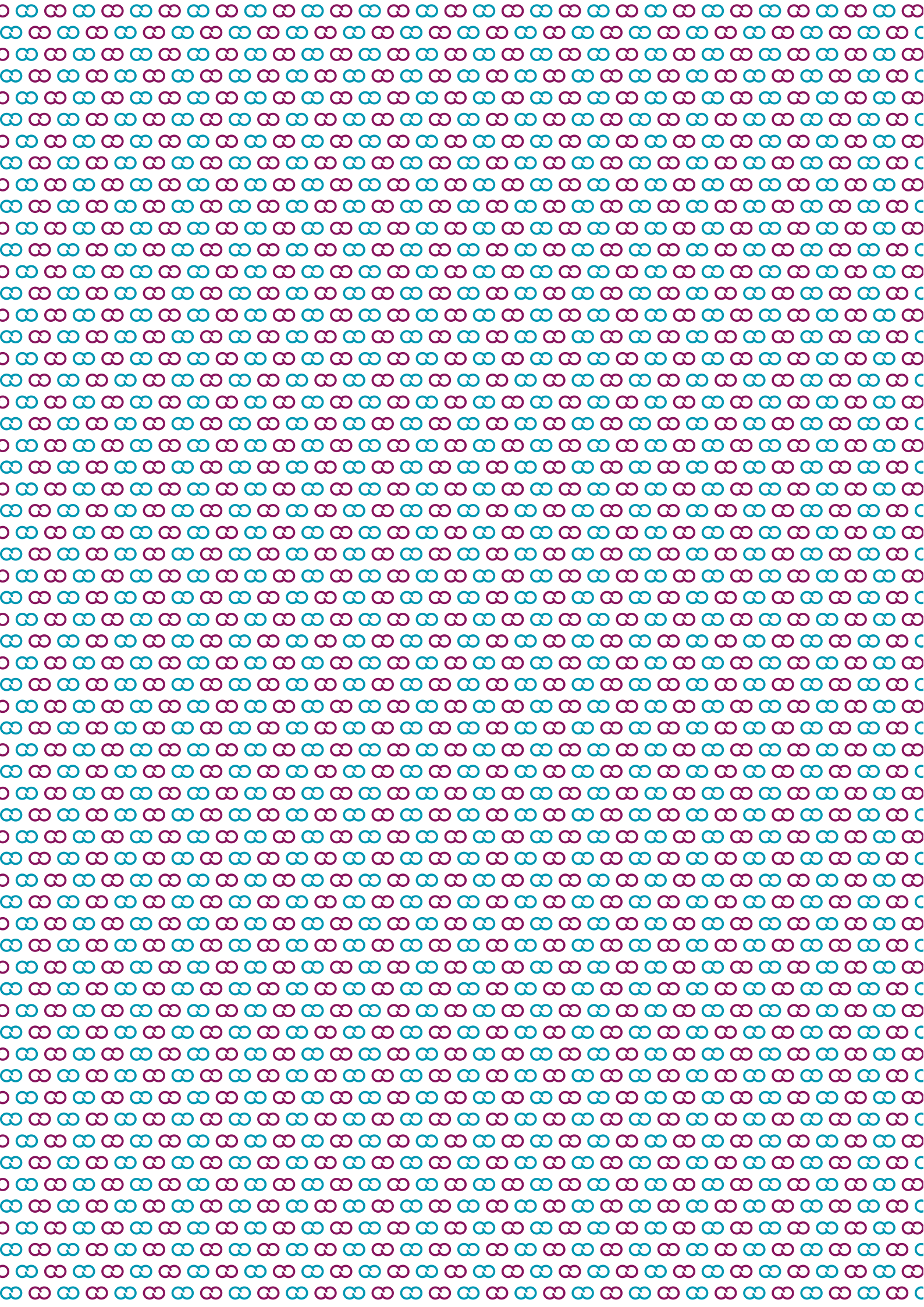




International  
Co-operative  
Alliance

# Annual Report 2013





# Table of contents

Message from the President .....	4
Message from the Director-General .....	5
2013 Global Alliance Conference: Cape Town, South Africa .....	6
Rochdale Pioneers Award 2013 goes to the Plunkett Foundation .....	8
Blueprint for a Co-operative Decade: in action .....	10
Thematic committees and networks .....	12
The World Co-operative Monitor, 2013 edition .....	14
Report: Co-operative Growth for the 21 <sup>st</sup> Century .....	15
The global co-operative marque .....	16
Policy .....	18
<b>ALLIANCE .....</b>	<b>19</b>
Alliance Board .....	20
View from the Sectors .....	22
View from the Regions .....	26
Alliance Committees .....	28
Alliance Members .....	29
Alliance Secretariat .....	31
2013 Financial Results .....	32



*Dame Pauline Green,  
President*

Dear Colleagues

On behalf of the Board of Directors, I am pleased to present the Annual Report and financial statement for 2013.

This was a year of mixed fortunes in the context of the worldwide co-operative movement. The World Co-operative Monitor showed that our global movement continued to grow despite continuing difficult economic circumstances. It was clear, however, that many of our older consumer facing businesses felt the impact of reduced consumer demand and consequent pressure on sales and profitability. The continuing regulatory and capitalization pressure led to significant tensions within some parts of Europe's co-operative banking sector. At the same time those social, health and community co-operatives that now service the former public sector came under funding pressure as local municipalities had to make reductions in their budgets. The Alliance has always made the case that co-operatives are as vulnerable to the implications of economic downturn as any other business – and this year our analysis was indeed borne out!

However, it was not all such a struggle. Our co-operative and mutual insurance sector continued to grow and now has nearly 28% of the global insurance market. Co-operatives continue to develop in the energy and green sector around the world, and there is much energetic community innovation as people seek ways of taking control of their own local business and service environment. This remains important as unemployment bites, wage disparities grow and national growth rates struggle to lift in much of the developed world, and drift down in the developing and emerging economies on the back of reduced demand in consumer markets.

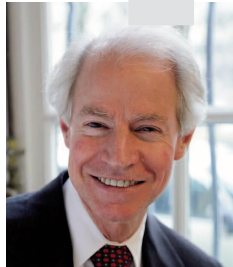
Politically there remains a supporting wind for co-operative innovation. The impact of the IYC 2012 has led to many countries undertaking or completing a review of their governing legislation for our sector, creating a better environment for co-operatives to thrive. For the first time, the G20 has a co-operative business represented in its B20 (Business 20) organizing committee which advises the Finance Ministers and Government leaders of the 20 largest economies.

In 2013 the Alliance held its first ever General Assembly in Africa with the generous support of the South African Government. The Assembly was a huge success in terms of numbers, and in substantive terms with the launch of our new marque which is now being used by co-operative enterprises in 67 countries. Some key fundamental building blocks to give life to the Blueprint for a Co-operative Decade were launched and are now being developed to give member organizations real initiatives for pursuing the five key themes of the strategy – *participation, sustainability, identity, legal framework and capital*.

So, much done and much more still to do if we are to maintain the momentum kick-started by the International Year of Co-operatives. Only by working together can we make the difference that the world needs.

Yours in co-operation

**Dame Pauline Green, President**



*Charles Gould,  
Director-General*

Dear Co-operative Members,

2012-2013 was an incredibly important time for the co-operative movement. The United Nations declared 2012 the International Year of Co-operatives and we launched the Blueprint for a Co-operative Decade – the roadmap by which we aim to become the fastest growing form of enterprise by 2020. With so much potential and promise, it was important that 2013 followed on from this with clear action and vigour. And indeed, an incredible amount of hard work has gone into moving to the *implementation* phase of the Blueprint. The Alliance is using its traditional four-year planning cycle to consider, first, the period from 2013-2016, which will be followed later by a second four-year plan carrying through to 2020.

The 2013-2016 plan launches a series of proof of concept undertakings, to determine the extent to which we can claim achievements in the vital areas of the Blueprint. Forming part of this is the Sustainability Scan. We believe it convincingly demonstrates the clear and direct relationship between sustainability and co-operatives, as well as the World Co-operative Monitor, which has shown us that co-operatives are already a major, global, economic force, with the 300 largest accounting for an annual turnover of USD 2 trillion. We also commissioned a thought leadership paper on Co-operative Growth in the 21<sup>st</sup> Century.

Also assembled is the Blue Ribbon Commission on Co-operative Capital: a strategic advisory group to frame and guide the work of the Alliance in implementing the strategic area of capital – i.e. the security of reliable streams of co-operative financial capital while also guaranteeing member control.

Furthermore, our first ever General Assembly in Africa saw the launch of the global co-operative marque: a symbol of our collective unity and through which all co-operatives can align and demonstrate our unity of purpose. I am delighted that it is already being used by co-operative enterprises in 67 countries.

This year also saw important progress in terms of official recognition from governments and international institutions: from the European Parliament's roadmap to economic recovery explicitly mentioning co-operatives, to a co-operative business being represented in the G20's B20 (Business 20) organizing committee – which advises the Finance Ministers and Government leaders of the 20 largest economies.

If 2012 marked the birth of the Blueprint for a Co-operative Decade, 2013 saw it take its first steps. What we need now is for co-operatives across the world to embrace the spirit and direction of the Blueprint in their own planning. Only this will allow us to have the impact needed to fulfill the 2020 vision.

With warm regards,

**Charles Gould, Director-General**

# 2013 Global Alliance Conference: Cape Town, South Africa



## A Co-operative Decade in Action

The strategic focus of the Global Conference is to offer a platform for sharing experiences and best practices. The Alliance conferences promote and develop co-operatives, and encourage governments and regulatory bodies to establish policies, laws and regulations conducive to co-operative formation and growth.

Hosted by the South African Department of Trade and Industry, the Alliance's 2013 Global Conference and General Assembly was held in Cape Town, South Africa during the week of 1-5 November 2013. The conference theme was "A Co-operative Decade in Action". This was the first time in the Alliance's 118-year history that the conference was held in Africa. Over 1000 people from 88 nations joined us to debate, learn and connect, proving that the co-operative movement is a global force, moving forward today.



### Dame Pauline Green, President of the Alliance, said:

*"This week is about the future, about recommitting ourselves to growing the co-operative family of enterprises. With the current lacklustre performance of the global economy, it is the right time to pursue the campaign to put co-operatives on the agenda of global decision-makers as they seek answers to the effects of recession — a recession that even now is dampening the vigour of just those emerging economies which, it had been hoped, would be the catalyst for future success. This week the International Co-operative Alliance will reveal its first steps to drive forward the Blueprint for a Co-operative Decade; give members a real opportunity to look at how we can support the growth of a vibrant co-operative economy across Africa, particularly in finance and agriculture; offer time and opportunity for discussion, networking, sharing best practice and, of course, the chance to do co-op to co-op business."*





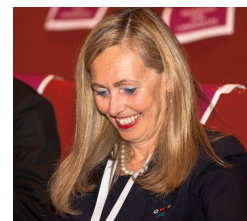
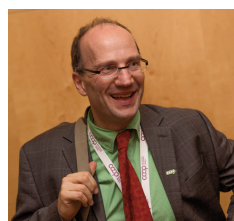
## A solid conference programme, yet time for networking

An exciting programme was built around the Blueprint for a Co-operative Decade, which aims to take co-operatives to a position of being the preferred model, and as a result, the fastest-growing form of enterprise by 2020.

After an initial plenary session on the Blueprint, the Assembly broke into parallel sessions and looked in detail at food, community services, communication, economy and education. Delegates explored topics as diverse as the power of branding, micro-credit and co-op banking for development and the role of retail and consumer co-ops in food distribution.

The conference had five thematic sessions running in parallel, dealing with food security, access to community services, the power of communication, finance and building knowledge. Round table discussions, for example on establishing a framework for the co-operative decade, complemented the themed workshops.

Following the conference, ICMIF, the Alliance's Cooperative and Mutual Insurance Sector, offered a breakout session at its own ICMIF Cape Town Conference, dedicated to sustainability.





Dame Pauline Green, President of the International Co-operative Alliance, offers her congratulations on the award, together with South Africa's Deputy Minister of the Department of Trade and Industry, Ms Elizabeth Thabethe.

# Rochdale Pioneers Award 2013 goes to the Plunkett Foundation

In 2000, the Alliance Board established the prestigious Rochdale Pioneers Award. The Award recognise a person or, under special circumstances, a co-operative organisation, that has contributed to innovative and financially sustainable co-operative activities which significantly benefit their membership.

The Plunkett Foundation was the 2013 winner of the Rochdale Pioneers Award. The Award, presented at the Alliance's General Assembly in Cape Town, recognises the outstanding contribution of the Plunkett Foundation to the global co-operative movement. It is the highest honour the International Co-operative Alliance bestows.

Speaking at the award ceremony, Peter Couchman, Chief Executive of the Foundation, said the Plunkett team was honoured to receive the award. The Plunkett Foundation is the first organisation to receive the Rochdale Pioneers Award.

*"We are proud to carry on the work of our founder Sir Horace Plunkett by inspiring people living and working in rural communities to believe through co-operation in what they can achieve together. This award has made us even more*

*determined to take this message further and wider,"* said Mr Couchman.

The Foundation was founded by Sir Horace Plunkett in 1919 and has been pioneering agricultural co-operatives ever since.

**Dame Pauline Green, President of the International Co-operative Alliance, said:**

*"We are delighted to award the Rochdale Pioneers Award to the Plunkett Foundation. Since it was founded in 1919 the Plunkett Foundation has been a leading light in the international co-operative movement. Today Plunkett is leading work to connect up different types of rural co-operatives and we look forward to this work continuing and developing. We have therefore awarded this honour to the Plunkett Foundation for both*



*their past and present contribution to the international co-operative movement.”*

Apart from helping rural communities through co-operation to take control of issues affecting them, the Plunkett Foundation also played an active role in promoting the International Year of Co-operatives.

In 2012 the Foundation brought together rural co-operatives, co-operative representative organisations and United Nations agencies to develop a global agreement : the Dunsany Declaration for Rural Co-operative Development. The Declaration has gained international recognition not only from the International Co-operative Alliance, but also from the United Nations’ Food and Agricultural Organization.



**Ed Mayo, Secretary General of Co-operatives UK:**  
*“The Plunkett Foundation is an outstanding catalyst for rural co-operation and renewal. With its strong heritage and reach across nations, Plunkett combines business flair and imagination, working with local people to meet their needs in sustainable ways. In the UK, the remarkable success of rural shops as a lifeline for so many villages is down to the perseverance and creativity of the Plunkett Foundation.”*

**Congratulations from UK Prime Minister David Cameron and Labour Party leader Ed Miliband**

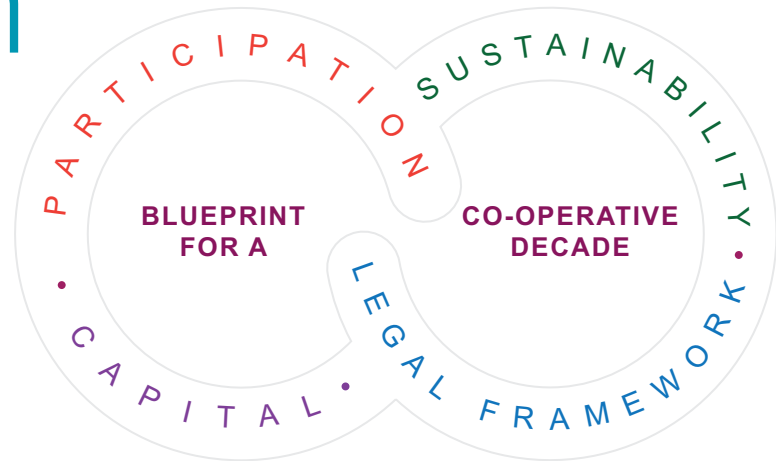


**Prime Minister David Cameron sent a message congratulating Plunkett:**  
*“Congratulations to the Plunkett Foundation on winning the Rochdale Pioneer Award, an international prize for those making the greatest difference to co-operatives in the world. This is testament to the fantastic work that the Plunkett Foundation does in supporting community owned shops and pubs. And it’s another great accolade for Britain as a world leader in social investment.”*



**Labour leader Ed Miliband added:**  
*“I am delighted that the Plunkett Foundation will be receiving the Rochdale Pioneer Award, which recognises the excellent work it does supporting local communities maintain vital local services. Peter Couchman and the whole team at the Plunkett Foundation should be very proud to receive this prestigious honour. As Leader of the Labour Party and a member of the Co-operative Party, I know personally the vital work of co-operatives in communities in the UK and across the world.”*

# Blueprint for a Co-operative Decade: in action



The '2020 Challenge' is for the co-operative form of business by 2020 to become:

- > The acknowledged leader in economic, social and environmental sustainability
- > And therefore the model preferred by people
- > And as a result of that, to become the fastest growing form of enterprise.

To achieve the vision, the Blueprint strategy concentrates on five critical interlinked themes, and establishes an individual strategy in relation to each of them. The over-arching agenda for the Alliance, its members and the co-operative sector generally is to:

- > Elevate participation within membership and governance to a new level
- > Position co-operatives as builders of sustainability
- > Build the co-operative message and secure the co-operative identity
- > Ensure supportive legal frameworks for co-operative growth
- > Secure reliable co-operative capital while guaranteeing member control.

The Blueprint strategy summary states that:

"The starting point for the strategy of a global co-operative future is the powerful claim which co-operatives make to the outside world; they have a way of doing business which is better than the one which is currently failing.

- > Co-operatives are better because they give individuals participation through ownership, which makes them inherently more engaging, more productive, and both more useful and more relevant in the contemporary world
- > Co-operatives are better because their business model creates greater economic, social and environmental sustainability.

**Participation and Sustainability explain why co-operatives offer a better way of doing business; they are differentiators within the co-operative model:**

- > This is looked at through the lens of identity – how co-operatives communicate their powerful message and how they are to be seen and understood by everybody from policy-makers to the general public.

Identity effectively sets out the co-operative proposition for today; what it means to be a co-operative and what are the defining characteristics or 'irreducible core'.

**Legal Framework and Capital speak to what facilitates or inhibits co-operatives:**

- > The Blueprint seeks to ensure supportive legal frameworks for co-operative growth
- > Co-operatives need access to capital if they are to be established, grow and flourish.



## Sustainability

A key part of the Blueprint for a Co-operative Decade is to demonstrate convincingly that sustainability is inherent to the nature of co-operatives, and that co-operative enterprises make a positive contribution to sustainability.

The International Co-operative Alliance commissioned a scan of co-operatives from around the world and from different sectors in order to investigate the current status of co-operatives with respect to sustainability. This analysis begins an investigation of the relationship between sustainability and the co-operative model with the question: are co-operatives compatible with notions of sustainability?

Findings revealed that the co-operative principles strongly represent the social dimensions of sustainability 'DNA.'

The research also revealed that of the co-operative principles, concepts related to principle 5 (education, training, knowledge sharing), principle 6 (co-operation among co-operatives), and principle 7 (sustainable community development) were strongly communicated.

This scan is important as it allows us to determine the extent to which we can claim achievements in sustainability. We want to understand where co-operatives have made sustainability commitments and demonstrated leadership in this area.



## Capital

In the area of capital, we assembled a Blue Ribbon Commission on Co-operative Capital (BRC) to serve as a strategic advisory group on how to secure reliable streams of co-operative capital while guaranteeing member control. Officially inaugurated in Cape Town during our General Assembly in November 2013, the BRC held a town hall meeting plenary session which, through its dialogue with participants, helped set the stage for its ensuing work plan, which lays fundamental groundwork in the creation of co-operative financial instruments and indices.

**These are:**

- > Survey on Co-operative Capital
- > Thought Leadership Paper on Co-operative Capital
- > Networks, Tools, and Instruments for Co-operative Capital



# Thematic committees and networks

## Gender Equality Committee

During 2013, the Gender Equality Committee (GEC) structured and organized discussions around a proposal for the Co-operative Global Pact for Equality (CGPE). This voluntary initiative of the GEC has two main goals: first, to embed ten equity practical principles within global co-operative culture, overcoming deeply entrenched discriminatory attitudes and challenging existing power structures, and secondly to increase support for the Blueprint for a Co-operative Decade goals in participation and governance.



- > In October 2013, the GEC represented the co-operative movement in the Second Local Economic Development Forum in Brazil, discussing how local and national policies should provide an enabling environment for gender mainstreaming and female empowerment, as well as targeted interventions through the promotion of co-operatives.
- > In the last months of 2013, the GEC helped in the preparation of an agreement between the Co-operatives of the Americas and the United Nations Development Programme (UNDP) to advance gender equality in the co-operative world.
- > The Executive Meeting was celebrated in November 2013 in South Africa, where member representatives from all regions and countries presented their proposals to modernize and harmonize the Alliance Gender Equality Committee Constitution. The work plan of each region towards gender equality and the relevance of women's role in the co-operative movement for the next decade were also shared.



Gabriela Buffa,  
Youth Representative to  
the Alliance Board

## Co-operative Research Committee

In 2013, the Alliance Committee on Co-operative Research (CCR) elected a new Chair. Dr. Sonja Novkovic is Professor of Economics at Saint Mary's University, Sobey School of Business, in Halifax, Nova Scotia, in Canada. She took on the role of Chair at the Committee's annual global conference in Cyprus in June 2013, which featured 94 papers on co-operative research and gathered participants from 23 countries across Africa, the Americas, Asia and the Pacific, and Europe.

## Youth Network

### Youth International Seminar: Co-operative projects management and leadership.

From 14-16 June 2013, the Youth International Seminar on Co-operative projects management and leadership was held in Guanajuato City, Mexico. 150 young people attended from 10 different countries of the Co-operatives of the Americas Region. To organize it, the Youth Network had the support of the Mexico Co-operative Coordinator Committee and of the regional office. The meeting of the Co-operatives of the Americas Youth Regional Committee also took place.

During 2013, the Network began to systematize experiences in which work with youth were producing good results. The countries that presented experiences of youth programs were: Colombia, Spain, El Salvador, Mexico, Costa Rica, and India. The study began with a prior survey and for that the Network had the support of the Co-operatives of the Americas office. The purpose is to continue it during 2014 so that relevant and updated information can be gathered.

On November 2<sup>nd</sup> the youth meeting in Cape Town, South Africa, in the context of the International Co-operative Alliance's Global Conference and General Assembly in Cape Town took place. A draft Constitution of the Youth Global Network was discussed for review by the Alliance Board. During this meeting young people from the Americas, Europe, Asia & Pacific and Africa Regions were present.



Gianluca Salvatori, CEO of EURICSE presents the 2013 Monitor at the plenary session of the Alliance General Assembly and International Conference in Cape Town, South Africa.

# The World Co-operative Monitor, 2013 edition



The World Co-operative Monitor (WCM) is the outcome of a joint research project led by the International Co-operative Alliance and its scientific research partner EURICSE.

The 2013 Report has been enriched with a new feature: a ranking list based on ratio turnover on the gross domestic product (GDP) per capita.

By setting them against nations' GDP, figures are put into local context. The 2013 WCM thus shows the relative importance of co-operatives in their home countries. With figures showing a turnover for top co-operatives of over 2 trillion USD, the 2013 Monitor strikingly demonstrates the economic and social importance of co-operatives for both the local and global economy.

### In 2013 Co-operatives were strong across sectors, with finance leading

The Monitor ranks the top 300 co-operatives and mutuals in terms of revenue, world wide. Findings reveal that the top 300 co-operative and mutual organisations, spread across 23 countries, generate a turnover of over USD \$ 2 trillion. Over 41 per cent of co-operatives are active in the insurance sector, followed by agriculture (28 per cent), wholesale (21 per cent) and banking and insurance (5 per cent).

According to the Monitor, the three largest co-operative and mutual organisations by turnover were based in Japan: Zenkyoren (USD \$81 billion), Zen-Noh (USD \$52 billion) and Nippon Life (USD \$61 billion). The US insurer

and financial services provider, State Farm Group (USD \$57 billion) came fourth, while German wholesale and retail co-operative Rewe Group (USD \$52 billion) was the fifth largest co-operative by turnover.

### Economic, but also social impact

Next to monitoring the sector's economic impact, the Monitor focuses on co-operatives' everyday relevance for communities and citizens by publishing case studies. In the US for instance, the National Rural Electric Cooperative Association serves over 42 million customers, bringing electricity to millions of rural homes. In the healthcare field, Unimed of Brazil lets over 19 million Brazilian customers access affordable and quality health services.

In a more qualitative than quantitative sense, the Monitor is complemented by a second Alliance-Euricse partnership – [www.stories.coop](http://www.stories.coop) – a web site that collects co-operative stories, relating the rich narrative of the co-operative impact and complementing the numbers in the Monitor.

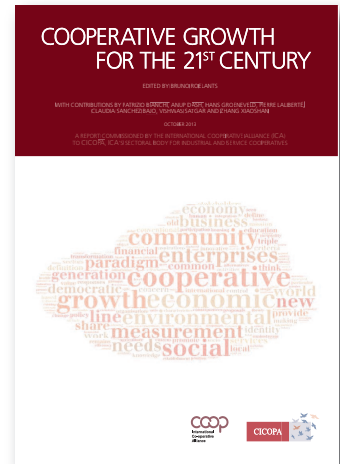


### 2014 Edition

The 2014 Monitor edition will be presented in October 2014 at the Co-operative Summit in Québec City. The 2014 Monitor will go even further in mapping co-operatives' impact on society.

The Monitor can be found and downloaded from [www.monitor.coop](http://www.monitor.coop)

Co-operative Growth for the 21<sup>st</sup> Century, edited by Bruno Roelants, with contributions by Patrizio Bianchi, Anup Dash, Hans Groeneveld, Pierre Laliberté, Claudia Sanchez Bajo, Vishwas Satgar and Zhang Xiaoshan.



# Report: Co-operative Growth for the 21<sup>st</sup> Century



Mr Bruno Roelants, Secretary-General of CICOPA and editor of "Co-operative Growth for the 21<sup>st</sup> Century".

The Growth Report looks at how co-operatives have reacted to the global economic crisis and how they are contributing to solving the deep-seated reasons that caused it in the first place.

**The first part of the report**, called "From crisis to growth – updating frameworks" comprises two introductory pieces which set the stage of the ongoing discussion on the global challenges and opportunities facing the co-operative movement.

**The second part** comprises two contributions providing significant recent examples of co-operatives' role in, and impact on, the economy – specifically on agriculture in China and banking in Europe.

**The third and final part** is composed of three think pieces with innovative paths and proposals for the future.

The Co-operative Growth Report is edited by Bruno Roelants, and has contributions by Patrizio Bianchi, Anup Dash, Hans Groeneveld, Pierre Laliberté, Claudia Sanchez Bajo, Vishwas Satgar and Zhang Xiaoshan. It is available in English, French and Spanish and can be downloaded from the Alliance web site.

With the Blueprint for a Co-operative Decade establishing the goal that by 2020 co-operatives should become "the fastest growing form of enterprise", the movement should also look at redefining the concept of growth.

The International Co-operative Alliance commissioned CICOPA, the Alliance's sectoral body for Industrial and Service Co-operatives, to develop a report on co-operative growth.

# A new **visual identity** for the global co-operative movement

The Blueprint for a Co-operative Decade argues that greater visibility for the co-operative model will lead to more awareness by consumers of the benefits of choosing co-op products and services over their alternatives. In order to achieve this greater visibility, and under the guidance of the Alliance's Communications Committee, in January 2013 a brief was issued to 29 worldwide branding and design agencies to develop a new global visual identity for co-operatives. Capable of almost unlimited application, contemporary and business-like and fit for cross-border use, the new identity was set to replace the rainbow flag and the logo of the Alliance.

Designed by British worker co-operative Calverts, with research support from the Barcelona and Buenos Aires-based Guerrini Island Design, and signature images produced by BrandOutLoud from The Hague, the new identity was guided by survey feedback from over 1000 respondents in 86 countries.

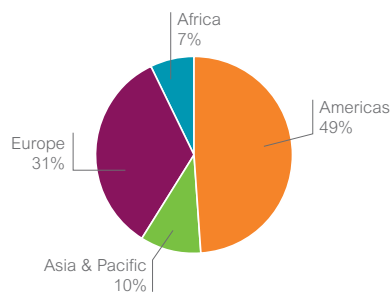
The global Co-operative Marque, with its associated slogan, colour palette, messages, signature images and brand language was launched at the Alliance's Global Conference and General Assembly in Cape Town in November 2013.

Under the management of Domains.coop (a subsidiary of the Alliance) a new website [www.identity.coop](http://www.identity.coop), was also developed, bringing together registrations for .coop and the Marque. Used together the Marque and a .coop domain demonstrate our unity of purpose. Adopters of the global Co-operative Identity are encouraged to place the new Marque on their website homepage, email signatures, advertising and promotions, products and packaging, in order to help make people more aware of their options when faced with the choice between a co-operative or an investor or privately-owned business. Co-operatives are asked to use the .coop domain as their primary web extension and email address.

Our aim is for the Co-operative Identity to become one of the best known ethical marques in the world by 2020 with users in 100 countries. By the end of June 2014, over 620 applications to use the Marque had been granted in 68 countries, 357 of which already had a .coop domain. During this period a third of applicants for the Marque requested a .coop domain name – many of whom took advantage of the First Year Free offer.



MARQUE REGISTRATIONS BY REGION



**domains.coop** Our identity





### Use the marque to promote your co-operative difference

One of the first organisations to register for the marque was the US-based Philadelphia Area Cooperative Alliance (PACA). The organisation, which supports co-operatives across the city, is actively using the identity to promote its co-operative difference.

Caitlin Quigley, a member of PACA's steering committee, said the marque is an asset to its member co-ops and credit unions to raise awareness about the model. She said: *"We were so excited to hear about the launch of the new global cooperative marque and decided to register for several reasons. We just loved the design - it's elegant, clean, and versatile. It fit in well with our existing print and online materials."*

*"We use the marque in our materials and encourage our member co-ops and credit unions to use the marque too. It creates a visual link between otherwise separate sectors and lifts up their co-operative structures as an important part of their identities."*



Apply to use the marque at [www.identity.coop](http://www.identity.coop)

Merchandise including pin badges, flags, notepads and pens with the marque are available from [www.icashop.coop](http://www.icashop.coop)



# Policy

“Together, we will help make the voices of co-operatives heard at policy spaces worldwide.”

José Graziano da Silva,  
FAO Director-General,

## Memorandum of Understanding with FAO



In October 2013, the Alliance signed a Memorandum of Understanding with the United Nations' Food and Agriculture Organisation (FAO). The document highlights the “unique” contribution of agricultural co-operatives in fighting against hunger and poverty. The aim is to develop common initiatives and to boost the participation of the co-operative movement in the FAO as well as to develop co-operatives in developing countries to address food security and safety and help farmers move out of poverty. The FAO Director-General, José Graziano da Silva, said the UN body would continue to support member countries in providing the right conditions for the growth of co-operatives.

## COPAC

In 2013 the work of the Committee for the Promotion and Advancement of Co-operatives (COPAC) composed of the Alliance, the UN, ILO, FAO, and World Farmers Organization, was mainly focused on the role of co-operatives in contributing to a more resilient global economy. In this sense, the 2013 International Day of Co-operatives was held under the theme *'Co-operative Enterprises remain strong in times of crisis'* and a study report led by the ILO was published with the title *'Resilience in a downturn: the power of financial co-operatives'*

## Visit to the Vatican



In October 2013, a delegation from the co-operative sector were welcomed by Pope Francis at a private audience in Vatican City. Among those invited were President of the International Co-operative Alliance, Dame Pauline Green, Mr Charles Gould, Director General and Ramon Imperial Zuniga and Manuel Mariño, President and Regional Director of the Co-operatives of the Americas. Representing the Co-operative Confederation of the Argentinian Republic (Cooperar) were its President, Mr. Ariel Guarco, and Mr Ricardo López, Secretary. Pope Francis expressed his confidence in co-operatives as a crucial part of the global economy for the future, and a way of dealing with some of the world's most pressing problems. In welcoming the group to the Vatican, Pope Francis told of the day in 1954 when his father brought him and his brothers together to talk to them about the impact of co-operatives on local communities, and how this had lived with him ever since. He praised co-operatives' sustainable vision for a more just, more balanced and more stable economy, and expressed the Vatican's intent to ensure further contact between the co-operative sector with the Pontifical Council for Social Justice and Peace.



# Alliance

# Alliance Board

## PRESIDENT



Dame Pauline Green  
(United Kingdom)

## Vice-Presidents



Africa:  
Stanley Charles  
Muchiri (Kenya)



Americas:  
Ramón Imperial  
Zúñiga (Mexico)



Asia and Pacific:  
Li Chunsheng  
(China)



Europe:  
Dirk J. Lehnhoff  
(Germany)

## Sectoral Organisations:



Kathy Bardswick  
(Canada)



Jose Carlos Guisado  
(Spain)

## Youth Representative:



Gabriela Ana Buffa  
(Argentina)

**Board Members:**



Ariel Guarco  
(Argentina)



Gregory Wall  
(Australia)



Eudes de Freitas  
Aquino (Brazil)



Petar Stefanov  
(Bulgaria)



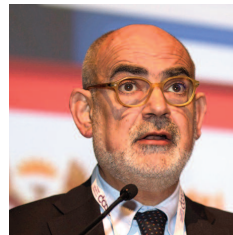
Monique Leroux  
(Canada)



Anne Santamäki  
(Finland)



Jean-Louis Bancel  
(France)



Carlo Scarzanella  
(Italy)



Akira Banzai  
(Japan)



Won-Byung Choi  
(Korea)



Evgeny Kuznetsov  
(Russia)



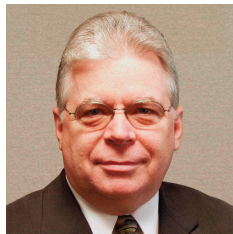
Seah Kian Peng  
(Singapore)



Jan Anders Lago  
(Sweden)



Len Wardle  
(United Kingdom)



Martin Lowery (United  
States of America)



# View from the Sectors

## ICMIF (International Cooperative & Mutual Insurance Federation)



2013 was another very successful year for ICMIF. During its meeting in April 2014, the Executive Committee reviewed and approved the audited financial statements for the organization, recognizing the efforts of the Management team in achieving the overall financial objectives for 2013, including a small planned surplus. There was a net increase of 3 new members for the year, bringing total membership to 223 organizations. The International Co-operative Alliance's Global

Conference and General Assembly in Cape Town saw record breaking attendance, a testament to the value ICMIF members see in being able to network and learn from the opportunity this event provides every two years. In addition to the financial review, the Executive Committee also approved a new Strategic Plan that will guide activities for the period 2015-2018 under the new Chair leadership of Anders Sundstrom, elected in autumn 2013, and the ongoing management leadership of Shaun Tarbuck. This strategic plan is positioned within the overall guiding framework of the Blueprint for a Co-operative Decade, paying particular attention to the need to increase the power of the co-operative and mutual voice worldwide. The co-operative and mutual insurance system worldwide has gained significant market share since the financial crisis, an indication of the increasing relevance and need for alternative financial structures. In this strategy, ICMIF plans to increase its efforts to share that message with those who continue to ignore or poorly recognize that reality.

## Co-operative Housing international



Co-operative Housing International (formerly ICA Housing) has now completed the development of a software application to permit the automation of the International Good Governance Test for housing co-operatives launched in 2013. The sector is preparing a seminar session at the International Summit of Co-operatives in Québec, October 21-24. The theme for this seminar will be drawn from one of the elements of the Blueprint for a Co-operative Decade: Legal Frameworks for Housing Co-operatives: an International Perspective.

Co-operative Housing International is also developing an interpretation of the Blueprint as a pilot project for Canadian housing co-operatives, with the intention of creating an international version based on this experience. It is developing promotional materials for the sustainable forestry initiative, proposed by ICA Housing to the Alliance's General Assembly in Cancun, 2011, and adopted by the delegates.

Co-operative Housing International has recently launched its new website at [www.housinginternational.coop](http://www.housinginternational.coop)

## Consumer Co-operatives Worldwide (CCW)

Consumer Co-operatives Worldwide (CCW) continued to develop its activities in line with its mission and members' interests. In 2013, CCW published four issues of its newsletter which serves as a strong source of information for members regarding

developments in consumer co-operatives around the world. Also as a preferential source of information about the efforts of consumer co-operatives in the sustainability area, the 2013 edition of the report "*Climate Change and Consumer Co-operatives: taking the challenge forward*" was issued. CCW was responsible for the organization of the session on Food Security and Sustainable Supply Chains during the International Co-operative Alliance's Global conference in Cape Town. A vast number of delegates participated, both from within and outside the sector. This was also the occasion for the CCW Annual Members Meeting, which elected a new President and Executive Committee for the organization.



## International Co-operative Fisheries Organisation (ICFO)

The International Co-operative Fisheries Organisation (ICFO) is highly committed to promoting the values and principles of the co-operative model in the fishery and aquaculture sector. Fishermen and fishery co-operatives are facing similar problems all around the world: skyrocketing operating costs due to high oil prices, a dramatic decrease in fishery resources, illegal fishing, maritime pollution, etc. These new challenges faced by the sector can be resolved based on the co-operative spirit. ICFO promotes a shared knowledge and experience among its members. It provides an opportunity for



member fishermen to learn how the fisheries co-operatives have played a key role in the Korean economy by inviting them to Korea. It plans to support two students from developing countries to study in Korea this year.

### International Health Co-operative Organisation (IHCO)



2013 was a year of intensive work to spread knowledge about health co-operatives worldwide, both in terms of promoting the founding of new organizations and increasing their visibility on the basis of our principles and realities under the focus of the Blueprint for a Co-operative Decade guidelines.

IHCO have developed actions to promote health co-operative organizations in different countries including the Philippines, Mozambique and the USA; successfully creating two new organizations in the last two

countries after working hard to raise public awareness of co-operative advantages and possibilities.

On the other hand, IHCO was able to establish close relationships with well-known organizations within the sphere of academic institutions and governments and to work together to promote the feasibility, values and potential of health co-operatives - which actually serve more than 300 million people in the world. IHCO also organised the workshop on “Co-operatives providing access to community services” held in Cape Town as part of the International Co-operative Alliance’s Global Conference and General Assembly as an example of the importance of inter-cooperation with other sectors, concluding a communication plan to promote the role of co-operatives in the framework of the Co-operative Decade, jointly with CICOPA.

And last but not the least, IHCO kept on working with the Alliance in all its duties through the implementation of the new visual identity and marque, an active participation in the Sectoral Organisation Liaison Group and a contribution to the planning and organization of the 2014 Québec Summit, where one of the main themes will be health.

### International Co-operative Agricultural Organisation (ICAO)

ICAO, representing agricultural and rural co-operatives, has promoted the sustainable production of food and food security. It has engaged in preparations for the UN's 2014 International Year of Family Farming (IYFF) and participated in regional dialogues organized by the UN's Food and Agricultural Organization (FAO). It has promoted agricultural co-operatives contributing to family farming as guardians of food security. Of special note for the agricultural co-operative sector and the co-operative movement generally was the recognition by FAO and the International Fund for





Agricultural Development of their role as an intermediary between member state governments and smallholder/family farmer organizations, facilitating effective communication and the creation of strong legal support for their development. In addition to the activities in agriculture, ICAO helped to organise the workshop with the theme of “Food Security and Sustainable Supply Chains” with the collaboration of CCW and ICFO during the International Co-operative Alliance’s Global Conference and General Assembly in Cape Town.

## CICOPA

Following the very significant development of co-operatives engaged in community services (health, education, social services, the environment etc.) around the world, CICOPA presented this trend at the International Co-operative Alliance’s Global Conference and General Assembly in Cape Town together with IHCO, with facts and figures, and analyses under the five pillars of the Blueprint: under participation, the multi-stakeholder character of many such co-operatives; under identity, the identity of disadvantaged persons with their co-operatives; under sustainability, the constitution of co-operative groups and co-operatives engaged in the environment field; under capital, a series of non-banking financial instruments in our network; and under legal frameworks, the recent advance in legislation in social co-operatives at the national level.

In the new EU public procurement legislation passed in January 2014, CICOPA obtained the recognition of reserved tenders for enterprises whose mission is the labour reintegration of disadvantaged persons and special regimes for those whose mission is to provide social services, which both correspond to social co-operatives’ mission. In France, a social and solidarity economy law, which will markedly improve the financial and legal mechanism facilitating the restructuring of industrial and service enterprises in co-operatives, was drafted and is now in its final stage of parliamentary approval. In Canada, our movement has opted to encourage indivisible reserves, a unique step forward in North America (apart from Québec, where such reserves already exist).

The recent Korean legislation on worker co-operatives and social co-operatives has favoured an unprecedented development of such co-operatives thanks to, among other things, the transformation of associations and enterprises which were previously registered under the category of “social Enterprise”.

In South America, CICOPA-Mercosur is consolidating in Montevideo the first regional or sub-regional office of CICOPA apart from Europe, also coordinating the CICOPA-Americas secretariat. This will hopefully provide a model for other regions in the world when a sufficient critical mass justifies it, with more and more Alliance members showing interest in becoming CICOPA members.



# View from the Regions

## Co-operatives of the Americas (formerly ICA Americas)



In 2013, Cooperatives of the Americas took an active role regarding the Blueprint for a Co-operative Decade and invited the Alliance members to analyze, debate and understand it during the XVIII Regional Conference “Cooperative Decade: Scenarios and Perspectives”, celebrated in Guarujá, Sao Paulo, Brazil, from 6<sup>th</sup> to 11<sup>th</sup> October. Almost 1,000 people from the continent attended the Conference, from more than 20 countries. We were able to analyze the Blueprint together and it was understood that the movement has an important stake in this plan.

Also, as preparation for 2014 International Year of Family Farming (IYFF), Co-operatives of the Americas agreed to consider the development of agricultural co-operatives as a strategic issue, so as to contribute to food security and sovereignty. The Co-operatives of the Americas Board met in ordinary session in Guanajuato, Mexico on December 6<sup>th</sup>, 2013 and expressed its willingness to participate in the activities of the IYFF, strengthening relations with representative organizations of family farming at national and regional levels. It also urged co-operative organizations in the Americas to actively collaborate with agriculture co-operatives in the Americas for the development of an action plan for the International Year of Family Farming.

## International Co-operative Alliance Asia & Pacific



The First Asia & Pacific Co-operative Registrar Conference was held in November 2013 in Kuala Lumpur, Malaysia and was hosted by the Ministry of Co-operatives, Government of Malaysia and ANGKASA. The

conference recommended governments follow an adaptive approach, rather than the prevalent practice of adopting model by-laws. Also recommended was allowing for co-operative apex organizations to play a facilitative role in providing expert advice when by-laws are being prepared and to institutionalize such roles, as well as the formation of a parliamentary network to support the efforts of the Registrars/Regulators in establishing a responsive legal and policy framework.

The Asia & Pacific members contributed generously to support members from co-operatives in the Philippines who were devastated by typhoon Haiyan.

## International Co-operative Alliance Africa



In 2013, the Africa region saw a new Regional Director taking office in March, Dr Sifa Chiyoge. In addition, it hosted the International Co-operative Alliance's first ever Global Conference and General Assembly in the continent. It was held in Cape Town, South Africa in November 2013 and Africa had the largest delegation. Furthermore, the first ever continental roadmap, The African Co-operative Development Strategy 2013-2016 was developed, adopted, and launched at the conference of African Ministers and delegates from member countries, one day after the Global Conference. This Strategy is based on the five Pillars of the Blueprint for a Co-operative Decade: participation, sustainability, identity, legal framework and capital. In conclusion, it is worth noting that the Africa Endowment Fund has grown to USD 318,038.65. The African governments continue to be the largest contributors (over 90%) to the fund.

## Co-operatives Europe

2013 will be remembered as the year the door opened for European co-operatives. Internally, a renewed governance structure was put in place, which enables a more effective and direct collaboration with members. Externally, the European Commission has opened up and embarked on a permanent dialogue with co-operatives, with the launch of the EU Co-operative Roadmap.



At the same time Co-operatives Europe continued to consolidate its working bodies: the co-operative energy working group has enlarged its network of partners and has improved its expertise. The Co-operatives Europe development platform is growing as well and is becoming a more and more reliable and influential partner in EU development policy.

# Alliance Committees

## **Audit and Risk Control Committee**

Chair: **Ms. Kathy Bardswick**

## **Governance Committee**

Chair: **Mr. Petar Stefanov**

## **Membership Committee**

Chair: **Mrs. Anne Santamäki**

## **Human Resources Committee**

Chair: **Mr. Seah Kian Peng**

## **International Accounting Standards Working Group**

Chair: **Ms. Monique Leroux**

## **Principales Committee**

Chair: **Mr. Jean-Louis Bancel**



# Alliance Members

## Consolidate and Increase Membership

As of 31 December 2013, the Alliance had 271 members from 94 countries of which 40 were Associate Members. The Alliance gained 11 new members and lost 10 during 2013. Most member loss was due to non-payment of subscription fees for two successive years or more.

The Alliance continues to show positive growth in membership following its restructuring, with 24% growth since 2008.

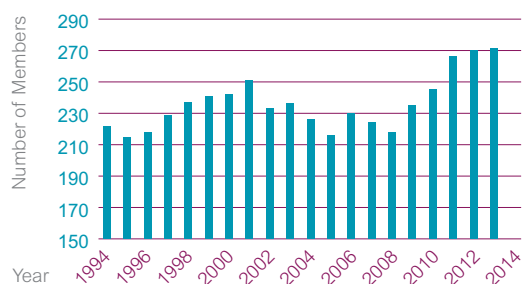
Key membership projects developed in 2013 include:

- > Development of a secure online login for members to access and search the up-to-date Member Directory. Members can also update their own data.
- > Production of a number of briefings to provide members with important information - including online media, .coop domain, advocacy, participation in the different Alliance structures, and an updated briefing on the General Assembly.

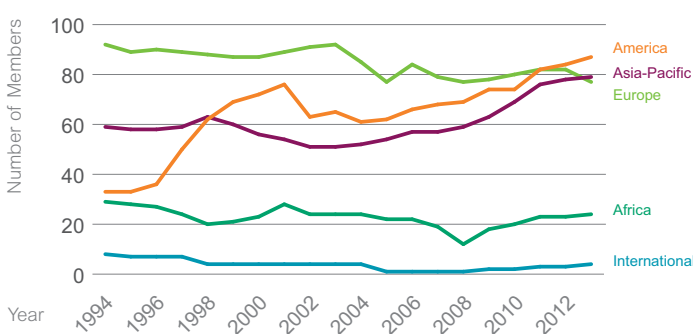
### Alliance Membership from 1994 to 2013

	Africa	Americas	Asia-Pacific	Europe	International	TOTAL	New Members	Member Loss
1994	29	33	59	92	8	221	9	15
1995	28	33	58	89	7	215	10	7
1996	27	36	58	90	7	218	19	8
1997	24	50	59	89	7	229	22	14
1998	20	62	63	88	4	237	13	9
1999	21	69	60	87	4	241	18	17
2000	23	72	56	87	4	242	21	12
2001	28	76	54	89	4	251	4	22
2002	24	63	51	91	4	233	4	1
2003	24	65	51	92	4	236	10	7
2004	24	61	52	85	4	226	8	30
2005	22	62	54	77	1	216	10	9
2006	22	66	57	84	1	230	12	11
2007	19	68	57	79	1	224	9	3
2008	12	69	59	77	1	218	9	15
2009	18	74	63	78	2	235	30	11
2010	20	74	69	80	2	245	14	6
2011	23	82	76	82	3	266	29	8
2012	23	84	78	82	3	270	16	12
2013	24	87	79	77	4	271	12	11

### Alliance Membership since 1994

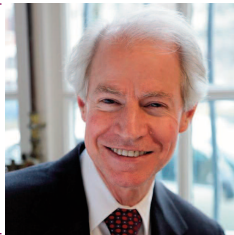


### Alliance Membership by Regions since 1994



# Alliance Secretariat

**Director-General**  
Charles Gould



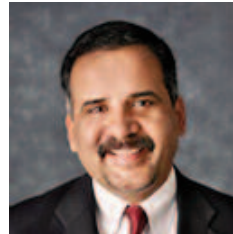
**Regional Directors**



**Co-operatives of the Americas:**  
Manuel Mariño



**International Co-operative Alliance Africa:**  
Dr Chiyoge Sifa



**International Co-operative Alliance Asia & Pacific:**  
Balasubramanian 'Balu' Iyer



**Co-operatives Europe:**  
Klaus Niederländer



**Director of Policy:**  
Rodrigo Gouveia



**Director of Membership:**  
Gretchen Hacquard



**Director of Communications:**  
Jan Schiettecatte



**Strategy Manager:**  
Hanan El-Youssef



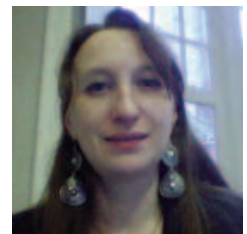
**Agricultural Advisor:**  
Kang Seok-ju



**Communications Officer:**  
Emma Nolan



**Project and Event Administrator:**  
Antonina Guarrella



**Administrative Manager:**  
Soizick Menais

# 2013 Financial Results

ENTITY	NET INCOME/LOSS	EURO
Alliance - Geneva	CHF 353,419	294,516
Alliance - Brussels	CHF -372,062	-310,052
Cooperatives Europe	CHF 7349	6124
DotCoop Alliance	GBP 71,647	86,199
<b>NET INCOME</b>		<b>76,787</b>



To the Board of the Association of

## **International Co-operative Alliance**

Geneva

### **Report of the statutory auditor on the financial statements for the year 2013**

(for year ended 31.12.2013)

16 May 2014  
12232/21506091/12-4

**Report of the statutory auditor  
to the Board of the Association of**

**International Co-operative Alliance, Geneva**

As statutory auditor, we have audited the accompanying financial statements of International Co-operative Alliance, which comprise the balance sheet, the statement of income and expenses, the statement of changes in funds and reserves and the notes for the year ended 31 December 2013.

*Board of Association' Responsibility*

The Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law and the articles of association.

### Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 of Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of the Association.

We recommend that the financial statements submitted to you be approved.

Geneva, 16 May 2014

BDO Ltd



Nigel Le Masurier  
Licensed Audit Expert



Roland Loup  
Licensed Audit Expert  
(Auditor in Charge)

### Enclosures

Financial statements (balance sheet, statement of income and expenses, statement of changes in funds and reserves and notes)

**INTERNATIONAL CO-OPERATIVE ALLIANCE, GENEVA**

**BALANCE SHEET**

December 31, 2013

	<u>Notes</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
		CHF	CHF
<b><u>Assets</u></b>			
<i>Current assets</i>			
Cash and cash equivalents	3	3'562'056	3'746'936
Accounts receivable and advances		747'515	328'835
Prepayments		40'332	26'659
<i>Total current assets</i>		<u>4'349'904</u>	<u>4'102'429</u>
<i>Non current assets</i>			
Property, plant and equipment, net		21'671	21'070
Deposits and guarantees	4	15'579	15'667
Participations	5	8'905	9'403
<i>Total non current assets</i>		<u>46'155</u>	<u>46'140</u>
<i>Total assets</i>		<u>4'396'058</u> =====	<u>4'148'570</u> =====
<b><u>Liabilities, Funds and Reserves</u></b>			
<i>Liabilities</i>			
Membership organisation creditors		451'849	541'272
Accounts payable		189'129	151'603
Accruals and deferrals		532'763	692'371
Provisions	7	638'828	610'168
Deferred development support		619'001	661'001
Deferred membership fees		129'749	3'879
<i>Total liabilities</i>		<u>2'561'318</u>	<u>2'660'294</u>
<i>Funds and reserves</i>			
Accumulated surplus		1'481'321	1'331'659
Net surplus / (deficit) for the year		353'419	156'617
<i>Total funds and reserves</i>		<u>1'834'740</u>	<u>1'488'276</u>
<i>Total liabilities, funds and reserves</i>		<u>4'396'058</u> =====	<u>4'148'570</u> =====

See accompanying notes.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### STATEMENT OF INCOME AND EXPENSES

For the year ended December 31, 2013

	Notes	2013	2012
		CHF	CHF
<b><u>Income</u></b>			
Subscriptions	8	2'720'401	2'813'162
Meeting revenues		776'608	270'894
Administrative contributions		52'400	86'225
Expense cover		95'395	127'289
Financial income		32'835	10'082
Currency gains		38'269	66'288
Special financial contributions & donations	6	652'553	643'028
Other income		78'324	42'568
<b>Total Income</b>		<b>4'446'785</b>	<b>4'059'536</b>
<b><u>Expenses</u></b>			
Personnel expenses		-1'275'048	-1'138'137
Travel expenses		-307'141	-234'333
Premises & general office expenses		-208'392	-158'469
IT & telecom		-223'373	-146'043
External services		-1'012'338	-867'701
Meeting expenses		-250'249	-478'480
Financial expenses		-14'612	-10'954
Depreciation & amortization		-3'587	-13'491
Bad debt provision allocation		15'947	-74'204
Exchange gains / (losses)		0	0
Other expenses	8	-814'574	-765'264
<b>Total Expenses</b>		<b>-4'093'366</b>	<b>-3'887'075</b>
<b>Surplus from operations</b>		<b>353'419</b>	<b>172'461</b>
		=====	=====
<b>Development activity</b>			
Development funds		944'307	1'052'011
Projects support		-944'307	-1'067'855
<b>Result from development activity</b>		<b>0</b>	<b>-15'844</b>
<b>Net surplus / (deficit) for the year, before allocation</b>		<b>353'419</b>	<b>156'617</b>
		=====	=====

See accompanying notes.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### STATEMENT OF CHANGES IN FUNDS AND RESERVES (all expressed in CHF)

For the year ended December 31, 2013

	Accumulated surplus	Net surplus / (deficit) for the year	Total Funds and Reserves
Balances at January 1, 2012	1'193'352	138'307	1'331'659
Reversal previous year net surplus	138'307	(138'307)	-
Reserve distribution	-	-	-
Net surplus for the year	-	156'617	156'617
Cumulative exchange difference	-	-	-
Use of special fund	-	-	-
<b>Balances at December 31, 2012</b>	<b>1'331'659</b>	<b>156'617</b>	<b>1'488'275</b>
Singapore Office closed at December 31, 2012	(6'954)	-	(6'954)
Reversal previous year net surplus	156'617	(156'617)	-
Reserve distribution	-	-	-
Net profit for the year	-	353'419	353'419
<b>Balances at December 31, 2013</b>	<b>1'481'321</b>	<b>353'419</b>	<b>1'834'740</b>

*See accompanying notes.*

# INTERNATIONAL CO-OPERATIVE ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

### Note 1 - Status and objectives

The International Co-operative Alliance ("the ICA") is an independent, non-governmental organisation, which unites, represents and serves co-operatives worldwide. In 1946, the ICA was one of the first non-governmental organisations to be accorded United Nations Consultative Status. Today it holds general category Consultative Status with the UN Economic and Social Council (ECOSOC).

At the end of 2013, the ICA is composed of one Central Office and three Regional Offices ("branches").

Central Office	Route de Ferney 150 1211 Genève, Switzerland
----------------	---

#### *Regional Offices:*

Asia and the Pacific	New Delhi, India
Africa	Nairobi, Kenya
The Americas	San Jose, Costa Rica

As from January 1, 2007, a signed memorandum of understanding is in place to formalize the relationship between the ICA and Cooperatives Europe ASBL which became the European region of the ICA. In accordance with its terms, 75% of the reserves attributable to Europe were transferred to Cooperatives Europe ASBL for CHF 183'847. However these transferred reserves can only be used with the ICA board consent. In this respect only an amount of € 17,116 has been used in 2007. With separate legal identity, Cooperatives Europe ASBL is not consolidated into the ICA financial statements.

The ICA is organised as an association, corporate body regulated by Articles 60-79 of the Swiss Civil Code. The ICA has the following objectives:

- (a) promote the world co-operative movement, based upon mutual self-help and democracy;
- (b) promote and protect co-operative values and principles;
- (c) facilitate the development of economic and other mutually beneficial relations between its member organisations;
- (d) promote sustainable human development and to further the economic and social progress of people, thereby contributing to international peace and security;
- (e) promote equality between men and women in all decision-making and activities within the co-operative movement.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

ICA Belgium, an international non-profit association under Belgian law, was created in 2013. The purpose of ICA Belgium is to take over the activity of ICA Geneva. Since the 1st of September 2013, main personnel and operational expenses have been transferred to ICA Belgium. Should ICA have borne all expenses for the year 2013, the result of ICA would be a loss.

#### Note 2 - Summary of significant accounting policies

The accounting policies have been consistently applied by the ICA.

##### **a. Accounting convention**

These financial statements have been prepared in accordance with Swiss law.

##### **b. Development funds**

The funds received from ICA development partners are deferred for accounting and reporting purposes, as deferred development support and charged to the income and expenses development accounts over the life of the underlying project.

##### **c. Foreign currency translation**

The accounting records of the ICA are maintained in Swiss Francs (CHF). All transactions in foreign currencies are translated into Swiss Francs at the rate prevailing at the date of the transaction. Monetary assets and liabilities in other currencies remaining at the balance sheet date are translated at the appropriate year end rate. Any differences arising on the year-end translation are recognised in the statement of revenues and expenses.

The assets and liabilities of Regional Offices are translated at the rate of exchange ruling at the balance sheet date. The statement of revenues and expenses of Regional Offices are translated at weighted average exchange rates for the year. The exchange differences arising on the year-end translation are taken directly in the statement of revenues and expenses.

##### **d. Revenue recognition**

Financial incomes are recorded on an accrual basis according to membership subscriptions revenues planned for the Year. A depreciation of 100% was built on previous year membership debtors or older than one Year and a provision of 50% was built on current year membership debtors.

Other income including revenues from publications and services are recorded as publications are delivered and when services are provided. All expenses are accounted for on an accrual basis.



## INTERNATIONAL CO-OPERATIVE ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

Receipts of funds donated for specific purposes are not reported as revenues until the resources are expensed for the purpose specified. Until then, they are reported as deferred development support.

#### **e. Property, plant and equipment**

Property, plant and equipment acquired by the ICA are capitalised at cost and depreciated according to the straight-line method over the estimated useful life of the asset as follows:

Office equipment and furniture	3 to 4 years
Motor vehicles	3 years

Property, plant and equipment acquired using donors' funds to support specific projects are fully depreciated during the year of acquisition. The depreciation charge is included as part of the development projects support.

#### **f. Intangible assets**

Intangible assets are stated at cost and amortized using the straight-line method over the estimated period during which benefits are expected to be received as follows:

Software	3 to 4 years
----------	--------------

Intangible assets acquired using donors' funds to support specific projects are fully depreciated during the year of acquisition. The depreciation charge is included as part of the development projects support.

#### **g. Pension plans**

Certain officers and employees of the ICA are covered by several separate contributory pension plans or their equivalent in the Regional Offices. The contributions are calculated according to the respective pension plan regulations and local laws. The ICA pension contributions in the year ended December 31, 2013 amounted to CHF 151'528 (2012 CHF 174'253), and are expensed as such contributions become due.

#### **h. Income tax**

In Switzerland, the ICA has the status of an association organised as a corporate body regulated by the Swiss Civil Code in Articles 60-79 and, as such, is not subject to Swiss income tax.

Under the terms of an agreement between the ICA and the Governments of Kenya, the African regional office is exempt from tax. Due to its non-profit making activities in India and Costa Rica, the ICA is not subject to local taxation in those countries.

#### **i. Contributed facilities and services**

Facilities and services that are provided by members or third parties which can be accurately valued are recorded as revenue, whereas those that cannot be accurately valued are not included in the financial statements.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

#### Note 3 - Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, bank current accounts and short-term deposits. The ICA considers cash and all liquid investments with an initial maturity of three months or less to be cash equivalents.

The restricted cash portion relates to the gratuities/pension accrued and the funds the ICA manages on account of the Sectoral organisations and the Thematic committees.

#### **Note 3 : cash & equivalents**

	<u>31.12.2013</u>	<u>31.12.2012</u>
	CHF	CHF
Cash in hand and current accounts	2'537'547	2'885'437
Restricted cash	840'130	793'737
Short-term deposits	184'380	67'762
	<u>3'562'056</u>	<u>3'746'936</u>
	=====	=====

#### Note 4 - Deposits and guarantees

Deposits and guarantees represent rental deposits made in relation to premises lease engagements, courier services and certain employees' accommodation.

#### Note 5 - Participations

During the year 2009, the ICA took participation and invested the equivalent of USD 10,000, through its regional office for the Americas, in the University Fundepros Alma Mater in Costa Rica owned by the Consorcio Grupo Empresarial Cooperativo de Servicios Educativos R.L. (GECSE R.L.) The ICA has one seat in the Board of GECSE R.L.

On 1 August 2012, the ICA acquired all outstanding shares of The Midcounties Co-Operative Domains Limited, a company incorporated and registered in England and Wales, which provides the technical infrastructure and ownership database for the top level internet domain .coop. Upon acquisition, the name of the company was changed to ICA Support Services. The financial activity of this company is not consolidated into the ICA financial statements. The acquisition cost of the shares is shown as CHF 1.50 on the ICA Balance Sheet.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

Also on 1 August 2012, the ICA established a new limited company incorporated and registered in England and Wales, Domains.Coop, for which the ICA is the sole shareholder. On 1 August 2012, Domains.coop acquired as a going concern from The Midcounties Co-operative Limited its registrar business relating to the .coop domain. The financial activity of this company is not consolidated into the ICA financial statements. The acquisition cost of the business is shown as CHF 1.50 on the ICA Balance Sheet.

#### Note 6 - Special financial contributions & donations

Certain members of the ICA made voluntarily financial contributions above their membership subscriptions fees. These contributions are not refundable and classified as "special financial contributions and donations" in the statement of income and expenses.

#### Note 7 – Provisions

	<u>31.12.2012</u>	<u>Additions</u>	<u>Utilization</u>	<u>31.12.2013</u>
	CHF	CHF	CHF	CHF
Africa Endowment Fund	191'433	91'685	-	283'118
Disaster Fund	337'499	-	(97'065)	240'434
Fund for Responsible & Social Tourism	70'897	489	-	71'386
IYC-International Year Cooperatives	-	-	-	-
Other provisions	10'339	33'551	-	43'890
	<u>610'168</u>	<u>125'725</u>	<u>(97'065)</u>	<u>638'828</u>
	=====	=====	=====	=====

The ICA mobilised its members and partners to provide relief and reconstruction assistance to co-operators in Haiti following the devastating earthquake of 12 January 2010 and again following the earthquake and tsunami in Japan on 11 March 2011. A total of CHF 240'434 was accumulated in the Disaster Fund as at December 31, 2013 (CHF 337'499 in 2012).

The Africa Endowment Fund was established with the objective to provide and guarantee greater financial sustainability and autonomy of ICA Africa Regional Office. An amount of CHF 283'118 has been accumulated since June 2010.

In 2010 the ICA established a fund to support activities for the United Nations International Year of Co-operatives 2012. In 2011, CHF 310,506 was contributed to the Fund (CHF 1'875 in 2010). CHF 187,980 was expended from the Fund in 2011. In 2012, the remaining Fund CHF 124'401 was spent for this Project. A further CHF 330,415 was raised and spent in 2012 for this purpose. In 2013, no further amounts have been collected for IYC fund project.

## INTERNATIONAL CO-OPERATIVE ALLIANCE

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

#### Note 8 – Membership subscription fees and allocation to Sectoral organisations

The new subscription formula in place since 1<sup>st</sup> January 2009 is global and encompasses all membership types. Out of the membership subscription fees, an amount of CHF 314'593 (CHF 264'893 in 2012) was allocated to the Sectoral Organisations to compensate for the disruption of the previous sectoral membership fees. Consequently, the former "sectoral" members of ICA are now treated in the same way as ordinary members.

ICA redistributes a portion of subscriptions received from members in Europe to Cooperatives Europe ASBL, which serves as the European region of the ICA. This redistribution (CHF 448'886) is recorded in other expenses.

#### Note 9 - Commitments

At December 31, 2013, ICA had no commitments with respect to rental agreements.

#### Note 10 – Risks analysis and internal control system

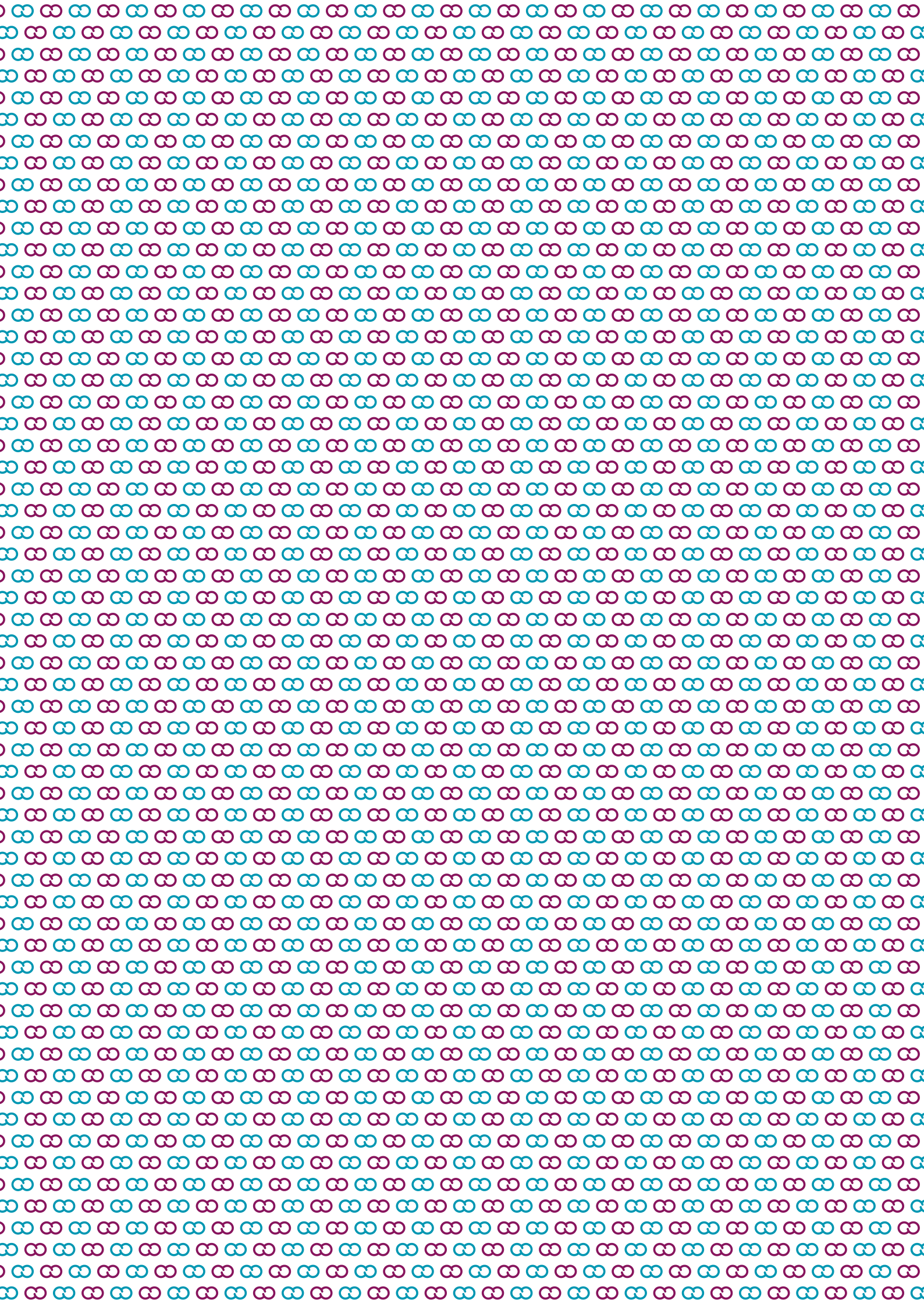
The Association performed a risk assessment, under the supervision and the responsibility of the Board of the Association.

The Management of the Association verified in 2011 that the risk assessment and the associated internal control system were still valid for 2011.

On 21 June 2012, the Audit & Risk Committee validated the Internal Control System in place. The Committee again validated the appropriateness of the risk assessment and the internal control system on 25 March 2013.

#### Note 11 – Post closing events

ICA Geneva will be dissolved in 2014, in accordance with its rules enacted 1st of January 2009 (art. 16).





**International  
Co-operative  
Alliance**

Co-operatives enterprises  
build a better world

Global Office:

Alliance Coopérative Internationale – AISBL  
Avenue Milcamps 105  
1030 Brussels  
Belgium  
VAT: BE 535 539 869  
T: +32.2.743.10.30  
F: +32.2.743.10.39  
[ica@ica.coop](mailto:ica@ica.coop)  
[www.ica.coop](http://www.ica.coop)

Regional Offices:

Africa  
Nairobi – Kenya  
[www.icaafrica.coop](http://www.icaafrica.coop)  
Americas  
San José – Costa Rica  
[www.aciamericas.coop](http://www.aciamericas.coop)  
Asia and Pacific  
New Delhi – India  
[www.icarop.coop](http://www.icarop.coop)  
Europe  
Brussels – Belgium  
[www.coopseurope.coop](http://www.coopseurope.coop)

Sectoral

Organisations:

Agriculture (ICAO)  
[www.icao.org](http://www.icao.org)  
Banking (ICBA)  
[www.icba.coop](http://www.icba.coop)  
Consumers (CCW)  
[www.ccw.coop](http://www.ccw.coop)  
Fisheries (ICFO)  
[www.icfo.coop](http://www.icfo.coop)  
Health (IHCO)  
[www.ihco.coop](http://www.ihco.coop)  
Housing  
[www.icahousing.coop](http://www.icahousing.coop)  
Insurance (ICMIF)  
[www.icmif.org](http://www.icmif.org)  
Industry and Services  
(CICOPA)  
[www.cicopa.coop](http://www.cicopa.coop)

