

BRIEF SUMMARY OF OCDC

Origins

OCDC grew out of an official advisory committee to implement the 1961 Humphrey amendment to “to encourage the development and use of cooperatives, credit unions and savings and loan associations” in the original Foreign Assistance Act that created USAID. Senator Humphrey had visited low-income cooperatives in Chile with Walter Sommerhoff who testified before the Senate Foreign Relations Committee on this original amendment.

In 1962, USAID undertook a study on cooperative development that reviewed current projects and recommended the creation of an advisory committee that included leaders of national cooperative associations as well as those from the Catholic Church and labor unions. A cooperative office was created to build on the pioneering work of CLUSA and the Global Office of the National Credit Union Administration. During the 1960s, there was strong support by the Kennedy Administration for cooperatives as part of land reform efforts in Latin America. Presidents Kennedy and Johnson signed early cooperative grants, which were provided to national cooperative organizations.

U.S. cooperative managers were appointed to head cooperative development programs and early interventions shared their experiences. Many of these early cooperatives, modeled on U.S., exist today. As the popularity of cooperatives waned, U.S. cooperatives decided that they wanted to disband the official advisory committee in 1968 in order to lobby Congress for increased support and funding. However, the committee continued to be known as the Advisory Committee on Overseas Cooperative Development. This committee rotated its chairmanship among Washington D.C. based cooperative organizations. Cooperative leaders such as Robert Partridge, Glenn Anderson and Melvin Sims chaired ACOCD. A separate Cooperative Resources Committee was formed to coordinate cooperative programs and carry out joint activities such as country assessments of the cooperative sectors and evaluations.

In 1982, ACOCD decided to hire an Executive Director who is employed as a reimbursable employee of the National Rural Electric Cooperative Association. All expenses of the Committee are equally shared by cooperative development organizations and NRECA donates its G&A portion of overhead. The organization was renamed U.S. Overseas Cooperative Development Committee (later, changed to council) to avoid confusion as an official body. It also prevented confusion with its committees – Legislative and Development Committees. These committees develop and implement OCDC policies and programs.

In 1983, OCDC was reorganized along the lines of a regional cooperative. Each member could appoint three (later reduced to two) representatives who serve as directors. The chairmanship is automatically rotated among members. OCDC had at large members that did not work out and was discontinued in 1993. OCDC has established policies and procedures that are periodically reviewed and modified. They are included in each director's book. OCDC meets three times a year. The OCDC chairman appoints the treasurer and heads of the two committees.

OCDC's fiscal year has varied, but today is on a calendar year. The next year's budget is approved at the fall meeting so that this figure can be included in CDO budgets for the coming year. The new chairman takes office at the fall meeting as well. The Executive Director's performance is reviewed at the winter meeting.

OCDC was formally incorporated as a 501(c) 6 on January 1, 2004 and its board is in the process of refining its mission, developing a five-year strategic plan and preparing for the transition of its initial executive director.

In recent years, OCDC meetings have occurred three times a year. In past years, OCDC has met outside of Washington D.C. such as at Land O'Lakes in Minnesota and WOCCU in Wisconsin. Topics have included: African cooperative development, USAID results reporting, security issues, cooperative micro-enterprise, CDO communications strategy, CDO development methodologies, IFAD collaboration, CGAP and World Bank privatization programs.

Chairmen

Tony Dechant	1973-75	Ron Gollehon	1993
Robert Partridge	1976	Bob Halligan	1994
Ken Naden	1977	Chris Baker	1995-96
Herb Wegner	1978	Mike Deegen	1997
Glenn Anderson	1979-80	Russ Nooter	1998
Robert Partridge	1981	Martha Cashman	1999
Ken Naden	1982-83	Pat Roberts	2000
Vern Moore	1984-85	Marlee Norton	2001
Karl Falk	1986	Judith Hermanson	2002
Wayne Boutwell	1987-88	Jim Durnil	2003
Wallace Campbell	1989	Lucy Ito/Don Crane	2004
Bob Scherer	1990		
Vern Freeh	1991	Paul Hazen	2005
Pat Roberts	1992		

Membership

OCDC was instrumental in bringing new CDOs into cooperative development including Land O'Lakes, Tri-Valley Growers (since withdrawn and now bankrupt),

NTCA (initial grant), and AAC/MIS (separate funding from NCBA). Other coop organizations affiliated with CDOs that have been active in development work include: CFC, Southern States, HealthPartners and CRI. At moments of crisis, OCDC was played critical roles in sustaining CDOs including CHF, VOCA, NRECA and Land O'Lakes. OCDC has intervened on behalf of CDOs with USAID, helped strategize with them when in financial crisis and earmarked critical funds for their program continuation.

In 1980, CDOs operated about \$20 million in annual programs (based on Shaffer study) and today have a portfolio of over \$220 million annually (based on annual reports). OCDC membership has fluctuated over the years from six to ten (now eight) and has included in the past CARE, Cooperative Development Bank and Tri-Valley Growers.

OCDC programs

Over the years, OCDC and its predecessors oversaw and operated some programs. In the late 1970s, the Cooperative Resources Committee received USAID funding for joint project exploration and carried out an extension international evaluation, workshop of practitioners and conference in 1983-94. OCDC sponsored a major study of cooperative finance institutions in the Philippines. It sponsored a major project with ACDI, NRECA and NCBA in the West Bank, and with CHF and other CDOs in Romania. OCDC ran a development education grant, administered by NRECA, and carried out joint projects in the Philippines and Chile, funded by the National Endowment for Democracy. These programs had major impacts in organizing Philippine cooperatives in their first legislative conferences to enact cooperative laws under the Aquino government. In Chile, cooperatives were seen as a way to support democratic groups by Ambassador Harry Barnes who participated in various OCDC leadership training and cooperative conferences. An outcome of this work was the formation of the first USAID-funded voter education drive. More recently, OCDC organized a cooperative mission to Southern Sudan on the role of cooperatives in the transition from relief to development.

In recent years, there has been little interest in OCDC-led project activities. Instead, OCDC's Development Committee relies on individual CDOs to develop joint efforts. An example is a joint project by NCBA and Land O'Lakes in Mali.

OCDC's Development Committee

The Development Committee meets regularly to exchange information, deal with reporting and other requirements of the PVC cooperative development, arrange meetings with senior USAID officials and others; carry out educational seminars and explore pressing issues. For example, the Development Committee has sponsored joint meetings with USAID Assistant Administrators to present our programs as a sector. The committee sponsored a seminar on Polish

cooperatives, held various three seminars in USAID, assisted in the development of USAID policies on cooperative development, prepared joint publications, etc. The committee put together a joint effort by its members to become part of the United Coop Appeal. The executive director headed UCA that is a major source of unrestricted funds (NRECA received nearly \$20,000 last year through this employee program). Today, domestic cooperative groups are called Cooperative Development Organizations (CDOs). The term CDO is used to distinguish us from PVOs (and by legislation exempts CDOs from the PVO 25% private fundraising requirement).

Recently, the Development Committee has (1) explored a list of possible joint services, (2) planned OCDC meetings with major speakers to introduce them to our community and provide CDO opportunities for follow-up, (3) provided direction and organized CDO responses to the PVC study on cooperatives and micro-enterprise, (4) helped prepared USAID Implementation Report as result of Overseas Cooperative Development Act of 2000. Development Committee has been well attended in recent years though scheduling is always a challenge given extensive CDO overseas travel.

Legislative Committee

OCDC's legislative Committee meets on a needed-only basis to develop legislative provisions, report language, arrange joint meetings with key staff, etc. Cooperative legislation has been included in every major foreign assistance law since 1961. Cooperative mandates include:

- Section 601 on private sector development (Humphrey),
- Section 111 on the development and use of cooperatives (This section included an earmark of \$20 million in 1973-74) (Humphrey/Fraser).
- Section 123 on PVOs and cooperatives (places CDOs on equal footing with PVOs). (Fraser)
- Title IX on utilization of democratic institutions (Fraser).
- Section 123 (h) on promotion of democratic decision-making (Bereuter).
- Exemption from 25% PVO private fundraising requirement (Obey).
- Minimum funding for PVOs and cooperatives (Gilman/Pell/Livingston).
- SEED and Freedom Support Act (Gilman, et al).
- Farmer-to-Farmer Provision in Farm Bill (Leahy/Bereuter).
- African Fund for Development, Caribbean Development Act, Jackson Act for Central America, private sector revolving fund, and OPIC.
- Overseas Cooperative Development Act of 2000 that greatly expands cooperative mandate at USAID (Hagel, Feingold, Bereuter, Pomeroy).
- Included coops and credit unions in micro-enterprise legislation (DeWine, Smith)
- Legislative language on multi-sector response to HIV/AIDS, role of coops in conflict situations & promotion of democracy

OCDC has sponsored earmarks including for development education, housing guarantees in Chile, Farmer-to-Farmer in Poland, dairy development, UN Habitat, Capital Development Fund, among others. Earmarks are increasingly more difficult though strong report language such as for dairy development has been extremely helpful. Directive language with dollar amounts is treated as soft earmarks.

OCDC has been instrumental in preparing dozens of provisions and directives in the annual appropriations bill. For 20 years, OCDC has been major supporter of the Office of Private and Voluntary Cooperation and has prevented deep cuts over the years. OCDC has sponsored or assisted CDOs in obtaining directive language for dairy development, low-cost shelter in Central America (Jackson Plan), rural electrification, rural telephones, agricultural programs in Africa, Eastern Europe and elsewhere, credit unions, cross-border CDO programs, Hurricane Mitch, etc.

OCDC helped found the Campaign to Preserve U.S. Global Leadership and serves on its executive committee. This campaign has helped change the climate that resulted in billions of dollars of increased foreign aid (or prevented huge cuts). OCDC has been an active organizer of every major foreign assistance coalition, including the formation of InterAction.

Ted Weihe
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