



Government of the Republic of Vanuatu

Office of the Registrar of Cooperatives and Business Development Services

NATIONAL CO-OPERATIVE POLICY 2024-2027

"Cooperatives Build Better Communities"



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Produced by ORCBDS, March 27, 2024.

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Acknowledgements



The National Policy Committee wishes to thank the Australian people and the Governance for Growth program for their support and advice in making this policy possible. The technical advice and support from the various government and other stakeholders contributing towards developing this policy is gratefully acknowledged, in particular that of government directors, CEOs and officers namely, Mr. Jimmy Rantes DG MTTCNB, Mr. Antoine RAVO, Director of DARD, Mr. James Willie, Acting Director of Finance, Mrs. Ruth Amos, CEO Vanuatu Bureau of Standards, Mr. David Lambukly, CEO Vanuatu Qualification Authority, Mr. Collin Tavi of DESPAC, Messrs. Mrs Luisa Letlet and James TATANGIS of Vanuatu Aid for Trade Management Unit, Ms. Flaviana Rory Department of Industry and Mr. Timothy Tumukon CEO VPPA, Mr. Jackson Lessa 1st PA MTTCNB, Mr Georgewin Garae ,Manager NGEF.Ms Daniella Woiala, Vanuatu National Statistics Office

We also acknowledged other stakeholders for their contribution to the policy namely; Mr. Noel Vira Deputy Governor RBV, Mr Andrew John Manager Financial Inclusion RBV, and Mr Kalkoa Samson TRBR, Ms. Lynffer Maltungtung, Mr. Warren Gama, Vanuatu Skill Partnership, Mr Webster Alilee VFSC and Hilary WAGANITOGA of AFIC, Kevin Kausiama Acting GM, VCBN and Former GM Jack Loughman.

This Policy also builds on an analysis of the inputs of close to 70 Co-operators representing over 2500 co-op members from the co-operative movement to a Leadership and New Strategies (LENS) exercise from participants at the sessions where the initial discussions on the policy were presented.

The contribution of the Office of the Registrar staff in shaping and concluding the policy is gratefully acknowledged. The Office of the Registrar of Co-operatives and Business Development Services expresses its sincere gratitude to Terry MacDonald, as our international co-operative consultant.

We also acknowledge the contribution from the Honorable Minister for Trade Tourism Commerce and Ni-Vanuatu Business for his advice and keen interest in the policy process, and making sure that the policy document is relevant and provides new perspective on the co-operative development in Vanuatu.

We are grateful for his contribution.

Mr. Joe Iauko

A blue ink signature of Mr. Joe Iauko is written over a circular official seal. The seal contains the text: 'VANUATU GOVERNMENT', 'OFFICE OF THE REGISTRAR OF CO-OPERATIVES & BUSINESS DEVELOPMENT SERVICES', 'DIRECTOR', and 'REGISTRAR DES SOCIÉTÉS COOPÉRATIVES & DES SERVICES DE DÉVELOPPEMENT DES ENTREPRISES LOCALES'. The seal also features a star on each side.

Director/Registrar

Office of the Registrar of Cooperative Business Development Services (ORCBDS)

List of Acronyms

ACE – Area Cooperative Enterprise

ORCBDS – Office of the Registrar of Co-operative Business Development Services

AFIC- Apma Financial Investment Centre

CDF – Co-operative Development Fund

WOTS – Strengths, Weakness, Opportunities, and Threats

MTTICNB – Ministry of Tourism, Trade, Commerce, and Ni- Vanuatu Business

PMO – Prime Minister Office

DSSPAC – Department of Strategic Policy, Planning, & Aid Co-ordination

ICA – International Co-operative Alliance

MOU – Memorandum of Understanding

NGOs – Non- Governmental Organization

VCBN – Vanuatu Cooperative Business Network

ICT – Information, Communication and Technology

SACCOs – Savings and Credit Cooperatives

AGM – Annual General Meeting

AI- Artificial Intelligence

ChatGPT- Chat Generative Pre- Trained Transformer

FOREWORD



The Office of the Registrar of Cooperative and Small Businesses (ORCBDS) is proud to introduce the cooperative Policy 2024-2027, “Cooperatives Build Better Communities”. This policy has been approved by the Vanuatu Government as our vision for the future of the co-operative movement in Vanuatu. It outlines two main objectives: to transform the role of ORCBDS as a regulator and to transform the co-operative movement into the co-operative system of enterprise.

This policy will bring about significant changes in the structure and function of ORCBDS as a regulator, while also supporting positive changes in the co-operative movement. It will address the challenges and opportunities that have been identified by various stakeholders, and provide strategies and processes to overcome them.

Cooperatives are a proven way of empowering disadvantaged people and communities. This policy will also have a direct impact on the co-operative societies and their members. It will enable cooperatives to operate in new and sustainable ways, and to form an integrated system of co-operative enterprise at the local level in rural areas. It will encourage a shift towards a new and innovative national system that values member participation, that works in partnership with the government and other donors to create new income-generating activities, and that helps people to help themselves and to tackle broader issues such as financial inclusion, livelihoods, leadership and energy.

Through a formal partnership between cooperatives and the government, we will work towards achieving the goals stated in “The People Plan 2030”. We will also uphold the co-operative principles and values in our cooperatives, which will ensure their success and sustainability, as well as promote peace and harmony in our lives and communities.

We invite you to embrace the changes that this policy offers, to know that through co-operative enterprise you are making a difference, to see challenges as opportunities, and to promote cooperatives as a way of turning opportunities into successes. Please consider using ORCBDS and Co-operative Enterprise as your preferred path to build better communities and grow strong together.

Honourable. Samson Samsen (MP)

Minister of Trade and Commerce.

Situational Assessment

1.0 Overview

Over the past 5 years the ORCBDS and cooperatives in Vanuatu has faced three difficult challenges. Challenges includes Cyclones Harold, Kevin and Judy, the AFIC downfall, and the covid pandemic. In spite of this ORCBDS and the cooperative system have continued to survive and to develop. Some of the key initiatives in the previous five-year policy have been successfully implemented. Initiatives have included the review and revision of the Cooperative Societies Act and the Small Business Act, the introduction of automation to various cooperatives across the country, electrification of island offices, plus the revival of various inactive cooperatives. Although an interim committee was appointed a proper functioning Cooperative Leadership and Management Council as required by the Cooperative Act is not yet functioning. Nevertheless, the ORCBDS has been successful in starting a new initiative called the Co-operative Development Fund or CDF. The CDF provides a foundation for channeling needed resources for future growth and development into the cooperative system across Vanuatu.

The situational assessment does not focus on the three challenges mentioned above, since they are for the most part in the past, but more so looks at what has been achieved, what challenges and risks are ahead, as well as some early thoughts on approaches for moving forward. The follow up companion main policy document considers various underlying issues as well as presents the high-level policy objective and strategies for going forward.

Cooperatives are not a marginal phenomenon

- More than **12% of humanity** is part of any of the 3 million cooperatives in the world!
- The largest 300 cooperatives and mutuals report a **total turnover of 2,146 billion USD**, according to the [World Cooperative Monitor](#) (2020).
- Cooperatives contribute to the sustainable economic growth and stable, quality employment, providing jobs or work opportunities to 280 million people across the globe, in other words, **10% of the world's employed population.**

As member-owned, member-run and member-serving businesses, cooperatives empower people to collectively realize their economic aspirations, while strengthening their social and human capital and developing their communities.

Source: International Cooperative Alliance 2022

<https://www.ica.coop/en/cooperatives/facts-and-figures>

The assistance of the current and former Directors of ORCBDS together with help from management and staff who helped co-ordinate consultations, overcoming delays, and providing materials and inputs under difficult circumstances is greatly acknowledged, as are the inputs from numerous government officials, cooperative leaders, and managers, and other stakeholders. Two meetings were also held with an ad hoc task force who also provided useful input and suggestions.

2.0 Methodology and Challenges

A five-fold approach was used in doing the National Co-operative Policy Situational Assessment for 2024-2027. First through a series of consultations held remotely with various government department heads and other stakeholders, and a high-level assessment of the degree of interest in working with co-operatives was developed. Also, during 2022 one-on-one remote consultations were

also held with the person who had initially served as the Chairperson of the Co-operative Leadership and Management Council, and the then General Manager of the Vanuatu Co-operative Business Network. Second, a review of various government documents covering policies and plans together with a review of numerous secondary economic, political and environmental sources was undertaken. Third, a limited number of remote policy consultation meetings were held with ORCBDS staff, supplemented with online inputs from cooperative leaders and cooperative managers from various provinces. Fourth, the international consultant also reviewed a detailed progress to plan report covering to the achievements over the past five years, as provided by the former Director. Both persons are no longer involved in their previous roles. Both the former and current Directors provided useful insights concerning various initiatives, which they felt would be desirable in going forward.

Various consultations meetings were scheduled to be held in four main islands; however, time and resource constraints made it impossible for the international consultant to carry out live consultations with cooperators from other islands. Finally, one briefing online meeting was also held with Australis's Governance for Growth representative to ascertain their inputs and interest in providing support for a new co-operative policy going forward.

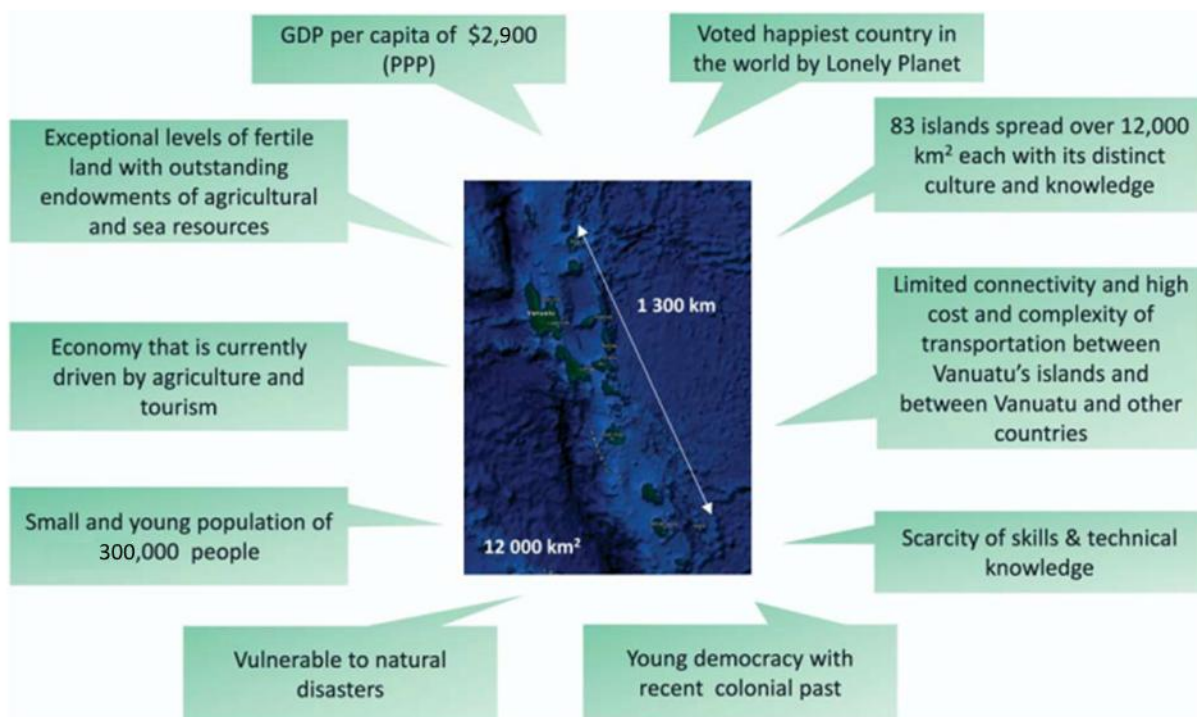
Given travel and other restrictions created by the covid-19 pandemic, a large part of the situational assessment work by the external consultant's work was conducted remotely using numerous video meetings and email. Subsequently, during 2023 the consultant was able to continue work on the project in person and proceeded to update the following situational assessment.

This report concludes with various assessments by the international consultant, all of which form the basis for the next five-year Vanuatu National Co-operative Policy.

3.0 What Has Been Learned

3.1 Vanuatu Demographics

Total population is reported to be approximately 301,695 persons in 67,590 households, which is an increase of more than 10% since 2017. Most recent estimates are that 74% of population reside in rural areas while 26% reside in urban areas. The two largest centers are Port Vila, on the island of Efate, which is the national capital, and Luganville, on the island of Espiritu Santo to the north, have populations of some 51,437 and 18,062 persons, respectively. More than half the population is under the age of 25, with a life expectancy of 70 years. Educational attainment varies considerably from location to location. While no exact figures have been found the mean years of school of the adult population is estimated to be on the order of 7 to 8 years. The literacy rate for adults (% ages 15 and older) is 87.5%. The flowing image provides a good snapshot picture of Vanuatu and its people.



Ni-Vanuatu people remain very friendly, hard-working, environmental aware of their world, and in the main, are also deeply spiritual. The per capita purchasing power parity is reported at \$2,854 per year in 2020 down from \$3,137 in 2018. In 2022 consumer prices rose by 4.4% and real GDP increased by

2.2%. Because of damage caused by cyclones Kevin and Judy food prices have risen sharply in 2023. As a result, a government price control committee has been appointed to review the sharp rise in various consumer and other prices, and to consider needed actions.

There were 104.1 thousand internet users in Vanuatu in January 2021. The number of internet users in Vanuatu increased by 26 thousand (+33%) between 2020 and 2021. Internet penetration in Vanuatu stood at 33.5% in January 2021. There were 110.0 thousand social media users in Vanuatu in January 2021. Social media users in Vanuatu equaled 35.4% of the total population in January 2021.

There were 320.5 thousand mobile connections in Vanuatu in January 2021. The number of mobile connections in Vanuatu in January 2021 was equivalent to 103.1% of the total population, as some users have more than one phone. It is expected that the usage of various ICT / internet related services will continue to grow.

Technology is changing life across Vanuatu's islands. Solar electrification started and is well underway in various islands. The Government's goal is to provide 100% of residents access to electricity based on renewable energy by 2030, all at an affordable price. Inter-island telecommunications have also improved over the past 5 years, and more new developments are currently underway. Solar electrification is seen as a rapid growth area across Vanuatu. Rural electrification, when coupled with new forms of digital communication open up opportunities for various forms of development, including opportunities for cooperatives.

3.2 Selected Literature Review

A number of relevant policy documents were provided by the ORCBDS' Assistant Registrar. As well, the details noted later in this report are drawn from those documents, as well as from a wide assortment of other documents. Examples of sources reviewed include, but are not limited to:

- The National Sustainable Development Plan 2016 – 2030,
- Prime Ministers 2022 Policy Priorities Paper,
- Partnership for Recovery: Australia's Covid -19 Development Response,
- The Vanuatu Tourism Human Resources Development Strategy 2021-2030,
- The National Industrial Development Strategy 2018 – 2022,
- The Prime Minister's Priorities 2022,

- Vanuatu National Aid Management Policy 2018,
- Vanuatu National Indicative Program (EU) 2014-2020,
- The Government of Vanuatu Annual Development Report 2018,
- National Industrial Development Strategy: Shaping the Future of Value Addition in Vanuatu 2018 – 2022,
- Vanuatu National Environment Policy and Implementation Plan 2016- 2030,
- Vanuatu Tourism Human Resources Development Strategy 2021-2030,
- Regulation and Supervision of Financial Cooperatives - FSI On Policy Implementation # 15 January 2019 - Bank for International Settlements,
- Harnessing Agricultural Trade for Sustainable Development: Vanuatu Cocoa and Coconut - 2019 UNCTAD,
- Harnessing Agricultural Trade for Sustainable Development Cocoa and Coconut 2019, and
- The National Agricultural Sector Policy 2015-2030,

As well various annual reports of the Reserve Bank (2021), the National Bank of Vanuatu (2015-2020), as well as the ORCBDS Annual Reports (2018-2022) were reviewed. Other related documents such as the Audit Report for the National Green Energy Fund - 17C163 for the Year Ended 31 December 2020 were reviewed. Both the new updated Co-operative Act and the existing Credit Union Act also received cursory reviews. A further update to the Co-operative Act took place in 2019.

3.3 Growth and Development Has Not Been Easy

On 4 December 2020, Vanuatu shed its official classification as one of the world's least developed countries (LDC). This significant milestone – called 'graduation' – is something that only five other countries have managed to achieve in the last 40 years. This was during the same year as the covid-19 pandemic began to spread around the world. Thankfully, the covid 19 pandemic caused relatively few issues in terms of sicknesses and deaths, although international travel and tourism were directly and negatively impacted.

In 2023 cyclones Judy and Kevin affected some 30 cooperatives with resulting losses totally more than 21,450,000 VUV. Given the frequent pattern of and damage caused by cyclones the property

of cooperatives and their members new forms of risk mitigation have been mentioned as needed. The problem of disaster planning as one measure has been addressed. Micro insurance (a relatively new form of insurance available internationally) may be appropriate for cooperatives to consider in future.

During consultations it was mentioned various times that cooperatives, might serve as a helpful network at the community level when coordinating communication and distribution of relief measures.

The PM's Policy Priorities statement in 2022 anticipates future challenges caused by reduced tourism coupled with the related effects of covid on both imports and exports. The PM's statement also suggests cooperatives initiatives such as VCBN are expected contribute in future.

During 2022 the government of Vanuatu's network suffered a significant cyber-attack considerably disrupted communications and the implementation of various planned initiatives. The network was off line in some cases for as much as 10 weeks.

The National Bank of Vanuatu during the past five years has also experienced only limited growth and has not paid dividends to shareholders during that period. Bank assets declined each year from 2018 through 2020. In 2020, the National Bank of Vanuatu received an injection of 800,000,000 Vatu in capital from the sale of shares to the Vanuatu National Provident Fund (VNPF) in order to help improve its prudential ratios. The VNPF is now the controlling shareholder in the bank, followed by the Government of Vanuatu. The bank provides ATMs and inter-island and international banking services from 29 branch locations across Vanuatu.

Currently there are elements of overlapping, and at times confusing legislative environments (e.g. registration of financial service entities, the production and marketing of agricultural products, and the regulation and supervision of savings and credit cooperatives and also credit unions which also financial cooperatives). This creates real confusion in terms of funding as well as regulatory supervision.

Australia reports (Pacific Covid-19 Response Package - Vanuatu Annex May 2021 Australian Government Department of Foreign Affairs and Trade) that a halt in tourism revenues (estimated at up to 46 per cent of GDP), reduced remittances and rising unemployment have weakened Vanuatu's growth and undermined development gains. These impacts were further compounded by Tropical Cyclone Harold, a Category 5 storm that struck Vanuatu in April 2020, affecting over 130,000 people (approximately 43 per cent of the population) and causing widespread damage. The Government of

Vanuatu estimates the combined economic cost of COVID-19 and TC Harold at \$850 million. While no formal unemployment figures are available, there are indications that both unemployment and rates of extreme poverty may be on the rise. Government finances therefore will also be under pressure as a result.

The European Union in the Vanuatu National Indicative Programme for the period 2014-2020 stated "Productive sector growth will depend on the capacity of a great many players interacting and cooperating together, but weak sector capacity has been identified as a critical constraint limiting sector performance. There is a need for strengthening institutions responsible for coordinating, facilitating, delivering and monitoring services to the sector as well as strengthening the private sector operators as the engine of growth. The important roles that traditional institutions and governance systems can play in achieving the sector outcomes should also be acknowledged."

Vanuatu is and will continue to be a donor beneficiary country and will in spite of progress continue to depend on development support for some time. Vanuatu's immigration income program has come under scrutiny, particularly from voices in the EU who expressed concerns regarding potential misuse of the program for purposes not principally linked to citizenship and immigration.

Tourism has dramatically declined because of COVID – cruise ship anchorage dropped off as did airline travel and so have the tourism businesses including hotels and tour operations dropped off dramatically. Some, limited recovery in tourism, was possible late in 2022, and is continuing to improve slowly in 2023.

Vanuatu has been challenged to market new products internationally. It has had difficulty producing agricultural products which meet international quality standards while also meeting quantities required with competitive pricing. The purchasing of root crops and vegetables from rural farmers, as part of the National Export Development Program (NEDP), is underway in TAFEA, PENAMA and SANMA Province. Farmers in Vanuatu are facing difficulties in selling their crops due to the lack of direct access to markets. To address this issue, the Government has provided a VT40 million supplementary budget to the Department of Industry (DOI) to establish the NEDP, in order to link farmers directly to markets. The manner in which the NEDP funding will ultimately impact cooperative producer enterprises remains uncertain.

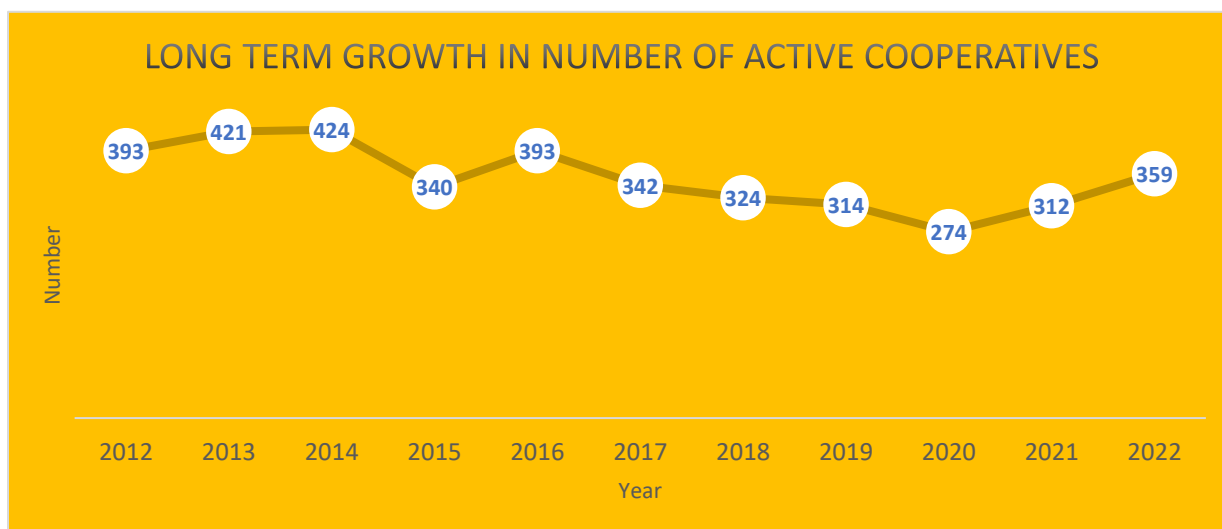
At the same time the Vanuatu National Fruits and Vegetables Strategy 2017 - 2027 identifies numerous areas where the Ministries of Agriculture, Fisheries, Forestry, Livestock and Biosecurity, and of Tourism, Industry, Commerce and Business Development can work together to support local production, as well

as bring produce to markets locally and internationally. While there are various challenges, such as transport, governments ministries and cooperatives bodies by working together can aim to effectively overcome all of them.

The Peoples Plan 2030 includes numerous important strategy areas within the three pillars where cooperatives could and possibly should actively contribute (and may in some cases already be contributing) to national development goals. An assessment of cooperative activities within pillar goals will be used to provide valuable contribution indicators within the new policy.

3.4 Highlights from Vanuatu Cooperative Movement

There are some 359 active cooperatives in Vanuatu at the end of 2022. This is up from the 312 active cooperatives reported operating in 2021. Memberships also increased from 13,065 to 18,579 during the same period. The two primary types include Retail and Wholesale Cooperatives, and Savings and Credit Cooperatives. It is important to point out the statistics which are available do not include those

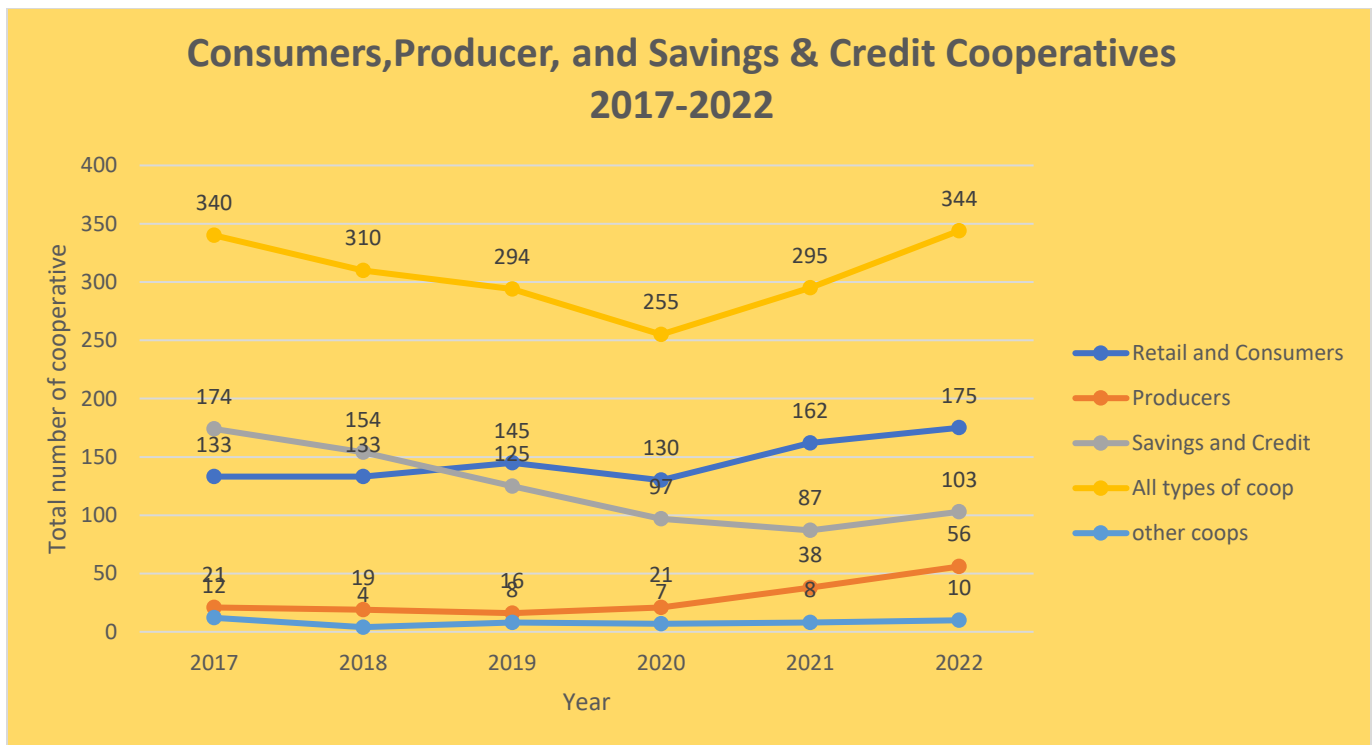


cooperatives which have not yet been audited by ORCBDS. This puts into some question the reliability of year over year statistics.

The overall number of cooperatives has been relatively steady over the past 11 years. Often only stronger cooperatives are able to survive during the challenging business environment. The ORCBDS has aimed development efforts more towards stronger cooperatives and those with large memberships. COVID-19 was a major factor in the decline in the number of cooperatives in 2020, and the downfall of AFIC may explain the reduction in the number of members in the 2018/19 figures. The total number of Savings and Credit Cooperatives also dropped from the 133 (estimated) in 2017 to 103 (estimated)

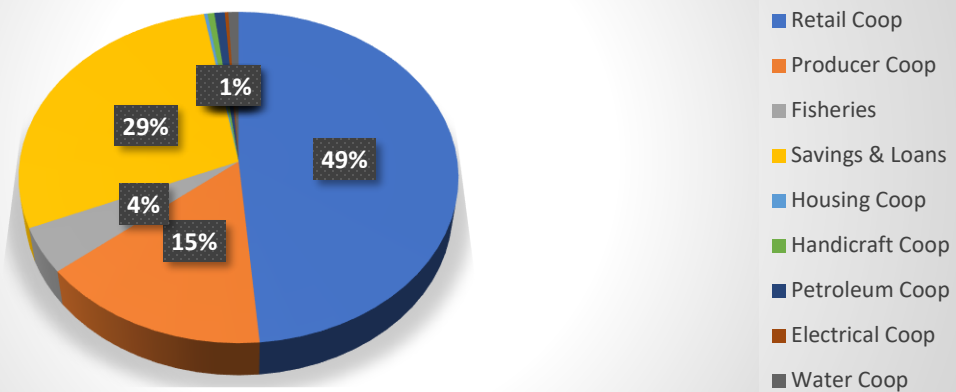
in 2022. It is reported that some cooperatives have become dormant, although again no reliable figures of inactive cooperatives are readily available.

As shown below the retail and consumer cooperatives make up the largest segment of cooperatives in sheer numbers. Based on comments from three of those consulted the cooperative brand appears to have weakened somewhat over the past 5 years. From the statistics available the size of the cooperative system had not grown as had been expected during the previous 5 years. This trend appears has reversed in 2022 and 2023.



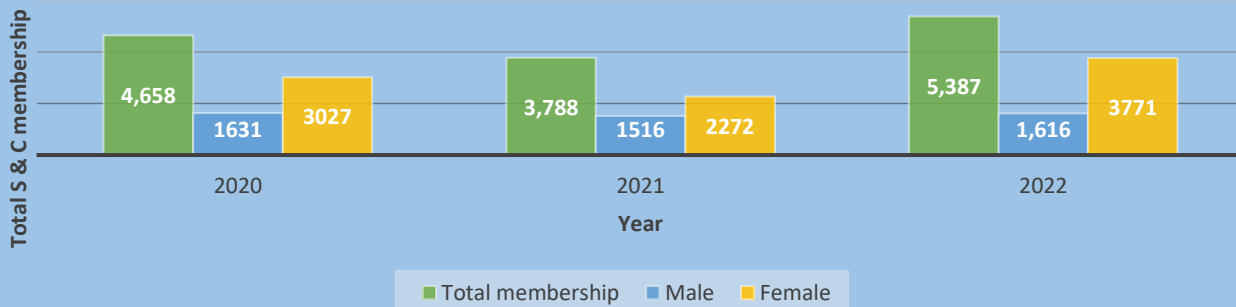
By comparison the number of agricultural co-operatives is relatively small at 15% compared retail and wholesale at 49% and savings and loan cooperatives at 29% respectively, of the total number of co-operatives. This is in spite of the fact that as much as 80% depends entirely on subsistence agriculture for their daily sustenance and well-being. Large non-cooperative agricultural producers appear responsible for most of the value of agricultural exports. Note: The long-term total number of cooperatives may vary slightly as by province date is used in the first case, and by type is used in the second case, to calculate total numbers of cooperatives.

Vanuatu Cooperatives by Type 2022



While no long-term reliable statistics on gender are available, it is worth noting that female make up the majority of members in savings and credit cooperatives. In savings and credit cooperatives, at this time it is estimated that 70% of all members are women, which is up from 60% two years ago.

Savings and Credit Cooperatives Estimated Male and Female Members 2020-2022



3.5 Survey of Co-operative Leaders Managers and Staff

A small survey was used to garner input from cooperative managers and staff during a cooperative leaders' and managers' national event. The survey was NOT intended to be highly representative, but rather to garner a general sense of direction and focus for the new policy. Respondents were as shown in the table below.

Respondent Type	Percentage	Number
Cooperative Manager	46.15%	18
Elected Cooperative Leader	23.08%	9
Cooperative Staff	23.08	9
Cooperative Member	7.69	3
Respondents	100.00	33

Sixty-eight (68) percent of respondents were from consumer cooperative, 27 percent were from Savings and Credit Cooperatives, and 5 percent were from producer cooperatives. This is roughly representative of cooperatives in Vanuatu, but because of the small sample size, finding should be only be considered as one indication of cooperators' opinions, as shown below.

- 94% strongly agree with the Cooperative Vision Statement: *The creation of a sustainable, inclusive, member owned and controlled co-operative business network, for the social and economic benefit of members, and for the nation of Vanuatu.*

- 91% say capacity building and training for co-operative leaders, managers, members, and others are very important.

- 86% said it was very important to plan steps to increase member confidence and increase saving in financial cooperatives.

- 86% said the stability of financial cooperatives was a high priority.

- 83% said new approaches to co-operative development were a high priority.

- 83% said new ways for accessing and using cooperative financial resources was very important.

- The one main strategic development identified in the 2017-2022 National Cooperative Policy which has not progressed as far as desired involves the development of an overarching co-operative leadership and management structure. This initiative was to involve the creation of a functioning Leadership and Management Council. The Council was intended to help support a transitional move of decision-making and accountability (governance) from the ORCBDS to the co-operatives themselves. A similar recommendation was included in the 2015 National Policy. Limited resources and the covid pandemic have been cited as reasons given why this development has not occurred to the extend as was desired. Provisions for the council and its operation within the cooperative system have been identified in recent cooperative legislation.

3.6 ORCBDS Role and Development

At times it appeared ORCBDS may be lacking strategic focus – in that it appears it may have been expected to carry out and manage too many initiatives with too few qualified resources (human, technical and financial). Given time constraints and other obstacles a detailed review the ORCBDS organizational structure was not undertaken. A review was also not included in the terms of reference for the international consultant for the project.

During a national ORCBDS forum in which the international consultant participated remotely, similar priorities concerning capacity building, and using new approaches for development, were mentioned by staff and management.

The AFIC downfall pointed out the absence of clear and adequate supervisory oversight for monitoring and regulating cooperative financial deposit-taking entities. In the early part of 2018, the entity known as AFIC, which was operated as a cooperative in name only, was placed in liquidation by the ORCBDS. In the end those who had placed their trust and deposits in AFIC lost their savings. Now after four years the final residual assets and liability accounts are being dealt with and plans for dealing with the entity are expected by year end 2023. The AFIC downfall will have negatively affected many members' confidence and trust in financial cooperatives, and in the brand image of cooperatives in general. The event also consumed considerable time and resources of the ORCBDS during the past policy period.

It is unclear the extent to which the governance and business functions of VCBN will serve to ensure its sustainability over the longer term. Current services being provided are not sufficient to cover operating expenses. The 2022 VCBN's strategic plans do not contain a proper business cases showing how or when it can become viable. Given the involvement of the ORCBDS (VCBN is now under ORCBDS administration) it appears in some respects as if it operating as if it were an arm of government.

The sustainability of cooperative system (specifically financial cooperatives) was questioned by some of the stakeholders consulted. Previous failures and bailouts were mentioned by two persons. Others who were consulted suggested cooperatives had improved somewhat and in various ways over the past policy period. Most had one or more suggestions as to how ORCBDS might be improved. Where practical those suggestions are being incorporated into the new five-year cooperative policy.

The National Agricultural Policy supports formation of a national agricultural cooperative organization. The Vanuatu Cooperative Business Network (VCBN), which has expanded much more rapidly than originally suggested is not as of yet fully operational, in future is expected to play a useful role in

supporting the national agricultural policy. Changes in management coupled with the significant injections of funds by governments indicate this second-tier cooperative still requires more time and direction to develop a clear pathway to sustainability.

The ORCBDS has and is in various ways serves or attempts to serve to integrate various government departments with the growth and development of cooperatives. There are for example 15 plus ORCBDS MOUs with other government departments or agencies intended to help facilitate country and cooperative development efforts. Accounting for and managing to meet the deliverables stated in MOU would appear to require at times more resources and experience that may be available within the ORCBDS. Another example of the use of MOUs involved the Vanuatu National Provident Fund (VNPF) and the Vanuatu Cooperatives Business Network (VCBN) Memorandum of Understanding (MoU) to establish a joint venture to support the private sector. VCBN is currently being administered by the ORCBDS. The question of who is accountable and ultimately who is responsible for outcomes is uncertain.

Already the ORCBDS has formalized (through legislation) the Cooperative Development Fund (CDF), and is proceeding with its implementation. The CDF will provide an important channel through which government and others can provide resources directly to various parts of the cooperative system as needed.

ORCBDS core purposes include the proper registration of cooperatives as well as the application of cooperative specific legislation which seeks to provide the basis for successful cooperative system growth and development. The ORCBDS delivers on these purposes in terms of providing various development services as well as prudential regulatory monitoring and compliance. From the consultant's observations and also based on inputs received during some consultations it is evident enforcement of regulatory compliance requires further strengthening.

Services such as audit, leadership management and staff training, plus new product and service development, and technology support all cost money. Currently many of the ORCBDS services are subsidized or provided for free rather than at or near to cost to cooperatives.

3.7 Government and Other Stakeholder Inputs

The previous Minister responsible for Cooperatives in 2022 confirmed the government sees cooperatives as an important platform for development, that cooperatives need to be seen differently, and that they must work at inter-island and international trade. The new Minister responsible for

Cooperatives has indicated further changes will be made concerning cooperative development in future. The Director General responsible for cooperatives also provided made similar comments, but stressed the importance of ensuring the sustainability of cooperatives, and the importance of the cooperatives right across the country.

In September of 2021 the Council of Ministers (COM) has decided to embark on a major reform of the financial sector. While work was reported to be proceeding no formal outputs or changes have been reported. Given the risks savings and credit cooperative create when mismanaged it would seem prudent for the ORCBDS and financial cooperative to be consulted. The status of the sector reform process is at this time unknown.

- Government appears to be continuing its efforts to decentralize services and other resources across the islands. This may be having an impact upon the human resources available, as relocation may not be a practical option in all cases.

- By working together Vanuatu has successfully contained and limited the spread of the first few waves of the Covid-19 virus, while vaccinating many of its citizens. As of July 2022, Vanuatu's borders are again opening to visitors. There are no major vaccine requirements or restrictions other than having tested negative prior to arrivals, and mask wearing during arrival. Both the PM and other sources have indicated indicate the Covid-19 Pandemic will have a significant negative economic impact on the country at least in the short term.

- Respective roles between Ministry of Agriculture and Ministry of Industry (Cooperatives) - have been clarified somewhat and agreed upon (e. g. activities up to farm gate are within the purview of Agriculture / activities after farm gate are within purview of Cooperatives). Finding ways for effectively working together and sharing resources can also provide opportunities.

4.0 Preliminary Assessment of Findings

In the absence of a fully functioning national business cooperative apex body, with sufficient financial, human and technical resources, the ORCBDS has at times served as a caretaker and trustee for the cooperative system in endeavors such as fish marketing, rural electrification, automation of business systems for cooperatives, in the provisioning of internet services, and so on. While not surprising given existing structures and circumstances, these developmental and business roles, should and must eventually be taken up by the cooperative system itself.

Based on materials and information available, and in appreciating the challenges faced, there has been reasonable progress in achieving specific items that were planned in 2017-2022 policy, particularly in terms of modernization and in start-up of new initiatives. In spite of the Covid 19 Pandemic and AFIC events, close to 75% percentage of the 2017-2022 policy has been implemented in one form or another. The startup structuring of the Vanuatu Co-operative Business Network is one example. The effort to automate of 25 consumer cooperatives (which unfortunately has not proceeded well and is in fact stalled) is a second example, and a third examples is the creation of a somewhat separate Training and Research Centre which is also being structured to support new initiatives. Adoption of updated cooperative and small business legislation, and charging fees for some services serve as fourth and fifth examples of successful initiatives undertaken by the ORCBDS consistent with the 2017-2022 Cooperative Policy.

The downfall of AFIC illustrate savings and credit cooperatives have not been monitored or supervised adequately in order to prevent members savings from being lost or eroded. The situational assessment has not assessed the quality or the capacity of the compliance and monitoring function within ORCBDS in great detail as it would be beyond the scope of this project work. While there appears to be fewer audit resources available in the ORCBDS than might be required, what appears to be lacking is the technical expertise needed to verify compliance of larger savings and credit cooperatives. Savings and credit cooperative reporting systems appear poor. Increasing the number of audit staff who are not fully qualified to audit savings and credit cooperatives does little to cover the risks that need to be managed.

There is clear need for cooperative leadership and management capacity building and development strengthening within and across the co-operative movement in Vanuatu. This includes higher level competencies particularly in the areas of governance, information and communications technologies, and in financial management and reporting. Within the ORCBDS the areas of regulatory compliance and supervision require additional competencies.

A current Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of the ORCBDS helps provide a high-level picture of various related factors that are at play at this time. The SWOT analysis was prepared by the International Consultant and is based upon various materials reviewed, and using inputs received during consultations, and from staff of the ORCBDS. One can easily identify potential barriers to development as well as opportunities from development from the SWOT as shown.

Vanuatu National Cooperative Policy

SWOT for the ORCBDS in Implementing the National Co-operative Policy

<p>Strengths</p> <ol style="list-style-type: none"> 1. New Cooperative legislative framework is in place and being implemented; also, small business legislation is being implemented 2. A new national cooperative centre (focusing on training and research) facility has been created 3. Key co-operatives are beginning to use information and communications technology to support their business functions 4. Continuity of ORCBDS management and multi- skilled staff who are recognized by cooperatives 5. Department staff are open to be adaptable to new approaches which can make their work more efficient and effective 6. Government supportive of the cooperative system achieving national goals, but wishes to use more hands off in development role 7. Other government ministries and departments open to working with cooperative system and with ORCBDS 8. Cooperative officials, management, staff and member trained in using ICT 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Impractical and ineffective regulatory compliance and monitoring framework (also Department lacks information, and appropriate tools when monitoring and when auditing financial co-operatives) 2. Limited understanding and misuse of the international cooperative identity (principles and values) 3. Cooperative management experience and expertise in some cooperatives / turnover of competent employees 4. Trustworthiness of cooperative brand or name can make future development challenging 5. Some past years of limited growth and development 6. Too many tactical versus strategic initiatives, and too many initiatives being taken at once by ORCBDS 7. Distance makes it difficult to communicate amongst and with many co-operatives 8. No national cooperative governance body to provide ongoing advocacy, leadership and direction 9. At times overlapping government jurisdiction, and roles and responsibilities causing some confusion 10. Members mentality (followers who are used to being led and helped, more than self-help and business attitude)
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Use new technology in areas like communicating and monitoring to improve efficiencies 2. Formalize a leadership and management of structure of cooperatives for advocacy / direction 3. Improve the businesses functions of the Vanuatu Cooperative Business Network to better satisfy members and owner needs 4. Expand cooperative use and ownership of new technology such as solar 5. Align the legislative framework for co-operatives and work jointly with the RBV to harmonize credit union legislation to improve credit services 6. Introduce new integrated cooperative structures to improve rural production, financing, and marketing 7. Use cooperative network in response to natural disasters and aid distribution 8. Create awareness of the role and contributions of cooperatives business enterprises 	<p>Threats</p> <ol style="list-style-type: none"> 1. Complex political environment with shifting and changing ministerial direction can impact future policy and developments 2. Cooperatives mistakenly seen or used as an agency or arms of government 3. Loss of key human resources leading to an inability to effectively implement national co-operative policy and development plans 4. Capacity to deal with natural disasters and resulting losses is a continuing threat to people and property 5. Failure of large co-operative(s) can damage the reputation (identity) of the co-operative system 6. Inability to acquire, develop or retain necessary resources (financial, technical, and human) to carry forward planned development 7. Developing associations in rural areas may complicate the development of cooperative forms of enterprise 8. Economic pressures threaten needed development

A focused strategic approach is being used since not all small and very small cooperatives can justify the cost and effort, or derive significant benefits from using automated systems at this point in time.

In the case of all cooperatives, and especially savings and credit cooperatives, three or four market groupings by size or tiers could be used so the ORCBDS outreach services can be optimized. Small and very small cooperative groups should only expect to receive basic startup assistance, and only occasional compliance monitoring and auditing services as requested. ORCBDS should focus its resources on cooperatives in medium-sized and large market groupings, plus verifying that they are sustainable and are able to remain so. Some moves in this direction have already been made.

While rich in many ways, Vanuatu remains, along many dimensions, a donor dependent country. The country changed from being a least developed country in 2020. At the same time, there has been, and continues to be scarce resources available to support longer term development. The ORCBDS has played a key role in both leading and administering international development aid across the cooperative movement.

Progress has been made in creating a longer-term foundation for cooperative development (the Cooperative Development Fund or CDF) through the adoption of an updated legislative framework. Approximately three quarters of what is desired appears to have been put in place. Usually, a 10 year, and often much longer, time frame is required for such changes to fully take root and to produce a positive result. New legislation has also been put in place in support of medium size and small business.

Decision-making and leadership within, and across the cooperative domain in Vanuatu is still in large measure being driven by the ORCBDS, and by funding available from government in support of development. At the same time, government is seeking to decentralize its various functions so economic and other benefits can accrue across the various islands which make up the country. Since the Cooperative Leadership and Management Council is still not fully functioning as intended, system- wide cooperative involvement appears to be limited. Accordingly, the development of a co-operative system of enterprise has not progressed as rapidly as might have been expected.

The government is seeking to increase its revenues, and reduce its operating expenses while at the same time seeking to improve the country's overall economic performance. Government is looking for ways to work with cooperatives in achieving what it is seeking to accomplish.

Vanuatu's overall economy has declined slightly in the past two years and is expected to continue to remain weak in 2023. This is indirectly because of the Covid-19 Pandemic, as well as other factors such as shifting donor countries policies. This decline can be expected to have a detrimental effect on people's livelihoods and upon the growth and success of many forms of enterprise, including cooperatives.

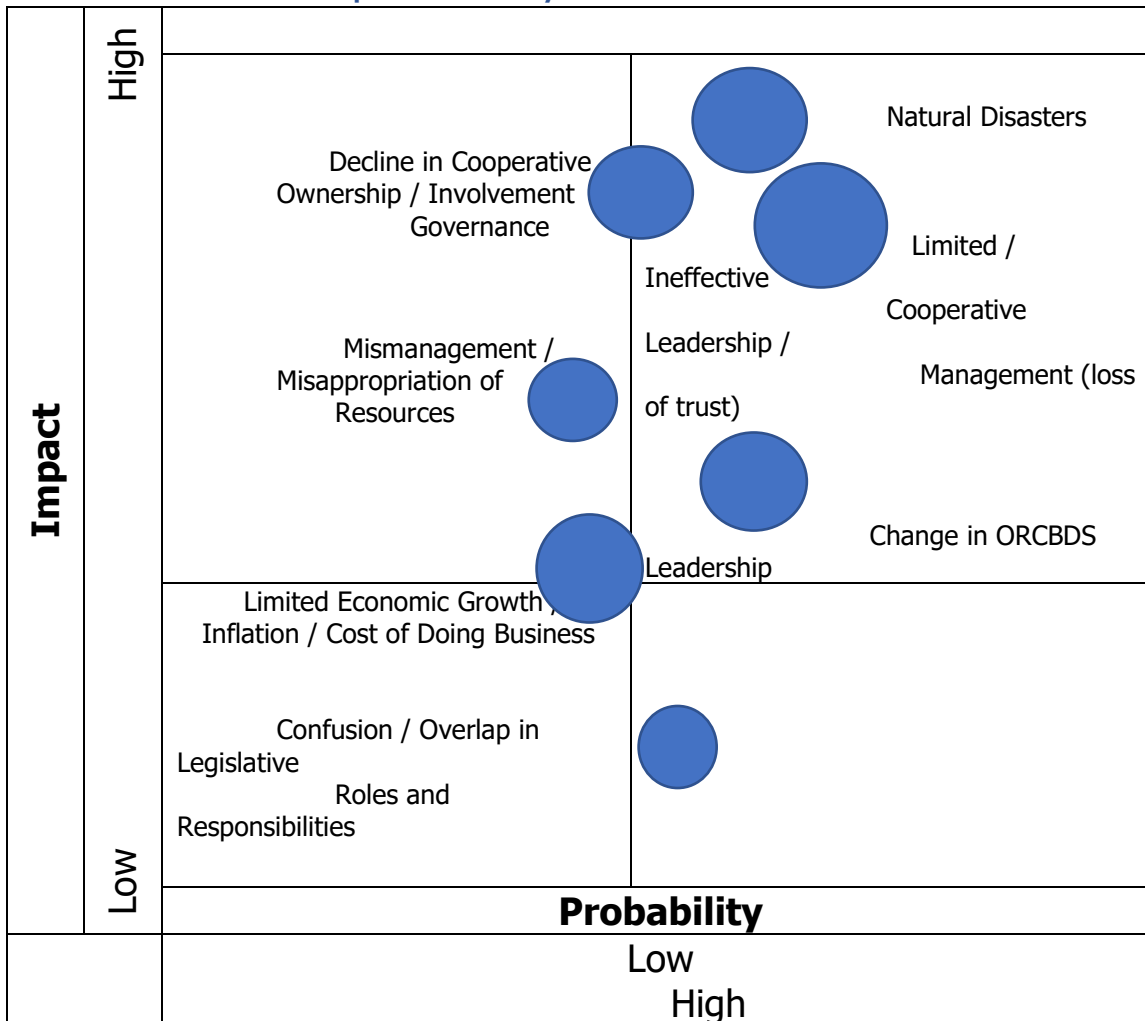
Overall cooperative training services need to be expanded and organized in a strategic manner to support growth and development, while at the same time being somewhat separated from the ORCBDS main facilities

The ORCBDS has been actively involved in leading and supporting the development of cooperatives across the country. At the same time the ORCBDS has been responsible for monitoring their performance and for co-operative compliance with legislation and regulation. Attempting to focus on both effectively and efficiently at the same has not always been possible.

A high-level Enterprise Risk Assessment (facing the ORCBDS and therefore Vanuatu's cooperatives) was prepared by the international consultant based upon materials reviewed, upon various inputs received during consultation, and from inputs from the ORCBDS Director and the Assistant Registrar. Avenues to address and manage various risks have been identified in various ways and are included in the strategies planned for going forward.

Natural disasters continue to be an ongoing and expensive hazard. At the same time, the county's largest financial cooperative suffered serious difficulties and was placed into receivership by the ORCBDS. As the cooperative was attempting to operate nationally, this event eroded the level of trust in the cooperative brand.

Cooperative System Risk Assessment



As significant legislative and regulatory changes are introduced across Vanuatu there currently are and will be areas of uncertainty and areas of confusion concerning exactly what changes are being introduced and why. At this time there are also areas of overlap and confusion regarding government authority and accountability for legislative compliance. Introducing even more regulatory compliance requirements may at time be in conflict with supporting development.

5.0 Summation

As one respondent stated cooperatives in Vanuatu are at a cross roads. While cooperatives may not have performed optimally over the past five years, various long-term measures to strengthen and grow cooperatives as a system have been undertaken, and in many cases implemented. Nevertheless, setbacks caused by cyclone Harold, the

covid pandemic, the downfall of AFIC, and cyclones Judy and Kevin, have in various ways served to stunt cooperative growth and development. The downfall of AFIC has also hurt the image of savings and credit cooperatives across the country. At the same time some of the initiatives such as the Vanuatu Cooperative Business Network that have been started, but are still not performing as well as expected. Part of the reasons they are not performing as expected is because they are operating as an extension of government, and as quasi-public entities. Even the VCBN is seen by some as being a government agency, or like a government department.

The question then is where should the cooperative system be going at this point in time?

While cooperatives themselves are committed to moving forward, some still expect, and still look to government, to continue supporting them with no-cost or low-cost services. Providing free or low-cost services does not encourage self-help, or sustainability. Government at the same times recognize it cannot and should not continue to be the prime body responsible for the development and the success of cooperative enterprise across Vanuatu. Government understandably is also not anxious to have to deal with future AFIC like situations should they be allowed to occur. At the same time, it is not unreasonable to expect one or more financial cooperatives will appear on the horizon with serious issues at some point in the future.

By far the biggest obstacle to future development is the lack of qualified and competent cooperative leadership and management resources within and across the Vanuatu cooperative system. This is not a new obstacle for cooperatives or for Vanuatu businesses in general. It is particularly acute when it comes to leading and managing savings and credit cooperatives. There are ways of addressing this issue, but which ways depend upon the path to the future that is chosen.

At the cross roads there are actually three different paths or option for going forward. Left, right, or straight ahead.

- **Left Path** – leaving matters as they are. ORCBDS continues to take the lead in both regulating and attempting to develop cooperatives. Cooperative continue to be relatively small and dependent upon government for various development

supports. Cooperatives remain more or less at the primary level and various issues that arises will be dealt with by ORCBDS on a best-efforts basis. It is assumed government (donor) support funding continues and increases slightly, and continues indefinitely. Some 2030 sector contributions continue to occur.

- **Right Path** – ORCBDS decides to continue tightening up its compliance and monitoring function and does its best to manage the various risks involved, so as to lessen the impact as cooperative wind ups and gradually begin to consolidate. ORCBDS development services such as training, research, and technology support are limited and are billed to cooperatives based on the cost to provide the service. Government support funding reduces slightly as the cooperative system consolidates. Support funding continues to decrease. There become fewer but slightly larger operating cooperatives. Few 2030 sector contributions can be expected.

- **Straight Path** – ORCBDS works towards creation of an autonomous and in time (some years in future) an independent democratic but integrated cooperative movement / system. This requires an engagement and understanding by cooperative leaders and managers. Support funding may initially increase but over the mid-term (i.e. 3-5 years) begins to decrease as cooperatives gradually become more efficient and as they begin to grow. This path requires using the cooperative business model and a more formal relationship between government and cooperatives. Over time a good number of 2030 sector contributions can be expected.

Each path requires different human resource requirements, and will have various supporters and detractors. Clearly some in government and some within the cooperative system say they are ready for change. The question that needs to be answered is how much change is everyone ready for? Are local cooperative leaders and managers, and members ready and willing to accept and support such changes once they understand it? Each path requires very different implementation planning and project resources.

Finally, two downstream factors always influence outcomes of any broad policy or planned initiative. They are: 'Plan Quality' and 'Implementation Effectiveness.' A good or great plan if poorly implemented does nothing. A poor plan that is carefully and well implemented can still achieve much.

The third path, requires garnering the needed support from cooperative leaders and managers as well as from key government ministries and agencies for it to be successfully implemented. It also requires acquiring or developing the human resources needed not only to manage the initiative - but also to grow with it. Some of the human resources may need to be contracted from outside of Vanuatu. It is a longer-term approach to development, extending into a dozen or more years typically. It requires the ORCBDS to get out of Cooperative Enterprise, and for cooperatives themselves to get into the business of Cooperative Enterprise.

National Co-operative Policy 2024-2027

1.0 Introduction

Over the past 5 years the ORCBDS and cooperatives in Vanuatu has faced difficult challenges. Challenges include Cyclones Harold, Kevin and Judy, the AFIC downfall, and the covid pandemic. In spite of this ORCBDS and the cooperative system have continued to survive and to develop. This policy looks at a desired future for cooperatives in Vanuatu, and what must be done to realize that vision. This policy considers various underlying issues as well as the high-level goals and specific strategies for going forward.

The assistance of the current and former Directors of ORCBDS together with help from management and staff who helped to co-ordinate consultations, overcoming delays, and provided materials and inputs under difficult circumstances is greatly acknowledged, as well as are the inputs from the ad hoc task forced who assisted with validating the overall direction of the policy as well as numerous government officials, cooperative leaders, and managers, and other stakeholders.

2.0 Purpose of the National Co-operative Policy

The purpose of the National Co-operative Policy is to provide clear direction that the Government of Vanuatu wishes to follow in strengthening and developing co-operative enterprises across the country. This policy considers conditions which affect co-operative performance, and describes the barriers and issues, and the opportunities facing the co-

Cooperatives are here to stay!

- More than **12% of humanity** is part of any of the 3 million cooperatives in the world!
- The largest 300 cooperatives and mutuals report a **total turnover of 2,146 billion USD**, according to the [World Cooperative Monitor](#) (2020).
- Cooperatives contribute to the sustainable economic growth and stable, quality employment, providing jobs or work opportunities to 280 million people across the globe, in other words, **10% of the world's employed population.**

As member-owned, member-run and member-serving businesses, cooperatives empower people to collectively realize their economic aspirations, while strengthening their social and human capital and developing their communities.

Source: International Cooperative Alliance 2022

<https://www.ica.coop/en/cooperatives/facts-and-figures>

operative movement in Vanuatu. This policy includes high level policy objectives, strategies, and processes, including

which are intended to assist in strengthening co-operatives and in improving the livelihoods of all co-operative members.

Finally, this policy is intended to serve as a catalyst for positive changes both within government and across the co-operative movement as a whole. Accordingly, detailed implementation plans and action steps required are also included.

3.0 Vanuatu Co-operative Policy Context

National policies bring together and link context, actors, process, and content. This is the manner in which the Vanuatu National Co-operative Policy has been framed.

In terms of context, this means the National Co-operative Policy links to the Vanuatu 2030 - The People's Plan, and to various plans of selected ministries and departments wherever practical, and with the plans of the ORCBDS. More particularly and most especially, this policy also links to the cooperative business model which include the following principles and values.

1. Voluntary and open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. These principles and values make cooperatives a unique form of private sector, business enterprise. The principles and values make up the cooperative business model.

In terms of actors, the largest group of key stakeholders includes 344 active co-operatives, having 507 employees, and who are serving more than 18,000 co-operative

owner-members from across Vanuatu. In Vanuatu in savings and credit cooperatives, women make up 70% of the total membership.

Clearly, co-operatives can have a significant positive impact on the communities in which they serve. They create and retain local jobs, pay various taxes, and typically have a long-term commitment to their communities and their future success. Since co-operative surplus earnings are returned to local owner members, more money remains in the community, thereby strengthening the local economy. Earnings retained within co-operatives also become a source of capital (both working and equity) to support local and regional economic development and business expansion. Often co-operatives support through purchases from other businesses within their community. The presence of a local co-operative along with other businesses may even mean more competitive pricing of products and services.

The seventh co-operative principle - Concern for Community – can be expressed in a wide variety of ways. The presence of local directors, officers, and committee members also means hundreds and sometimes thousands of individuals are receiving hands on experience in leading and governing at time complex co-operative enterprises. This contributes substantially to the pool of skills and talent available locally to undertake other business and community leadership endeavors.

4.0 Vision for Vanuatu Co-operatives

To strengthen and grow the Vanuatu cooperative system of enterprise, to help ensure its performance and sustainability, so cooperatives are better able to satisfy member needs, and can contribute to their communities, and to their country as a whole.

5.0 Policy Objectives

5.1 Best Practices for Regulatory Compliance and Monitoring

The new legislative environment means that a new framework for regulatory compliance and monitoring will need to be created and implemented. It will be that the new framework is developed and implemented in a prudent manner. Regulatory best practices will be required. This will apply more particularly to saving and credit cooperatives (SACCOs).

5.2 Cooperative Institutional Strengthening and Governance

Cooperatives are a unique form of private sector enterprise. This policy identifies numerous strategies for strengthening all cooperatives while at the same time strengthening the governance of individual cooperatives.

6.0 Strategies for Moving Forward

The following strategies provide the pathway to create the above objectives.

6.1 Cooperative Regulatory Compliance and Monitoring

A major development will be the creation and implementation of a new Cooperative Governance Framework or RCMF. A part of the framework being cooperative Audits will need to be redeveloped to be more effective and more efficient. Cooperatives will be required to submit annual and quarterly returns illustrating their overall performance. The regulator will be using an automated management information system to assist in individual analysis of cooperative performance. Will be working to ensure that clear policies and procedures are developed and in place in cooperatives. As needed the regulator will require all cooperatives act to remedy any regulatory deficiencies. The regulator will be looking to see governance best practices through participation in international Cooperatives Regulators Network.

6.2 Saving and Credit Cooperative Development

This strategy will involve evaluation, selection and implementation of appropriate technologies for savings and credit cooperatives (SACCOs). It will involve developing and delivering various workshops for selected SACCOs. To improve internal governance, it will be necessary to develop and recommend model policies, procedures, and internal control material for all larger SACCOs. Finally, a new insurance service will need to be considered. Research will be needed to ensure the feasibility of micro-insurance as a service for savings and SACCOs before proceeding.

6.3 Consumer and Other Cooperatives Development

This strategy will involve evaluation, selection and implementation of appropriate technologies for consumer and other types of cooperatives. It will involve developing and delivering various workshops with suggested policy guides for selected cooperatives,

as well as other workshops with suggested guidance in areas such as strategic planning, as well as board-management roles and responsibilities.

6.4 Cooperative Agriculture Production and Producer Marketing

This strategy will use action research to identify and overcome producer-market challenges. As well research will be used to determine feasibility for implementing pilot Area Cooperative Enterprises (ACEs) at primary level to Increase agricultural production while also improving marketing. Additional this strategy will also involve the creation of cooperative marketing and promotional materials for use by cooperatives.

6.5 Stronger / More Sustainable Secondary and Tertiary Cooperatives

Research into opportunities and factors affecting the feasibility of organizing secondary, and tertiary cooperatives in areas such as marketing and trade, as well as in industry, and finance will be undertaken to increase performance and trade.

6.6 ICT Systems and Support

ICT systems will be used to support the development and implementation of a cooperative country-wide management information system. The system will serve to support the cooperative regulator and monitoring functions. ICT will support automation of consumer and other cooperatives, and continue to support automation of savings and credit cooperatives. A Vanuatu Cooperatives Enterprise smart phone application will be created as will a Vanuatu Cooperative Enterprise website. Both the phone and the website will be used to promote and support cooperative enterprise.

6.7 Strengthening Cooperation Among Cooperatives

A key part of strengthening cooperatives involves cooperatives working together. This strategy involves the implementation of the Cooperative Leadership and Management Council (CLMC). The CLMC will initially serve as an advocacy and communications mechanism for all cooperatives. A strategy will be needed to plan its creation. At some point a new council will be appointed although based on democratically nominated representatives. Action research to identify ways for improving cooperation among cooperatives including the design of a democratic control structure for CLMC. Annually there will be a Cooperatives Achievements and Champions' Awards Event. The Cooperative Enterprise website will also assist in helping cooperative to communicate and to work together more efficiently.

6.8 Leadership and Management Capacity Building

The key to long term sustainability involves leadership and management development. New instruction modules and materials will need to be created for use by cooperative. A Cooperatives Human Resources Handbook will also be created and introduced. This policy will also undertake a “Women in Leadership in Cooperative Enterprise” research study, and will explore incubate or starting an Entrepreneurial Consulting Services for Cooperatives and SMEs.

6.9 Public Private Partnership Between Cooperatives and Government

Various initiatives may take considerable time to implement or require additional financing. This policy will research the potential for more formal public private partnership between government and cooperatives which can contribute to better long-term development. Disaster response coordination and distribution using cooperatives, as well as research into the feasibility for electric cooperatives across Vanuatu are two areas which could be included in a more formal arrangement, as might the promotion of digital literacy and learning days by cooperatives across Vanuatu as part of the partnership arrangement.

Appendix C includes a visual illustrating the relationship of all strategies when done together.

7.0 Strategic Outcomes

Strategically, the ORCBDS needs to change the way it is operating and supporting the cooperatives across Vanuatu. Cooperatives too need to change the way they are operating.

In summary, the governance of the still fledgling cooperative system in Vanuatu needs to change, and improve. Over the next years, the following, outcomes at a minimum should become evident:

- ✓ There will be effective performance monitoring of all cooperatives, and adherence to a functioning regulatory compliance and risk management system. The new legislative framework will be installed and serving the purposes

intended. Legislation and the regulatory framework will serve to limit political interference in the development of the cooperative system.

- ✓ Cooperative leaders and manager will be actively involved in planning and decision-making to more effectively guide their organizations, as well as the movement, all brought as a result of ongoing training, and capacity building.
- ✓ Cooperatives will understand and be applying cooperative principles and values in their day-to-day businesses. Members see that by using and supporting their cooperatives they can benefit financially. In turn cooperatives will in various ways based on their members wishes show that they care for their communities.
- ✓ There will also be a growth in the number of women involved as cooperative members, as well as in leadership and management roles in all types of cooperatives.
- ✓ Growth of member savings and loans outstanding, across financial co-operatives will serve as a gauge of poverty reduction in rural and urban areas.
- ✓ Growth in the number cooperative members growth (male and female) will serve as a gauge of financial inclusion
- ✓ There will be growth in the volume of trade of producer co-operative, marketing and consumer cooperatives.
- ✓ There will be a working partnership between the Co-operative System / Movement and Government which limits interference in local and national co-operative enterprise decision-making, and which helps to build an independent cooperative enterprise system.
- ✓ At the same time the legislative power conferred upon the Registrar of Cooperatives will be shared in a number of areas with the Vanuatu Cooperative Leadership and Management Council, thereby supporting cooperatives to become more self-sustaining, and autonomous business enterprises.

These are the seven broad outcomes areas where the ORCBDS needs to aim to ensure performance and sustainability of cooperatives across Vanuatu. The following eight strategic initiatives illustrate how these and other outcomes can be produced.

8.0 Enabling Environment

Past experience in Vanuatu has shown that without an enabling environment only some aspects of any policy may be successfully accomplished. Therefore, implementation of this policy requires ensuring clear accountability on the part of the ORCBDS to successfully achieve the outcomes to which it is committing. It also requires a cooperation, commitment, and an understanding on the part of cooperatives as autonomous organizations working together, to achieved their desired economic and social outcomes. It is believed that through the Leadership and Management Council that cooperation with and across the cooperative system can become possible.

This policy provides a pathway, which might better be described as a course with a series of ways points towards a desired destination. Circumstances and external events will most certainly occur along the path. Regardless the core elements contained in his policy including the 9 strategies as described should be followed.

8.1 Overcoming Hinderances

In reviewing the 2024 ORCBDS work plan clearly there are far more initiatives included than can be prudentially managed. Therefore, ORCBDS must review and appraise all short and long terms initiatives and tasks that it has planned or already has underway, to determine whether or not they contribute to the vision for cooperatives as stated. Tasks which do not contribute in a measurable way should be phased out with proper advance notice to those cooperatives which may be affected. Where possible two or three initiatives may also be combined if they can be more easily managed rather than being eliminated.

8.2 Institutional Roles and Responsibilities

The ORCBDS need to strategically focus its efforts in strengthening the governances within and across the cooperative system, while at the same time moving more and more responsibility for ongoing development out of government and into cooperatives themselves. Its primary focus is to be the regulator of the cooperative system, rather than its primary developer.

The establishment of the Vanuatu Cooperative Leadership and Management Council must be established for the above to occur. The creation and management of the Vanuatu Government - Co-operative System of Enterprise PPP is to be coordinated and supported by the ORCBDS, not by individual government ministries, authorities, agencies or departments.

9.0 Managing Risks

The greatest risk is cooperatives themselves may not be capable of moving forward with the developments which have been recommended. Circumstances, as in the past, as well may necessitate temporarily refocusing human, financial and technical resources on what may appear to be more urgent matters. Nevertheless, work should continue in strengthening the leadership and management of the system as a whole. Only in this way can more sustainable long-term development be possible.

10.0 High Level Resource and Policy Funding

The implementation and planning framework is a companion to this policy document. It outlines the tasks, timelines, authorities, contributions, milestone and resources required to implement these policies.

Finding and organizing human and technical resources needed to successfully implement this plan will need to be addressed and managed on an ongoing basis by the ORCBDS. The financial resource required are summarized below. Full details are included in the implementation and planning framework document.

As necessary contingencies affecting implementation will also need to be managed by the ORCBDS. Funding sources available including from the Cooperative Development Fund should be directed on a priority basis towards the implementation of this policy.

Strategies for Combined Policy Directions		2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Best Practices for Regulatory Compliance and	19,000,000	35,500,000	32,500,000	29,500,000	116,500,000
2	Saving and Credit Cooperative Development	13,000,000	7,950,000	5,450,000	4,950,000	33,050,000
3	Consumer and Other Cooperatives Development	13,000,000	7,950,000	5,450,000	4,950,000	34,000,000
4	Cooperative Agriculture Production and Producer Marketing	6,000,000	4,500,000	3,500,000	3,000,000	17,000,000
5	Stronger / More Sustainable Secondary and Tertiary Cooperatives	17,000,000	12,000,000	12,000,000	12,000,000	53,000,000
6	ICT Systems and Support	13,000,000	7,000,000	7,000,000	6,000,000	33,000,000
7	Strengthening Cooperation Among Cooperatives	13,000,000	12,500,000	10,500,000	9,500,000	45,500,000
8	Leadership and Management Capacity Building	9,750,000	6,750,000	5,750,000	5,750,000	28,000,000
9	Public Private Partnership Between Cooperatives and Government	9,750,000	11,750,000	11,000,000	11,000,000	43,500,000
Total VUV		113,500,000	105,900,000	93,150,000	86,650,000	403,550,000

11. Concluding Comments

In spite of all of the challenges which cooperatives and others as well have faced in Vanuatu over the past five-year, cooperative can and should have a bright future going forward. While they will require contained government support while they move towards becoming self-sustaining. The recently updated legislative framework together with the establishment of the new Leadership and Management Council will provide a good basis for future growth in the coming years.

Appendix A - Statement on the Co-operative Identity

Definition of a Co-operative

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operative Values:

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Co-operative Principles:

The co-operative principles are guidelines by which co-operatives put their values into practice.

1. Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a

condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, Training, and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

A full very detailed set of guidance notes on these values and principles can be found on the International Cooperative Alliance website using the following link:

<https://www.ica.coop/en/media/library/research-and-reviews/guidance-notes-cooperative-principles>

Appendix B - Peoples Plan 2030 Policy Alignment Areas

Social Alignment

- ✓ Education and technical training and competencies in financial management
- ✓ Gender equity and equality
- ✓ Leadership and management competencies in roles and responsibilities
- ✓ Access to government services
- ✓ Improved research data and statistics for accountability and decision-making

Environmental Alignment

- ✓ Financing for renewable resources
- ✓ Strengthen disaster risk management

Economic Alignment

- ✓ Government revenue generation
- ✓ Increase trade and investment opportunities
- ✓ Access to markets for Vanuatu exports
- ✓ Affordable financial services and financial inclusion
- ✓ Financial literacy and consumer empowerment
- ✓ Modern energy services increasingly generated from renewable sources
- ✓ Establish effective partnerships for development of the private sector and rural communities
- ✓ Access to information and communications technologies, including on-line services
- ✓ Increase primary sector production, including through extension services and cooperatives

Appendix C - Stakeholders and National Co-operative Task Force

Name / Person	Organization
Kevin Kausiama	VCBN Acting General Manager★
Daniella Woiala	Vanuatu National Statistic Office
Primrose Timbaci	Reserve Bank of Vanuatu
Andrew John	Reserve Bank of Vanuatu ★
David Lambukly	Vanuatu Qualification Authority ★
Flaviana Rory	Department of Industry ★
Erick Kalsau	Aurovi Cooperative Society★
Collin Tavi	DSPAC – Prime Minister’s Office ★
Richard Narinam	Department of Agriculture
Jackson Lessa	1 st PA MTTCNB★
Georgewin Garae	Vanuatu National Green Energy Fund
Jack Loughman	Former GM VCBN
Karlton Sam	Former Manager Training and Communication
Leintz Vusilai	Acting Manager Training and Communication
Jack Norris Philip	Senior ICT
Ruth Amos	Vanuatu Bureau of Standard
Tony Kaltonga Luke	Department of Finance
Jimmy Rantes	Director General
Mathew Tasale	Navara Savings & Credit Cooperative Society
Waren Gama	Vanuatu Skill Partnership ★
Antoine Ravo	Department of Agriculture★
Timothy Tumukon	VPPA ★
James Willie	Department of Finance
Kalkoa Samson	TRBR
Noel Vari	Reserve Bank of Vanuatu
James Bule	Former Minister of Trade
Lynffer Maltungtung	ADRA Vanuatu
Peter Kolmas Jackson	NewMafen Cooperative Society
Saksak Alexander	Sakapisi Cooperative Society
Johnney Obed	Melili Cooperative Society
Hamis Ture	Aniwa Mamas Cooperative Society
James Silas	Keamu Cooperative Society
Bosco Temarkon	Tchimae Cooperative Society
Hilary Tabi	Apma Financial Investment Center
Sandy Tavo	Marus Cooperative Society
Alvenu Sam	Auolua Cooperative Society
Robert Malili	Malvahal Cooperative Society
Joel Tarikwaka	Muleluna Cooperative Society
Webster Alilee	VFSC
Gwen N Tari	DARD
Lusia Letlet	VAMU

★ Cooperative Taskforce Member
(remotely) and 2023

Note: Various consultation occurred in 2022

Appendix D - Integrated Policy Strategies



Implementation Plan

Vision

To strengthen and grow the cooperatives system of enterprise, to help ensure its performance and sustainability, so cooperatives are better able to satisfy member needs, and can contribute to their communities, and to Vanuatu as whole.

Integrated Development Strategies



Two Main Policy Objectives for Cooperatives in Vanuatu

This implementation plan illustrates the two main policy directions for cooperatives in Vanuatu. The first policy objective involves improved strategies for regulatory compliance and monitoring, and the second policy objective involves improved strategies for cooperative governance and institutional strengthening. These directions are mutually supportive.

At the same time, an updated cooperative legislative framework is in the process of being implemented across Vanuatu. The new framework provides greater clarity concerning how cooperatives are to be organized, managed, and structured at various levels. The new framework also gives updated standard bylaws, while also requiring increased reporting and compliance on the part of all cooperatives.

The following are strategies that can assist in implementing the new 2024 – 2027 National Cooperative Policy, as well as the new regulatory framework.

- Increased training and capacity building for cooperative leaders and members
- Improved access to ICT tools and resources
- Increased research and development into cooperative practices
- Increased collaboration between cooperatives and government

Various strategies have also been identified to improve cooperative governance and to strengthen cooperatives performance. These strategies include:

- The use of ICT tools to improve communication and collaboration
- The provision of research and development support
- The provision of training and capacity building
- The promotion of public-private partnerships

The government and the cooperative sector should work together to implement these policies and to achieve their full potential. By doing so, they can help to ensure that cooperatives play a significant role in the economic and social development of Vanuatu.

Policy Objective 1: Best Practices for Regulatory Compliance and Monitoring

These strategies are aimed at improving the governance of all cooperatives through monitoring and regulatory oversight and. They also aim to make the monitoring and compliance activities more timely, more useful, and more efficient over the longer term.

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
1 Cooperative Governance Framework	Develop and implement Regulatory Compliance and Monitoring Framework (RCMF)	RCMF communicated so cooperative know what is required and how the overall elements work together to ensure cooperative performance and sustainability	Mgr M&C / Feld staff / External Resource	Frameworks for both financial cooperatives and non-financial cooperatives		2025
2 Cooperative Audits	Redevelop and redesign the cooperative audit program	Improved format and use of audits as a practice supporting sound business practices in cooperatives. Different types of audits are performed for different cooperatives. Audit are done strategically, based on various groupings, based typically on memberships numbers	Mgr M&C / Field staff / External Resource	All Vanuatu cooperatives are audited annually in an efficient and effective manner		2024

		and asset sizes. Desk audits can in some cases involve questionnaires, as well as by reviewing documents or documents or reports supplied by different persons or locations				
3 Compliance and Monitoring	Mandate annual and quarterly reporting of all cooperatives	Detailed annual and simple quarterly cooperative profile and performance questionnaire submitted by all cooperative to regulator to identify risks and negative trends in advance so that they may be flagged and properly addressed as needed	Mgr M&C / Research	Management information system in place and questionnaire data being received in timely manner / Quarterly cooperative inspection		2024
4 Cooperative Interventions	Create clear policies and procedures developed and communicated in advance, and used as needed with cooperatives which have regulatory deficiencies	Defined regulator interventions (based on governance framework) which are clearly communicated to assist in ensuring compliance and performance monitoring anomalies are identified and	Mgr / Field staff / cooperatives	>Number of notices of non-compliance and / or need for follow up >2 to 10 major follow up		2026

		properly and successfully addressed.		interventions annually		
5. Financial Analysis and Reporting	Create automated management information system to assist in individual analysis of cooperative performance	Properly functioning management information and reporting systems in use by cooperative boards and management, through which the regulator can then gauge overall performance and identify important risk areas.	Mgr / Field staff / Cooperatives	Strong and weak cooperatives identified for follow up as needed		2025
6 Governance Best Practices	Participate in International Governance Networks	Membership in International Cooperative Alliance, world council of Credit Unions and International Cooperative Regulators Network	Mgr / CLMC	Participation in one of more events of all networks		2027
7. Establish Working Relationship with Partners	Design and Develop MOU with Working Partners	Collaboration aims to foster knowledge exchange, resource sharing, and the development of innovative solutions	Top Management /Partners/Coops	MOU signed and working together supporting Cooperatives		2024

1 Best Practices for Regulatory Compliance and Monitoring						
#	Activities	2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Cooperative Governance Framework	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
2	Cooperative Audits	10,000,000	10,000,000	10,000,000	10,000,000	30,000,000
3	Compliance and Monitoring (Inspections)	2,500,000	10,000,000	8,000,000	6,000,000	26,500,000
4	Cooperative Interventions	10,000,000	9,000,000	8,000,000	7,000,000	34,000,000
5	Financial Analysis	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
6	Governance Best Practices	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
7	Memorandum of Understanding	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
						-
Total Cost		19,000,000	35,500,000	32,500,000	29,500,000	116,500,000

Policy Objective 2: Cooperative Institutional Strengthening and Governance

Cooperative institutional strengthening is the process of improving the governance, management, and financial systems of cooperatives.

To improve cooperative governance and institutional strengthening, several things can be done. First, cooperatives should have a clear democratic governance structure that is transparent and accountable. That can be achieved through clear board-management roles and responsibilities and adherence to cooperative principles and values. Second, cooperatives should have a strong board-management leadership group that is capable of making sound decisions. This can be achieved through strategic planning and the use of research to better understand challenges and opportunities. It is also achieved through ongoing human resource development and capacity building. Third, cooperatives should have a sound board-management information system through which to manage performance effectively. Fourth, cooperatives should have a strong internal control system that is able to detect and prevent fraud. Finally, cooperatives should have a strong risk management system that is able to identify and manage risks effectively. The following describe specific strategies which are aimed at improving governance and institutional strengthening and performance in the Vanuatu cooperative system.

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
2. Saving and Credit Cooperative Development	Evaluation, selection and implementation of appropriate technologies for savings and credit cooperatives (SACCOS)	Implementation of management information and reporting software systems which are appropriate for different sized SACCOS.	ICT / Research	Number of automated SACCOS		2024

	Develop and deliver various workshops for selected SACCOs	Cooperative board-management strengthen by attending strategic planning, and roles and responsibilities workshops	Training Mgr / Research	Number of attendees in each type of workshop		2027
	Develop and recommend model policies, procedures, and internal control material for all larger SACCOs	SACCOs strengthen through the use of policies, procedures, and internal controls as recommended	Training Mgr / Research	Number of SACCO using suggested policies and guides		2027
	Research feasibility of micro-insurance as a service for savings and SACCOs	Research completed and if feasible then a business case for micro-insurance service for cooperative individual and SME members together with the development of a detailed implementation plan.	Research / External Resource	Number of SACCOs formally agreeing to offer micro-insurance to members		2024

2 Saving and Credit Cooperative Development		2024	2025	2026	2027	Total
#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	All Years
1	Evaluation, selection and implementation of appropriate technologies for savings and credit cooperatives (SACCOS)	9,000,000	5,000,000	3,000,000	2,500,000	20,500,000
2	Develop and deliver various workshops for selected SACCOS	1,000,000	200,000	200,000	200,000	1,800,000
3	Develop and recommend model policies, procedures, and internal control material for all larger SACCOS	2,000,000	2,000,000	2,000,000	2,000,000	8,500,000
4	Research feasibility of micro-insurance as a service for savings and SACCOS	1,000,000	750,000	250,000	250,000	2,250,000
						-
Total Cost		13,000,000	7,950,000	5,450,000	4,950,000	33,050,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
3. Consumer and Other Cooperatives Development	Evaluation, selection and implementation of appropriate technologies for consumer and other types of cooperatives	Implementation of management information and reporting software systems appropriate for different sizes and types of consumer cooperatives. This will involve the evaluation of various software based on requirements of cooperatives across Vanuatu. It will also require training in using and conversion to the	ICT/Research	Number of automated non-financial cooperatives		2026

		selected technology as needed				
	Develop and deliver various workshops with suggested policy guides for selected cooperatives	Implementation of workshops on retail management on training on operating policies, procedures, and internal controls, purchasing, marketing, inventory management, management information and payment systems, financial management and reporting.	Training Mgr /Research / ICT	Number workshops held and of attendees in each type of workshop Number of cooperatives using policy guides		2025
	Develop and deliver various workshops with suggested guidance in areas such as strategic planning, as well as board-management roles and responsibilities	Cooperative board-management strengthen by attending strategic planning, and roles and responsibilities workshops	Training Mgr / Research	Number workshops held and of attendees in each type of workshop		2027

3 Consumer and Other Cooperatives Development		2024	2025	2026	2027	Total
#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	All Years
1	Evaluation, selection and implementation of appropriate technologies for consumer and other types of cooperatives	2,000,000	9,000,000	2,500,000	2,500,000	16,000,000
2	Develop and deliver various workshops with suggested policy guides for selected cooperatives	2,000,000	5,000,000	3,000,000	2,000,000	12,000,000
3	Develop and deliver various workshops with suggested planning guides for selected cooperatives	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Total Cost		5,500,000	15,500,000	7,000,000	6,000,000	34,000,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
4. Cooperative Agriculture Production and Producer Marketing	Use Action Research to Identify and Overcome Producer-Market Challenges	Discovery of roadblocks and obstacles to producer and marketing challenges as well as measures to improve production and market trading	Research / External resource	Research study completed and made public		2024

	Research and Implement Pilot Area Cooperative Enterprises (ACEs) at primary level to Increase Agricultural Production	After pilot, and research, if feasible implement ACEs Enterprises as a means for increasing rural agricultural production and marketing	Research / External Resource / Ministry of Agriculture / Producer & SACCO Cooperatives / Marketing Resource	2-3 pilot ACE sites after 2 years 20% increase in production and trade from same rural areas after 2 years		2024
	Create cooperative marketing and promotional materials for use by cooperatives	Greater understanding and awareness of marketing channels and value addition created through cooperatives	Mgr / Research / ICT	Materials use tracked by cooperatives over time		2024

4 Cooperative Agriculture Production and Producer Marketing						
#	Activities	2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Use Action Research to Identify and Overcome Producer-Market Challenges	2,500,000	1,500,000	1,500,000	1,500,000	7,000,000
2	Research and Implement Pilot Area Cooperative Enterprises (ACEs) at primary level to Increase Agricultural Production	3,000,000	2,500,000	1,500,000	1,000,000	8,000,000
3	Develop and use cooperative marketing and promotional materials for	500,000	500,000	500,000	500,000	2,000,000
						-
	Total Cost	6,000,000	4,500,000	3,500,000	3,000,000	17,000,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
5. Stronger / More Sustainable Secondary and Tertiary Cooperatives	Research opportunities and factors affecting feasibility for organizing secondary, and tertiary cooperatives in areas such as marketing and trade, as well as in industry, and finance	Research report identify various factors and resources necessary for the successful startup, development, and management of secondary and tertiary cooperative enterprises	Research / External Resource	Use of the research to supporting 2 or 3 existing or startup secondary and tertiary cooperatives		2024
6. Support to establish and Strengthen Multisectoral Tertiary Cooperative Societies	Research opportunities and factors affecting feasibility for organizing secondary and Tertiary cooperatives in areas such as marketing and trade, as well as in industry and finance	Research report identify various factors and resources necessary for the successful startup, development, and management of secondary and tertiary cooperative enterprises	Research /External Resource	Use of the research to supporting 2 or 3 existing or startup secondary and tertiary cooperatives		2025

5 Stronger / More Sustainable Secondary and Tertiary Cooperatives		2024	2025	2026	2027	Total
#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	All Years
1	Research opportunities and factors affecting feasibility for organizing secondary, and tertiary cooperatives in areas such as marketing and trade, as well as in industry, and finance	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
2	Support to Establish and Strengthen Multi Sectoral Tertiary Cooperatives Societies	15,000,000	10,000,000	10,000,000	10,000,000	45,000,000
						-
Total Cost		17,000,000	12,000,000	12,000,000	12,000,000	53,000,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
6. ICT Systems and Support	Support Development and Implementation of a Cooperative System-wide Management Information System	Country-wide management information system developed and in use by cooperatives, and Cooperative regulator to monitor performance and risk	Reg Mgr / ICT / Field staff / External Resource	Basic system in place and in use		2025
	Support automation of consumer and other cooperatives	Evaluation of technology options best suited for cooperatives, with implementation support	ICT / Cooperatives	12 consumer cooperative utilizing new technology		2026
	Support automation of savings and credit cooperatives	Evaluation of technology options best suited for cooperatives, with implementation support	ICT / Cooperatives / External Resource	12 SACCOs utilizing new technology		2027
	Creations of a Vanuatu Cooperatives Smart phone application	An interactive smart phone application which showcases and promotes cooperatives and cooperative enterprise and their contributions and stories across Vanuatu	ICT / External Resource	Number of application downloads and positive users' ratings		2024

	Create and maintain Vanuatu Cooperative Enterprise website	Site is used to showcase all cooperatives as well as a tools for communications (blog) by the CLMC with cooperatives	ICT/ CLMC	Majority of cooperatives having their profile on website		2025
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6 ICT Systems and Support						
#	Activities	2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Support Development and Implementation of a Cooperative System-wide Management Information System	3,000,000	2,000,000	2,000,000	2,000,000	9,000,000
2	Support automation of consumer and other cooperatives	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
3	Support automation of savings and credit cooperatives	2,000,000	2,000,000	2,000,000	1,000,000	7,000,000
4	Support creations of a Vanuatu Cooperatives Smart phone application	5,000,000	1,000,000	1,000,000	1,000,000	8,000,000
5	Support creation and maintained of the Vanuatu Cooperative Enterprise website	2,000,000	1,000,000	1,000,000	1,000,000	5,000,000
						-
Total Cost		13,000,000	7,000,000	7,000,000	6,000,000	33,000,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
7. Strengthening Cooperation Among Cooperatives	Create a strategy for implementation of the Cooperative Leadership and Management Council (CLMC)	Strategy should illustrate the need for the CLMC as well as all the elements required for the effective creation and operation	Director / ICT / Research	Strategy approved by majority of cooperatives		2025

		of a the CLMC; the strategy should address the obstacles (distance and costs) associated with having a council				
	New council appointed and strategy approved by it	Appointments to follow elected council members from various islands and areas. planning and communicating with cooperatives and representing their interests to government	Director	Secretary General (or CEO) appointed with resources and regularly communicating with Council and with cooperatives		2024
	Use action research to identify ways for improving cooperation among cooperatives including the design of a democratic control structure for CLMC	Research report describing additional practical ways for cooperatives to work together for sustainability	Research / Council	Research report delivered finding to cooperatives and council		2024
	Annually conduct a Cooperatives Achievements and Champions' Awards Event	Recognize the contributions of various cooperatives and cooperative leaders over each year		12 or more achievements and champions to receive awards annually		2025
	Research and develop a Vanuatu	A website created for sharing and	ITC/Research	Site visits per month		2024

	Cooperative Enterprise website and social media presence	communications between and among cooperatives; site is linked to smart phone application and other social media feeds		Endorsed by LCMC and cooperatives		
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7 Strengthening Cooperation Among Cooperatives						
#	Activities	2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Create a strategy for implementation of the Cooperative Leadership and Management Council (CLMC)	10,000,000	10,000,000	8,000,000	7,000,000	35,000,000
2	New council appointed and strategy approved by it					-
3	Use action research to identify ways for improving cooperation among cooperatives including the design of a democratic control structure for CLMC	1,000,000	500,000	500,000	500,000	2,500,000
4	Annually conduct a Cooperatives Achievements and Champions' Awards Event	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
5	Research and develop a Vanuatu Cooperative Enterprise website and social media presence	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Total Cost		13,000,000	12,500,000	10,500,000	9,500,000	45,500,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
8. Leadership and Management Capacity Building	Develop instructional modules and materials for use by cooperative	Deliver a series of instruction modules on Board-management Roles and Responsibilities, Cooperative Governance,	Training Mgr / Research / External	Number of Instruction modules created		2025

		<p>Strategic Planning, Credit and Collections, Financial Management for Cooperatives, and Human Resource management; modules should at some point be deliverable in person or remotely with minimal support</p> <p>Initially deliver workshop modules using train the trainer approach and as soon as practical deliver using distance learning webinar type technology (i.e. Zoom)</p>		Number of Field staff using modules with cooperatives		
	Develop a Cooperatives Human Resources Handbook	A Cooperative Human Resources Handbook job profiles, compensation policies, and guidelines for performance management and hiring practices that is used by all cooperatives (including cooperative identify and business model).		Number of cooperatives reporting using the HR Handbook		2026
	Undertake a "Women in Leadership in	A showcase of women working in cooperative and in leadership roles,		Gender based action		2025

	Cooperative Enterprise” research study	complete with a gender-based action strategy for increasing women’s involvement in cooperatives		strategy adopted by cooperatives		
	Incubate / Start Entrepreneurial Consulting Services for Cooperatives and SMEs	Strategic planning, and ICT consulting service business for cooperatives and other SMEs		Successful Cooperative Consulting Services Business		2026

8	Leadership and Management Capacity Building	2024	2025	2026	2027	Total
#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	All Years
1	Develop instructional modules and materials for use by cooperative	5,000,000	4,000,000	3,000,000	3,000,000	15,000,000
2	Develop a Cooperatives Human Resources Handbook	2,000,000	1,000,000	1,000,000	1,000,000	5,000,000
3	Undertake a “Women in Leadership in Cooperative Enterprise” research study	2,000,000	1,000,000	1,000,000	1,000,000	5,000,000
4	Incubate / Start Entrepreneurial Consulting Services for Cooperatives and SMEs	750,000	750,000	750,000	750,000	3,000,000
						-
						-
	Total Cost	9,750,000	6,750,000	5,750,000	5,750,000	28,000,000

Key Strategy	Actions	Objectives (Outcomes)	Lead / Support	Indicators	Aligns / Links	Timelines
9. Public Private Partnership Between Cooperatives	Research the potential for more formal public private partnership between government and cooperatives	Overarching long term partnership agreement between cooperatives (via the CLMC) and government ministry	All cooperatives / CLMC			2025

and Government	which contributes to better long- term development	responsible for cooperatives				
	Disaster response coordination and distribution using cooperatives	Cooperatives organize and agree to become part of a disaster planning and recovery effort		85% of all cooperatives participate		2024
	Research feasibility for electric cooperatives across Vanuatu	Action plan, if feasible, describing steps to be taken, and resources required to establish, community electric cooperatives across Vanuatu	All cooperatives / CLMC	Action plan shared by CLMC with all cooperative Councils approves proceeding with report recommendations		2025
	Digital literacy and Learning Days	Cooperatives participate in co-hosting	All cooperatives / CLMC / Other gov ministries	Number of attendees Number of cooperatives involved		2026

9 Public Private Partnership Between Cooperatives and Government		2024	2025	2026	2027	Total
#	Activities	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	All Years
1	Research the potential for more formal public private partnership between government and cooperatives which contributes to better long-term development	750,000	750,000			1,500,000
2	Disaster response coordination and distribution using cooperatives	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000
3	Research feasibility for electric cooperatives across Vanuatu	3,000,000	5,000,000	5,000,000	5,000,000	18,000,000
4	Digital literacy and Learning Days	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
						-
Total Cost		9,750,000	11,750,000	11,000,000	11,000,000	43,500,000

Implementation Risk and Adaptability

The greatest risk is cooperatives themselves may not be capable of moving forward with the developments which have been recommended. Circumstances, as in the past, as well may necessitate temporarily refocusing human, financial and technical resources on what may appear to be more urgent matters. Nevertheless, work should continue in strengthening the leadership and management of the system as a whole. Only in this way can more sustainable long-term development be possible.

Concluding Comments

In spite of all of the challenges which cooperatives and others as well have faced in Vanuatu over the past five-year, cooperative can and should have a bright future going forward. While they will require contained government support while they move towards becoming self-sustaining. The recently updated legislative framework together with the establishment of the new Leadership and Management Council will provide a good basis for future growth in the coming years.

Appendix A - Budget Summary and Technical Resources

Strategies for Combined Policy Directions		2024 Cost Year 1	2025 Cost Year 2	2026 Cost Year 3	2027 Cost Year 4	Total All Years
1	Best Practices for Regulatory Compliance and	19,000,000	35,500,000	32,500,000	29,500,000	116,500,000
2	Saving and Credit Cooperative Development	13,000,000	7,950,000	5,450,000	4,950,000	33,050,000
3	Consumer and Other Cooperatives Development	13,000,000	7,950,000	5,450,000	4,950,000	34,000,000
4	Cooperative Agriculture Production and Producer Marketing	6,000,000	4,500,000	3,500,000	3,000,000	17,000,000
5	Stronger / More Sustainable Secondary and Tertiary Cooperatives	17,000,000	12,000,000	12,000,000	12,000,000	53,000,000
6	ICT Systems and Support	13,000,000	7,000,000	7,000,000	6,000,000	33,000,000
7	Strengthening Cooperation Among Cooperatives	13,000,000	12,500,000	10,500,000	9,500,000	45,500,000
8	Leadership and Management Capacity Building	9,750,000	6,750,000	5,750,000	5,750,000	28,000,000
9	Public Private Partnership Between Cooperatives and Government	9,750,000	11,750,000	11,000,000	11,000,000	43,500,000
Total VUV		113,500,000	105,900,000	93,150,000	86,650,000	403,550,000



CREATING OPPORTUNITIES FOR ALL
COOPERATING OUT OF POVERTY

REMAINS
STRONG
BUILD A BETTER
WORLD

CONCERN FOR COMMUNITY
ADVANTAGE IN THE THIRD MILLENNIUM
STRONG ARCHIEVE BUILD

FUTURE
**EMPOWER
WORLD**

OUR

CO-OPERATIVE ENTERPRISE REMAINS STRONG IN TIME OF CRISIS

DRIVING RECOVERY

PEACE BUILDING

CO-OPERATIVES FOR FAIR GLOBALISATION
MICROFINANCE IS OUR BUSINESS!
ENTERPRISE EMPOWERS WOMEN

FUTURE
YOUTH
BUILD A BETTER
WORLD

ENTERPRISES
CO-OPERATIVE
ACHIEVE SUSTAINABLE DEVELOPMENT
FOR ALL



Cooperatives Build Better Communities