

June 12, 2024 Virtual Learning Hour

Responses to Questions Raised During and Following the Session:

Assessing Board Training Needs for Better Cooperative Governance

Q1. How can we increase the capacity of boards in a situation where members of the board change often? How do you preserve the experience and the knowledge accumulated by one group of board members when some of them leave and are no longer working with the same team.

[Jennifer Wenborg, HP] This tool is great for exactly that purpose. When new board members join, they often don't know a lot about their roles and responsibilities. So, if the board can come together and use this tool for onboarding, it helps to review the different aspects of their governance and that process builds awareness, but it also strengthens the board cohesively in terms of reviewing what their goals are, how they will achieve them and how well board members are filling needs for Members. Remaining board members can lead the process so new board members learn what is being done well and what can be done better. We loved using this tool with health cooperatives because they were able to then use it themselves to help onboard new board members when they were elected.

Q2. It's been challenging for us in Ecuador. We don't have many cooperatives - we have more organizations or associations - and getting youth involved in cooperatives has been very challenging for us. They are not currently interested in participating in this type of process, they prefer to migrate and work in the big cities or even migrate to other countries. Do you have any suggestions, anything, like the tool that has been presented today, that can help us to address this?

And a second question: Is there any timeline that you have on how long it could take for an association or organization to go from a weak one to a successful one?

[Carolyn Natabona, HP Uganda] In our organization, we encourage the cooperatives to have youth as part of the board. Because when you have youth as part of the board or in the board composition, it's easy for them to participate. In so doing, they're able to reach out to other youth, because they'll be looking out for concerns that are actually directed to the youth, all the areas that the youth are really interested in. So that is how we have managed: we have young people who are on board. They reach out to other youth regarding their different concerns, and they are able to bring those concerns for discussion.

[Joe Charly Mantilla Oliva, GENEX Peru] On the first question: associations are a normal kind of organization in Latin America. It also happens in Peru. The first thing we need is to adopt the cooperative model. We need to sensitize all farmers to adopt the cooperative model. We need to also train all members that a cooperative is a business. A business that has profits, that is sustainable, and produces on time. Because youth is looking for attractive activities, especially in

the agrarian sector, and if they see these activities are not a good business model, probably they will not be motivated to integrate or to migrate from an association to a co-op and then act like a business. Normally, youth are very motivated to work to protect the environment. This is a good topic that we can use here in Latin America to involve youth, but essentially, we need to train them that a cooperative is a business and the vision for their organization. With that, I think we can involve more youth in cooperatives. I think that's the first part of your question.

As to the second: there is no timeline that can tell you when these cooperatives are strong and when they are sustainable. In our experience, you need to work daily, day by day, and all the time. This work never stops because you might be sustainable today, but in the next year you might not be. So, this is never ending work. You just need to continue working on sustainability and all these aspects now. I hope this clarifies the idea related to this topic.

Q3. One of the speakers mentioned the board pillars, could repeat those for me?

[Judith Hermanson, ICRG] The strategic pillars are:

- teaming,
- accountable empowerment,
- strategic leadership, and
- democracy.

The board helps and is responsible for these functions.

Q4. I just wanted to look at the women component. How does the tool look at women component in terms of women on boards? How can you access the tool? How long does a typical assessment of a cooperative take?

[Johnson Andinda, HP Uganda] You can access the tool through ODCD. It is out for cooperative development partners to use.

As for the issue of women's involvement and youth involvement here in Uganda, the law requires that each board has at least 30% of women and one youth. But you cannot probably elect a board when you don't have that women representation. When we are conducting the assessments, we ensure that women involvement is key and is taken into great consideration. Because for us in the health cooperative sector, we find that women are the most likely to be caregivers in homes and families. Their feedback, their experience, is very great.

On how long you use the tool: we've been assessing the cooperative in a day. Some activities are conducted in the morning hours and then in the afternoon you go into feedback and look at the recommendations and plan actions as a way forward. It is basically a day's activity, but as you may have heard, we conduct this activity annually.

[Jennifer Wenborg, HP] I want to add that I think the tool prompts conversation so it can be used for the board and Members to think about:

- How could our cooperative be stronger if more women were participating?

-Are we giving them a voice?

-Are we taking advantage of all the opportunities that we have to achieve our goals?

We've seen it prompt discussion and then action plans that help the cooperative be more proactive and intentional about how they are including all members and hearing the needs of all members in order to meet those needs.

Q 5. We've seen transparency and accountability featured among the top challenges. Even when we were preparing for this workshop, it came on top. Since leaders are working voluntarily and there is no pay, maybe it's high time we refocused on the cooperative values of self-help and, you know, working for free. People are working in cooperatives as leaders and want to be paid. And because nobody's talking about it, people decide to pay themselves. It is really a tough challenge. I don't know what we can do to overcome that. Maybe we could include it in lessons on transparency and accountability. We need to look for a solution to that because it is really a top challenge.

[Joe Charly Mantilla Oliva, GENEX Peru] In our experience, technical or other professionals in the cooperative who need to be paid are general managers. Members of the board don't receive any payment and we believe that this is the right way to do it, because a cooperative is built to make profits for all the members. So, if your activity is in the dairy sector, in cooperatives that sell milk or transform milk into cheese or into other products, they already have their economic activity. And members of the board are working to develop this activity and to create more profits. It's a matter of values. It would probably not be right if they were paid to increase their own activity. I believe that the better way for this to work is that only technical staff and professionals involved in the cooperative should be paid because that's an administrative or an operational activity expense.

[Judith Hermanson, ICRG] I haven't really run into the challenge of board members expecting to be paid very often. And I think what Joe was articulating, was the assumption that when you have a professional staff, they are employees of the cooperative and they obviously receive a salary for what they do. They are overseen by maybe a general manager who is also paid and who is in turn overseen by the elected board. The board members, being members of the cooperative as well as owners, like all the other member owners who belong to the cooperative, are taking on the board position to help guide the cooperative for their own interests as well as the interest of member owners. I think of the cooperative principles: the idea is that you wouldn't be a board member forever and other people would take up that role and that responsibility. Not everybody could do it because of maybe other financial concerns and so forth. I would like to learn more about what those pressures and practices are in the context in which the question was asked. I think at the end of the day, the cooperatives can set their policies and often there may be policies in place with respect to registering the cooperative and criteria that cooperatives must meet in different countries, so there might be one on reimbursement policies for travel or that sort of thing. I think that the really important thing is that it be transparent, that it's not something that there's somehow power being concentrated and people benefiting from the cooperative in a way that isn't known to the members and that will undercut the effectiveness of the cooperative overall, because one of the main things that binds cooperatives and their governance together is trust, trust that they're advancing in the mutual interest of the cooperative, and therefore all the members.

[Comment from the floor] I have had many years of experience with worker cooperatives in the home care industry. Members tend to be women, low wage women, doing very difficult work, working very, very long hours and so time spent on board duties is time that they are not earning wages for their families. In this case, the home care worker cooperatives in the United States tend to pay board members for their time spent on board duties.

Q6. Is the tool suitable for developed co-ops like SACCOs here in Kenya?

[Barbara Czachorska-Jones, ICRG] Yes, ICRG believes the tool is suitable for more developed cooperatives as well as the nascent ones. The framework on which the tool is based refers to three stages of board development differentiated by leadership style during a cooperative's lifecycle. These are:

- Creativity - in Stage 1 (start-up phase)
- Direction - in Stage 2 (establishment) and
- Delegation - in Stage 3 (institution phase).

For a SACCO, we suggest considering board characteristics described in the framework as Stage 3 as a starting point. If this turns out not to be the right fit, adjust as needed and follow assessment steps to determine the training needs of a group you have in mind.