

U.S. Agency for International Development

**Bureau for Humanitarian Response
Office of Private and Voluntary Cooperation**

Washington, D.C. 20523

**Cooperative Development
Seminar Series**

**The Role of Cooperative Development Organizations (CDOs)
in Achieving USAID's Goals**

**Report on CDO Seminar No. 3:
"Promoting Democracy Through Association Building"**

June 1996

REPORT ON CDO SEMINAR NO. 3

"PROMOTING DEMOCRACY THROUGH ASSOCIATION BUILDING"

SUMMARY

The Office for Private and Voluntary Cooperation in the Bureau for Humanitarian Response (BHR/ PVC) hosted a three-part series of seminars highlighting the important role that Cooperative Development Organizations (CDOs) play in achieving USAID's goals overseas. The first two seminars examined, respectively, lessons learned by CDOs that would be useful to the Agency's New Partnerships Initiative (NPI), and CDO experience in building community-based businesses.

This report covers the third seminar of the series, which focused on the relevance of the association building work by CDOs to the Agency's goal of strengthening democracies. The seminar was held on June 19, 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 and representatives of various institutions interested in democracy building.

John Grant (Office Director for BHR/PVC) and John Godden (Program Manager for the Cooperative Development Program at BHR/PVC) introduced the program. In their comments, they highlighted the importance of an evolving "civil society", with its rich fabric of voluntary associations, as the cornerstone of democracy. This is the thrust of NPI, which seeks to further development by means of strengthening and linking local NGOs, small businesses and local governments. CDOs, through their many years of work supporting the development of community-based enterprises and associations, are superbly positioned to play a valuable role in NPI and solidify grassroots democracy.

The seminar discussion was organized around three sub-topics -- 1) challenges and initial lessons learned in Eastern Europe, 2) consumer ownership as a means of privatizing utilities, and 3) forming linkages between community-based associations and local governments. Each of these topics was presented by a panel of USAID and CDO representatives, and was then followed by questions and answers. Observations put forward by the panelists and others in attendance can be categorized into the following six cross-cutting themes:

- 1) Cooperatives, by their very nature, nurture the development of Civil Society institutions.
- 2) Consumer ownership and producer coops broadly distribute the benefits of privatization and help individuals confront monopolies.
- 3) The formerly centralized economies and politics of Eastern Europe present some unique challenges for cooperative development.
- 4) Valuable lessons for future program planning are coming out of current cooperative development work world-wide.
- 5) CDO programming can create local level and nationwide paradigm shifts.

- 6) USAID and other donors are also learning important lessons in the support of group-based business development and of building civil society.

These over-arching themes, and some of the corresponding insights and perspectives that were offered, are presented on pages 3-8 of this report.

ORDER OF PRESENTATIONS, PANELS AND TOPICS

INTRODUCTIONS - BHR/PVC, John Godden

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

OVERVIEW - Promoting Democracy Through Cooperatives - **Ted Weihe**, Executive Director, Overseas Cooperative Development Council (OCDC)

Panel # 1: Association formation in Eastern Europe and the New Independent States (NIS) former Soviet Union - Challenges and initial lessons learned: **Kathryn Stratos**, Office of Democracy and Governance, Bureau for Europe and the New Independent States; **Carl Hammerdorfer**, Program Developer, Volunteers in Overseas Cooperative Assistance (VOCA); and, **Norval Dvorak**, Technical Consultant, Agricultural Cooperative Development International (ACDI)

Panel # 2: Methods for promoting citizen participation and consumer-owned systems in the privatization of utilities in USAID-assisted countries: **Jim Vermillion**, Democracy Policy Advisor, Bureau for Policy & Program Coordination; **Paul Clark**, Deputy Administrator, International Programs Division, National Rural Electric Cooperative Association (NRECA); and, **Ted Weihe** (for Marlee Norton of General Manager of International Programs, National Telephone Cooperative Association (NTCA))

Panel # 3: The importance of engaging local governments and established civic groups in the formation and strengthening of community-based associations: **Judith Hermanson**, Executive Vice President for International Programs, Cooperative Housing Foundation (CHF); **Viviann Gary**, Director, Office of Environment and Urban Programs, Global Bureau; and, **Jeanne North**, Office of Democracy and Governance, Global Bureau

CLOSING/BRIEF ANNOUNCEMENTS - BHR/PVC, John Godden

1. Cooperatives, by their very nature, nurture the development of Civil Society institutions.

Insights and perspectives:

"Open operations, voluntary boards, one person, one vote... Cooperatives are inherently democratic. If they're not democratic then, by definition, they are not true cooperatives."

Ted Weihe, ODCD

"There are strong synergies between the local governments and cooperatives. Local governments are the building blocks of democracy. Cooperatives and associations are a place where people are educated regarding the democratic ethic and democratic procedures."

Viviann Gary, USAID/G

- ◆ Civil societies, where people can freely associate, are the foundation of democracy.
- ◆ Successful cooperatives, like democracy, are built from the bottom up.
- ◆ Cooperatives help the disenfranchised, such as ethnic minorities, gain economic control in their lives, since control of their organization and it's product is held by the membership.
- ◆ Grassroots groups are the ones that will at once reinforce the immediate reforms [for creating a civil society] as well as be the engine of future reforms.
- ◆ Local government is where the population can most readily effect resource allocation and policy decisions, with cooperatives helping people put their collective voices forward.

"State-owned enterprises are used as a way to control money, jobs, and people. Privatization ... is an inherently political activity. It has to do with a lot of shifts in power. In undertaking privatization, there are a lot of big toes that get stepped on."

Jim Vermillion, USAID/PPC

"Sometimes these cooperative associations are the only political outlet that people have through which to express their views and be heard, be counted, to have some control over their destiny."

Jim Vermillion, USAID/PPC

"I take it as a self-evident truth that the formation and development of community-based groups is fundamental to democracy, and that those that are organized around common needs and objectives are those that are most likely to survive and to participate well in a democracy."

Judith Hermanson, CHF

2. Consumer ownership and producer coops broadly distribute the benefits of privatization and help individuals confront monopolies.

Insights and perspectives:

"Privatization is pushed by international lending institutions as a way to bring foreign capital into the country and to improve economic infrastructure [ports, roads, communications, power, etc.] However, you will most likely be replacing the state-owned monopoly with a privately owned monopoly that may be just as bad or worse than the state monopoly."

Jim Vermillion, USAID/PPC

- ◆ Forming consumer coops brings consumers into the process of privatization, making it accountable to them and spreading broadly the benefits of privatization. This makes it more politically acceptable.
- ◆ In Latin America transfer of public utilities to limited private ownership, especially to foreign ownership, is seen as patrimony, and as giving away money from a community that needs it. Consumer ownership of utilities is an attractive alternative.
- ◆ Sectors, such as food production, where people are particularly vulnerable to predatory practices, are ripe for cooperative ventures.
- ◆ Cooperatives are a major economic mechanism in the western world (France, Germany, United States, etc.) for helping farmers get together to use their power of association so as to stand up to monopolies.

"Even small [group-based] privatization can have a big impact. If successful, these efforts can have a demonstrative impact in other sectors, and thus give great pause to powerful leaders."

Jim Vermillion, USAID/PPC

3. The formerly centralized economies and politics of Eastern Europe present some unique challenges for cooperative development.

Insights and perspectives:

"People [in Eastern Europe] are often either too conservative, too much governed by fear, distrust, to even get together and talk about any sort of associations, or they are too eager to try to do everything in their associations, undermining their group's focus."

Carl Hammerdorfer, VOCA

- ◆ With the privatization of state-owned enterprises, there is a need for better understanding of the dangers of private sector monopolies, of being exploited by large privatized businesses. Eastern Europeans are where we in the U.S. were seventy years ago or more in their appreciation of this threat. Because of this, there is not enough understanding of or lobbying for the legal framework that would allow the formation of associations and the kinds of cooperatives that we have in the US, and that exist in other places in the world.
- ◆ Legal reforms in Eastern Europe that are needed for better enabling the cooperative business sector:
 - Provisions for removing someone as a member of a cooperative
 - Abolition of the Supreme Cooperative Council of Poland and any other forced apex or umbrella organizations
 - Elimination of membership by employees of a cooperative, since they have fundamentally different goals than do the producer members
 - Elimination of additional income tax on cooperatives
- ◆ In Eastern Europe, privatization often means state monopolies being replaced by private sector monopolies, which are often competitors of newly formed private coops and associations.
- ◆ In Russia, there are no leaders that have any memory of free associations. Another challenge, unique to Russia, is the breaking up of the very large village collectives.
- ◆ Responsibilities of ownership need to be better recognized, rather than waiting for word to come down from above telling people what to do.

"In Latin America, people are more accustomed to making decisions, whereas what we are finding in Eastern Europe is that people are very risk averse and try to avert making decisions. In the past they have been conforming to decisions made from above. ... So here you come with a model of democratic control and governance, and everyone is looking behind their backs for punishment.... They are afraid and will tell you, 'you know, we are not accustomed to making decisions among ourselves.'"

Antonio Gayoza, WOCCU

"In Eastern Europe the cooperative concept is viewed as suspect ... as an instrument of control."

Norval Dvorak, ACDI

4. Valuable lessons for future program planning are coming out of current cooperative development work world-wide.

Insights and perspectives:

"US membership associations, which have significant political experience, should be dialoguing more with related membership associations in developing countries around the questions of how political they should be or if there is any training that the developing country groups should be looking into in this regard. This is something that can be undertaken without much expenditure of money."

Ted Weihe, OCDC

- ◆ We need to better train the broader cooperative membership on the responsibilities of ownership. For many, ownership is a new experience.
- ◆ Get key leaders over here to see and better understand the potential of US-type cooperative businesses and the importance of a strong political agenda.
- ◆ Get out the word of cooperative success stories and how people have overcome obstacles to cooperatives and building a civil society.
- ◆ Better educate people at the grassroots level on important issues related to the enabling of the cooperative sector, so that they become advocates for policy reform.
- ◆ Do more coalition building between local associations, such as formation of national organizations of cooperatives and associations.
- ◆ Local governments should be the enablers. They should be helping to create the environment where associations can thrive.
- ◆ Economic fear (e.g., of monopolistic practices, external competition, etc.) catalyzes the formation of cooperatives.

"Coops need to answer a need and a threat."

Carl Hammerdorfer, VOCA

5. CDO programming can create local level and nationwide paradigm shifts.

Three Success Stories:

- ◆ NRECA, with USAID Cooperative Development grant funds, enters a local marketplace in Latin America where there is an established public power utility that is struggling (losing a lot of money, with rapid deterioration of the infrastructure, frequent power outages and poor service) and helps the community create a new private utility, with stock in the company being held by most of the consumers. The up-front understanding is that every consumer would have the option to buy a share, with limits on how many shares one person can own. This helps generate broad-based support. The consumer-owned utility has shareholder annual meetings rather than coop annual meetings. NRECA's experience is that these companies are conscious of their image and place in society and want to act in ways where they are serving the public good. For example, some of the profits are frequently spent on electrification of less cost-effective areas outside the urban areas.

- ◆ Rural Poland was without connection to the national telephone system. Two telephone cooperatives were established with the support of a \$200,000 Cooperative Development grant from USAID, which eventually led to several other privately funded telephone coops being established. This leveraged the purchase of \$40 million worth of US telephone equipment. When NTCA started the program in southern Poland in 1991 there were 100 manually-operated phones in the gmina (district). By 1996, there were 900 digital telephones and 5,000 subscribers, 85% of which are members of the telephone cooperative. There is economic development through efficiencies that the telephone has brought to lives of rural farmers. The economic and political base of the country-side is strengthened because people with a telephone can more easily associate. When the system goes down the problem is addressed immediately because, unlike the state telephone monopoly, the people have built the system themselves and feel ownership for it. Success breeds success, as other types of group activities have gained encouragement.

- ◆ CHF's experience in Poland is a good example of a three-phase development activity that goes from being a very small project rooted in a local community in the first phase to being a national program by the third phase. Poland has a severe housing shortage. Much of the future responsibility for this issue had been devolved to the local government. CHF, with a USAID Cooperative Development grant, came in as an outside catalyst and was able to bring together all the necessary resources and stakeholders for developing housing coops. The housing created was attractive, affordable, and involved people in economic decision making. The coops leveraged capital from the prospective home owners in a new type of investment activity for them. In addition, the program was successful because the local government was extremely supportive of it. Other communities showed strong interest, so CHF created local NGOs to facilitate the project in those places as well. A third phase will be to facilitate networking and the affiliation of the local support NGOs, and create a national training center for cooperative housing programs.

6. USAID and other donors are also learning important lessons in the support of group-based business development and building civil society.

Insights and perspectives:

"We as donors, as we've worked to privatize and as we've worked to establish cooperative ventures, we've stepped in in ways that have spoiled the process, especially when we've stepped in to put in operational support. We need to be very careful to have a role in the process that does no harm."

Jim Vermillion, USAID/PPC

- ◆ Partnerships are the way of the future. The Agency's New Partnerships Initiative (NPI) program is an example of this, where you have the partnership of the local government, associations and businesses working together to solve problems in the local community.

- ◆ Local governments and free civil society associations, when working in partnership, enhance the effectiveness and vitality of each other. By focusing on the interaction between these two sectors, USAID is better getting at the "so what" of civil society development.

- ◆ We need to follow the market in our support of economic development mechanisms (e.g., cooperative and small business strengthening programs). The market, however imperfect, determines close to optimal allocation of resources.

"The donor community can provide important non-financial assistance by serving as an information broker for its partners."

Jeanne North, USAID/G

Annex A

**OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL
MEMBER ORGANIZATIONS**

Mr. Ron Gollehon
President
**Agricultural Cooperative Development
International**
50 F Street N.W., Suite 1100
Washington, DC 20001
Phone: (202) 638-4661
Fax: (202) 626-8726

Mr. Patrick Roberts
Vice President, Development
**American Association of Cooperative
/Mutual Insurance Societies**
460 Cardinal Hill Lane
Powell, Ohio 43065
Phone: (614) 846-2467
Fax: (614) 846-2766

Mr. Michael Doyle
President
Cooperative Housing Foundation
8300 Colesville Road, Suite 420
Silver Spring, Maryland 20910
Phone: (301) 587-4700
Fax: (301) 587-2626

Ms. Martha Cashman
Vice President
Land O'Lakes, Inc.
P.O. Box 116
Minneapolis, Minnesota 55440-0116
Phone: (612) 481-2585
Fax: (612) 481-2556

Mr. Russell Notar
President
National Cooperative Business Association
1401 New York Avenue, NW, Suite 1100
Washington, DC 20005-2160
Phone: (202) 638-6222
Fax: (202) 638-1374

Mr. Paul Clark
Deputy Administrator, International Programs
**National Rural Electric Cooperative
Association**
4301 Wilson Boulevard
Arlington, Virginia 22203-1860
Phone: (703) 907-5500
Fax: (703) 907-5521

Mr. Marlee Norton
General Manager, International Programs
National Telephone Cooperative Association
2626 Pennsylvania Avenue, NW
Washington, DC 20037-1695
Phone: (202) 298-2300
Fax: (202) 298-2320

Mr. Charles Cox
(Acting) President
**Volunteers in Overseas Cooperative
Assistance**
50 F Street, NW, Suite 1075
Washington, DC 20001
Phone: (202) 383-4961
Fax: (202) 783-7204

Mr. Antonio Gayoso
Director, North American Regional Office
World Council of Credit Unions
Washington Office
805 15th Street, NW, Suite 300
Washington, DC 20005
Phone: (202) 682-5990
Fax: (202) 682-9054

Mr. Ted Weihe
Executive Director
**U.S. Overseas Cooperative Development
Council**
4301 Wilson Boulevard
Arlington, Virginia 22203-1860
Phone: (703) 907-5667
Fax: (703) 907-5521

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.

4301 Wilson Boulevard, IPD9-202, Arlington, Virginia 22203-1860

For further information contact:

Beth Haberstroh, telephone (703) 907-5621; fax: (703) 907-5532

Annex B

**CDO SEMINAR NO. 3:
"PROMOTING DEMOCRACY THROUGH ASSOCIATION BUILDING"**

PARTICIPANTS*

CDOS AND OTHER ORGANIZATIONS

Don Crane	Agricultural Cooperative Development International
Norval Dvorak	Agricultural Cooperative Development International
Sarah Crawford	Agricultural Cooperative Development International
Amy Fox	Agricultural Cooperative Development International
Chuck Maffett	Agricultural Cooperative Development International
Greggor Mattson	Agricultural Cooperative Development International
Peter Gubser	American Near East Refugee Aid
Carri West	Center for Democracy
Margo Spencer	Center for International Private Enterprise
Andrew Wilson	Center for International Private Enterprise
Martin Tillman	Citizen's Network for Foreign Affairs
Judith Hermanson	Cooperative Housing Foundation
David Fishman	George Mason University
David Valenzuela	Inter-American Foundation
Jessica Hunter	International Foundation for Election Systems
Ted Weihe	Overseas Cooperative Development Council
Beth Haberstroh	Overseas Cooperative Development Council
James Brooks	National League of Cities
Kiere Gans	National League of Cities
Paul Clark	National Rural Electric Cooperative Association
Carl Hammerdorfer	Volunteers in Overseas Cooperative Assistance
John Michael Nehrbass	Volunteers in Overseas Cooperative Assistance
Antonio Gayoso	World Council of Credit Unions
Anna Evans	World Council of Credit Unions
John Glaser	

USAID

John P. Grant	BHR/PVC
John Fasullo	BHR/PVC
John Godden	BHR/PVC
Larry Harms	BHR/PVC
Kathryn Stratos	ENI/DG/PSP
Frank Mertens	ENI/ED/AG
Thomas Eighmy	ENI/PD
Viviann Gary	G/ENV/UP
Mellissa Pailthorp	G/ENV/UP
Michael Henning	G/DG
Kim Mahling-Clark	G/DG
Jeanne North	G/DG
Ted Gehr	LAC/DPB
Sundaa Bridgett	PPC/DEM
James Vermillion	PPC/DEM
Danielle Roziewski	PPC/DP
Diane LaVoy	PPC/SP

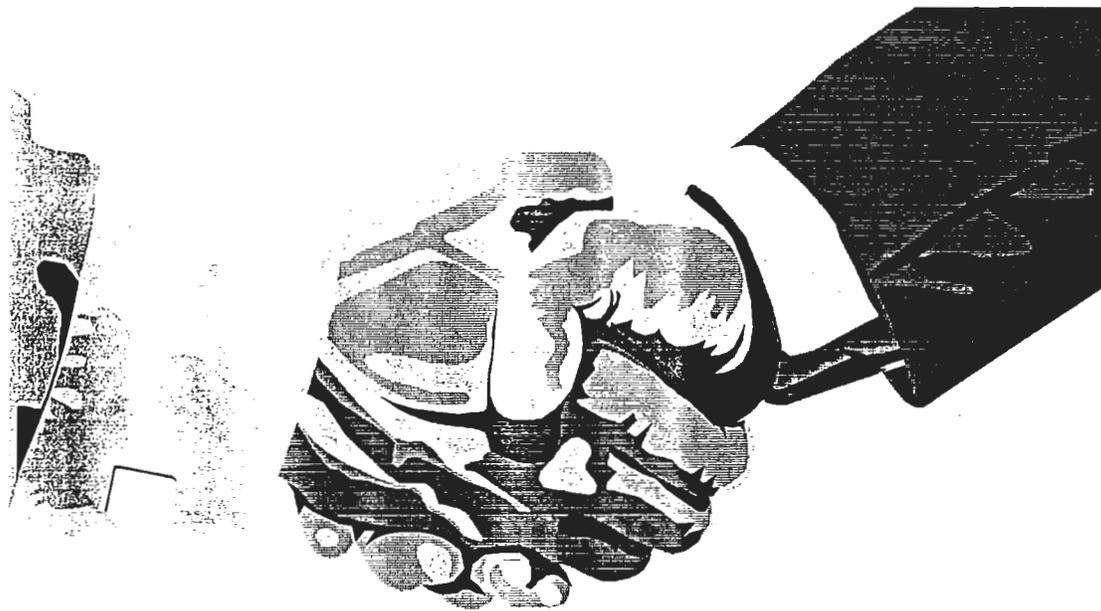
* A number of USAID staff attended the seminar but did not sign in.

Annex C

You are invited!

An informative seminar on the role of
Cooperative Development
in achieving USAID's goals

**“Promoting Democracy Through
Association Building”**



June 19, 1996
9:00 a.m. to 12:00 noon
Loy Henderson Room
Main State

AGENDA
USAID BHR/PVC
CDO SEMINAR SERIES

Wednesday, June 19, 1996 - 9:00 a.m. to 12:00 noon
Loy Henderson Conference Room, Main State
(Near "C" Street (Diplomatic) entrance at street level)

This is the third in a three-part seminar series, designed to strengthen the partnership that exists between USAID and the U.S. Cooperative Development Organizations (CDOs) community.

Theme of Seminar # 3

How the U.S. Cooperative Development Organizations, which represent a wide variety of business development sectors, such as rural telephone and electric power, agribusiness and credit, volunteer assistance, and housing, can work with USAID in promoting democracy through association building at the local level.

Agenda

- 8:30 - 8:55 a.m. Clearance process for visitors
- 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. "Promoting Democracy Through Cooperatives" - Ted Weihe, Executive Director, Overseas Cooperative Development Council (OCDC)

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

9:30 - 10:00 a.m. Presentation # 1: "Association formation in Eastern Europe and the New Independent States (NIS) former Soviet Union - Challenges and initial lessons learned"

Panelists: Kathryn Stratos, Office of Democracy and Governance, Bureau for Europe and the New Independent States; Carl Hammerdorfer, Program Developer, Volunteers in Overseas Cooperative Assistance (VOCA); and, Norval Dvorak, Technical Consultant, Agricultural Cooperative Development International (ACDI)

10:00 - 10:20 a.m. QUESTIONS/DISCUSSION

10:20 - 10:50 a.m. Presentation # 2: "Methods for promoting citizen participation and consumer-owned systems in the privatization of utilities in USAID-assisted countries"

Panelists: Jim Vermillion, Democracy Policy Advisor, Bureau for Policy & Program Coordination; Paul Clark, Deputy Administrator, International Programs Division, National Rural Electric Cooperative Association (NRECA); and, Marlee Norton, General Manager of International Programs, National Telephone Cooperative Association (NTCA)

10:50 - 11:10 a.m. QUESTIONS/DISCUSSION

11:10 - 11:40 a.m. Presentation # 3: "The importance of engaging local governments and established civic groups in the formation and strengthening of community-based associations"

Panelists: Judith Hermanson, Executive Vice President for International Programs, Cooperative Housing Foundation (CHF); Viviann Gary, Director, Office of Environment and Urban Programs, Global Bureau; and, Jeanne North, Office of Democracy and Governance, Global Bureau

11:40 - 12:00 noon QUESTIONS/DISCUSSION

12:00 noon CLOSING/BRIEF ANNOUNCEMENTS - BHR/PVC, John Godden

End of Seminar

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
Office of Private and Voluntary Cooperation
Bureau for Humanitarian Response
U.S. Agency for International Development
Washington, D.C. 20523-0804
Tel. No. (703) 351-0216; Fax No. (703) 351-0212
Internet: jgodden@usaid.gov

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 1200 hallway (left of the elevator) and follow signs to room **1207**.

PRE-REGISTRATION FOR NON-USAID PARTICIPANTS

Seminar registration should be made as early as possible. For State Department entry, attendees who are not USAID employees, will be required to provide their name, date of birth, social security number, and citizenship status. This information should be telephoned or faxed to: **Ms. W. Mae McDowell**,
Tel. No. (703) 741-0560 or
Fax No. (703) 741-0567.

* 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.