U.S. Agency for International Development

Bureau for Humanitarian Response
Office of Private and Voluntary Cooperation

Washington, D.C. 20523

Cooperative Development Organization
Seminar Series

The Role of Cooperative Development Organizations in Achieving USAID's Goals

Report on Seminar No. 2: "Building Community-Based Businesses Including Microenterprise"

May 1996

REPORT ON SEMINAR NO. 2
"BUILDING COMMUNITY-BASED BUSINESS, INCLUDING MICROENTERPRISE"

SUMMARY

The Office for Private and Voluntary Cooperation in the Bureau for Humanitarian Response (BHR/PVC) is hosting a three-part series of seminars designed to:

1) strengthen the relationship between the U.S. Agency for International Development (USAID) and Cooperative Development Organizations (CDOs);
2) expand CDO access to other international donors; and
3) coordinate CDO opportunities with the Agency's New Partnerships Initiative (NPI) and Leading Edge Missions for this initiative.

This report covers the second seminar of the series, which was held on May 8, 1996, at the U.S. Department of State. Attending and participating in the meeting were members of the CDO community and the Overseas Cooperative Development Council (OCDC), as well as USAID staff. The discussion focus was on how U.S. CDOs, which represent a wide variety of business development sectors (business cooperatives, agribusiness, credit, insurance and electric power), can work with USAID in supporting small-scale or group-based entrepreneurs.

In a program introduction, John Grant, the Office Director for BHR/PVC, highlighted the importance of the microenterprise and community-based business sectors as development catalysts, emphasizing that this seminar's topic is highly relevant to the Agency's agenda priority of the New Partnerships Initiative. NPI seeks to build linkages at the community level between NGOs, local governments and small businesses. CDOs are eminently well-suited and positioned for collaborating with USAID in such activities.

The seminar topic was approached by looking at three subsectors: Microenterprise, Agribusiness, and Financial Institutions. Each of these was presented and discussed by a panel of two or three persons representing both USAID and the CDO community. Insights and perspectives that were shared can be organized into eight cross-cutting themes:

A) CDO programming responds to and is shaped by the needs, constraints and opportunities present in the communities where they work.
B) USAID places a high priority on funding programs that stimulate small and micro enterprise development.
C) CDOs have had a long and productive relationship with USAID, though not without some challenges for the future.
D) CDOs are well positioned to contribute as intermediaries in the development of community-based businesses.
E) CDOs carry out their programs using a blend of grassroots development methodologies and basic business principles.

F) Through experience, the various CDOs have each developed instructive and replicable core practices in their programming.
G) Success stories demonstrate the results achievable by CDOs in the sector of community-based business development.
H) There are some improvements, as well, that CDOs need to consider in their programming, especially given the current climate of limited development funding.

These cross-cutting themes, and some of the corresponding insights and perspectives offered by the panelists, are presented on pages **3-10** of this report.

ORDER OF PRESENTATIONS, PANELS AND TOPICS

INTRODUCTIONS - BHR/PVC, John Godden

WELCOMING REMARKS - BHR/PVC, Director, John P. Grant

OVERVIEW - "How the CDO Community can be an important resource for USAID in building community-based businesses, including microenterprises", **Ted Weihe**, Executive Director - Overseas Cooperative Development Council (OCDC)

Panel # 1: MICROENTERPRISE - "Essentials in creating opportunities for entrepreneurs": **James Cawley**, Director, Small Enterprise Program Management, National Cooperative Business Association (NCBA); **Devorah Miller**, Office of Microenterprise Development, Global Bureau

Panel # 2: AGRIBUSINESS - "Linking village-based enterprises with integrated business systems": **Charles Uphaus**, Chief, Agriculture and Agribusiness Division, Bureau for Europe and the New Independent States; **Keith Sherper**, Director, International Business Development, Land O'Lakes, Inc. (LOL); **Ken Weiss**, Agribusiness and Trade Advisor, The LACTECH Project

Panel # 3: FINANCIAL INSTITUTIONS - "How community credit unions and insurance cooperatives can mobilize savings and financing of small businesses and microenterprises": **Barry Lennon**, Office of Economic Growth, Global Bureau; **Patrick Roberts**, Vice President, Development, Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS); **Antonio Gayoso**, Director, North American Region, World Council of Credit Unions (WOCCU)

CLOSING/BRIEF ANNOUNCEMENTS - BHR/PVC, John Godden

Theme A: CDO programming responds to and is shaped by the needs, constraints and opportunities present in the communities where they work.

Insights and Perspectives:

> "Even poor people have the capacity to save."
> **Antonio Gayoso, WOCCU**

> "One of most important differences between the way cooperative enterprises work and NGO or PVO enterprises work is that [in the cooperative] the user-member is an owner."
> **James Cawley, NCBA**

- Group-based businesses provide clear benefits to people who are outside the mainstream economy. Five predominant reasons that group-based businesses are formed are: 1) to avoid negative consequences of market forces; 2) to achieve economies of scale; 3) to reduce risk; 4) to provide members with services and consumer goods; and 5) to achieve additional margins/profits.

> "Ultimately, [for the success of a cooperative development project] product demand is essential."
> **Charles Uphaus, Agriculture and Agribusiness, ENI Bureau**

- There are two fundamental ingredients needed for creating sustainable microenterprise opportunities. There must be access to credit, and the businesses must operate with a margin (turn a profit). Access to credit is often the primary constraint that a small entrepreneur needs assistance with.

- Credit mechanisms for very small businesses are still dependent on external funding -- even in the most successful of programs such as the Grameen Bank.

> "The need for the non-financial services is very heavy in the start-up period [for a rural, small business credit program].... We are looking at a situation of trying to bring people up to a more level playing field. I think there's a cost associated with that."
> **James Cawley, NCBA**

- The stimulus for encouraging savings growth, even among the very poor, is to use the market rate, not a subsidized rate.

- Food security comes through free trade. A balanced approach is needed of both local production and external trade. Food and fiber systems are not closed systems. They interact with the outside world through imports and exports.

Theme B: USAID places a high priority on funding programs that stimulate small and micro enterprise development.

Insights and Perspectives:

"Microenterprise development has been clearly recognized and promoted by USAID as a critical component of USAID's economic strategic growth objective."

"Only a program that is reaching tens or hundreds of thousands of microentrepreneurs can lay a plausible claim to being a significant player in microenterprise."
Devorah Miller, Microenterprise Development, Global Bureau

- Locally mobilized resources need to be the primary source of operating capital for credit unions.

- There are two guiding principles that govern USAID's support to organizations delivering microenterprise services:

  1) Outreach -- that the program reaches large numbers of participants, and is focused on the very poor and on access for women entrepreneurs; and
  2) Movement towards full financial self-sufficiency/sustainability (for financial services), or improvement in cost effectiveness (for organizations delivering non-financial or non-credit programs).

"Organizations who can present credible plans for delivering these results are the ones that will be doing the bulk of USAID's business in microenterprise development."

"Many USAID offices are quite aware of the contribution that CDOs have made in microenterprise. And in some instances, frankly, it would just be a matter of presenting their programs in a framework that responds to these initiatives."
Devorah Miller, Microenterprise Development, Global Bureau

Theme C: CDOs have had a long and productive relationship with USAID, though not without some challenges for the future.

Insights and Perspectives:

> "Coops have worked for decades developing community-based businesses -- long before USAID and the World Bank in this area, and have much experience. ...Coops will be coming more and more to the fore as USAID adapts and shifts its focus to become more effective."
>
> **John Grant, Office for Private and Voluntary Cooperation, BHR**

- CDOs were established as centers of excellence that would serve as implementers for USAID policies and programs. It is a relationship that has benefitted both USAID and the CDO community.

- There has been a tension between competing goals of encouraging the CDOs in generating local capital formation and self-financing programs verses using the CDOs as a conduit for donor assistance. Donors have wanted to use these institutions as conduits to spend development monies. It has been a conundrum for CDOs. There is tremendous attractiveness in receiving subsidized money.

> "USAID used to be notorious for creating excessive dependency on subsidized credit, [with decisions being] made by bureaucrats in Washington or the country's capital as to how the credit was going to be used, by whom, and for what, and in the end [these efforts] failed. Lord knows how many subsidized credit programs that I helped design [as a former USAID employee] which don't exist anymore."
>
> **Antonio Gayoso, WOCCU**

> "Why should USAID continue its special relationship with cooperative development organizations?... Today it's even more important for CDOs to respond to this question."
>
> "The NGO community is very large here in Washington. What we have is a large dinner table with a lot of chairs at it, and almost no food, as far as USAID is concerned. Everybody is after a smaller pot of money."
>
> **Barry Lennon, Economic Growth, Global Bureau**

Theme D: CDOs are well positioned to contribute as intermediaries in the development of community-based businesses.

Insights and Perspectives:

> "Creating a group-based business is really a whole development process of organizing people around an economic need."
> **Ted Weihe, OCDC**

- There is both a tremendous development opportunity and programmatic challenge in assisting the vast number of small and micro enterprises in the developing world. In Eastern Europe alone, for example, there are hundreds of thousands of small retail shops. How can we efficiently reach and stimulate these development agents?... through business centers, training and microenterprise credit.

- The potential is enormous for productivity gains in rural agriculture through capital input into agricultural cooperatives.

- The non-financial services are particularly valuable in the rural areas where investment up front in group organizing can have a high pay-off over the long term, facilitating heightened participation in the national economy.

- A credit union is a small or medium sized enterprise itself. It doesn't produce money but it processes it. It mobilizes resources, helps allocate those among various uses through use of the market as an arbiter. It spreads the risk and facilitates wider ownership and access through the loan process. Moreover, it stimulates and recycles money at the local level rather than those resources being taken to the capital cities.

- Commercial banks are reluctant to give loans to very small businesses with no collateral. The risks and transaction costs are too high. The size of the loans is too small. You need a group-based institution as an intermediary to soften that process.

- Working with group-based businesses is not just business development, it is also a social development process where otherwise marginalized individuals become empowered and learn group development processes.

- Often countries with heavily state-dominated institutions are reluctant to "restructure" their economies because there is nothing to take the place of these institutions and millions of people might end up unemployed. A vibrant small enterprise sector would provide an alternative: a safety-net. However, it is critical for the small business sector, if it is to take off, to have access to financial resources. This is the very important role of credit unions and financial coops.

- Cooperatives and CDOs have advantages over other development NGOs. They are allowed by host governments to carry out activities that other NGOs are sometimes prohibited from doing.

Theme E: CDOs carry out their programs using a blend of grassroots development methodologies and basic business principles.

Insights and Perspectives:

> "A critical question to ask about an institution is 'who owns it?'"
> **James Cawley, NCBA**

- There are various methodologies for developing group-based businesses. All involve working at the community level, through a development process that will include at least some of the following steps:
  - Assessing enterprise feasibility, profitability, and other aspects of the local business and social environment
  - Mobilizing financial and human resources
  - Developing internal democratic processes
  - Planning the enterprise
  - Training of organizers and group members
  - Stimulating savings and providing credit to members
  - Launching the enterprise and marketing the product

- It is important for the long-term sustainability of the cooperative to establish a good relationship between itself and the commercial banking sector. Having this relationship is especially necessary once the donor development organization leaves.

- When linking village-based enterprises with an agribusiness system, the CDO must understand the entire commodity system, which involves all aspects of producing and distributing a commodity for the purpose of making a profit. One must also build the necessary upward linkages that give the business an opportunity to compete and flourish in the market place. A systems approach needs to be used with an eye for the impact on and of the whole economy.

- The stimulus for encouraging savings growth and create program sustainability, even among the very poor, is to use market rates for determining interest.

Theme F: Through experience, the various CDOs have each developed instructive and replicable core practices in their programming.

Insights and Perspectives:

> "NCBA works with cooperatives as a business."
> **James Cawley, NCBA**

- For CDOs, the up front work is critical. They must train their participants on how to function as a member/owner of a business rather than a simple recipient of services.

- In developing credit opportunities NCBA works with both the cooperatives in developing business plans that are bankable, and with the banks on how to lend to these types of enterprises.

- In AAC/MIS insurance cooperatives the local group must provide the operating capital. Additionally, in the case of life insurance programs, local savings are stimulated. Synergies and collaborations are facilitated through AAC/MIS' use of USAID money to leverage monies from other bilateral donors, and use of program leaders in one country to provide South-South technical assistance for program start-ups in other parts in the region.

> "Generally speaking these cooperatively or group based insurance companies serve segments of the population the general insurance industry is not interested in -- the rural or the lower income people."
> **Patrick Roberts, AAC/MIS**

- WOCCU sees credit unions as a business. They must be ruled by the market and be self-reliant.

- Features of Land O'Lakes agribusiness activities:
  - There is a broadly perceived need in the community for a service or viable business.
  - The enterprise is built from the bottom up, with the local community and individuals in the community as the building blocks.
  - It involves the stakeholders in its process at all stages as the activity progresses. They control the process and the organization that evolves from the process.
  - Services are primarily directed towards the private individual or private groups (rather than for government institutions).
  - Management is community-based. Decisions are made by those involved. By our adding to their knowledge it expands the range of choices from which they can chose.
  - The institutions have limited scopes. Often they are built around a single type of activity (e.g., dairy processing, or product marketing) so as to avoid excessive complexity, resulting in excessive management burden.

- CDOs often look not just at the credit needs of the businesses but at other important constraints and opportunities as well.

<u>Theme G</u>: Success stories demonstrate the results achievable by CDOs in the sector of community-based business development.

<u>Examples</u>:

- AAC/MIS -- Czech Republic
  A start-up insurance cooperative came about due to the unsatisfactory services from state-run organizations and is now, three years later, one of the largest insurance providers in the region, capturing 20% of market.

- AAC/MIS -- China
  In a non-USAID program, rural peasants were not being provided adequate protection by the state insurance companies, even though they could afford it, due to distribution problems. An insurance cooperative now serves those needs and distributes 60,000 new policies a month.

- LOL -- Albania
  Ten women leaders were trained to promote and disseminate information about improved dairy processes to 3,800 women dairy producers. These dairy producers were trained in the leaders' homes, and they in turn trained others in the same fashion. A NGO was formed to provide future services to the women, and to publish information on improved dairy practices. These publications are now reaching hundreds of thousands of people in the rural areas. The success of the program has led to the provision of credit for other activities identified by the women. Other donors are looking at this institutional base as one from which to carry out additional programs.

- LOL -- Uganda
  700 small-holding (one or two cow) herders were trained for increased milk production. They have formed themselves into twenty cooperatives for purpose of collecting and marketing their milk. They are now joining together to form an umbrella organization to capture greater economies of scale. It has brought about a 25% decrease in the amount of milk sold from the state dominated institutions, creating a significant restructuring in the dairy sector, where the individual producer can now compete with the state enterprises.

- NCBA -- Niger
  Over a five-year period NCBA performed business training, group and cooperative formation, and facilitated bank linkages, resulting in the creation of 200 operating cooperatives and village associations. NCBA/Niger employees spun off and formed two self-sustaining Nigerian NGOs. One of these provides technical assistance to these and other group-based agribusinesses in such areas as marketing, commercial trade, consumer goods, and value-added processing. The other serves as a credit broker, with an active portfolio of $350,000, involving 85-95 coops.

Theme H: There are some improvements, as well, that CDOs need to consider in their programming, especially given the current climate of limited development funding.

Insights and Perspectives:

- CDOs using a guaranty fund to encourage local commercial banks to loan to small businesses should aim to have that fund be equivalent to less than 100% of the loan, with the bank thereby picking up some of the risk. This would create true leverage. There are not many examples of this approach.

- CDOs should consider using NGO intermediaries so as to scale up and reach a much larger group.

- Regarding non-financial services, it is important for an organization to do a cost/benefit analysis and carefully analyze how these services are going to be paid for. It helps an organization clarify what its core and essential services are, and what it can deliver.

> "I think it is really incumbent upon the non-financial service side to move towards greater and greater ... cost recovery [in these programs]."
> **James Cawley, NCBA**

> "How business oriented and disciplined are we in our programs overseas? No one this morning spoke about capital formation, which is a key shortcoming of overseas coops. Farmers don't like to save money. ...I see large bureaucracies, and an extreme dependance on external finance to keep [the programs] in operation."

> "I am a supporter of CDOs.... [However,] I tend to run into some complacency. Part of the reason for the core support to CDOs was to look for examples of best practices, to test different methodologies and theories."
> **Barry Lennon, Economic Growth, Global Bureau**

- CDO organizations need to demonstrate the ability to mobilize local resources and stimulate capital formation for continued USAID funding.

- We need to get out of the "donor mode" and mobilize the capital that exists in the community.

- Coops should consider paying a market rate of return on share capital so as to attract member capital into these organizations.

> "CDOs ought to reflect upon where they are and where they are going, and what is the new world of the Cooperative Development Organization."
> **Barry Lennon, Economic Growth, Global Bureau**

Annex A

OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL
MEMBER ORGANIZATIONS

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U.S. OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL

The U.S. Overseas Cooperative Development Council (OCDC) is comprised of senior cooperative leaders from nine major U.S. cooperative organizations. It serves as an advisory group on U.S. foreign assistance policy and programs. OCDC is an advocate for cooperative development before U.S. and international development agencies, and the public.

OCDC also represents U.S. cooperative development organizations (CDOs) and their members. Currently, OCDC's member organizations are providing technical assistance and training for overseas development projects in 75 developing countries and emerging democracies. Funding for this technical assistance is provided by U.S. and multilateral development agencies, host governments, and other sources, and totals approximately $65 million annually.

The organizations associated with OCDC represent more than 100 million American members of cooperatives who are willing to share U.S. cooperative techniques and management skills with people in developing countries to stimulate economic and social growth. These programs build democratic, "grass roots" institutions and strong people-to-people relationships that contribute to understanding and world peace.

OCDC'S MISSION

In recognition of the international arena in which the U.S. cooperative businesses operate, the U.S. Overseas Cooperative Development Council seeks to strengthen the ability of member organizations to promote cooperative development in developing countries and emerging democracies.

OCDC ACTIVITIES

In addition to its frequent testimony and work with the U.S. Congress, OCDC meets with administrators and senior officials of the U.S. Agency for International Development, United Nations officials, World Bank and other multilateral development banks. OCDC also hosts visits by cooperative officials and leaders from developing countries, and occasionally conducts seminars and other activities to promote its worldwide objectives.

The following nine U.S. Cooperative Development Organizations are presently OCDC members:

Agricultural Cooperative Development International (ACDI)
Provides cooperative development and technical services to agricultural communities, farm credit cooperatives, and small and medium-scale farmers in developing and former communist countries, giving increasing attention to market-related services.

American Association of Cooperatives/Mutual Insurance Societies (AAC/MIS)
Provides support to emerging cooperative insurance companies through technical assistance. AAC/MIS works to promote indigenous insurance companies.

Cooperative Housing Foundation (CHF)
Assists poor communities to address their shelter needs through a system that includes neighborhood improvement cooperatives, building material production centers, credit mechanisms, technical service organizations, and housing cooperatives.

Land O'Lakes, Inc. (LOL)
Provides training and technical assistance to small producers and their cooperatives (including pre-cooperatives and state cooperatives undergoing divestitures) by providing for their participation in a complete farm-to-consumer system, mainly for dairy products.

National Cooperative Business Association (NCBA)
Provides cooperative development expertise and assistance to a broad range of agricultural and business cooperatives.

National Rural Electric Cooperative Association (NRECA)
Assists developing countries in establishing rural electric systems as well as developing productive uses of electric power, production of materials for electric systems, and in energy related development areas.

National Telephone Cooperative Association (NTCA)
Provides technical assistance, training, and equipment to advance toward privatization of phone systems. NTCA also assists with advocating policy changes to foster private sector principles in developing countries.

Volunteers in Overseas Cooperative Assistance (VOCA)
Provides specialized short-term assistance to developing country cooperatives and related agencies, transferring essential management and technical expertise for improved performance.

World Council of Credit Unions (WOCCU)
Mobilizes savings and provides access to credit, especially for small and micro-enterprises, by helping to develop and strengthen credit unions and credit union associations at the national level.

Mr. Ted Weihe is the Executive Director of OCDC. OCDC is headquartered at NRECA, 4301 Wilson Boulevard, IPD9-202, Arlington, Virginia 22203-1860.
For further information contact: Beth Haberstroh at telephone (703) 907-5621;
OCDC fax: (703) 907-5532.

Annex B

SEMINAR NO. 2:
"BUILDING COMMUNITY-BASED BUSINESSES INCLUDING MICROENTERPRISE"

PARTICIPANTS*

CDOS AND OTHER ORGANIZATIONS

Pat Roberts, AAC/MIS
Don Crane, ACDI
Perry Letson, ACDI
Chuck Maffett, ACDI
Robert Rosengren, ACDI
Ken Weiss, Chemonics,
The LACTECH Project
Judith Hermanson, CHF
David Fishman, IERES/GWU
Keith Sherper, LOL
Jim Cawley, NCBA
John Gruci, CLUSA Institute
Bard Jackson, NRECA
Ellen Hunt, NRECA
Marlee Norton, NTCA
Ted Weihe, OCDC
Beth Haberstroh, OCDC
Charles Cox, VOCA
Fred Johnston, VOCA
Antonio Gayoso, WOCCU
Anna Cora Evans, WOCCU

USAID

John P. Grant, BHR/PVC
Adele Liskov, BHR/PVC
John Godden, BHR/PVC
Bob Young, AFR/SD/SA
Charles Uphaus, ENI/ED/AG
Lawrence Rubey, G/EG/AFS
Barry Lennon, G/EG/AFS/AEMD
Devorah Miller, G/EG/MD
William R. Miner, G/HCD/HETS
John Remke, IG/A/PA
Marcus Winter, ENI/ED/AG

* Several USAID staff attended the seminar but did not sign in.

Annex C

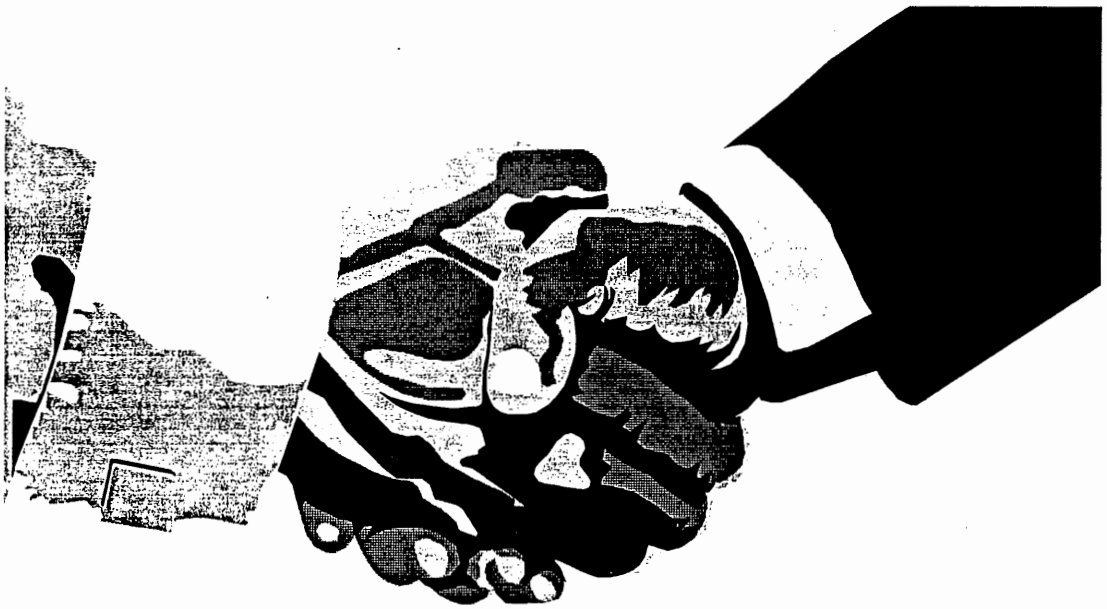
You are invited!

An informative seminar on the role of

Cooperative Development

in achieving USAID's goals

"Building Community Based Businesses including Microenterprise"



May 8, 1996

9:00 a.m. to 12 noon

Room 1912

Main State

AGENDA
USAID BHR/PVC
CDO SEMINAR SERIES

Wednesday, May 8, 1996 - 9:00 a.m. to 12:00 noon
Room #1912, Main State
(Near 21st Street entrance on first level)

This is the second in a series of three seminars which are designed to strengthen the relationship between USAID and the U.S. Cooperative Development Organizations (CDOs).

Theme of Seminar # 2

This Seminar will address how the U.S. Cooperative Development Organizations which represent a wide variety of business development sectors, such as business cooperatives, agribusiness, credit, insurance and electric power, can work with USAID in building community-based businesses and microenterprises.

Agenda

8:30 - 8:55 a.m.	On-site Registration
8:55 - 9:00 a.m.	INTRODUCTIONS - BHR/PVC, John Godden
9:00 - 9:10 a.m.	WELCOMING REMARKS - BHR/PVC, Director, John P. Grant
9:10 - 9:30 a.m.	OVERVIEW OF OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL (OCDC) - Ted Weihe, Executive Director. "How the CDO Community can be an important resource for USAID in building community-based businesses, including microenterprises."

(Agenda lists three formal topics for discussion. Responses from all panelists are encouraged throughout the proceedings. Time is reserved for question/discussion, after each panel.)

9:30 - 10:00 a.m.	Presentation # 1: MICROENTERPRISE - "Essentials in creating opportunities for entrepreneurs." Panelists: Russell Anderson, Director for Economic and Institutional Reform - Global Bureau; James Cawley, Director, Small Enterprise Program Management - National Cooperative Business Association (NCBA); and Devorah Miller, Office of Microenterprise Development - Global Bureau

10:00 - 10:20 a.m.	QUESTIONS/DISCUSSION
10:20 - 10:50 a.m.	Presentation # 2: AGRIBUSINESS - "Linking village-based enterprises with integrated business systems." Panelists: Charles Uphaus, Chief, Agriculture and Agribusiness Division - Bureau for Europe and the New Independent States; Keith Sherper, Director, International Business Development - Land O'Lakes, Inc. (LOL); and Ken Weiss, Agribusiness and Trade Advisor, The LACTECH Project
10:50 - 11:10 a.m.	QUESTIONS/DISCUSSION
11:10 - 11:40 a.m.	Presentation # 3: FINANCIAL INSTITUTIONS - "How community credit unions and insurance cooperatives can mobilize savings and financing of small businesses and microenterprises." Panelists: Barry Lennon, Office of Economic Growth - Global Bureau; Patrick Roberts, Vice President, Development - Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS); and Antonio Gayoso, Director, North American Region, World Council of Credit Unions (WOCCU)
11:40 - 12:00 noon	QUESTIONS/DISCUSSION
12:00 noon	CLOSING/BRIEF ANNOUNCEMENTS - BHR/PVC, John Godden

End of Seminar

PLEASE NOTE: THE THIRD AND FINAL CDO SEMINAR, "PROMOTING DEMOCRACY THROUGH ASSOCIATION BUILDING," WILL BE HELD ON WEDNESDAY, JUNE 19, 1996 FROM 9 A.M. TO 12 NOON, IN ROOM #1107, DEPARTMENT OF STATE BUILDING.

The Cooperative Development Program within USAID, is a centrally-funded program in existence for over 20 years and is further expanded by individual country projects funded by overseas USAID Missions. The program is designed to implement Section 123 of the Foreign Assistance Act of 1961, as amended. Generally, the objectives of the USAID cooperative program are to foster and expand cooperative development in developing countries and to expand and strengthen the private, non-governmental sector of developing countries. The same objectives are applied in Eastern European countries and the New Independent States.

The major component of the central cooperative development program is a portfolio of core grants designed to enable U.S. cooperative development organizations to maintain active international departments. These departments develop, supervise and evaluate overseas projects as well as provide guidance to USAID on issues related to cooperatives. Under a Cooperative Initiatives Grant Program, small grants for periods of less than three years are awarded on a competitive basis. These grants initiate new creative programs in certain PVC-approved countries to mobilize additional resources, directed to strengthen the private sector through cooperative development, particularly for the U.S. cooperative community.

INQUIRIES

John W. Godden - Program Manager, Cooperative Development Program
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DIRECTIONS

The seminar will be held at the State Department located in Washington, D.C.:
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520
Tel. No. (202) 647-4000

Attendees will have to enter at the **21st Street** entrance. Once checked in, participants will turn left down the 1900 hallway and follow signs to room **1912.**

PRE-REGISTRATION FOR NON-USAID PARTICIPANTS

Registration for this seminar should be made as early as possible. For entry into the State Department, attendees who are not employees of USAID, need to provide their name, date of birth, and social security number. This information may be telephoned to: **Geoff Slagle**, Tel. No. (703) 741-0560.

*** Note - Foreign Nationals need to supply a picture ID, preferably a passport, on the day of the seminar to gain entry into the State Department.**