International Co-operative Alliance

Alliance Coopérative Internationale

Alianza Cooperativa Internacional

Brief for a Scan of Sustainability Practices within the Co-operative Sector

Objective

1. To undertake a high-level scan of current sustainability practices in co-operatives around the world, resulting in a report that summarizes the current status and identifies best practices or promising practices for improving sustainability. The report will consider the concept of triple-sustainability: economic, social and environmental. It will also identify co-operatives or co-operative sectors or supportive bodies that have established sustainability targets or certification programs.

2. The scan is intended to serve as the foundation for the future work of the International Co-operative Alliance (ICA) in implementing the strategic area of Sustainability set forth in the 'Blueprint for a Co-operative Decade' (see below). The Sustainability strategy of the Blueprint is to position co-operatives as the most sustainable model of enterprise and improve their sustainabililty impact. It will be used to educate and inform on the practical aspects of co-operative business in the real economy.

Background

The International Co-operative Alliance

The International Co-operative Alliance is a non-profit international association established in 1895 to advance the co-operative social enterprise model. Its members are national level federations of co-operatives and individual co-operative organisations, primarily operating at a national level.

ICA's members, representing co-operatives in 100 countries, have established seven principles that define the essence of co-operative organisations. One of ICA's primary responsibilities is to advance, interpret, and maintain the relevance of these principles.

To accomplish its purposes, ICA is organised with a Global Office, four Regional Offices (Europe, Africa, Americas, and Asia-Pacific), and eight Sectoral Organisations (Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and Worker Co-operatives).

The 2012 United Nations International Year of Co-operatives

In December 2009, the General Assembly of the United Nations proclaimed that

2012 would be the 'International Year of Co-operatives' (UN Resolution A/RES/64/136). Since 1959, the UN has proclaimed International Year observances in order to contribute to the achievement of purposes of the UN Charter and promote awareness of and action on important political, social, cultural, humanitarian or human rights issues.

The UN produced a logo for the IYC and a slogan: 'Co-operative enterprises build a better world.' These were widely adopted by ICA members.

ICA established a Steering Committee for the IYC, participated in joint planning for the launch of the Year at the United Nations in New York in October 2011, and a close to the Year in Manchester, UK in October 2012. ICA members provided leadership in their respective countries to leverage the political and public awareness opportunities the IYC presented.

To ensure that the potential that the United Nations had brought to co-operatives did not expire at the end of 2012, and recognizing the interest in co-operatives that was sparked by the worldwide financial crisis originating in 2007, the ICA initiated a planning process at the end of 2011 for a post-2012 strategy. This process, shaped by input and feedback from ICA's members across the globe, resulted in the drafting of a 'Blueprint for a Co-operative Decade'.

Blueprint for a Co-operative Decade

ICA's membership approved the adoption of the Blueprint at a General Assembly in October 2012. While the ICA provides leadership to the implementation of the Blueprint, its goals can only be achieved if the worldwide movement embraces it and collectively seeks to achieve it. The ambitious vision in the Blueprint is for the co-operative form of business by 2020 to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- 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 overarching agenda for the ICA, 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 for a global co-operative future is the powerful claim which co-operatives make to the outside world: that 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***

  Chapters 1 (Participation) and 2 (Sustainability) explain why co-operatives offer a better way of doing business; they are differentiators of the co-operative model.

  Chapter 3 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."

- *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.*

  Attention turns in chapters 4 (Legal Framework) and 5 (Capital) 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.*

The Scan

1. As explained in chapter 2 of the Blueprint, we use 'sustainability' as 'the integration of environmental, economic, and social dimensions toward global stewardship and responsible management of resources'. Co-operatives have historically operated in accordance with a set of values based on what we would today call sustainability. They seek to optimize outcomes in multiple dimensions, rather than simply maximizing economic outcomes.

   - <u>Economic</u>: There is some evidence that co-operatives are a risk modulating model and thereby more financially stable and resilient in economic crises. The scan should identify results of studies and reports examining co-operative resilience, longevity and economic sustainability.

   - <u>Social</u>: By their nature, co-operatives contribute to a nation's 'social capital', as a self-help model that helps to lift people from poverty and engages them in community leadership and institutions. Beyond this, social co-operatives specifically assume responsibility for services otherwise delivered by the state. The scan should identify where social auditing or similar techniques are being employed to measure co-operative social outcomes.

   - <u>Environmental</u>: As participatory organisations, concerns about future environmental outcomes are voiced democratically by members and are believed to lead to superior environmental records for co-operatives. The scan should identify where contingent valuation or similar techniques to capture the value of non-market goods are being used to measuring co-operative environmental impact.

2. An exhaustive survey across the full range of co-operatives is not feasible within the timelines and resources, but it is essential that the scan reflect the diversity across:

   - Regions: Africa, Americas, Asia-Pacific, and Europe (each should be

> represented)
> - Sectors: Banking, Agriculture, Fisheries, Insurance, Health, Housing, Consumer Co-operatives, and Worker Co-operatives (each should be represented)
> - Size: ICA publishes a 'World Co-operative Monitor' which includes a list of the Global 300, the 300 largest co-operatives and mutuals in the world. A sampling of the Global 300 should be included, but not to the exclusion of small and medium-sized co-operatives.

The Process

1. The delivery schedule must allow for a presentation of key findings to be made at ICA's General Assembly and Conference in Cape Town, South Africa, 1-5 November 2013.

2. The ICA Global Office can facilitate or arrange discussions with the ICA Regions and Sectoral Organisations as needed. These groups, in turn, can assist in identifying members likely to have leading engagement practices.

3. Member surveys have not proven to be broadly effective in securing meaningful global data. The approach to identifying promising practices and measuring sustainability will need to be creative.

4. ICA is concurrently undertaking the drafting of a thought leadership paper on A Co-operative Perspective on Growth, which is intended to set forth the co-operative perspective on sustainability and on what growth should entail. Although the processes are concurrent, there should be an effort to integrate and align the development of the scan and the report where feasible.

5. A written report, with appropriate graphs and with sidebars of promising practices, is foreseen as the key deliverable of the scan.