is in dire need of overhaul - many people see co-operatives as small ineffectual forms of enterprise - that image is not in keeping with the modern image that lead and other co-operatives wish to demonstrate going forward
- Projecting a new, professional, integrated image is the basis for future growth and expansion of the co-operative system across Vanuatu

Activities

- Obtain and adapt international cooperative logos and slogan for use across Vanuatu
- Preparation of national signage (new billboards and local co-operative signage)
- Local Launches across Vanuatu (possibly during International Co-operative Week)
- Co-operatives to contribute success stories to VCBN site
- A promotion inviting all remaining co-operatives to join the VCBN
- Creation of both a youth and women's advisory groups to the NCLMC
- Facebook and website promotions and contests (i.e. national co-operative song)
- Launch of VCBN (and ask Consumer Co-operative to participate with a "New Members" sales event during the launch!)
- Sign-up additional co-operatives to VCBN
- New spokesperson appointed for the VCBN

Outcomes and Deliverables

- Brand recognition that co-operatives are now successful and here to stay
- Co-operatives visible and recognized in all major communities across Vanuatu
- 24 additional co-operatives joining VCBN
- 25% pre-launch / post launch co-operative image awareness
- Impetus for future growth of existing co-operatives

Responsible

- NCLMC (VCBN)
- Support from ORCBDS
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Obtain and adapt international cooperative logos and slogan for use across Vanuatu (plus sponsor Vanuatu Co-operative song in schools)	500,000			500,000
2	Preparation of national signage (new billboards and local co-operative signage)	3,000,000			3,00,000
3	Support to local launches across Vanuatu	1, 500,000			1,500,000
4	Co-operatives to contribute success stories to VCBN site				
5	A promotion inviting all remaining co-operatives to join the VCBN	1,000,000	500,000	500,000	2,000,000
6	Creation of both a youth and women's advisory groups to the NCLMC	500,000	500,000	500,000	1,500,000
	Facebook and website promotions and contests (i.e. national co-operative song)				
7	Launch and ongoing promotion of VCBN (and consumer co-operative sales event!)	1,000,000	500,000	500,000	2,000,000
8	Sign-up additional co-operatives to VCBN				
9	New spokesperson appointed for the VCBN				
	Total Cost	7,500,000	1,500,000	1,500,000	10,500,000

Budget

- VCBN and local co-operatives across Vanuatu
- Co-operative brand development

12- 18 Months

- 7. Government to adopt new co-operative legislative framework and supporting regulations applicable to co-operative enterprise business units, and to the ORCBDS, including a fixed period (3 years) for concluding the Office of the Registrar's responsibility for co-operative business development and transformational support services.**

Context

- Once a new legislative framework is available it makes sense for ORCBDS to transition itself into its new role of Compliance and monitoring and out of new business and system development
- Co-operatives will be expected to begin funding their own development
- Co-operatives who cannot fund their own development will have the choice of winding up or joining with some neighbouring co-operatives to continue receiving services

Activities

- Formal application of new legislation
- Further work on new rules and regulations
- All party receptions to describe the workings of co-operatives including successes
- Receptions to again illustrate all major facets of new legislation and work on bylaws
- Finalize bylaws together with endorsement by NCLMC
- ORCBDS organizing and training staff in compliance and monitoring
- Announcement of ORCBDS new role
- Development and introduction new regulatory monitoring frameworks

Outcomes and Deliverables

- New legislation in place
- New bylaws developed and in place
- New risk monitoring and compliance frameworks in place
- ORCBDS new organizational structure and positions announced
- Fixed date where ORCBDS no longer involved in development services
- Co-ordination of transition of personnel to VCBN
- Improved reporting of comparative performance at local level

Responsible

- ORCBDS support by NCLMC
- State Law Office
- Co-operatives responsible for compliance in actions and in reporting
- Major services from ORCBDS to be provided on a fee for service basis
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Formal application of new legislation for both financial and non-financial co-operatives and non	2,000,000			2,000,000
2	Further work on new rules and regulations	1,000,000	1,000,000		2,000,000
3	All political parties' (elected Representatives) receptions to illustrate all major facets of new legislation and work on bylaws	1,000,000			1,000,000
4	All political parties' (elected representatives) receptions to describe the workings of co-operatives including successes		500,000	500,000	1,000,000
5	Finalize bylaws together with endorsement by NCLMC	1,000,000			1,000,000
6	ORCBDS organizing and training staff in compliance and monitoring		1,000,000		1,000,000
	Announcement of ORCDBS new role				
7	Development and introduction new regulatory monitoring frameworks	1,000,000	500,000		1,500,000
	Total Cost	6,000,000	3,000,000	500,000	9,500,000

Budget

- ORCBDS
- Others donors as may be possible, otherwise funded by ORCBDS

8. NCLMC to finalize and commence implementation of the overarching plan aimed at the formation of new local co-operative business units, as well as the creation of new national co-operative business units which is to be known as the VCBN.

Context

- Small independent co-operatives are sometimes unable to satisfy they need for which they were originally created – they will need to be looking for survival alternatives
- Co-operatives must grow and must compete if they are to survive as economic enterprises - by joining together small co-operatives can be able to access services from larger co-operatives, and thus benefit from economies of scale
- In the case of financial co-operatives local outlets will be replaced by local agents and online services (such as loan applications and funds transfers) will be accessible via smart phones
- For non-financial co-operatives sales and inventory management are services that can also be managed via smart phone and point of sale technology
- Technology can be used to provide improved services, volume growth, standardization, and efficiencies in areas such as reporting and inventory restocking previously thought impossible
- Service units can also create to provide financing, remote coaching and mentoring, research and development, project management, auditing services, product marketing services, and so on

Activities

- Start two projects: the first one to acquire and implement banking technology, and the second one to acquire and implement consumer retail technology
- Create a business unit in lead co-operatives capable of overseeing new technology implementation, as well as supporting implementation across Vanuatu
- Business Units have one or two staff and can at some point be connected to the VCBN
- A small financial business unit can be started to accumulate investments, increase yields and begin providing liquidity services to financial co-operatives
- Business units are to operate on a cost recovery plus a stated profit margin sufficient to cover future technology upgrades and enhancements

Outcomes and Deliverables

- Lead co-operatives demonstrate what is possible by using technology
- Co-operatives by working together are able to compete with others
- Other co-operatives see benefits in working with neighbouring cooperatives
- Increased efficiency and improved governance reporting
- Self-sufficiency of cooperative business units within a network of similar units
- The demise or failure of a single business unit does not in any way threaten the system as a whole

Responsible

- National Co-operatives Leadership and Management Council
- Lead co-operatives
- External international service providers
- Vanuatu National Office of Technology
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	Start two projects: the first one to acquire and implement banking technology, and the second one to acquire and implement consumer retail technology		2,000,000	2,000,000	4,000,000
2	Create a business unit in lead co-operatives capable of overseeing new technology implementation, as well as supporting implementation across Vanuatu	1,000,000	1,000,000	1,000,000	3,000,000
3	Business Units have one or two staff and can at some point be connected to the VCBN				
4	A small financial business unit can be started to accumulate investments, increase yields and begin providing liquidity services to financial co-	1,000,000	500,000	500,000	2,000,000

	operatives				
5	Business units are to operate on a cost recovery plus a stated profit margin sufficient to cover future technology upgrades and enhancements	1,000,000	500,000	500,000	2,000,000
	Total Cost	3,000,000	4,000,000	4,000,000	11,000,000

Budget

- Business units operate on a fee for services basis such that they are self- sustaining
- Funding for new technologies to be negotiated by VCBN (on a system wide basis) and following introduction to be funded out of operations and growth in volumes in business activities.

18 – 36 Months

9. **VCBN to support 3 or 4 key areas from Vanuatu 2030 which appear highly beneficial for co-operatives and government as priorities, such as: Society Pillar - inclusiveness and good governance coupled with educational advancement, Environmental Pillar - through sustainable agriculture increase production and food security, and Economic Pillar - job creation, financing new business units, and strengthening communities.**

Context

- In 2017, the co-operatives in Vanuatu need to focus on finding ways in which they co-operatives among themselves, and on becoming more efficient in delivering services to co-operative members
- Initiative such as supporting local fish markets and a national fish marketing program are not expected to become major long term income generators, unless co-operatives are able in some manner to incorporate value added processing into the value chain
- Leaders and managers across the co-operative system need to focus on what others see as collective ideals worthy of supporting as a way of contributing to the well-being of the Ni-Vanuatu

Activities

- The NCLMC will solicit inputs from members across the country and from dialogue with government before determining its strategy for the protecting the environment, its strategy for strengthening the economy, and its strategy for contributing to its multitude of communities
- Each of the strategies selected will be long term in nature, and be self-sustaining, and will be undertaken jointly with government
- Co-operatives will contribute as a system and as equal partners with governments

Outcomes and Deliverables

- Three or possibly four long term strategies which make positive contributions to the country

Responsible

- NCLMC thru the VCBN
- Selected Ministries (i.e. Agriculture, Fisheries) within Government of Vanuatu
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost year 1	Cost year 2	Cost year 3	Total cost
1	The NCLMC will solicit inputs from members across the country and from dialogue with government before determining its strategy for the protecting the environment, its strategy for strengthening the economy, and its strategy for contributing to its multitude of communities	1,000,000			1,000,000
2	Each of the strategies selected will be long term in nature, and be self-sustaining, and will be undertaken jointly with government				
3	Co-operatives will contribute as a system and as equal partners with governments		500,000	500,000	1,000,000
	Total cost	1,000,000	500,000	500,000	2,000,000

Budget

- VCBN
- Government of Vanuatu

10. ORCBDS, on behalf of the Government of Vanuatu, and VCBN jointly establish an International Pacific Co-operative College and University with formal linkages to the ICA, ILO, other co-operative colleges and universities, and other co-operative development organization.

Context

- There is a various need for more research into the social nature of co-operation
- There is a need to create positions for those graduates who are not interested in government or the private sector but who wish to contribute in some other manner to the country
- There is a need across many of Vanuatu's neighbouring countries to begin to re-build co-operative enterprise as a key social economic and technology driver
- There is a need to have technology and information driven development
- Global Co-operative Development Group Inc. have agreed to contribute 2,000 copies of text book "Co-operative Enterprise Building a Better World" to ORCBDS for use in Vanuatu educational institutions for use in creation of co-operative curriculum for use in schools and elsewhere

Activities

- The ORCBDS will commission a study to recommend the best design for an International Pacific Co-operative College and University
- It is expected the university partner with an existing business university in granting certificates and degrees
- It is expected the centre will also host international events and short term residency programs

Outcomes and Deliverables

- The centre will provide internet production and delivery of e-learning initiatives for co-operatives and for government departments in Vanuatu and across the Pacific
- The facility will become known as a centre of excellence in terms of co-operative leadership and management best practices globally
- It is expected the centre will have a successful ICT component
- Linkages formed to other like-minded institutions around the Pacific and the globe

Responsible

- ORCBDS will provide leadership in spearheading this initiative
- The VCBN will be a major sponsor and will participate in governance of the centre
- The Government of Vanuatu will contribute land and help fund the structure
- Implementation performance management and control by the Director General of MTTCNB

Funding

#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Total cost
1	The ORCBDS will commission a study to recommend the best design for an International Pacific Co-operative College and University		4,000,000		
2	It is expected the university partner with an existing co-operative business university in granting certificates and degrees		2,000,000		
3	It is expected the centre will also host international events and short term residency programs			4,000,000	
	Total Cost		6,000,000	4,000,000	10,000,000

Budget

- ORCBDS will find seed funding for the initiative
- The centre will become develop a unique three-way funding model that attracts long term investor and donor funding (amounts shown is ORCBDS seed funding)
- Government of Vanuatu together with private social investors will provide 75% of funding
- Ongoing management and operating expenses will over time be assumed by the VCBN

Total Summary Cost for National Cooperative Policy (NCP)

	Strategy	Year 1	Year 2	Year 3	Total Cost
1	National Co-operative Leadership and Management Council	13,000,000	10,500,000	8,500,000	32,000,000
2	Reorganization and Restructuring of ORCBDS	21,000,000			21,000,000
3	Engaging 6 Lead Co-operatives in Pilots	2,000,000	500,000	500,000	3,000,000
4	Study Tour of Co-operatives in Other Countries	6,000,000			6,000,000
5	Innovative Human Resource Capacity Building	6,000,000	2,000,000	1,000,000	9,000,000
6	New Co-operative Marketing & Branding Program	7,500,000	1,500,000	1,500,000	10,500,000
7	New Co-operative Legislative Framework and Supporting Regulations	6,000,000	3,000,000	500,000	9,500,000
8	Formation of New Co-operative Business Units	3,000,000	4,000,000	4,000,000	11,000,000
9	VCNB to support 3 or 4 key areas from Vanuatu 2030	1,000,000	500,000	500,000	2,000,000
10	ORCBDS & VCBN jointly establish an International Pacific Co-operative College and University		6,000,000	4,000,000	10,000,000
	Total Costs	65,500,000	28,000,000	20,500,000	114,000,000



DRIVING RECOVERY

CREATING OPPORTUNITIES FOR ALL
COOPERATING OUT OF POVERTY

REMAINS
STRONG
BUILD A BETTER
WORLD

PEACE BUILDING

CO-OPERATIVES FOR FAIR GLOBALISATION
MICROFINANCE IS OUR BUSINESS!
ENTERPRISE EMPOWERS WOMEN

FUTURE
YOUTH
BUILD A BETTER
WORLD

CONCERN FOR COMMUNITY
ADVANTAGE IN THE THIRD MILLENNIUM
STRONG ARCHIEVE BUILD

FUTURE
**EMPOWER
WORLD**

ENTERPRISES
CO-OPERATIVE
ACHIEVE SUSTAINABLE DEVELOPMENT
FOR ALL

OUR

CO-OPERATIVE ENTERPRISE REMAINS STRONG IN TIME OF CRISIS