

“Cooperative to Achieve Sustainable Development Goals”



# Cooperative Congress

## दोश्रो सहकारी महासम्मेलन



4-5 April, 2018 (२०७८ चैत्र २१-२२), Kathmandu

# REPORT

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# Acknowledgement

The second National Cooperative Congress – 2018 organized by the National Cooperative Federation of Nepal (NCF/N) from 5-6 April, 2018 has been successfully completed the completion of first National Cooperative Congress held 25-27 March, 2014.

The main theme of the Second Congress set as “Cooperatives to Achieve Sustainable Development Goals” was with the main objectives of increasing participation and contribution of cooperatives to achieve 2030 agendas of Sustainable Development Goals, of developing trilateral sound relationship and cooperation among the government, cooperatives and stakeholders, of achieving solidarity among cooperatives and common commitment for their own benefit.

The NCF/N has happily acknowledged for the active support and participations of cooperatives of national level stakeholders and that of international level stakeholders.

The NCF/N has been thankful for the valuable contribution of celebration committee, steering committee, government, all types and level of cooperatives and all of its staff members for success of the congress; particularly, it extends a lot of thanks to Mr. Surya Ratna Shakya for the production of this final report along with Mrs. Chitra Kumari Thamsuhang Subba, Acting General Manager and Mr. Babul Khanal, Deputy General Manager, NCF/N who reviewed for the final shape of the book. Mr. Rishikesh Lamichhane, Computer and Administrative Officer, NCF/N support for the preparation of publication this book is greatly appreciated.

**Keshav Prasad Badal**

Chairman,

National Cooperative Federation of Nepal (NCF/N),

Pulchowk, Lalitpur

April 17, 2018



# **Part I**

## **Introductory Statement**

**Background Information:**

The cooperative concept was very much historically traditional. The traditional cooperative is still being popular and practical among farmers and other people too in the world. It was developed among them in order to meet farming inputs labor and loan support. After many centuries, the modern cooperative concept was developed among consumers in England in 1844 and among farmers in Germany in 1852.

In Nepal, a gradual development of the modern cooperative system was introduced through the establishment of credit cooperative which was known as the Bakhanpur Credit Cooperatives located in Chitwan district of Nepal on April 2, 1956. If the historical period of cooperative movement in Nepal was traced and calculated it has been 62 year old till in this current year of 2018. In course of its development a lot of changes were found to have taken place in many areas as various forms of cooperative organizations, policies, acts, rules, by-laws, etc. The present scenario of the cooperative movement is found that there are 34,516 Primary Cooperatives, 70 Secondary level Cooperative Unions and 253 Secondary level Sectorial Cooperative Unions, 20 Sectorial Central Cooperative unions, 1 National Cooperative Federation of apex level organization. There are 63,05,581 general members of cooperative, 2,47,827 cooperative board members, 7,31,78,715 (in thousand) Share Capital , 60,517 employees of cooperatives/ unions, 30,21,64,513 (in thousand) collected deposits, 2,74,154, 363 (in thousand) loans.

Following the completion of the First Cooperative Congress was organized from 25-27 March, 2014. The Second Cooperative Congress was conducted from 5-6 April, 2018 in Hotel Soaltee Crowne Plaza, Kathmandu in a joint collaboration of the National Cooperative Federation of Nepal (NCF/N) and the Ministry of Agriculture, Land Management and Cooperatives. The co-organizers for the congress also were National Cooperative Development Board, Nepal Rastra Bank, National Cooperative Bank Limited, and Nepal Multipurpose Central Cooperative Union. In order to go forward the Second Cooperative Congress has set the program as different activities with the Major Theme: “Cooperative to achieve Sustainable Development Goals” with the following major Objectives.

**Main Objectives:**

1. To review and revitalize the outcomes of Nepalese Cooperative Movement from the inception,

2. To increase participation and the contribution of the cooperatives for achieving 2030 agendas of Sustainable Development Goals (SDGs),
3. To develop trilateral sound relationship and cooperation among government, cooperatives and stakeholders,
4. To identify the common issues and problems and find the tangible way forward to cope it,
5. To strengthen Cooperative Business within 10 years as set by International Cooperative Alliance (ICA), and
6. To achieve solidarity among cooperatives and common commitment for the benefit of cooperatives.

### **Approach of the Congress**

1. Inauguration Ceremony,
2. Presentation of Working Papers by the resource persons with a group of panelists and moderators, and
3. Open floor discussion.

### **Participation in the Congress**

In the program various representatives from the stakeholders were found in the following:

1. Representatives from Government Agencies: Ministry of Agriculture, Land Management and Cooperatives, other respective Ministries, Departments, Boards, Commissions, and Committees,
2. Representatives of Cooperatives/Unions: National Cooperative Bank, NCF/N,
3. Representatives of Government Units: Central Government, Provinces, and Local Units, and
4. Representatives of Private Sector, Universities, Cooperative Experts and Media Personnel.

### **Special Participation**

Dr. Ariel Guarco, President, International Cooperative Alliance (ICA), Belgium, Brussels.

### **Presentation of Working Papers with discussion areas**

1. Vision 2022: Cooperative Movement of Nepal,
2. Role of Local, Provincial and Federal Government for the Promotion of Cooperatives Sector,
3. Participation of Cooperatives for the Implementation of SDGs,
4. Financial Cooperatives: Challenges and Prospects in Nepal,

5. Building Partnership among Public, Private and Cooperatives with reference to the three pillars economy,
6. Youth and Gender Involvement in Cooperatives,
7. Cooperative to Cooperative (C to C) Business Model: Challenges and Potentialities,
8. Good Governance: Key Aspects of Cooperatives' Sustainability,
9. Strategic Engagement of Development Partners for Achieving SDGs,
10. Successful Case Studies in Cooperatives
11. Technology Advancement for Cooperative Sector,
12. Science of Stress-Free Performance and
13. Summary/ Conclusion and Declaration,

### **Rationale of Congress**

The context of global and Nepalese Cooperative Movement has been changed over the past decades. The ICA pledged global cooperative movement to work for the common goal and indicators set by UN SDGs and the UN member countries also consider cooperatives as driving vehicle to achieve the goal of SDGs.

The ICA has also set this year theme for the international day of cooperatives “Sustainable Consumptions and Productions of goods and services” which would be deemed necessary to address through the mega events “Congress”. The Constitution of Nepal has prioritized cooperative as a strong pillar of economic development. At the same time, new Cooperative Act of Nepal 2017 has been promulgated with wide approaches for the development of cooperative Movement. In this very important moment, the mega events of the Second Cooperative Congress are believed to set the strategic direction to work together among different stakeholders for the common interest. The issues will be identified and set a tangible way forward to the positive intervention and outcomes so far.

### **Program Outline:**

First Day: 8 am to 5 pm

- Inauguration,
- General Paper Presentation in plenary session, Panelist comments and Questions/ Discussion,
- Sectorial Paper Presentation in Break out Session, Panelist comments and Questions/ Discussion ,

Second Day: 8 am to 5 pm

- Sectorial Paper Presentation in Break out Session, Panelist comments and Questions/ Discussion General Paper Presentation in plenary session, Panelist comments and Questions/ Discussion
- Group Discussion with experts and conclusion, and
- Declaration and Closing.

**Resource Persons:**

1. Hon'ble Finance Minister Dr. Yuba Raj Khatiwada,
2. Mr. Gopi Nath Mainali, Secretary, MoALMC,
3. Dr. Khim Lal Devkota, Financial Federal Expert,
4. Prof. Dr. Puspa Raj Kadel, Financial Expert,
5. Dr. Bimal Koirala, Former Chief Secretary, Nepal Government,
6. Dr. Ram Saran Kharel, Financial Advisor, Ministry of Finance ,
7. Ms. Om Devi Malla, Vice Chairperson, NCF/N and Global Board Member, ICA,
8. Mr. Balasubramaniam (Balu) Iyer, Regional Director, ICA-AP,
9. Mr. Sudarshan Prasad Dhakal, Former Joint Secretary, Nepal Government,
10. Mr. Suresh Pradhan, Chief Secretary, Province No. 6, Nepal Government,
11. Mr. Khem Bahadur Pathak, Chairman, Nepal Agricultural Cooperative Central Federation Ltd. (NACCFL) and Board Member, NCF/N,
12. Mr. Asheem Sharma, Vice President, Solution 360. a- SUBISU, and
13. Mr. L. P. Bhanu Sharma, President, Jeevan Bigyan Pratisthan.

## **Part II**

# **Opening Ceremony**



The Inaugural Ceremony of the Second Cooperative Congress Kathmandu - 2018 was organized under the Chairmanship of Mr. Keshav Prasad Badal, Chairman, NCF/N. Chairman, Mr. Badal described the program of the Congress and its sessions. He extended heartfelt appreciation for



the presence and Greeting Message to the Right Hon'ble Prime Minister Mr. K.P Sharma Oli, Hon'ble Chakra Pani Khanal, Minister for Agriculture, Land Management and Cooperatives, Hon'ble Dr. Yuba Raj Khatiwada, Minister for Finance, Hon'ble Ram Kumari Chaudary, State Minister for Agriculture, Land Management and Cooperatives and Mr. Balu Iyer, Regional Director, ICA-Asia Pacific, New Delhi, India, UNDP Kathmandu and German Embassy Kathmandu, and thanks to Mr. Gopi Nath Mainali, Secretary, Ministry of Agriculture, Land Management and Cooperatives (MoALMC) and other guests.



Mr. Gopi Nath Mainali, Secretary, MoALMC introduced cooperative development. In Nepal, the Nepali Society has been rich in culture of harmonious and mutual relationship since the beginning of Social life system. In the year of 1953, Department of Cooperatives (DoC) was established. It has

been continued the traditional system till today. In the fiscal year 1956-1961 the cooperative economy was declared with the role of cooperative economy as a form of alleviation of heavy loan over laborers and farmers and establishment of democratization in order to support the mutual cooperative development. In Nepal, a gradual development of the modern cooperative system was initiated through the establishment of credit cooperative which was known as the Bakhapur Credit Cooperative in Chitwan district of Nepal on April 2, 1956. In 1960, Cooperative Act was announced. In order to promote cooperative development the Cooperative Training Center was established in

1964 and the Cooperative Bank in 1970. In 1985, Sajha Cooperative Act was enacted and Cooperative Act was promulgated in 1992.

Mr. Mainali said that in order to provide advice in relation to formulation of cooperative policies and rules not having separate cooperative ministry and to carry out special action for helping the Cooperative Movement, according to NCDB Act 1992, the National Cooperative Development Board (NCDB) 1992 was established as a permanent nature. The Department of Cooperatives (DoC) started to make contribution to the Cooperative Movement for supporting rules, administrations and some promotional activities.

Mr. Mainali added that in 1993, the NCF/N was also established as a national apex level organization for cooperatives. It got membership of International Cooperative Alliance in 1997.

The Nepalese Cooperative Movement received membership of International Cooperative as its inseparable formation of global cooperative movement. ( To be revised further) Then after as institutional form, they have achieved on the basis of good exercise of cooperative movement of other countries.

Inaugurating the event Prime Minister KP Oli said, “I am very happy to inaugurate this historical event – as the second Cooperative Congress with a large number of participation of cooperatives in the country.” He continued, saying, the Congress expected to achieve the goal set, and said, “The role of



cooperatives in the country’s development had weakened because of some cooperatives violating disciplinary norms in their internal management system”. He continued to add, “Failing to adopt good practices in the self-regulating community organizations can lead to adverse outcomes.”

Prime Minister KP Oli expressed that the congress would attain the UN Sustainable Development Goals, a universal call to action to end poverty from the world. Concluding his address he said, “The Congress will successfully complete with important theme with objectives and extended thanks to all the

participants and international delegates from different countries for their participation.”

UNDP Country Director Mr. Renaud Meyer expressed that he was very much pleased to take part this important opening ceremony of the second Cooperative Congress organized by NCF/N and Nepal Government with different stakeholders for the cooperative development in Nepal. He expressed “The UN has given priority to achieve the SDGs through cooperatives”. He added that cooperatives can play a key role in socio-economic development at the community level. “The cooperative business can contribute to gender equality, partnership, good governance, food security and poverty reduction, which are among the 17 key indicators of SDGs.”

ILO Country Director Richard Howard said, “As per International Labour Organization (ILO), there is a huge skill gap in Nepal’s labour market that has directly hit productivity and job creation. Cooperatives can assist in achieving the desired economic growth through job creation at the grass root level while eliminating the use of child labour and human trafficking.”



Finance Minister Dr. Yuba Raj Khatiwada said, “The government is ready to assist in the capacity building of cooperatives.” He added, “The government had planned to improve the quality of services by mobilizing cooperatives. It is ready to implement policies to help cooperatives revise their institutional structures so that they can invest more funds in infrastructures, food security, airport construction and hydropower, among other sectors.”



“Utilizing local skills and remittance sent home by migrant workers, cooperatives can be engaged in poverty reduction and production and distribution of renewable energy technologies./esources”, the Finance Minister Dr. Yuba Raj Khatiwada said.

## **Part III**

# **Working Sessions**

***Working Paper on:***  
**"Vision 2022: Cooperative Movement of Nepal"**

***Resource Person:***

**Mr. Gopi Nath Mainali**

**Secretary**

**Ministry of Agriculture, Land Management and  
Cooperatives (MoALMC)**



### **1) Resource Person**

Mr. Gopi Nath Mainali, Secretary, Ministry of Agriculture, Land Management and Cooperatives (MoALMC)

### **2) Chairperson**

Mr. Dinesh Kumar Thapaliya, Secretary, Ministry of Federal Affairs and General Administration

### **3) Panelists:**

- c. Mr. Bishnu Prasad Lamsal, Member Secretary, National Planning Commission
- d. Mr. Daksha Poudel Subas, Co-chairman, NCDB

The Nepali Society in Nepal has been rich in culture of harmonious and mutual relationship since the beginning of Social life system. The traditional system has been continued. In the year of 1953, the Department of Cooperatives (DoC) was established. In the fiscal year 1956-1961 the cooperative economy was declared with the role of cooperative economy as a form of alleviation of heavy loan, and over burden of labors and farming and establishment of democratization in order to support the mutual cooperative development.

In Nepal, a gradual development of modern cooperative system was initiated through the establishment of credit cooperative which was known as the Bakhanpur Credit Cooperatives in Chitwan district of Nepal on April 2, 1956. In 1960, the Cooperative Act was announced. In order to promote cooperative development the Cooperative Training Center was established in 1964 and the Cooperative Bank in 1970. In 1985, Sajha Cooperative Act was enacted and Cooperative Act was promulgated in 1992.

In 1984, the Sajha Movement was launched along with the Sajha Cooperative Act enforcement. Even the structural change did not change in Cooperative values and principles, rather cooperatives spread as forms of mechanism for collectivization of directed activities of the Sajha System. In course of its development system the Cooperative Sajha was developed with the help of the protection and development as a form of indispensable philosophy of the Panchayat System. This system was protected as political form more than Cooperative Campaign. This Sajha moment was directed towards the Panchayat System as "the Back to Village National Campaign", Land Reforms, Savings Movement. All these subject matters compared were fully directed. There were no special conditions that some cooperatives which were functioning very well were not well-recognized as partners of Cooperative Movement. Cooperative was attempted to extensively develop a separate philosophy. The contemporary Cooperative System had 4 basic characteristics which were as follows:



1. Cooperatives were more under Government direction and control more than under the principles.
2. There had no nation-wide organizations of cooperatives but they were active in some districts and easy and accessible place only.
3. The Sajha was by name but its activity was not as Sajha.
4. Activities were directed and politicized more than mobilized by members.

Following the people's movement – 1991, the interim Government had constituted a high-level Committee under the chairmanship of Mr. Radha Krishna Mainali, in order to submit its report within a period of 45 days with suggestions as to how to enhance Cooperative movement and to mobilize economic and social development. Based on report presented by the committee, the National Cooperative Development Board, the National Cooperative Federation and National Bank were set up and the Cooperative Act 1992 was enacted. The Act gave a proper base to register Cooperatives, to regulate them and administer and promote them. As a result, 833 Sajhas (Cooperatives) under direct management were converted into Cooperatives. Their management and operation were started in operation as per Cooperative Act.

The Cooperative Act helped the Cooperative Movement as a legal base for promotion and regulation of Cooperatives in accordance with their situation. It had presented a structure for making Cooperatives on the basis of their main values and principles. In other word, it can be said that the Act announced as the Refined Act and Policy as per Governing System. It mentioned Cooperative definition, method of Cooperative registration, jurisdiction, immunities and facilities, Cooperative's liquidation, fines and penalties. The Cooperative rules 1993 also were framed.

Just after, the enactment of the Cooperative Act 1992, organization of cooperatives/unions and application of bye-laws, wide people's participation appeared in the Cooperative Movement.

The National Cooperative Development Board (NCDB) was established under its Act 1993 in order to provide advices to the Government in the formulation of the Cooperative Policy and Rules and to carry out special activities in relation to support the Cooperative movement.

DoC started to make a contribution to the Cooperative movement by carrying out activities in relation to rules, administers and some promotional works.

In 1993, the National Cooperative Federation (NCF/N) was established as a national (Apex) organization of Cooperatives at all levels. Since 1994 it has been affiliated as an inseparable part of the World Cooperative Movement to the Nepal's Cooperative Movement by getting the member of the International

Cooperative Movement. After this, if cooperatives as forms of organizations took advantage through good exercise and experience, regarding some fine activities the rest of the world would have to gain relation formula.

In 2000, it seemed that the Agricultural Ministry was converted into the Agricultural and Cooperative Ministry and given the Cooperative as importance of the ministry level. But, since the Agriculture itself is big sector and the Cooperative Movement also itself is in term of related subject sector the Cooperative Movement has not got importance and priority as much as it needs them. There has not been expected that how the cooperative sector is affiliated to economy and other sub-sector and to maintain affiliations between sectors and sub-sectors.

It is natural that the Cooperative Movement needs privileges, immunities and facilities. So long as it has not taken necessary shape, privileges are much important. As this concept, the cooperative was free from tax until the year 2000. But, since the year 2001, Cooperatives under the municipalities areas have been imposed 30 percent tax.

In the context of more cooperatives concentrated in the cities this has caused an anxiety. In order to remove anxiety the commitment system i.e. Cooperative System as a message is needed to be winned at the village level too. It is felt that the cooperative campaigners do not consider its activities to be considered under the national working list or plan.

The annual budget has continued to announce the Government's economic policy . The budget speech of the fiscal year 2004/5 had declared for the first time focusing on very importance to the Cooperative Policy as follows:

1. To make efforts for creating cooperatives in the village to village and employment,
2. To increase cooperative's involvement in electricity production and distribution,
3. To make arrangement for registering schools and educational institutions opened under private sector into cooperatives? ,
4. To create a national cooperative development fund,
5. To develop the cooperative training center as form of autonomous training institutes under the National Cooperative Federation and Central Cooperative Unions,
6. To hand over Dairy Development Corporations Centres to milk producers cooperatives, and
7. To make an arrangement of not imposing income tax to Cooperatives functioning savings and credit cooperatives or unions based on village community.

Following the establishment of the Cooperative and Poverty Alleviation Ministry in 2012 it is said that it can be as important achievement that the single central agency which had been fulfilled the lack of central unit looked after the cooperative sector at national level.

### **Cooperative Act 2017**

This Act has addressed most of the problems faced by the Cooperative Movement for the last 26 years. It has included the following major provisions.

1. To meet requisite for members.
  - Labor cooperative – 15 applicants (person)
  - Savings and credit cooperative – 100 applicants (persons) in municipalities
  - Other cooperative – 30 applicants (persons)
2. To set up business form by 25 Cooperatives y as specialized cooperative union (water, electricity, transport, chemical mills, factory, etc.),
3. To arrange for not becoming a single person as both Committee member as well as employee at a time,
4. To punish the accused for 10 years by recovering principal amount, and
5. To arrange for monitoring and evaluation.

### **Achievements of Cooperatives**

The Cooperative Movement has completed 60 years travel from 1956-2016. Just after implementation if the Cooperative Act 2048 (1992) a big change has taken place in the cooperative activities. It has passed 26 years from 1992-2018. Within this period some achievements have been found. They are as follows:

1. Contribution in Poverty Alleviation:  
The economic activities through local feasibility? , skill and capital have reduced poverty and improved living standard.
2. Social Inclusiveness and cooperative cultural Development:  
Discrimination in race, class, cast and monitory assets in the society has been reduced and contribution has been made for creating. There is an opportunity to reduce the social discrimination addressed by the constitution through the cooperative medium.
3. Capital Buildings and Mobilization:  
Due to capability in the process of capital mobilization — Capital building and mobilization have become possible.
4. Productive Employment Creation:  
Spear movement and labor of youth have been helped transform in the process of productive activities.
5. Financial education and mediation:

Since in the villages financial education and mediation services have been given, the lower class laborers, farmers and entrepreneurs have been benefitted.

6. Women empowerment:  
A lot of contributions have been made to avoid gender disparity in Nepali Society as gender and to empower women through economic and social activities
7. Social Entrepreneurship Development:  
There has been enough capital building ways through community mobilization, the entrepreneurship development has been made.
8. Local feasible Exercise:  
There have been feasible as geographical, environmental and local forms affiliated in the creation of economic utilization.
9. Self-employment extension:  
In Nepal, there has been a lack of skillful education because the employment opportunities are limited. In such situation the cooperative employment has been made a basis of its creation.
10. Food Sovereignty and Security through Agricultural profession:  
The agricultural and multipurpose cooperatives have helped food security and sovereignty through the activities being done in the sector of food processing and nutrition.
11. Village community service:  
When the country was entrapped in the social crisis the cooperative became the medium of local service management.
12. Leadership development:  
The cooperative has developed poor, marginal and women leadership skill development through social, capital building and institutional participation. And
13. Bearing social Responsibility:  
Cooperatives are making contribution to its own Jurisdiction and additional sectors in the social development through social service activities, humanity promotion, education, health treatment, positive thinking and counseling.

### **Opportunities of Cooperative Sector**

The Cooperative Movement seems that it has shown its achievement and enhancing its popularity. Now its entrepreneur does not stay under its own shadow. Due to its operation at national and international level there are important opportunities in the Cooperative Sector. Some of them are found in the following:

1. The constitution has given recognition to cooperative as a form of 3 bases of economy.

2. The cooperative is the constitutional declaration as a form of prosperous Nepal, inclusive Nepal and medium of Socialism.
3. There has been a wide publicity of awareness and education of Cooperative.
4. The Cooperative Movement of Nepal has been affiliated to the International Cooperative Movement.
5. In the periodical plan the cooperative sector expected its important role.
6. The cooperative has completed its extension phase, has extended its activity and its movement has covered almost all sectors of people's life.
7. The cooperative education and awareness have been extended.
8. The cooperative jurisdiction has been put under the three levels of governance.
9. The governing system of Nepal is based on cooperative oriented co-governance.
10. There are some areas where the cooperative has demonstrated as an example.
11. Common understanding has been developed about the cooperatives.
12. Almost all the political parties have included cooperatives in their own economic philosophy. and,
13. Cooperative and Poverty Alleviation Information Management System (COPOMIS) has been established as a base.

### **Challenges in Cooperative Movement**

The Cooperative Movement of Nepal has not been very far from its problem risk and challenges though there have enough opportunities in it. Problems and challenges being faced by it may be proper to classify (a) as problems and challenges under the internal cooperative/unions and (b) under external or joint challenges. They are:

#### **Internal problems:**

1. Capacity of employee and management,
2. Members' involvement,
3. Transparencies of activities,
4. Cooperation among cooperatives to cooperatives,
5. Specialized business,
6. Capacity of technical adoption,
7. Dealing among members,
8. Use of facility and profit,
9. Declared and real transactions,
10. Democratization in the cooperatives, and
11. Internal good governance.

#### **External and collective challenges:**

1. Internalization of cooperative concept,
2. Cooperation among specific ministries,
3. Strategic traverse,
4. Implementation of rules and work measurement,
5. Business entrepreneurship development of cooperatives/unions,
6. Lack of cooperative awareness, education and training,
7. Lack of limited area of operational savings and investment,
8. Feasible village area has not been utilized,
9. Lack of functional cooperation among cooperative sectors, public sector and private sector,
10. Emergence of state reorganization, and
11. Division of protection and risk.

### **Future Direction – 2022**

It is proper to look for the year of 2022 from three phases of periods.

1. In the first phase, Nepal has considered that it would raise level from the less developed country to the developing country. Since the 12th plan the concept through the policy cum programs received as the national working guideline.

2. In the second phase, the Sustainable Development Goals (SDGs) is also important timeline as the 2022. The SDGs has been fixed the limitation of timeline.

Basing on statics of the year 2015 series of year 2017, 2020, 2022, 2025 and 2030 have been fixed keeping the SDGs under the time limit.

In the year 2022, to bring down the poverty line of population in 14.4, to increase U.S. Dollar 164.9 per head, to bring down economic risk indicator in 217, to bring down the population food inadequacy in 18.5, to elevate 426 kg food production per head, to raise students' enrollment of 99.1 percent and to raise learning target achievement level (score) 95 percent including 169 subjects.

3. In the third phase after completion of country's federal structure, the **second** phase of the full periodical plan period will take place. The government is bound to create economic base for country's restructure.

On the basis of economic and social pre-concept, Nepal is the very less developed country. Till the year 2022 (BS 2077) those 25 less developed countries in the world which will become the developed countries are in the process of its movement.

There are three indicators for raising progress levels are- (a) income progress indicator, (b) human resource progress indicator, and (c) financial risk indicator.

Based on them the progress level of countries is determined. Out of them, the first two indicators can be country's progress levels of indicators.

- Income level indicator – 1,140 U.S. \$ per head.



- Human resource level indicator more than 60 U.S. \$.
- Economic risk (32 U.S. \$).

If economic indicator is double more than fixed level, the country's progress level may be possible.

In the Nepal's context, social indicator is better as sustainable form the Nepal's progress level is found to have been challengeable.

Nepal's long-term development concept until the year 2030 is to become medium level country.

Since the year 2022 has been milestone, unless a lot of economic and social indicators are improved Nepal cannot achieve its goal for prosperity.

Thus, the country is in the traverse of developing country (2022) – medium income country (2030) – prosperous Nepal (Long term goal). Aiming at achievement of traverse the constitution of Nepal has given an important role to public sector, private sector and cooperative sector. It is certain to be further important that the success showed the role of this sector. Along with it, the Cooperative Movement can make an important contribution in order to bring informal economy with big burden.

It is necessary to carry out activities for instance extension of Cooperatives, extension of working operations, quality growth, promotion of professionalism, skill development, understanding between cooperative to cooperative, specialization of cooperative, co-works between private, cooperative, joint works with public, private cooperative.

Thus, till the development of benchmark of year 2022 the cooperative may make contributions in these areas and must make them. For this purpose, the public must offer environment building, facilitation, directed knowledge and guardianship while the cooperative must be included in the movement of community mobilization through its aggressive activist. Its inclusiveness is as follows:

1. Poverty Reduction and income expansion,
2. Easy access of basic services/goods,
3. Sustainable good system and food sovereign,
4. Environment protection and sustainable development localization,
5. Growth of environmental change and its adoptability,
6. Expansion of energy entrepreneurship,
7. Affiliation between production and sub-products,
8. Social security and Insurance,
9. Corporatization of city settlements,
10. Place based service identification and mobilization,

11. Social inclusiveness and cooperative culture development, and
12. New movement not in behind anybody and child.

In the above mentioned subjects' areas the cooperative can show the achieved result. Only courageous and strategic direction oriented knowledge are present requirement. Some cooperatives which have demonstrated their initiations and achievements have decentralized a basic and can do a lot in all the sectors.

Sustainable economic development, social justice and democratic communication are popularly regarded as people's movement.

***Working Paper on:***

**"Role of Local, Provincial and Federal Government for the Promotion of Cooperatives Sector"**

***Resource Person:***

**Dr. Khimlal Devkota  
Financial Expert**



### **1) Resource Person**

Dr. Khimlal Devkota, Financial Expert

### **2) Chairperson**

Mr. Keshav Prasad Badal, Chairman, National Cooperative Federation of Nepal (NCF/N)

### **3) Panelists:**

- a. Mr. Ravindra K.C, Board of Directors, National Cooperative Federation of Nepal
- b. Dr. Krishna Paudel, Cooperative Expert

### **Background:**

In the context of Federal implementation, Nepal has entered into new age. In accordance with the vision of Federation, the Government has started three events. Since the election in the country was not held, there was a long gap in the political activities at local level and so it was absent dormant. Due to the corruption has been deep rotated in the country. At present 35,000 people's representatives have been elected at local level. There are 41% women in the elected people's representatives. Out of them, there are about 19% Dalit women. In the Province and Federal assembly women's representation is found to be one third. The constitution vision has come to implementation of full lodged inclusiveness. It seems that a kind of development wave has appeared in village-town and city market.

Almost one year has been completed that the local representatives have not the power/authority of the Singh Durbar. In the context of some problems/challenges the government has been continuously using power delegated by Singh Durbar. In a real sense it has decentralised in political, economics, administrative areas as a form of country's constitution. In fact, the election held at three levels, republic, federalism, democratization, inclusiveness, adult formative basic principles have been institutionalized. Now the country is towards the direction of sustainability, peace, good governance, development and prosperity.

Even the constitution adopting three pillars economy has adopted the Cooperative sector as an important chapter. In this context there is a provision in the constitution that the socialism oriented freedom and prosperity through public, private and cooperative sector's participation and development will be the economic objective of the country.

In the same way, the country's policy as under the constitutions aims at mobilizing cooperative sector for the national development. In fact it seems that the constitution has given high importance to cooperative. It also has decentralized Cooperative at Province and local levels.

### **Cooperative Principle and its Development process**

"Cooperative" word is Latin. Latin word comes from "cooperative". It means Co - all/together and operative means work/effort. Thus, its meaning is common economic and social objective. The meaning of cooperative is mutually to work together living in a group for economic, social, and moral progress and prosperity in its group using their mind, word, work and prosperity for achieving objectives.

There is an important role of Robert Owen, English citizen of England who was borne in Ireland.

And he was revolutionary, successful Industrialist and inspirer of cooperative movement. At that time he was firm to get involvement in cooperative struggle for the purpose of getting freedom from the problems while as poverty, unemployment, hunger and discrimination. The Rochdale Pioneer of England established Rochdale equitable pioneers cooperative society in 1844.

From 1750-1850 the industrial revolution in England was continued. It helped to increase machinery in each area. The industrial labours become unemployed. Such problems appeared in the agricultural labourers. Marginal industrial and agricultural labourers were badly affected. From the unemployment and poverty from 1808 - 1870 there was from the unemployment and poverty a protest movement against the use of machine. In fact Cooperative believes in collective works and means. Robert Owen proved that there were no other alternative move suitable return to establish cooperative and moves to be found in order to solve the serious problem faced by the labourers under concerned sectors. Therefore, today the Rochdale Cooperative is recognized as a source of inspiration by all the cooperatives in the world.

During the time of establishment the Rochdale cooperative had not been legally recognized. The industrialists and businessmen had stopped the supply of electricity to cooperatives with a view to destroying them. This truthful fact was found after it was searched. But labourers joined working together in cooperatives used to work to preparing loaf (bread) oven during the right time in order to demonstrate the meaningful cooperative spirit. This sort of struggle become successful right after the implementation of cooperative law in 1852 in England.

The birth of cooperative and development was for the first time unexamined for ending the development of different economic, social and daily crisis. Later on it took as a form of principle.

During the decade of 1850, the German people who were exploited from the German Jew businessmen and industrialized and from the circulation of loan and wanted to be free from them and to be free and save their life with self-esteem.

In India, when it appears that the people wanted to be alright, famine, hunger, unemployment and poverty and realized need of cooperative during the decade of 1890. Particularly, after free from the British government in 1947, the cooperative development has been widely developed in India. Following the World War II the intensive cooperative development was found in most of the countries.

In 1956, it seems that the beginning of cooperative in Nepal to the place through its establishment as known as the Bakhanpur Credit Cooperatives in Chitwan district. The first cooperative in Nepal was found to be enter in Nepal just after 112 years after establishment of cooperative in England.

Co-operative is based on self-help, self responsibility, equality, and freedom and democratic means, morality, transparency, responsibility and people's welfare and mean are fundamental features. Cooperative is under the Cooperative principles for promoting collective respect and cooperation by organizing it without discrimination of any religion, cast, race, gender, society and politics.

In 1995, the congress organized by press held in 1995 in settled seven Cooperative principles as (1) voluntary and open membership (2) Democratic member control (3) economic participation (4) Autonomy and Independence (5) Education, Training and Information (6) Cooperation among cooperatives (7) Concern for community.

**Affiliation and employment in cooperatives**

The cooperative movement has reduced poverty and unemployment which have been increasing as problems to some extent. The contribution of cooperatives is high not only in the very low developed and less developed nation but also prosperous country such as America, Japan and England.

In the cooperative sector of the world, 25 million people have received direct employment. In the same way 20 countries total employees member is 20 percent in cooperatives. Now there are 3 million cooperatives throughout the countries of the world. One person is affiliated among 6 persons in cooperative. Cooperatives' contribution is 10 percent in the total world's population. Cooperatives have 2.1 billion dollar production. There are some countries where following persons are affiliated in the following countries.

- |                              |   |                                |
|------------------------------|---|--------------------------------|
| 1) Norway, Canada and London | - | 1 person among 3 persons       |
| 2) Germany and USA           | - | “ “ 4 “                        |
| 3) China                     | - | 190 millions population        |
| 4) England                   | - | 9.8 “ “                        |
| 5) Brazil                    | - | 5.6 “ “                        |
| 6) Ireland                   | - | 70 percent of total population |
| 7) Finland                   | - | 60 “ “ “                       |
| 8) Australia                 | - | 59 “ “ “                       |



- |              |                           |
|--------------|---------------------------|
| 9) Singapore | - 50 “ “ “                |
| 10) India    | - 242 millions population |
| 11) USA      | - 350 “ “                 |
| 12) World    | - 1 billion population    |

In global economy cooperatives have organized 1 billion persons especially the large community has received employment in cooperatives – agriculture cooperative, electricity cooperative industry and savings and credit cooperative sectors.

There are about 70% cooperative members in Canada's cubic province and 57% cooperative members in Suskechwan province who held cooperative.

The health cooperatives in Brazil have facilitated medical and dental services to about 20 millions people. In the same way about 10 million people in France have received direct employment from cooperatives. In Japan 91% are members from farmers of agricultural cooperatives. In Norway 40 percent people are members of cooperatives. In England 2.8 million people are affiliated to cooperatives.

According to the information of ICA (2014), there have been 2 million from USA, 1 million from France and 1.1 million from Italy and 274 thousand people from Brazil 290 thousand people from Argentina and 0.3 million people from Indonesia and have received employment from cooperatives.

### **Emergence of cooperative system in Nepal**

The cooperative system has been emerged in Nepal since the establishment of the Department of Cooperatives in 1953. Some brief information are as follows:

- 1) Establishment of the Bakhan Credit Cooperative in 1956
- 2) Announcement of Cooperative Act, 2016 in 1959
- 3) Announcement of Sajha Cooperative Act, 2041, in 1984
- 4) Formation of National Cooperative Federation

Committee under the chairmanship of Radha Krishna Mainali in 1991 and its report submission in the same year.

- 5) Announcement of the new Cooperative Act, 2048 in 1991
- 6) Formation of 8 members committee for the preparation of report of the Cooperative long-term Vision in 1991
- 7) Establishment of Agricultural Cooperative Ministry in 1991
- 8) Announcement of Interim Constitution 2063 in 2006
- 9) Mentioning economy of government, cooperatives and private sector in Constitution 2006
- 10) Announcement of Cooperative Policy 2069 in 2012
- 11) Announcement of Cooperative Act, 2074 in 2017
- 12) Announcement of Local Government Operation Act 2074 in 2017
- 13) Announcement of New Constitution of Nepal 2072 in 2015

The Constitution of Nepal has stipulated three pillars economy policy – Public, Private and Cooperative. It has distributed cooperatives in between government's three levels. Local government Operation Act 2074 in 2017 in relation to cooperative has made the following permissions.

- 1) Local policy, law, building measurement, implementation and regulation,
- 2) Registration, permission, suspension, distribution and operation under the related villages and municipalities area of operation,
- 3) Mobilization of Cooperative, Savings and Credit under the local measurement, fixation and regulation,
- 4) Cooperatives related to national, central, specific, province and local federation/cooperative about coordination and cooperation,
- 5) Cooperative related local statistics management and study and research,
- 6) Local cooperatives' capacity building,
- 7) Local cooperatives' promotion, mobilization and development.

The statistics is very important and must be informative and reality base.

As per present information there are 34,512 (100%) cooperatives with more than 15 different types – Savings and Credit Cooperatives, 13,578 (39.34%), Agriculture Cooperatives, 10,921 (31.64%), Multipurpose Cooperatives, 4,371 (12.67%), Dairy Cooperatives, 1,658 (4.8%), Consumer Cooperatives, 1,429 (4.12%), Electricity Distribution Cooperatives, 463 (1034), Vegetable and Fruits Cooperatives, 193 (0.56%), Herbal Cooperatives 186 (0.54), Communication Cooperatives 143, Coffee Cooperatives 155 (0.55), Bee-keeping Cooperatives 93 (0.27), Health Cooperatives 128, Sugarcane Cooperatives 45, Citrus Cooperatives 48, tea 108 (0.31) and Others 999.

Three types of manpower are found in cooperatives like executive members, General members and employees. Executive members are including 2,47,827 general members 63,05,581 and employees 60,517.

Some problems identified are as follows:

- 1) Lack of skill in Cooperatives,
- 2) Unhealthy competition among single nature of Cooperatives,
- 3) Use of Cooperatives by some persons as private business organization,
- 4) Loan in investment by some Cooperatives without co-lateral by some Cooperatives on the basis of self-intent,
- 5) Lack of regulation and promotion,
- 6) Lack of proper management – holding regular meetings, formulation of plan, audit, general assembly, meeting in time,
- 7) Lack of honesty and impartiality any common members Accounts committee and poor knowledge in subject matter,
- 8) Having identification of proper investment area,

- 9) Lack of interest in operation of Cooperative by most of members,
- 10) Trend in none recovery of loan and **them** in under expansion of producer and consumer Cooperatives,
- 11) Trend in misuse of Cooperative fund more than in existing Cooperative fund.

### **Role of Union, Province and Local Level in promotion of Cooperatives**

The constitution of Nepal -2072 (2015) has of law and a main source of development. It has accepted union, province and local level as forms of coexistence. These units (agencies/bodies) are powerful to enact laws, to formulate annual budget, to make decisions, to prepare policy and plan and their implementation under their jurisdiction of financial authorities. The government of three levels needs to formulate programs which are related to social transformation through cooperatives. The cooperative brings enhancement at the social and economic awareness. It has most important role in the areas of participation, representation, leadership development, collection of scattered capital, investment, local employment, income generation. It is also important to emphasize of permanent peace, good governance, development and prosperity and really emphasized. It is necessary to give much emphasis to cooperatives. For this, the following activities will have to be carried out.

#### **At Local Level**

- 1) To develop collective based and member based Cooperative System.
- 2) To transform Cooperative System as a form of mechanism including business of marginal class.
- 3) To play role to promote social justice by completing member's economic, social need through Cooperative System.
- 4) To emerge cooperative in the activities which carry out capital need at local level by enhancing habit of small savings among General People.
- 5) To carry out "one household one member movement."
- 6) To encourage cooperative in revenue collection at local level under village.
- 7) To encourage profit oriented local F.M. Radio, operation, **internet**, cable, etc. within local areas.
- 8) A lot of corruption has been found in the activities of development **through consumer committees** according to the various studies.
- 9) To encourage cooperatives in all the areas local agriculture, irrigation, drinking water, electrify, education, vegetables, fruits, dairy, agro-inputs, etc.
- 10) To involve cooperatives in using protective and utilization natural sources and resources and
- 11) To encourage cooperative stores to be opened in ward and local level.
- 12) To award cooperatives which carry out excellent activities in reducing poverty through creation of employment.

#### **At Province Level:**

- 1) To provide supply or in the cooperative values, principles, mains and adoptable cooperative system.
- 2) To emphasize in cooperative training, education, quality and responsibility.
- 3) To support services such as operating of cooperative hospital, cooperative industry, and cooperative transport.
- 4) To inspire cooperatives, for affiliating their in the province, electricity project.
- 5) To develop unions/cooperatives as powerful medium for the management of agro based production, processing and market of fish, meat, milk, coffee, tea, cardamom, fruits, etc.
- 6) To make cooperative as main base for the reduction of poverty through the provinces employment creation.
- 7) To award cooperative which play remarkable role in province development under the regulation of local level and provincial regulation in social and economic transformation.

**At Union Level:**

- 1) To develop cooperatives as a form of basic pillar of country's economic development and prosperity.
- 2) To create employment and to encourage cooperatives to maintain social justice and equality.
- 3) To emphasize backward areas and race based central result oriented cooperative development.
- 4) To keep maintenance responsibility and good governance and discipline by making effective to monitoring and regulation.
- 5) To maintain unification in basic values, mains, standard and guiding principles of services of cooperative carried out the three levels.
- 6) To create environment to carry out local and province level cooperatives.
- 7) To invite cooperatives under the areas direct productions areas such as electricity, energy, agriculture, tourism industry.
- 8) To play coordinating role in cooperative production and marketing.
- 9) To conduct programs which maintain managing skill of cooperative.

There were two panelists – Dr. Krishna Paudel, Cooperative Expert and Mr. Rabindra KC, NCF/N Board member.

The first panelist Dr. Krishna Paudel made Comment on the presentation of paper on Provincial and Federal Government for the Promotion of Cooperative Sector. Making remarks, Mr. Paudel said “The local level has not included tax fixation along with Cooperative. The country is in time of change of age. All the sector need role for institutionalize when the tax fixation activity but cooperative was careless. Such carelessness has frightened us.” He accepts his weakness even that of cooperative

became cooperative leader go for asking budget at the local level in fact it is a mistake and is wrong but cooperative must require for plan.

The other panelist Mr. Ravindra KC, NCF/N Community Member presented his opinion saying “When the local level carry out all the activities for instance cooperative regulation, monitoring, registration, renewal, suspense the role of Division Cooperative and Federal agencies seems that they are confused. He who agreed that if the purchase of goods and sales of service collections their price will be heavily cheap. He presented an example and said, “When the cooperative buy Chau Chau for the members, ; it will cost Rs. 10 per packet which costs Rs. 15 retail price. He also added saying “other infrastructure building materials, school and health institution operational Government’s deal by cooperative must be low cost.

***Working Paper on:***

**"Participation of Cooperatives for the Implementation of SDGs"**

***Resource Person:***

**Prof. Dr. Puspa Raj Kandel**

**Financial Expert**



### **1) Resource Person**

Prof. Dr. Puspa Raj Kandel, Financial Expert

### **2) Chairperson**

Dr. Chirinjivi Nepal, Governor, Nepal Rastra Bank

### **3) Panelists:**

- a. Dr. Teertha Dhakal, Joint Secretary, NPC
- b. Mr. Raguram Bista, Joint Secretary, MOALMC

### **Sustainable Development Goals**

The UNO as a guardian for the development of nations carries out the movement from time to time. In this process SDGs issues have come as the last movement. Its beginning has come out from the Rio+20 or World Summit+10 in 2010. It is the extension of Millennium Development Goals (MDGs)- (1) To eradicate extreme poverty and hunger, (2) To achieve universal primary education, (3) To promote gender equality and empower women, (4) To reduce child mortality, (5) To improve maternal health, (6) To control HIV/AIDs, malaria and other disease, (7) To ensure environmental sustainability, (8) To develop a global partnership for development adopted by UN conference held in September in 2000. The UN conference held on S.D Rio-20 took place in Rio de Janeiro, Brazil June 20-22, 2012.

On the basis of the proposals accepted by Colombia and Guatemala conferences, 83 national surveys for the SDG preparation took place. In the Survey million people were involved. The conclusion of the survey ended with 17 SDGs. In fact, the SDGs in the continuity of MDGs mentioned above.

The SDGs has included the rich countries while the MDGs centralized only poor countries. It has set objectives which bring real change within the year 2030 in the world. And it is being implemented. It has brought forward agencies- sustainable consumption and production system, food security, sustainable agriculture, sustainable energy, access water, sustainable town, greenery, employment etc. The SDGs 17 with targets have been divided into 169.

Each SDG with targets will be very briefly mentioned in the following.

#### **SDG-1: To end poverty in places and all forms**

In the world even now more than one billion people are poor. Out of them 800 million people do not get adequate food, millions of children are under weight and do not go to school and they are bereaved from services or under short of services. These are under discrimination. They also do not get opportunities for participation in the decision-making process.

In this world there are various ways of measuring instrument, tools or basis. US \$ 1.25 per day is one of them. SDG has aimed at achieving its goal to end poverty within the year 2030 of the set income is earned.

**SDG-2: To end hunger to achieve food security and improve nutrition and promote sustainable agriculture.**

Its main objectives is attain that after the year 2030 anybody may not be dead from hunger, all may get nutrition food, agricultural production may be provided adequately and adequate food security may be managed. It has given special emphasis for agricultural development. The agriculture gives food to men and makes employment, offers nutritious element and social stability.

Also it has made a plan to remove malnutrition which retains in children, pregnant women, etc.

**SDG-3: To ensure healthy lives and promote well-being for all at all ages.**

There is a general belief since the early days that health is property in the human life. Due to main reason the man who has a good health and has good thinking, can make financial income and can create capital.

Health helps increase capital, life and income level. The health position shows to what extent the country prepared for the economic growth. The SDG which has been prepared aims to reduce death rate of mother and child, AIDS, T.B., malaria, communicable diseases, hepatitis, other diseases transferable from water.

**SDG's 4: To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.**

Knowledge is a base of individual decision and individual understanding. One who possesses knowledge can understand about his rights and social participation.

The skillful works increase production and knowledge about production.

The health education and sanitary education give healthy and long life. The Knowledge on environment helps sustainable development and natural instrument impress them for the welfare of the people and world. Literate mother more than illiterate mother develop healthy families and have children feel better in education. The social education gives increase to women with marginable age and brings low population control.

**SDG-5: To achieve gender equality and empower all women and girls**

One of the objectives of the SGDs is to reduce the inequality between women and men. Its main thought is to reduce the discrimination between women and men in income and work. The study shows that women are discriminated in the working



place and separate treatments are done in education, health, politics, techniques, etc. Main places are women and men are discriminated particularly: employment, the condition to be participated in the decision parses labour market and wage, poverty etc.

It seems that even now, force marriages to women, time to be spent in role and ownership, in their sales, sexual violence are seen weakness and cheating. Many women are found that they are working as domestic labour are women to a greater extent are not found to have participating opportunity in financial and political areas. They are not made participative in the decision making process of political, economic and public sector. **It could not have been implemented that separate has rights are to be given to women.**

**SDG-6: To ensure availability and sustainable management of water and sanitation to all.**

Water is an indispensable element of human life. The life movement is moved from water. Men have done a lot of struggler or fight for water. Rural women spend hours for water. Due to water a lot of land could not have being irrigated and produced. The availability and security of water is a need of present days. The UN has forward the plan to supply water, to provide healthy environment, reduction of pollution, safe management of dirty, through use of chemical elements, reduction of dirty water and clean water for all within the year 2030.

**SDG-7: To ensure access to affordable, reliable, sustainable and modern energy for all.**

In the modern age, energy is the main base for development. It plays an important role in poverty alleviation, employment and income earning, increase in educational level, health improvement, women empowerment, reduction of child death rate, national security, good governance etc. In the UN SDGs has also included energy which is to be developed in the year 2030 such as to make cheap, dependable, sustainable and modern energy, available, to increase quantity of the renewable energy and to increase double its energy in efficiency.

In the same way, there are other ways to increase international assistance, to develop appropriate technology in landlocked, less developed and African countries and increase assistance and necessary pre-determinable and supply technology for the development.

**SDG-8: To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**

Main base of development is economic growth and productive employment. Keeping with the recognition SDGs has included it. According to this, there is a concept, to achieve minimum 7% economic growth and to grow economic production through

the medium of high value increment and to increase productivity and making Central points with different varieties, technical progress and search (inquiry), and to increase financial access. Such development oriented policy may carry out production oriented activity, may create respectful work, may increase industry, search and creativity, and elevate very small, small and medium level business organizations. It is also needed to pay attention to increase production utilizing source and resources for this.

**SDG-9: To build resilient infrastructure, to promote inclusive and sustainable industrialization and foster innovation.**

Any country cannot be developed without physical and social infrastructure. Therefore, SDGs have aimed to develop for the human development and economic development in the following:

1. To do necessary qualitative, reliable, sustainable infrastructure, inclusive and sustainable industrializations.
2. To increase industrial participation and make double in the areas of employment and total household production and to bring efficiencies in the utilization of source and resources easy.
3. To make environmental technologies clean and to apply them.
4. To promote scientific research and use technical capacity, to increase number of people engaged in research.
5. To increase expenditure in both the public and private sectors.
6. To provide financial and technical support for sustainable and reliable infrastructure development to land-locked, less developed and African countries.
7. To increase access to information techniques and make internet available at reasonable rate.

**SDG-10: To reduce inequality within and among countries.**

There are sources and resources which are distributed unequally in the society which it is called social inequality. It is maintained on the basis of power, religion, relatives, respect race, gender, age, class, etc. Mainly, on the basis of sources of capital and access to sources is established. Financial inequality or inequality based on income and capital among them are considered as most important. Due to inequality the concept has been developed.

Capitalist thinkers consider inequality as natural which capitalist thinkers object the inequality. All level of people, race, religion, etc. argues that they must get equal opportunity in sources and resources.

The inequality invites dialects non-peace and attacks property and powerful person. The economic inequality creates non-peace in the society and obstructs on development works. Realizing situation mentioned above 40 percent low income earners' average income is created double through plans which have included social,

economic and political inclusiveness not making bases on anything, age, gender, handicap, race, caste and creed.

There is also a concept that discriminatory law, policy and practices are eliminated through the formulation of rules related to finance, wage and protection for giving equal opportunities to all the people.

**SDG-11: To make cities and human settlements inclusive, safe, resilient and sustainable.**

50 % people of the world live in the cities and it is estimated that the world's 75 percent economic activities are being done in the cities.

In Nepal, Kathmandu valley alone has covered more than 25 percent domestic production. Due to this importance of the city out of 753 local level structures in Nepal, 292 units have been created. Based on importance of cities, the management is arranged in the form of municipalities and provinces.

In order to make proper management for human settlements, there must be kept attention in air quality and management and security inclusiveness in greenery public land.

Till the year of 2020 integrity policy and plan under the city and human settlements development are targets which may bring inclusiveness, may use skilful sources and resources, and may carry out activity for making low effect of change, environmental change and may make an arrangement of security from disaster, etc.

It is said that SDGs facilitates less sustainable transport to women, children made under risky and senior citizens living access to easiness, security, cheap, arrange them in public place while doing them there is an expectation that the security of cultural and natural heritage are found. Due to this in cities and human settlements target has been kept very low. There is also a target in the less developed countries to make lessen the financial losses caused by disaster in the cities and settlements.

There are other targets to assist less developed countries in construction of settlements using local materials. This also includes matters to be paid attention for making air of the cities with quality and clean management and secured inclusive greenery and public land.

**SDG-12: To ensure sustainable consumption and production patterns.**

The world has become much consumptive. It is almost sure that the centred consumption will make seriously effect to the future generation and days in the pure personal and immediate interest. The sustainable development goal has launched a management of sustainable consumption. Developing capacity of developed

country's leadership and developing countries for the sustainable production the following management is emphasized:

1. To use sustainable and efficient natural source,
2. To make an arrangement which makes food materials loss,
3. To arrange managements dirty and chemical matters, suitable from the environmental point of views,
4. To reduce the quantity of dirty materials,
5. To encourage multi companies for adopting sustainable practices,
6. To make public purchase easy and sustainable in accordance with the country,
7. To use behavior/consciousness,
8. To assist technology related behavioral consciousness, and
9. To emphasis sustainable tourism development.

**SDG-13: To take urgent action to combat climate change and its impacts.**

The intensive interest and development of some countries have invited natural crisis in many countries.

Now it is necessary to limit the speed of climate change on the one hand and to reduce its effect on the other. Considering the UN has brought SDGs for the purpose of taking actions within the year of 2030 by all the countries in order to control the incident and natural disaster. Their actions are required to have been taken up in the following:

1. To develop necessary capacity,
2. To include national policy and plan,
3. To stop environmental bad effect, to reduce it and to do exercise,
4. To extend education on how to stop bad effect, to reduce it, to practice and to get information beforehand,
5. To comply commitments made by the developed countries and to increase capacity of developing countries.

**SDG-14: To conserve and sustainably use the oceans, seas and marine resources for sustainable development.**

The UN has aimed to reduce pollution created in the sea and its embankment to manage food and other matters available from the oceans, to establish land-locked countries 'Rights' in them and to make all the seas safe.

**SDG-15: To protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.**

There has been important role in the life of people divided in the forest. Realizing this matter, the UN has put target to secure forest, hills, including deserts, land environment, to bring forest deserted in old shape, to control deforestation activity, to make biodiversity safe, to protect living beings reached at the snake's mouth and

plants to use bio diversified sources and resources by the all countries from the justice point of view. In spite of this, the forestry plants and stealth forests plants and steady living brings and hunting, poverty reduction programs are included. For all these activities there has been a concept to act necessary support from various sources and international support.

**SDG-16: To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institution at all levels.**

In the human society peace, justice and good governance are very necessary for the development of civilization. Paying attention in their aspect the following objectives have been kept in the SDGs.

1. To reduce death to be produced by all kinds of violence,
2. To end all kinds of exploitation, selling, violence and maltreatment to children,
3. To make lawful governance,
4. To make access to all for justice.

Within the year 2030 there will be a situation to be created in the plan mentioning the following:

1. To lessen transportation of all kinds of illegal weapons and tools and finance,
2. To stop all types of organized crime,
3. To return the property plundered,
4. To reduce corruption and bribery,
5. To form effective, accountable and transparent organizations at all levels,
6. To bring situation for making participation and representative oriented decisions,
7. To increase participation, to make legal introduction giving birth registration to all orphans,
8. To make sure the access to information and freedom as per law,
9. To make institutions and indiscriminately laws and implement them.

The corruption encourages source and resources for making attention to talent man power and other resources not in the productive works. This reduces investment quantity, the misuse and human power in comparison with the total domestic production.

The corruption always encourages government investment in the area where bribe comes. It supports in order to increase social inequalities. It affects in solidarity. In the country where there will be much corruption. Because mutual trust among people will be found to be very low. In order to be safe from the risk to be created by corruption, the good governance has been included as a part of SDGs. In order to take good governance the SDG has applied democracy, governance of law, local governance, transparency, responsibility, mutuality, participation, etc.

**SDG-17: To strengthen the means of implementation and revitalize the global partnership for sustainable development.**

The source and resources are required for having these targets, particularly for them. Some investments have been received from private community and cooperative sectors, etc. in the developing countries for financing those billions of dollars cannot be received. Hence, the government sector itself must search many source and resources. For that purpose it has been said that it must undertake to increase capacity for raising resources and to take supports for getting them from the international sector. According to them developed countries also will have to give the amount committed by them.

Since, the developing countries' source and resources are not adequate enough for achieving all the goals, it is necessary to carry out activities to search source of loans, to revitalize old loans, to restructure them, to relieve from the loans, etc.

There are other goals – to increase exchanges of science, technology, research, search and volume of knowledge and to promote and avail such technologies for suitable environment. Another activity is to increase capacity for formulating national plans. There are other concepts that they are to manage the multi-sectoral business system, to make them double in the export of developing countries.

More concepts for achieving goals are to find out exemption of excise/custom duties and make under quota system to primitive export, too.

Other suggestions for promotion of goal achievement are to make policy based coordination, to force in solidarity based policy to make global partnership for sustainable development and on its basis and to exchange achievements of sustainable development. There is a plan to increase public, public private partnership, citizen society partnership.

More other concepts for sustainable development are to assist in preparing statistical bank which supplies, income, gender, age, race, change of settlement, handicaps, geographical areas and other characteristics of necessary high quality level for sustainable development. One of the characteristics is to measure capacity whether the activity is achieved or not in accordance with the goal.

**Sustainable Development Goals and Constitution of Nepal**

The UN has obliged the world incomparably specifying the sustainable development goals. Till today the supporters of socialism and social justice have continuously raised a lot of voices which supports of new liberalism had criticized. These voices/demands which have been raised by the socialist movement had proved that they are fully justice. The STG's presented by the UN are to be achieved and to achieve there must be very important immediate objective. At the present situation those demands are

very much ambitious and but after their full achievement they will be considered that basic needs of human life are fully attained.

The SDG's have been included in the constitution of Nepal. The socialism oriented programme mentioned in the constitution is the similar socialism. It has been said that in the preamble of constitution mentioned as to create equality based society committing socialism for the establishment of prosperous nation. Further mentioning in it has been said that Nepal will be made free, individual full sovereign, secular, inclusive, democratic, socialism, oriented, federal democratic republic nation.

According to article 50 of the constitution, the directive principles will maintain lawful arrangement in all the spare of national life through the medium of social justice in order to establish people's welfare state and operate relation with federal units on the basis of federalism to enjoy democratic rights adopting proportional principles on the basis of mutual relation with local self-rule and decentralization will be the objective. There will be other political objective to achieve intensive economic growth, to develop socialism oriented freedom and prosperous economy making self-dependent free and progressive and to end financial inequality distributing availed achievements. More further objective to create society without exploitation, to develop socialism oriented free and prosperous economy for making national economy as self-dependent, free and prosperous economy.

The article 5 of the constitution has the following policies dealing with economy, industry and commerce. They are:

- 1) To strengthen national economy through the public, private and cooperative sectors participation and free development,
- 2) To achieve economy, prosperity giving private sectors role to mobilize maximum available sources and resources,
- 3) To mobilize cooperative sector maximum in national development.

Not only these policies the constitution has arranged fundamental rights mentioned in the articles 16 to 46. They are appropriate in accordance with policies mentioned above.

### **SDG Challenges and Cooperative Movement**

It is not so easy to achieve objectives of SDGs'. Specially developing countries are being involved in many kinds of rivalries, very recently, democracy is going to have been institutionalized and leadership has not been fully dedicated in its work. For its implementation uneasy position is not found. But if the whole country does not go ahead as unity the objective of the SDGs cannot be achieved. The SDGs are very good but it seems that to achieve them adequate investment is very much needed. If public, private and cooperative sectors and community are fully mobilized these goals can be achieved.

Fundamentally, the goal is very much related to objectives which aim to improve people's life living in the best level of society. Since, they are related to their objective the situation is that cooperatives will have to play special role.

Every activity of cooperatives is mobilized from the sustainable development point of view. Cooperatives assist persons living in the community, in order to increase income, to give employment, to pay attention in the human resource development, to increase competitive capacity to enhance industrial and managerial capacity, to increase access to market and capital, to increase savings and investment, to elevate social and economic welfare for the human development and to make economy dynamic.

Cooperative says that the labor is not considered to be as good as even the SDG also accepts same fact. Therefore, it seems that the cooperative in practice is addressed name and business organizations, social and cultural free movements, etc. based on economic democracy, life system and different thinking.

Since the age of Robert Owen the cooperatives has been continuously believing in matters which are pure and clean, sales savings collections, low interest rate, etc. In cooperative, it is believed that men are more important than capital because one man one vote principle is applied or practiced. It exactly meets the vision of SDG.

The cooperative is a business which is earned out by its own members in its organizations. In brief, it is a method in which the men's market, power are integrated and assist helpless people in order to alleviate poverty and make them powerful.

According to ICA, cooperative is an autonomous organization which achieves common, economic, social and cultural needs and visions having people's control with collective ownership for voluntary service. The word of SDG is to create such society.

Out of 7 cooperative principles, the 4 principles under the first part include:

- 1) Open and Volunteer membership,
- 2) Members Democratic control ,
- 3) Members' Economic Participation, Autonomy and Independence, Education, Training and Information. The last principle - Concern for community which is related to sustainable development informs about the social liability.

In accordance with ICA congress held in **Manchester** the cooperation is based on voluntary service, democracy, equality, justice and solidarity. The cooperative members must undertake honesty, openness, social responsibility and wants of others.



The first part which shows that how the society is and it is known self-equality, equity, democracy and solidarity. The honesty opinions caring for other and social responsibility as specific names under the second part, is also important goal which the SDG No-16 deals with good governance.

**SDGS of Nepal and Cooperative Activities for gaining them:**

In Nepal the cooperative movement has started cooperative activities for a long period of years. Its activities are found to have been important.

The Nepal constitution has recognized the cooperative and has dealt with cooperative sector which is part of its national economy and which has recognized deals with the economic pillars – cooperative, private and public. In order to strengthen them the sustainable development goals which have been pronounced by the UNO on July 10, 2014 at its Headquarter, New York are described in its paper. They have been presented in the following.

- 1) In Nepal poverty is a form of most big problem. Now the multi-dimensional monetary poverty is not only education and living standard. Poverty is called multi-dimensional poverty. Nepal has planned to get 5% lower poverty down and to make from 766 US dollars to 2,500 US dollars per head income.  
In the same way it seems that the social security expenditure is planned to make from 7.6% to 12%. It is called the important achievement. The cooperative which can increase income per head carries out activity as to lessen SDG's poverty, to increase income per head.
- 2) Nepal has objectives to end hunger get food security and refined nutrition to promote sustainable agricultural/nutrition, to increase production of 66 percent per head of sustainable development, to reduce 9 percent children of low weight having age of 5 years within the year of 2030.
- 3) The cooperative can carry out activities as to give certainty of healthy life, to promote welfare of all men of all years to create health conscious farmers, to set up health institutions, to prepare health volunteers, to get health insurance, to make arrangement of medicine, etc.  
Health laborers can do works by organizing cooperatives rendering door to door health services.
- 4) Nepal has a plan to give inclusiveness to all and certainty of quality education to give opportunity of life-long teaching opportunities, to make 99.5 percent for admission age rate in primary level and 99 percent for the secondary level.
- 5) In Nepal the discrimination in gender and women and children given wages for the similar works is found. There have been objectives under the SDGs till the year 2030. As per the objectives are to eliminate discrimination in wages of the similar works, to abolish similar kinds of dealings. Other objectives are to reach 40 percent women sitting in the parliament to increase women number from

11 percent to 33 percent in the service of participants and public service in the progress of public decision process.

- 6) Nepal has a plan to formulate it for having achievement of target for getting sustainability of clean water for all within the year 2030, to reach 99 percent number of persons who drink water, 90 percent number of persons who drink water coming through pipe. There are other targets to make 95 percent suitable, environmental settlement and 98 percent number of persons who use toilets.

Cooperative can make an important contribution for achieving the target mentioned above.

- 7) The functions of people is depended upon energy which have made an important role in its security, social, infrastructure, physical infrastructure, administrative infrastructure, etc. The development of energy plays important role in change of technique.

The secured, clean and cheap energy give energy to the modern economy. Nepal is very rich country but by due to lack of low production, lack of distribution line and lack of other infrastructure, etc. All the people have no opportunities to consume electricity cooperatives have played an important role for its distribution involving 20 percent of the country.

- 8) Cooperative can do a lot for the works of promoting sustainable inclusive economic growth, full and productive respectful employment.

In Nepal the total gross domestic production (GDP) under SDGs within the year 2030 will be increased 3-4 percent. 7 percent to reduce semi employment in 10 percent, to prohibit child labor, to increase employment percentage of 10 times in tourism and industries and to increase 4 times of their GDP, to increase services to 1,00,000 persons under the commercial bank, to render services to 80 percent population who can reach in the financial institution including cooperative within half an hour.

Cooperatives under the financial sector can make loan services available to small industrialists. It can promote more assistance during the economic, financial loans. It can also increase advance to respectful employment.

- 9) In the concept of plan in relation to make infrastructure of the UNO strong, to promote sustainable industrial development and to increase new searches within the year 2030 Nepal has aimed to make target to construct concrete road from 0.5 Km in per square meter to 1.3 square meter and make concrete road intensity 0.25, to increase contribution of industrial sector in total production and to increase employment from 7 percent to 13 percent.

- 10) As mentioned above, the economic inequality affects in education health legal system, public things, settlements transfer, access to finance and other access to other goods and service, etc. Such social inequality creates different types of problems in the society. It ends human capital and a human possibility in the society with much equality the child welfare is found to have been much. The numbers of persons who receive education are founded. The number of

employment is found to be very big. The numbers of becoming mother are also found to be at lower level age and less in number. The equality being economic progress and stability.

People under the society of equality to interests spend much for the social interest. It is also necessary to think that the inequality is the most strong matter which has been closely connected with.

The cooperative has main objective not to centralize the economic power to send or deliver goods/services (production materials to many persons/places to make them active, to eliminate poverty and unemployment.

Cooperatives of voluntarism, self-help such responsibility, democracy, equality, justice and solidarity are considered as values and means are based on equality. Cooperatives look after trust, honesty, and openness social responsibility and cares other earned from ancestors which are ethical means. Their practices can help increase income earnings of lower level people in the society. The income generation of lower sector levels people decreases social inequality. The cooperatives can help in getting such objective through the medium of general education and cooperative education. It saves marginal groups of people and them from the middle men and their cheating practices.

- 11) The SDGs announced by the UNO is based on objectives which make town and human settlement inclusive service strong and sustainable. They are very useful for Nepal. Because past conflict and movement in Terai have created drastic change in the shaping town and number in Nepal like in other countries of the World. Following restructure of the country created various municipalities and provinces' headquarters are increasing the number of cities on the one hand. Cities in Nepal on the other cities have not been created from any management point of view. Rather all the cities are being changed into slow because their growths are not being grown from any planned way. To control the poverty the objective of SDGs Nepal has pushed ahead.
- 12) Nepal has planned objectives to offer certainty for sustainable consumption and production management. They are to reduce the present use of agricultural land from 8 percent to 75 percent for the food production. Other objectives are to reduce number of wood users half to make zero plastic use, to bring protected food production loss from 15 percent to 1 percent. The use of source of water is to limit it up 20 percent, the use of petrol charcoal and total fuel consumption to scale down up to 15 percent. In the context cooperatives can give pressure in change of production management. They can give correct direction to consumption and production giving consumers about some members and consumers, sustainable, consumption method, savings method, investment methods areas of production activities, etc.

13) In the context of the SDGs about the climate change and its effect, immediate action, sustainable utilization of sea materials making protection and prevention of sea based environmental variation. Nepal has made a separate concept. In accordance with the SDGs objectives all the schools the following targets have been fixed.

- 1) To offer environmental education,
- 2) To make 500 environmental agricultural farms,
- 3) To prepare 170 environmental secured protected villages,
- 4) To reduce 50 percent pollution,
- 5) To prepare capabilities in 120 villages and municipalities for meeting environmental changes.
- 6) To make secured/protected forest to 23.7 percent, the present forest under the community forest in proportion of the present 39 percent to 42 percent to control land erosion, to bring 70 percent secured area for making environmental secured hilly areas and to forest every year in 5,000 hectors of land.

Cooperatives are prepared in supplementary activities for sustainability and development. The cooperative includes both of them.

14) The SDG' has a number of objectives which includes to promote peaceful and inclusive, society, to give access to justice to all, to form effective, responsible and sustainable organizations at all levels, to close death caused from violence, to end women and child violence, to increase transparency and responsibility in governance system as per international norms, to eliminate marriage having age more than 18 years, to make all the persons' date of birth, registration system effective within the year of 2030. The cooperative can carry out these activities in order to act them.

In these activities to be done by the cooperative positive social capital can be grown. Community creation, participation and empowerment and inclusion are under the social capital. Out of cooperative principles transparency, democratic control system, autonomy and freedom, cooperative among cooperative members economic participation are closely related to the sustainable development goals.

In fact, cooperatives can do important cooperation to the good governance by making practicing those (Coop Principles).

The cooperative can make important contribution in nation's social capital which cannot be contributed by the private business.

Cooperative voluntary service, self-liability, perception, democracy, equality, equity and solidarity which are indispensable for the creation of peaceful society.

Cooperative is independent upon honesty, fairness, social liability, mutual security and mutual care, etc. which is very close to related each other.

- 15) The targets put by the UNO are very much useful. But, they need an ample investment for their implementation.

Only Nepal needs to annually invest about 42 to 54 percent of its GDP in term of amount annual expenditure about Rs 1,770 billion is estimated out of the total investment about 55 percent the government itself will have to meet.

### **Cooperative Role for Sustainable Development and Challenges**

Within the timeframe 2030 for achieving the specific sustainable development goal planned by the UNO is not an ordinary dream. It is historically an important difficult plan. It is such movement which is very inclusive, transparent and participatory and is difficult to mobilize more than millions of people, organizations, experts, UN institutions and governments and which **continuously mobilized**.

Doing that it is also a 15 years long time travel which continues to fight against poverty, un-equality, injustice and marginalization. For making gain, leaders' vision, policy oriented commitment and implementation, the leadership requires necessary vision, determination of its implementation capacity, accordingly, values and means capability of working with other countries, capacity of meeting source and resources are also required.

Along with them, for gaining sustainable development there is a lack of position of institutional structure. In Nepal it seems that there is a problem of capacity investment. Due to lack of capacity, quality service offered to the people is not becoming suitable. It is also necessary to manage the quantity, measurement mechanism and statistical SDGs which is required to include in Federal, Province and local governments, is viewed as iron beaten rice. What is the conclusion of all is that it is very difficult to achieve the objectives of SDGs. For their achievement the participation of all the cooperatives, private and public sectors are absolutely required.

SDG considers the main base to economic growth not as people's rights, welfare or environmental matters. But what is a fact is that if the environment only was paid attention considering economic matters that can be sustainable. Particularly, the SDGs aspects have not seriously been considered so much.

In many developing countries the institutional obstacles are also found. Further much bigger hindrance in human behavior because the human being has been doing work

centuries and centuries himself. If such practice is being continued, the sustainable development cannot be easily achieved. For the SDG, global vision and future generations interest are required which are not found in this present capitalist development.

The Cooperative sector also may have a lot of challenges.-they are:

- 1) Cooperative itself cannot work due to the reason of its own policy. The private and government sector may not trust.
- 2) Due to the causes of its rights and size the cooperative may not support in so many activities.
- 3) Not having poor management arts in cooperative and it may have many other problems.
- 4) Many cooperatives are continuing in carrying their activities. Therefore, SDG may not be useful for them.

### **Strategy to be adopted by cooperatives for SDG**

SDGs are implemented by many types of stakeholders. To implement them it is not easy. So it needs to be strengthened if there are strategies they can be easily implemented. The following strategies adopted for the implementation. SDGs' are

- 1) To make publicity about it presenting SDG's and importance.  
The government, private and people's society should be given SDG's and cooperative strategies are to be done by cooperatives,
- 2) To enter the government Plan into federation, provinces and local government in coordination with SDG's,
- 3) To acquaint with the government clearly about SDGs and to make the international community participants too in SDGs activities through wide discussion,
- 4) To go ahead with much investment by SDGs in Nepal from the cooperative sector,
- 5) To make the cooperative movement much village oriented and low level people oriented,
- 6) To move discussions from time to time for the improvement of weakness,
- 7) To reach cooperatives as saying "the poet reaches where the Sun Rays cannot",
- 8) To set necessary physical and technical supports through the cooperatives of international sector for the country,
- 9) To adopt transparent economic system by the cooperatives and bear their full responsibility and to keep understanding that one who has no responsible authority to criticize other's authority cannot criticize it for SDGs,
- 10) To understand SDG's important partner of community which has experience, expertise and variety. So the cooperative must carry it along with itself,
- 11) To create monitoring mechanism for achieving SDGs by cooperatives at national level,

- 12) To assist for increasing cooperative capacity building problems through the training medium.

The cooperative leadership should have clear vision, policy and implementing capacity.

***Working Paper on:***  
**Financial Cooperative: Challenges and Prospects in Nepal"**

***Resource Person:***  
**Dr. Bimal Koirala**  
**Former Chief Secretary**





### **1) Resource Person**

Dr. Bimal Koirala, Former Chief Secretary, Government of Nepal

### **2) Chairperson**

Mr. Krishna Prasad Devkota, Secretary, Ministry of Culture, Tourism and Civil Aviation

### **3) Panelists:**

- a. Mr. Ramesh Prasad Pokhrel, Board Member of NCF/N and Chairman of National Cooperative Bank Ltd
- b. Mr. D.B. Basnet, Chairman, Nepal Federation of Savings and credit Central Cooperatives Union Ltd. (NEFSCUN)

### **Introduction**

The fabric of Nepali society is constituted from the resource of “assisting each other”. This glue has shaped Nepali society to remain intact and cohesive. Parma (Labor Exchanges) and Guthi (Trust) were the major vehicles of savings in the past and have been practiced hitherto.

These above scattered forms of “cooperatives” were modernized and institutionalized in 1960 enacting Cooperative Act. This act revolutionized our society by encouraging members to work for common purpose and shared benefit. During this time, the growth of cooperatives was constrained because it had not grown with people’s willingness but rather it was state sponsored and limited. After the restoration of multi-party democracy in 1990, cooperatives set off revivifying spontaneously. This people led cooperative movement began spreading all over the country. Cooperatives, by virtue of contribution, became the important pillar of economy. Realizing the potential of cooperatives, the government attempted to fill the policy and institutional gaps to promote cooperatives in the country. The Nepal Government enacted Cooperative Act and Cooperative Regulations outlining the disciplines and functions of cooperatives. These serious attempts to institutionalize cooperatives by the government energized enthusiast members in the pressing trades all over the country to commence cooperative activities. In the succeeding years the number of cooperatives started multiplying. The country witnessed the magical growth of cooperatives in these years.

In a poor country like ours, where private savings is low, cooperatives became a catchphrase for everyone. For people residing in rural areas with poor capacity to market on their own, cooperatives became a popular tagline. Today the activities of cooperatives are proliferated from savings and credit (SACCOs), agriculture like tea, coffee, bee-keeping, livestock, dairy, herbal, consumer goods, energy, multi-purpose activities and so on. The possession in multiple areas with wider geographical coverage has placed cooperatives as one of the key drivers of economy.

The adoption of liberal economic policy in 1990 recognized private sector as the engine of growth. In due course, cooperatives proved to be an important actor of the financial sector. While the country had accepted cooperatives as one of the three pillars of economy, the rapid growth of cooperatives posed some challenges to the government. However seeing the benefits, the Nepal Government was unable to ignore its potentials and avoid the benefits.

### **Financial Cooperatives**

Financial Cooperatives (FC) are financial institutions that are owned and operated by their members. They act on behalf of unified group and traditional banking services. In our case, FC is popularly known as savings and credit cooperatives (SACCOs). SACCOs comprise almost 40 percent (#13578) of the total (#34512) cooperatives as of mid-July 2017. The coverage of SACCOs in remote places indicate the facilities received by poor people where Commercial Banks do not enter due to their perception of lack of prospects.

The Fourteenth Plan (2017-2020) has aimed to attain the following objectives from cooperative sector: (i) harnessing scarce resources of the community through cooperatives for socio-economic transformation, inclusive growth and empowerment of marginalized community, and (ii) redirecting investment in those areas where private sector protection. The objective of increasing the number of cooperatives from 34512 to 35633 is not a distant dream. Similarly, increasing the number of members to 5.5 million has already been achieved.

Cooperatives could potentially be a major instrument for poverty reduction. Realizing this, the Nepal Government has institutionalized poverty reduction and development of cooperatives into one by creating a separate ministry solely shouldered to achieve the poverty reduction function. However, the ministry has been merged into Agriculture, Land Management and Cooperatives recently along with the reconstruction process of the ministry by the current Nepal Government.

### **Growth of Cooperatives Vis-à-vis Financial Cooperatives**

Cooperatives upswing when members of the community unite for common purpose. The ascent of cooperatives is phenomenal in our country. Financial cooperatives grew in numbers along with other cooperatives. Remained within the provisions of law, members united and ventured for financial cooperatives. The numbers today indicate the growth of financial cooperatives in terms of number and volume of money.

Cooperatives have become the lifeline of our economy. The last 10 years witnessed a remarkable growth in both numbers and the mobilization of financial resources. Beginning with less than 9000 in 2007, it has reached to 34512 in 2017.

Guided by the values of self-help, self-responsibility, democracy, equality, equity and solidarity; financial cooperatives are obliged to adhere to the universal ethical values

of honesty, openness, social responsibility and caring for others. Therefore, financial cooperatives are both financial trading and institutions.

While financial cooperatives played some role in attaining Millennium Development Goals (MDGs), the Nepal Government has shouldered the responsibility in achieving Sustainable Development Goals (SDGs). The exclusion of middlemen in trade and freeing loanees from local money lenders could initiate fair business in fairer terms.

Almost 20 percent of the total population are now members of cooperatives. The number is increasing day by day which shows willingness, zeal and trust of common people towards cooperatives. The cooperative members' have been multiplied by three folds in 7 years. The employment generated by cooperatives is more than 60000, which is bigger than the employment created by Public Enterprises.

The immense scope of expansion of cooperatives in one hand and the swelling number posing threat to the regulator on the other has been the paradox in cooperative's development. This has led to the emergence of three pressing issues:

1. Further expansion in terms of numbers must be regulated.
2. Cooperatives must be incentivized to expand in rural and remote areas.
3. Scale rather than number is key to success; therefore, merger must be encouraged.

By repealing the Cooperative Act of 1960 and 1992, a new Cooperative Act, 2017 has been enacted. This new act includes major international practices and the do's and don'ts of cooperatives. The enforcement of this act requires additional institutional arrangements in cooperative sector. It is expected that the application of this new law will yield better results.

Financial cooperatives have been suffering mostly from internal problems. These "mini banks" have been operating a lot less than financial institutions.

Financial cooperatives have revolutionized barter society to move towards cash based transactions. The lending and borrowing is now more simplified. Access to finance to common people has now expanded.

Cooperatives are not limited to credit and savings. They are diversified. The following figure shows the status of cooperatives in the country.

A unique complementarity is being seen among these cooperatives. The focused areas of cooperatives rely mostly on financial cooperatives for funding. While the investment of SACCOs are primarily concentrated on cooperatives of other nature. The trend is to open a new cooperative which is linked with nearly SACCOs for investment needs.

### **Weaknesses and Challenges of Financial Cooperatives (At Cooperative Level)**

**Unregulated growth of Financial Cooperatives:** - The current trend is that new members unite and create a new cooperative rather than joining with the existing one. This has barred the financial cooperatives to elevate to scale. Entry procedures are easy and weak supervisory capacity of the government has encouraged the opening of new cooperatives. Although the Nepal Government has been emphasizing on merger, only a few have shown interest.

**Dearth of skills:** - The majority of cooperatives lack adequately trained human resources to manage their daily affairs. The social mobilization aspect is relatively strong whereas financial record keeping, accountancy and internal control is not professional.

**Weak Financial Literacy among members:** - Large number of lowly literate and financial illiterate members makes little contribution to make their institutions healthy. They do not foresee risks, nor adopt risk mitigation measures.

**Lack of Good Governance:** - The legal and regulatory framework is not enough to administer and manage cooperatives. Bylaws, directives and operating manuals are needed for good governance. Checks and balances between board, account supervisory committee and management are missing.

**Deficiency in Internal Control:** - Internal control system including internal audit is weak. Assessment of credit risks, market risks and other risks are rarely carried out.

### **Weaknesses and Challenges (At Macro Level)**

1. **Shortage of Data Base:** - Institutional data storage and collating system is weak. Recently, Cooperative and Poverty Alleviation Management Information System (CoPoMIS) has started collecting and collating information. It takes time to gather all information needed.
2. **Regulatory Weaknesses:** - The number, size and location is not regulated. Some places are dense, some are thin. The 'scale' is not regulated.
3. **Absence of supervisory/regulatory authority:** - Supervisory system is not developed. Specific regulatory authority has not been created yet.
4. **Absence of uniform chart of accounts:** - No harmonization of accounting code has been developed yet. The accounting data is not compatible among institutions. We think there is no problem in accounting code rather there is no uniformity in account keeping as some cooperatives are keeping their accounting record only digitally, some are keeping only manually and some are keeping accounting records in both way.
5. **Want of Classification of SACCOs:** - No formal classification of SACCOs exists. The transactions of above 50 million rupees are classified as large SACCOs. This needs to be reviewed.

6. **Lack of Regulator:** - The number of SACCOs has crossed 13000; therefore, it is evident that a regulator at the center needs to be created.
7. **Confusions by constitutional provisions:** - The concurrent rights of federal, Province and local level on registration, management and supervision has to be delineated further without giving room for duplication.
8. **Institutional Infrastructure at state and Local Level:** - Based on the clearly delineated role, the Nepal Government must establish institutions accordingly and not give small pauses to cooperatives.
9. **Dealing with distressed financial cooperatives:** - One or two distressed financial cooperative generates contagion impact to the rest of financial cooperatives. The regulator must create a sound supervisory system to declare distressed financial cooperative. Only then regulator could resolve liquidity issue and see solvency and long term viability issue.

***Working Paper on:***

**“Building Partnership among Public, Private and Cooperatives with reference to the three pillars Economy”**

***Resource Person:***

**Dr. Ram Sharan Kharel  
Financial Advisor  
Ministry of Finance**



### **1) Resource Person**

Dr. Ram Sharan Kharel, Financial Advisor, Ministry of Finance

### **2) Chairperson**

Dr. Sunil Babu Shrestha, Former Member of Planning Commission

### **3) Panelists:**

- a. Mr. Minraj Kadel, Senior Vice Chairman, National Cooperative Federation of Nepal (NCF/N)
- b. Mr. Kishor Pradhan, Vice Chairman, Federation of Nepal Chamber of Commerce and Industries (FNCCI)

### **Introduction:**

There has been an ample discussion about the role of government and private sectors in order to confront challenges experienced from time to time in the process of global economic development, and to launch economy in for runner directions. Looking at from principle point of view, it has been found that financial growth would be advanced in the involvement of private sectors under the capitalist economy and in involvement of government authority under the socialist economy. So far as, the mixed economy is concerned Government and private sectors are taken as supplementary sectors each other. Economic development has been imagined to achieve it through both the sectors proper coordination and cooperation. In this context, the Cooperative sector can be a strong action for the economic development of the country.

Since the year of 1951 the government started to operate annual budget system. In 1956, the National Planning Commission was established. Since then, the mixed economic concept was in operation for about our decade as a form of planned system. On the other hand, cooperatives were started to be operated under the system of planned economy in Nepal. In 1992, new Cooperative Act came into operation with the government role and its wide scope. As a result, the cooperative movement started to take the new direction dynamically.

By the financial year of 2005-6, the government took initiation for moving forward of launching new concept of the country. Accordingly, based on the concept the government began to prepare financial plan policy and programme and annual budget covering cooperative sector. At present the need, role and implementation have been transformation in the Nepal Constitution 2015. The government has a strong though to achieve economic prosperity through the public sector, private sector and cooperative sector by way of initiation of basic role.

### **Justification and Need of three Pillars Policy**

Wide discussions have taken place about the role of government and private sector for the economic development since the centuries. In most of the countries of the

world serious consideration is found about the need of high coordination between these two sectors for the economic growth creating proper environment in the economic development.

The constitutional assembly of Nepal has expected supplementary role among government, private and cooperative sectors for the purpose of achieving economic growth as a new effort possibly in the world. The Nepal government has imagined for the purpose of moving forward to socialism. It has aimed to gaining economic prosperity through the adoption of such concept. **There are some limitations of state controlled economy which are to be followed.**

- 1) The limited sources of the government cannot maintain the people's unlimited wants. Therefore, when the public sector is selected it must be reasonable and justifiable.
- 2) In this present age, private and cooperative sectors are activated. Therefore, the government has to prepare proper environment for the selection of either sector. Both the sectors are equally important. But the limited resources are used in either sector. Other sector may suffer. On the other hand investment is required for the infrastructure and social sectors. It is an important base for the economic development.
- 3) The government's main financial source is revenue or taxes. Therefore, its utilization has to be made for the people's interest more than for the limited individual included in production activities. This sort of concept is strongly powerful. In spite of this fact, other important aspect is also mobilized production materials, skills and competition which may not be less control compatibly. In the state controlled economy cooperative and private sectors may not be encourage to renovative thinking, skill, capital and technologies. Therefore, in this present age, it may not be practical to imagine state controlled economy.
  - (a) The private sector is profit oriented due to the economic and social justice may not be ensured.
  - (b) Government sector is itself limited and may not have access to the areas of people's activities.
  - (c) Cooperatives are inspired for the collective interest, centralized in agriculture, cottage industries, small and medium industries focused on local resources and skill and economic growth. It has been justified that they have strongly been supportive for economic and social transformative cooperative members.

### **Economic prosperity through coordination of three pillars**

Achieving economic prosperity is a must through coordination of three pillars. People's prosperity and happiness in the prosperous country is imagined having high qualitative life style and non-discriminating social environment. Thus, in the



prosperous economy, responsible government, civilized society should not otherwise imagine self-dependent economy. In the prosperous economy people mentally feel happy environment with many aspects strong, wide and sustainable based quality, social justice, economic participation and human life. In comparison with other above mentioned possible indicators of economic prosperity, Nepali economy appears that it seems weak and shrinks. However, the travel for prosperity is a continuous process. Its start and continuity can be found to be in transverse. The economy of Nepal is in serious and shrinks stage.

Wrong economic policy may mislead the country's development.

For instance,

- 1) The fertile land is convertible into barren.
- 2) People may go to foreign country for selling their labor there.
- 3) The income from remittance is to be utilized in import of food stuff and other consumer goods.
- 4) The dependency on foreign country for daily needs may not lead to the economic prosperity.
- 5) Internal production and productivity of foods are declined.
- 6) The fertile land is used in making plots for housing.
- 7) Food security cannot be guaranteed.

In the agriculture, hydropower and tourism areas, there is high potential for their development. But due to lack of financial resources for investment in them, the limited persons can make such profit which goes to the limited groups of capitalists. Due to the reasons the objective of reduction of economic disparity on the one hand, if the country's mechanism and its policy to be followed cannot be progressive and responsible, the society cannot get economic justice. Hence, economic development has been directly combine with production and distribution work in order to intensify the development motion/speedily making sustainability, wideness and equal justice while public, private and cooperative sectors are as a form of interconnection. It is also necessary to be conceptually clear about the involvement, role and cooperation in these areas of production and distribution. In the same way, it must be clear that in which area, how and at what level production means are to be joined in the process of economic prosperity.

**Co-work with cooperative, public and private sector in the development areas – agriculture, industry, consumer, distribution and service.**

It is necessary to make integrate efforts of government, private and cooperative sectors in promotion of industry, business with cooperative based agriculture to promote economy in the context of inhabited, rural people's community in Nepal. Specially, the cooperatives are concentrated in domestic, small and medium type of industries including agriculture by mobilizing mostly local based labor, skill and

capital, it is enough that they can solve major economic problems. There are other supports for sustainable development, if cooperatives are more focused on.

- 1) Dependency will be lessened.
- 2) There will be much help for reducing poverty and for enhancing living standard.
- 3) To ensure food security by achieving sustainable development goals.

**For the co-work with cooperative, public and private sector for industrial development.**

The government ensures infrastructure development and proper environment for industrial promotion.

**The co-work with cooperative, public and private sectors for consumers.**

In daily consumer and primary production and processing activities, cooperatives' initiative help increase employments. Local people community's purchasing power will be strong and increase service demand, enhance market extension, employment and increase consumption trend. The economy will be additional movability.

It is necessary. It increases to water development model in relation to industry and business sectors' operation. For the last 30<sup>th</sup> decade, the government involvement in industrial and business activities was highly considered appreciable. During the contemporary period the cooperative sector was in the dormant stage. The private sector also seemed weak due to both the sectors- private and cooperative which were weak in industry and business operation but the government role has become independable co-work with cooperatives activities, public and private sectors for construction.

***Working Paper on:***  
**“Youth and Gender Involvement in Cooperatives.”**

***Resource Person:***  
**Ms. Om Devi Malla**  
**Vice Chairperson, NCF and**  
**Global Board Member, ICA**



### **1) Resource Person**

Ms. Om Devi Malla, Vice Chairperson, NCF and Global Board Member, ICA

### **2) Chairperson**

Dr. Bharat Pradhan, Former Minister, Nepal Government & Advisor, NCF/N

### **3) Panelists:**

- a. Dr. Bishnu Gautam, Executive Director, Youth and Small Entrepreneur Self Employment Fund
- b. Ms. Radhika Aryal, Joint Secretary, Ministry of Women, Children and Social Welfare

At this present age, Nepal is familiar with as a form of country having force of youth.

But weakness is found that manliness, spirit and energetic power have not been rightly and honestly utilized as the natural resources. Their main bases are human resources with powerful spirit from their internal core heart. Those human resources are primarily depending upon age factors.

In Nepal the youth age group is considered as its age ranging from 16 to 40. According to the UNO definition of age having 15 to 24 groups of person such youth groups is called youth. In Nepal there are 40.3 percent youth among the total population. Out of youth population the youth population includes 54.5 percent whereas male population comes around 45.5 percent.

Out of the total youth population, 14 percent youth in foreign employment and education. Youth population is found high with agro-based, forest based and fishery based activities.

In Nepal citizenship as per provision made in the Nepal constitution the women population is 51.5 percent and male population is 49.5 percent. In comparison with the male population women represent 57.4 percent literacy and male represents 75.1 percent. Women household represents 25.7 percent. The women have 26 percent and own household property.

In the Civil administration only women represent 17 percent. In the private business sector their participation is found to be 25 percent.

There are a positive provisions mentioned in the Nepal constitution for women. Such positive provisions are in the following:

1. To obtain citizenship on the basis of gender identification and of the birth of father and mother.

2. To protect women, outcast, backward, making arrangement of legal process backward citizens for empowerment or enhancement, and to make arrangement of positive nondiscrimination,
3. To make become President or Vice-president under separate gender or community,
4. To minimum one third members of the total numbers of members to be elected from each political party representing in the federal assembly,
5. To be minimum three women from among 8 elected members from each province in the national assembly and to be one woman. Out of 3 elected members from each province in the national assembly and to be one woman out of 3 members nominated by the Nepal Government on recommendation of President,
6. To be one woman from among assembly Chairperson and Vice-chairperson assembly and representative assembly and to be one woman from among the National assembly Chairman and Vice-chairman,
7. To be minimum, one third woman from among all members of each party to be represented in the federal assembly and provincial assembly,
8. To elect four women from the village assembly among one woman as a chairman or deputy chairman in the village committee or government?,
9. To elect 4 women from the town assembly among one woman as town chief or deputy chief in the **town committee** or municipal government.

There will be women representation at district assembly, village and town assembly and national women commission as follows:

1. To be minimum 3 women in the district coordination committee of 9 members elected by the district assembly.
2. To be minimum, 2 women representation from each village assembly and town assembly.
3. To be national women commission as a form of constitutional commission.

### **National Cooperative Policy**

#### **Women participation policy in cooperative**

In 2012, policy formulated for women participation in cooperative was arranged as follows:

- a. To enhance suitable tax system which facilitates support for the institutional development of cooperatives where rural sector and less developed municipality and fixed women community, handicaps, workers and laborers, backward and poor people are affiliated.
- b. To follow equal, positive and non-discrimination arrangement by making so percent women participation in leadership of cooperative unions.

### **Cooperative Act, 2074:**

The new cooperative Act 2074 has been enacted. It has arranged women participation in cooperative sectors under Section 5 Article 41 clause 2.

1. According to it as far as possible minimum 33 percent women representation must be ensured in the managing committee of cooperatives.

In cooperative, other policy arrangement must be made for women participation as following provisions.

- a) To encourage participation of women under cooperative sector while giving priority for women's representation in cooperative registration,
- b) To empower women by carrying out activities through cooperative by action government under women empowerment sector and non-government union/associations.
- c) To encourage women friendly service and operation of activities by realizing needs of women's participation for the cooperative business.
- d) To realize need of Cooperative Sector's contribution for gender equality in achieving sustainable development targets of 2030.

### **Challenges of women participation in cooperative**

Some challenges for women participation in cooperative are estimated in the following:

- a) Social discrimination,
- b) Access to sources and resources,
- c) Male groups' sovereign
- d) Lack of self-confidence
- e) Lack of balancing time due to workload
- f) Lack of access to technical skill, training and education
- g) Lack of establishment of women development networks

### **Strategies for women participation**

Since women participation in their leadership in cooperative is found it is necessary to stress encouragement. Therefore, some strategies for their participation in cooperatives are required. They are in the following:

- 1) To prepare an appropriate environment for the development of committed women's leadership,
- 2) To amend the bye-law of cooperative for enhancing the leadership in cooperative leadership up to 33 percent, as per new cooperative law 2018.
- 3) To ensure the women's representation in authorities,
- 4) To carry out women empowerment including power strategies forming women's committee subcommittee in all the cooperative enterprises,
- 5) To ensure the women's participation in plan formulation, its executive and decision process,

- 6) To make an arrangement of adequate budget for effective education, training, programs,
- 7) To develop the strategies for women participation in each cooperative,
- 8) To manage separate fund for gender friendly policy, program and project.

### **Youth participation in Cooperative needs to be revisited**

The youth participation is required for the effective operation of cooperative . The situation of youth participation is as follows:

1. Among two billions unemployed number in the world, the number of youth are found more.
2. The unemployment rate of youth in the world are found more than 30 percent in the world.
3. In Nepal, the population of youth is 40.3 percent. Among them , youth affiliation in cooperatives are found 50 percent.
4. To take youth groups considering as an important source of Nepal due to their courage, creativity and learning capacity and high self-confidence.
5. To control a trend of youth's migration in daily hundred numbers of youth.
6. To make employment creation and youth self-employment programme through cooperatives within the 14<sup>th</sup> national plan.

### **Major challenges in youth participation in cooperative**

The trend of enhancement of youth participation in cooperatives is increasing process. But challenges are still existing in cooperatives. Many of them are found in the following:

- 1) Lack of study and teaching in the cooperative sector particularly in formal teaching,
- 2) Lack of youth oriented programme in the union/cooperatives,
- 3) Lack of establishment of school and colleges cooperatives.
- 4) Lack of application of innovative technologies in relation to youth in union and cooperative,
- 5) Lack of long term plan to present youth in cooperative sector.

### **Feasibility of youth participation in cooperatives**

Youth participation is gradually emerging in cooperative sector whereas their participation must be attractive and practicable as follows:

- 1) Youth who have returned from the foreign employment have started to be involved in the collective business activities.
- 2) ICA has emphasized on the youth participation.
- 3) To be a provision for representing the conveniour of youth coordination committee's in the ICA Board.

- 4) To begin with organization of youth mobilization sub-committee in cooperatives
- 5) To make cooperative medium for youth employment by Youth and Small Business Self-employment Fund and other agencies.
- 6) To take initiatives to conduct leadership development for attracting youth for leadership development and for carrying out their activities.

### **Strategies for youth leadership participation**

Youth leadership development in cooperative is strong base for achieving sustainable development of cooperatives. For them following strategies are required.

- 1) To conduct research on youth participation in cooperative,
- 2) To include syllabus of cooperatives at school and college level,
- 3) To form youth mobilization sub-committee in all union/cooperatives,
- 4) To set up cooperative in each school and college,
- 5) To conduct youth targeted activities which should aim at making income of them,
- 6) To search feasible attractive business for youth group,
- 7) To get youth participated in cooperative and governance,
- 8) To create an attractive environment to youth's participation by using "Mobile Service and online service",
- 9) To apply policy and programme for influencing youth participation,
- 10) To make publishing of successful youth participation in cooperative,
- 11) To encourage leadership capacity in youth member.

### **Brief Summary of Youth**

Based on above mentioned discussion on youth participation, the following points are briefed.

- 1) In the Nepali society important roles of youth have been found for its development
- 2) The future of cooperatives are dependent on youth. The real and reliable information and strategies are important and necessary for their development
- 3) The cooperative sector can be an appropriate medium for the Nepali male and female youth who are sound to be migrated in the foreign countries.
- 4) Cooperative concept is useful for using learned skill and money earned from the foreign countries for mobilizing productive sectors
- 5) By making encouragement continuously in every aspect of remarkable participation of youth and necessary to enhance and apply policy and its execution for the development of nation.

### **Panelists:**



There were two panelists who had made comments on paper on participation of youth in cooperative presented by resource person, Ms. Om Devi Malla.

One of the participants Dr. Bishnu Pd. Gautam, Executive Director, Youth and Small Business Self-Employment fund making an important comment on Ms. Malla's presentation, said “ the participation of youth and women must be given opportunity for having gain to total population as a whole. It appears that youth and women’s participation remains much politically, proper socially and role economically. He emphasized on strategies mentioned above.

Other penalist Ms. Radhika Aryal, Joint Secretary of Ministry of Women, Child and Social Welfare took an opportunity to make comment on the paper – youth and fund involvement in cooperatives. Focusing on mentioning certainty of participation of youth and women, in the constitution, cooperative and every sector, gender violence has been seen as hindrance.

Ms. Aryal said, “Studying the trend on social, economic changes for the last two decades, a lot of changes are found. However, they are still needed to be changed. Both of panelists expressed that cooperative sectors has been a correct direction for making country’s economic and social changes.

Chairing the session in the presentation of paper –“Partnership of women and youth in cooperative” Dr. Bharat Pradhan, former Minister and NCF advisor expressed that woman and youth have helped enhance the cooperative movement of Nepal. “The movement has become an important medium in order to move cooperative in the correct direction.”

Other participants pointed out “the need of cooperative’s role and education even at the level of making cooperative for more active than today.

***Working Paper on:***

**“C to C Business Model: Challenges and Potentialities”**

***Resource Person:***

**Mr. Balu Iyer**

**Regional Director**

**International Cooperative Alliance Asia and  
Pacific**



**1. Resource Person:**

Mr. Balu Iyer, Regional Director, ICA-AP

**2. Chairperson**

Mr. Deepak Prakash Baskota, Former Chairman, National Cooperative Federation of Nepal (NCF/N)

**3. Panelists:**

- a. Mr. Nabin Karna, National Program Coordinator, ILO Nepal
- b. International Delegates from ANGKASA, Malaysia

Self-help is the foundation or bedrock of the cooperative movement. Mutual self-help by cooperation among cooperatives is essential to expand the cooperative business model locally, regionally and nationally.

The relationship among cooperatives focuses on two dimensions; social through exchanges and knowledge transfer, and economic with emphasis on trade and business. Both these dimensions are important in terms of inter cooperation and for the growth of the wider cooperative movement. While cooperative have done well on the social aspect of cooperation; there is more that can be done on the economic front. In the Asia-Pacific region, the social dimension of cooperation has been there from the early years with the ICA Asia-Pacific office created to promote the cooperative movement in the region. The interest in promoting trade among cooperatives has been in place since its inception and over time it has seen its ups and downs. However, the interest to promote trade and business has not diminished. Cooperatives in the region need to see how best they can unite in their efforts, leverage technology, build the cooperative ecosystem, influence governments and promote the identity.

**Cooperative Principle 6 – Cooperation among cooperatives 1**

The cooperative principles are guidelines by which cooperatives put their values into practice. The 6<sup>th</sup> Principle is closely associated with the cooperative value of solidarity. By working together, cooperatives gain the expertise, scale, and support necessary to heighten awareness, sustainability, and impact, especially where fixed costs and resources can be shared.

The principle was first explicitly expressed as one of the Cooperative Principles at the 23<sup>rd</sup> Congress of the alliance in Vienna in 1966. It was recognized that if the vision of a new cooperative economy were to be realized, cooperatives must explicitly nurture and support one another. The report of the Congress in Vienna included the following recommendation:

“... we have thought it important to add a principle of growth by mutual cooperation among cooperatives: All cooperative organizations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels.”

“If the cooperative movement is to rise to its full stature, either within each country, or internationally,... cooperative institutions must unreservedly support one another.”

The ICA Guidance Notes to the Cooperative Principles 2 on the practical application of the Principles in the modern 21<sup>st</sup> century world released during the General Assembly in Turkey in 2015 has this to say, “Cooperatives serve their members most effectively and strengthen the cooperative movement by working together.” This statement recognizes the reality that while cooperatives can achieve much on a local level, they will achieve much more if they work together to create economies of scale and build mutual representative strength. This requires a difficult balancing of interests: larger scale benefits for all cooperatives while maintaining independence and member democratic control. This is a perennial challenge for all cooperative structures and a test of cooperative ingenuity.”

## **The Asia Pacific experience on social and economic dimensions of Cooperation**

### **Social dimension**

The social dimension of cooperation in the Asia-Pacific region has been there from the early years. The Asia-Pacific office was created to promote the cooperative movement in the region and carried this out through education programs, studies relating to specific aspects of cooperatives in different countries; exchange visits of cooperators; and through organization of conferences, seminars, technical and financial and technical assistance. The JA-Zenchu seconded agricultural specialists to work at the Asia-Pacific Regional Office as did the Japanese Consumer Cooperative Union (JCCU) and the National Cooperative Union of India (NCUI). The All-China Federation of Supply and Marketing Cooperatives (ACFSMC), China; the National Agriculture Cooperative Federation (NACF), Korea; the Indian Farmers Fertilizer Cooperative Limited (IFFCO); and Angkasa, the apex body of the Malaysia cooperative movement have provided exemplary support to promote cooperation among cooperatives.

The important area where cooperatives have rallied around to support is in the aftermath of natural disasters. The recent examples are response to tsunami (2004) in Indonesia and Sri Lanka; typhoon (2013) in Philippines; cyclone (2015) in Vanuatu and earthquake (2016) in Nepal. Members from all countries in the region have provided financial and in-kind support to meet immediate and long-term needs. Disasters can push people back into poverty quickly and trap them in an intergenerational transmission of poverty. Given the vulnerability of the Asia-Pacific

region to natural disasters, cooperatives in the region need to have a much more focused and targeted response to disasters by creating a Disaster Response Fund, create a pool of advisors who could be of ready assistance, and help develop cost-effective ways to develop resilience mechanisms.

### **Economic Dimension**

The potential of Cooperative to Cooperative (C to C) trade is to:

- Increase business among cooperatives
- Remove layers of middleman and improve margins
- Cooperatives with small supply may be able to aggregate supply from commercial producers in their country to satisfy cooperative trade opportunities.
- C to C trade will better represent the needs of the cooperatives and members

The interest in developing trade among cooperatives in the Asia-Pacific region goes back to the 1960s. A trade survey was conducted during 1965-66 to understand needs and followed- up with conferences (1968 and 1970, Tokyo), trade fairs (1969, Iran), and bilateral agreements (Japan and India on sugar, Sri Lanka and India in fisheries). In 1974, on the recommendations of the Select Committee (1972) on Agriculture and Trade of ICA-AP, an International Cooperative Trading Organization (ICTO) was established in Singapore (with investments from Australia, Indonesia, Iran, Malaysia, the Philippines, Singapore, Sri Lanka and Thailand) to encourage trade and render facilities for sale and purchase of produce. However, the ICTO had to wind up operations 1976 due to lack of member support. The ILO/SIDA project in 1978 was developed to promote trade between cooperatives within Asia and outside. The project was transferred to ICA-AP in 1983 and as part of this there were trade directories developed, trade fairs organized, training and development programs carried out, the Singapore Business Office established and agreements signed. Most significant was the agreement JA-Zenchu entered with the Cooperative League of Thailand (CLT) to set up as international trading plaza in Bangkok to serve as a trading window for cooperatives. However, over time, as in the past, interest waned due to lack of member support.

The desire to explore trade among cooperatives did not diminish and a fresh impetus was given in 2012 with the Regional Board approving the move of Business Office from the Singapore to Malaysia. The Malaysia Business Office (MBO) set up in 2013 and staffed with seconded staff from ACFSMC/China, JCCU, and NACF/Korea; with coordination and administrative support from Angkasa. The MBO was set up to increase business interactions and exchanges between/among consumer cooperatives and insurance and banking cooperatives; to promote cooperative trade in the areas of fair trade and B-to-B trade platform; to promote technical exchanges and assistances in IT technology; to transfer technical and managerial know-how in the areas of source recycling and renewable energy; and to promote cultural

exchanges of youth cooperators in the region. The MBO has organized workshops (top 5 products, ecommerce), explored new avenues (recycling and renewables, fair trade, Halal), coordinated trade missions and represented at different events.

A recent initiative by MBO was the Memorandum of Understanding (MoU) between Angkasa and NACF3 in the areas of palm kernel and dairy development. The initial idea was mooted during a field visit organized for Angkasa staff to NACF/Korea. This was followed-up with meetings, discussions and trainings and resulted in the signing of the MoU at the ICA General Assembly in Malaysia (2017). There is immense opportunity to establish similar relationship in other countries.

The progress in regard to the targets set on the economic dimension of C to C as part of the First National Cooperative Congress shows that much more can be done to enhance cooperative among cooperatives on the economic front.

An interesting initiative from Nepal is the Nepal Agricultural Cooperative Central Federation Limited's (NACCFL) initiative, the "Kisan Ko Poko" or "Farmer's Basket." This is aimed at the enhancement of livelihood of Small-Holders Farmers through strong complementary operational linkage between agricultural production and the market. The Kisan Ko Poko is an organized food box service which connects small farmers across Nepal to consumers in the Kathmandu valley. The Farmers' Basket consists of food subscription service and a store to showcase the wide range of products produced by small farmers. By selling their products through Kisan Ko Poko, farmers benefit from direct sale, receive higher prices for their products, by-pass middlemen and build direct links with the consumer. The increased income can be used to support their farm, their operations and their families. Customers benefit from the ease of a curated collection of ever changing products on a regular basis, receive sustainably grown products and support Nepali small farmers.

Cooperative have been recognized under the Agenda 2030 – Transforming Our World for Sustainable Development as an important player in the implementation of the Sustainable Development Goals (SDGs). The work of cooperatives on their own and in unison helps to give visibility and recognition. In this the cooperative movement in Nepal has played as important role under the slogan, 'Cooperatives for Sustainable Development.' The role of cooperatives has been recognized in Nepal 2017 Voluntary National Review of the implementation of the SDGs 4. The report states, "The Cooperative sector is one of the three pillars of Nepal's economic development. In 2015/16 there were 33,599 cooperatives with six million members. This sector has collected \$2.82 billion of deposits and invested \$2.76 billion in the production and service sectors. The financial contribution of these cooperatives was estimated at 18 percent of GDP in 2014." The government recognizes that partnerships with cooperatives are essential for mobilizing financial resources from members to invest

in production and employment generation. Partnership with cooperatives also helps link community people to financial institutions.

### **Increasing C to C Trade**

A study by Dalberg Consulting on the state of C to C Trade today and potential growth opportunities found that the current value of C to C trade is around USD \$10B; much of this is focused on competitively priced, fresh, low value-add goods traded nationally and intra regionally. The underlying drivers of trade characteristics include consumer cooperatives' mission to provide their members with good value for money, producer cooperatives' limited processing capabilities, and lower barriers to intraregional trade. Targeted efforts could substantially increase trade flows, both between cooperatives, and from cooperatives to the rest of the world with specific growth opportunities in fresh food purchases by developed markets; with Europe and Asia being particularly attractive regions, as they house the largest cooperative retailers and the most intensive intraregional agricultural trade. Dalberg's projections indicate that the value of cooperative goods purchased by food retail cooperatives could rise significantly; with a minimum increase to \$12.4 billion to a maximum of \$25 billion C to C trade by 2020. While opportunity is apparent, producer cooperatives will have to prove that they can be reliable, competitive, and high-quality trade partners in order to grow. This will require overcoming multiple barriers to trade by cooperatives throughout the value chain many of which are rooted in low capacity of producer cooperatives. Constraints on trade include cooperative suppliers' often uncompetitive pricing, low understanding of market demands, weak processing capacity, slow decision making, and difficulties in managing shipping and logistics. Demand is limited by low interest in cooperative goods by end- consumers and retailers' purchasing policies, which rarely prioritize cooperative sourcing.

### **Going forward**

#### **Leverage technology**

Technology is advancing at a rapid pace and redefining how we interact, buy and sell, communicate, collaborate, innovative, and educate. Many of the attempts in the past which were stymied due to lack of technology can now be overcome. For Example, in the mid- 1980's, ICA explored the possibility of establishing an International Data Exchange Centre for Cooperative Products and Equipment (IDECOOP). Members would inform IDECOOP of products they wished to buy and sell; this information would be circulated by means of the Computerized Communication System operated by the World Trade Centre (WTC) to all members, who would then establish bilateral or multilateral arrangement. However, this proved to be too ambitious a project, given the enormous amount of the data which had to be generated, maintain and diffused. Social media can help transmit ideas and information; data mining and analytics help sift through data with ease, and block chain technology allows digital transactions to take place with full trust between parties. Trust is a key element in any business and cooperative with their inherent values and principles.

According to economist Jeremy Rifkin, “Cooperatives have the industries, the people and the appropriate form – democratic, open, distributive, and transparent-to distribute it. Cooperatives will be the ideal venue to scale the digital revolutions.” Many members in the Asia-Pacific region have built their ecommerce platforms-from facing websites with well-developed producers networks, logistics, and payment systems. Notable examples are ACFSMC, China; IFFCO, India; JCCU, Japan; and NACF, Korea. These platforms could create spaces for other co-operatives to open an online shop from where they could directly connect with consumer and thus reinforce the establishment of direct supply chains.

### **Sector organizations to take lead**

The need for cooperatives to establish commercial relations was enshrined at the London Congress of 1895 in Article 3- to establish commercial relations between the cooperators of different countries for the mutual advantage. Right from the early days it was clear that the International Cooperative Alliance should abstain from any form of trading, but it should be the business of international committees to find suitable commercial agencies which will bring existing cooperative business organizations into relation with those of other countries. There are much sectorial committees such as the Consumer Cooperatives Worldwide (CCW), the International Cooperative Agriculture Organizations (ICAO), the International Cooperative Fisheries Organizations (ICFO) and other could do to develop real business engagement between cooperatives apart from the seminars and training. A positive effort in this direction was the joint seminar between the CCW and ICAO at the Global Assembly in Kuala Lumpur. The seminar on “Building Direct and Sustainable Supply Chains”, which explored the successful practices on national level of direct collaborations between agricultural and consumer cooperatives to create opportunities for growth for cooperative enterprises, support the true social economy, position cooperatives as appropriate partners to national government in the fight against the grey economy, and generate a real contribution to the UN, SDGs.

### **Cooperative Ecosystem**

When the Uralungal Labour Contract Cooperative Society (ULCCS) wanted to raise Rs. 200 crores (US\$31 million) for helping them undertake the reconstruction of six important roads in Kozhikode, they reached out to the cooperative banks in their area. In a meeting of interested Primary Cooperative Banks under the leadership of Kozhikode District Cooperative Bank there was unanimous agreement to associate with the project, to form a consortium and secure consent letters by the respective governing bodies within a week. As per section 57 C of the Kerala Cooperative Societies Act, the Government is empowered to frame a Scheme called the “Consortium Lending Scheme” for the purpose of providing loans for infrastructural development to societies. The principles behind forming the consortium of primary banks were to 1) use cooperative funds for cooperative development – the source of



funds of primary cooperatives from farmers, laborers, SMEs, pensioners and salaried employees of the region to be invested in the infrastructure development of the region; 2) the development of cooperative credibility – ULCCS won the project competing with many MNCs and their achievement was highly inspirational to many other cooperatives, the financial participation from primary cooperatives would make this project a collective venture of cooperatives; and 3) participation in national building – Cooperatives in Kerala have millions in funds available with them for investment. An alternative to MNC- public sector bank tie up where the funders and contractors belong to cooperatives. This kind of large projects undertaken by cooperatives will allow cooperative institutions participate in national building.

### **Developing linkages**

The cooperative economy can be strengthened by creating partnerships, being associated with bodies with similar interests and by engaging in trade relationships at every scale, local to global. In Japan and Korea, the consumer cooperatives have played an important role in the Fair Trade movement. They have helped to cooperatives get certification, build supply chains, and increased market share for producer cooperatives. In Laos, the Coffee Producer Cooperative in addition to fair trade certification has got its members organic certification and helped them get price for the coffee. In Malaysia, Halal certification is helping open new markets for cooperative products.

### **Promoting cooperative identity (Section taken from ICA Guidance notes)**

The practical application of the 6<sup>th</sup> principle includes broadcasting our shared cooperative identity to the world through the use of the international Cooperative Marque to brand your cooperative enterprise and using the DotCoop domain name for your cooperative's on-line presence. The use of both the Cooperative Marque and a DotCoop domain name which identifies a cooperative business is an excellent way to encourage members and others to trade with a cooperative by clearly showing its identity. Developing directories of cooperative businesses, creating and participating in local campaigns, holding regional events that cross-promote cooperatives from different business sectors and organizing shared purchasing of cooperative business. A sector sense of collective identity can be used to raise the profile of cooperatives as wealth generators and a leading model of sustainable economic development.

The NCF/N has done a good job in registering 331 of its members for the marque. The members need to do their part to promote the identity and bring other members on board.

### **Conclusion**

The 2020 vision in the ICA Blueprint for a Cooperative Decade seeks to position cooperatives as the preferred model of business by people and the fastest growing form of enterprise. In order for the Blueprint to be successful, cooperatives must lead

the way by cooperating amongst themselves and truly reflect, “Cooperation among Cooperatives.” In order for cooperation among cooperatives there is need to pay attention on the social, economic and environmental dimensions of cooperation. This calls for coordination, collaboration, confidence, and capability of efforts to position the model of collective efforts. The idea and promise of the cooperative movement requires cooperative to commit time, effort and resources to work together, increase market share, and position the cooperative model of enterprise.

***Working Paper on:***

**“Good Governance: Key Aspects of Cooperative Sustainability”**

***Resource Person:***

**Mr. Sudarshan Prasad Dhakal**

**Former Joint Secretary, MoCPA**



### **1. Resource Person**

Mr. Sudarshan Prasad Dhakal, Former Joint Secretary, MoCPA

### **2. Chairperson**

Mr. Kashiraj Dahal, Chairman, High Level Administration Reform and Monitoring Committee

### **3. Panelists:**

- a. Mr. Surendra Bhandari, Board Member, NCF/N
- b. Mr. Keshab Prasad Regmi, Registrar, DoC

Cooperative is a business where a group of people get together voluntary to address their common needs.

Cooperative is related to a controlling system of its each activity. The controlling system is a kind of governance. The system is designed to control and distribute power within an organization. In other words, it is a set of relationship among the board of directors, management, and owners of a business entity through which the objectives are decided and means of achieving them and monitoring performance are determined.

The governance has sources of authority – laws, regulations and bylaws and Principles and Values which are mandatory. It has corporate culture and professionalism which are related to demand of business.

### **Good Governance**

If the governance is properly found in any board and management it will be as good as proved. Therefore, the following features of the good governance are also found even in cooperatives.

The cooperative serve the stakeholders adequately and fairly in providing services, material information and management will be competent enough to run the cooperative business, and will be having proper accountability for its activities. Its business entity will be operated in accordance with rule of law. Its management will be transparent in all the transactions and its share values in management are created in proper way.

The governance has issues and problems which are as follows:

1. Lack of formal strategic planning and management processes, and Lack of clear understanding of the actual duties, responsibilities, accountabilities, and liabilities of the board of directors as a body and individual directors.
2. Diverse background of the directors- knowledge, experience, and training not related to the organization, Lack of sufficient knowledge in finance and

- accounting, and Incomplete or insufficient reports and data for making decisions.
3. Reports and other required data not given in advance of schedule of meetings, insufficient discussion of complex issues, and Lack of free exchange of ideas and opinions.
  4. Lack of clear definition of the roles and responsibilities of the board on one hand and management on the other, and Lack of knowledge of the business, statutory requirements, current and best business practices.
  5. Lack of time devoted to board work, and insufficient oversight on audit and risk management.

### **Good Governance**

There is good governance which has basic management having following principles for cooperatives:

1. It is the paramount duty of the board of directors to select and oversee the chief operating officer.
2. It is the responsibility of management to operate the business in an effective, efficient, and ethical manner in order to produce value for stakeholders.
3. It is the responsibility of management, under the oversight of the board and audit committee, to produce timely and factual financial statements (balance sheet, income statement, cash flow and equity).
4. It is the responsibility of the board and audit committee to engage an independent accountant to audit the financial statements prepared by the management.
5. It is the responsibility of the independent accountant to ensure that he is in fact independent and has no conflict of interest.
6. Employees shall be dealt with in a fair and equitable manner (discussion with performance and management).

### **Levels of Governance**

The governance is found to have three levels- External, Internal and Individual Governance. Each level of governance is as follows:

#### **External Governance**

There are different aspects of External Governance which are as follows: Transparency, Compliance and Public Accountability

1. Transparency:
  - a) Regular, honest communication of board activities with members, regulators and general public in the spirit of full disclosure.
  - b) Financial statements, compliant with generally accepted accounting principles and local regulatory standards, should be made available to members and the public.

2. Compliance:
  - a) Fully comply with regulations and national laws and cooperate with regulators.
  - b) Ensure that the cooperative meets or exceeds any relevant standards for financial institutions.
  - c) Undergo annual external audits within 90 days of the end of each fiscal year.
  - d) Re-examine audit relationship frequently and consider changing the auditor at least 3 years in a competitive bidding process.
3. Public Accountability:
  - a) Must be constantly cognizant of responsibilities to government bodies.

### **Internal Governance**

Internal Governance has following aspects: Structure, Continuity, Balance and Accountability.

1. Structure:
  - a) Composition of BOD shall be in odd number, not less than 5 and not greater than 15.
  - b) Consideration should be given to the rotation of directors.
  - c) Dialogue with general members shall be encouraged during annual general meeting.
  - d) The annual general meeting should be adequately promoted to ensure sufficient member participation.
2. Continuity:
  - a) The board should create strategies to maintain competitiveness and sustainability of the cooperative.
  - b) The board should create succession plans for both directors and management.
  - c) The board should formulate risk management plan.
3. Balance:
  - a) The composition of the board should aim to reflect the demographic makeup of members and balance the financial service demands of members.
  - b) The boards should seek to balance diversity and experience.
4. Accountability:
  - a) The board is formally accountable to the general assembly.
  - b) The roles and responsibilities of the board, committees and managers should be established clearly in the by-laws or other policies.
  - c) It is the duty of the board to establish strategic direction, approve policies and monitor management's implementation of policies and achievement of targets.
  - d) It is the duty of management to prepare the plan and budget, undertake operations, implement policies approved by the board and achieve the targets set forth.

### **Individual Governance**

Individual Governance has various aspects as follows: Integrity, Competence and Commitment.

1. Integrity:

- a) The cooperative should adopt a code of conduct clearly explaining proper behavior.
- b) Directors or managers must not have criminal backgrounds.
- c) Immediate family members should not serve on the board or in management at the same time.
- d) Board members must excuse themselves from participating in discussions and voting on matters from which they or their family have a potential conflict of interest.
- e) The board must approve loans to directors or managers.
- f) Directors with loans that are delinquent for 3 months will be removed from their position.

2. Competence:

- a) All members of the board should have basic competencies, especially financial literacy.
- b) Individual members should also have sufficient knowledge and skills that are needed to conduct their business and perform their rights and responsibilities to the cooperative.

3. Commitment:

- a) Directors should be willing and able to commit necessary time to the cooperative. Failure to attend board meetings may result to dismissal.
- b) Directors must respect the decisions of the board, adhering to all policies that have been adopted, regardless of personal opinion.

### **Characteristics of Good Governance**

Good governance has various characteristics which are in the following:

- Participation
- Rule of law
- Transparency
- Responsive
- Consensus Oriented
- Equitable and Inclusive
- Effective and Efficient
- Accountable

### **Functions of the Board (Committee)**

The board has different functions in the following:

1. Formulate Policies and Plan
2. Oversee Management
3. Manage Risk and Crisis
4. Promote the Cooperative

5. Perform Administrative duties
6. Conducting Annual General Meeting

### **Effective Decision Making Process**

The board is to make decision with process which must be effective and is as follows:

1. All board members contribute to the effectiveness of each and every board meeting.
2. Chairman organizes the meeting to allow participation, debate and decision as well as manage conflict and problems.
3. The board works with management to anticipate and provide the information needed for decisions.
4. New members are oriented as to be the process used by the board.
5. Multiple tools are used in choosing the solution to a problem.

### **Functions of the Management**

There are different functions of the Management which include Planning, Organizing, Staffing, Directing and Controlling.

### **Strategic Planning**

1. Assessment of Current Situation (Present Status)
  - a) Review current mission
  - b) What's happening in the environment?
  - c) Engage with stakeholders – how well are we meeting their needs?
  - d) Members / Customers / staff / volunteers / Board
  - e) SWOT analysis
2. Future Plan (Future Status)
  - a) Define strategies to address SWOT
  - b) Review vision
  - c) Review programs
  - d) Review organizational capacity to deliver
  - e) Review capital and revenue requirements
3. Strategic Plan (to reach/achieve)
  - a) Who we are
  - b) What we do (Our focus)
  - c) Mission
  - d) Goals
  - e) Program strategies
  - f) Capacity strategies
  - g) Money strategies
  - h) Evaluation strategies

### **Functions of the Board and Management**



The Board and Management have dual functions which are as follows:

**A. Management Control**

- Internal Control System
- Compliance of Functions
- Management Information System
- External Supervision and Audit
- Risk Management Framework
- Effective Audit Committee

**B. Disclosure of Management**

- High Quality Annual Report
- Audit Committee Report
- Member Information System
- Financial Reporting Standard
- Audit Report.

**Cooperative Movement**

Similar effective practices of good governance in board and management could be found if the cooperative movement moves forward as practices. In cooperatives following features are found as autonomy, independent in decision, self-regulation, risk management, non-discrimination, and growth orientation. Similar feature in the cooperative movement are found to be as political neutrality, business union or federation, cooperative education, cooperative principles and values, corporate governance, and self-regulation.

The cooperative movement makes legal framework for good governance in cooperatives. Under the legal framework for good governance following promotional activities such as capacity building through training, education, research, financial support, etc. is also practiced. Under it, the cooperative management includes annual general meeting, board of directors, account and supervision committee, and major policies. Democratic member control is exercised by voting at annual and membership meetings, electing board of directors, and making decision on major cooperative issues.

There were two panelists. One of the panelists is Surendra Bhandari, NCF Committee Member was speaking, “Many savings and credit cooperatives have been investing a large amount of money in the secondary market and housing business and issuing loans to non-members. They could face a financial crisis following a sharp fall in share prices. Similarly, the loans they have issued to non-members are not being repaid.” According to Mr. Bhandari, hardly 5 percent of the savings and credit cooperative are following government norms. He urged the government to implement strict guidelines and monitoring mechanism to protect the people’s deposit.

Another panelist Keshav Prasad Regmi, Registrar, Department of Cooperatives made comments that it is necessary that cooperatives to follow rules and self-regulation. Cooperatives must be responsible to their members. They have to forget trend of not give chance of participating in the general assembly.

Lastly, Mr. Dhakal, Resource Person made a critical comment saying financial cooperatives lack sufficient knowledge about finance and accounting system. In addition, they do not maintain sufficient records of their financial transaction and reporting system.

***Panel Discussion on:***

**"Strategic Engagement of Development Partners of  
Achieving SDGs"**

## **1. Moderator**

Mr. Suresh Pradhan, Chief Secretary, State No. 6, Nepal Government, Working as resource person

## **2. Panelists:**

- a. Mr. Renaud Meyer, Country Director, UNDP
- b. Mr. Richard Howard, Director, ILO, Nepal
- c. Dr. Volker Steigerwald, Chief Technical Advisor, GIZ INCLUDE
- d. Dr. Ranjan Shrestha, Senior Program Manager, European Union Delegation to Nepal

Leading as a moderator of subject matter, "Strategic Engagement of Development Partners for Achieving SDGs" Mr. Suresh Pradhan presented the subject matter with four speakers representing UNDP, ILO, GIZ and European Union, making presentation of main theme of the discussion to be presented, Mr. Pradhan mentioned, saying "Cooperative has main role for achieving goals in poverty reduction, end of hunger, eradication of equality etc."

He added that the Sustainable Development Goals (SDGs) which have been given name as SDGs common agendas for a period of 2016 to 2030 signed by 193 countries of the world. The common agendas (SDGs) consist of 17 objectives and 169 targets. Out of 17 targets serial number 1, 2, 6 and 7 are related to sign of civilization of civilized society, other No. 3 related to the human capacity and No. 5, 10 and 16 related to human high wishes, No. 8, 9 and 12 related to sustainable sign and No. 13, 14 and 15 related to challenges to future prosperity and No. 17 related to reinterpret partnership which could be globally affiliated to No. 1 to 17.

One of the 4 speakers UNDP Country Director Mr. Renaud Meyer expressed his opinion that to make rural economy, strong joint cooperation can be built with cooperatives. Development is required for its sustainability. To make it sustainable, SDGs must be a policy which is required to be implemented in the country where it has been very poor. If the policy is not properly followed it could not be achieved.

ILO Country Director Mr. Richard Howard added that cooperative must emphasize on economic production for sustainable development. The ILO is ready to support easy production. If labor management is properly managed economic transparenance is not impossible.

Dr. Volker Steigerwald, Chief Technical Advisor, GIZ INCLUDE said that a lot of activities of development in Nepal has been taking place. According to him, cooperatives are not only carry out savings and loan activities but also must move forward in industrial sector. He expressed his opinion that if they are industrialized Nepal will be counted under the development country very shortly.

Dr. Ranjan Shrestha, Senior Program Manager, European Union Delegation to Nepal said, "Nepal has been under the government priority of poverty reduction plan. Since the government makes policy only all the concerned agencies have duties to implement it. According to him, cooperatives have reached although vehicles have no access to the inaccessible place. They have been moving in each place where cooperatives are being operated.

The 17 SDGs are related to land-locked areas which cannot be concerned with direct concern of Nepal since they (SDGs) cannot be concerned with the sea life and cannot be under the production of sea source. They can include Himalaya area and can be made by climate change and its impacts, forests, eco-system diversification and diversity of land degradation, special efforts are also required in order to remove traditional thinking and concept related to traditional keeping contact women from stage and orthodox belief. In order to avoid such orthodox aspect, special efforts are required with trustworthy education and lifelong learning.

***Working Paper on:***

**"Successful Case Study in Cooperatives (Role of Cooperatives in Poverty Alleviation)"**

***Resource Person:***

**Khem Bahadur Pathak  
Chairman, Nepal Agricultural Central  
Cooperative Federation Ltd.**



## 1) Resource Person

Khem Bahadur Pathak, Chairman, Nepal Agricultural Central Cooperative Federation Ltd.

The concept of cooperative is as old as human society. People are mutually helpful. When they are found to be weak to achieve their needs and cannot attain them individually and look for support from other people who can provide support. To provide support for meeting their need has become tradition, which has been a system. Such system is found to have been practice into only in Nepal but also in other part of the world.

Such system was found to be popularly practised in mass scale in 1844 in England, in 1869 in Denmark, in 1852 in Germany, in 1879 in Japan, in cooperatives spread widely in many countries of the world.

The importance of cooperative increased and many cooperatives joined together to massively grow. They established International Cooperative Alliance (ICA) in 1895. In 1937 ICA propounded cooperative principles. India started agriculture cooperative in 1904. In 1956 government of Nepal, set up first cooperative in Chitwan district. At presence, there are 34,516 cooperatives which include different varieties such as Agriculture, Saving and Credit, Multipurpose, Consumer, Milk, Vegetable and Fruits, Tea, Coffee, Sugarcane, Herbal, Beekeeping, Health, Communication, Electricity, Seed production, Bitternut, Ginger, Cardamom, Mushroom, Livestock, Tourism, Citrus. There are more than 6.3 million populations affiliated in 34,516 cooperatives. They have total membership 6,30,550. Out of them women members are included 3,21,352 (51%) and male members 3,09,206 (49%).

In cooperatives 60,517 are employed. Out of them women 31,475 (52%) and male 29,042 (48%).

Members of cooperatives have invested Rs. 7,31,78,715 as share capital. Members have deposited Rs. 30,21,64,513.

The total cooperatives have invested Rs. 27,41,54,363 as loan to their members.

Structural position of cooperatives

1) NCF/N (Apex Level)	-	1
2) NCB	-	1
3) Central Level Cooperative Union	-	20
4) District Cooperative Union (Secondary Level)	-	70
5) Business Oriented Cooperative Union (Secondary Level)	-	253
6) Cooperatives (Primary Level)	-	34,156
<b>Total</b>	-	<b>34,861</b>

### **Nepal Agricultural Central Cooperative Federation Ltd. (NACCFL)**

NACCFL has been established in 2008. Its structure is as central, provincial, secondary and primary level. There are 45 secondary agriculture cooperative unions which have covered areas (Districts) 73. They have 1,19,000 agricultural groups which have 8,60,000 farmer members each household represents one member in agricultural cooperative.

Out of total members 82 percent women and 18 percent male represent in agricultural cooperatives.

The major objectives of NACCFL are as follows:

- 1) Extension of networks (Primary Agricultural Cooperatives)
- 2) Enhancement of capacity building
- 3) Presentation of agricultural cooperatives' utilization of their activities.
- 4) Presentation of challenges and problems faced by agricultural cooperatives.
- 5) Removal of problems and difficulties faced by the agricultural cooperatives.
- 6) Presentation of remedial measures for solving problems and difficulties.

The important activities for the promotion of agricultural cooperative will have to be planned keeping in view of the above mentioned objectives. They must be related to the following areas.

Training and studies, on management and financial areas, farming activities, technology, marketing etc, processing, production and institutional development.

### **Situation of Poverty in Nepal**

Poverty is defined "Basic needs or daily food is consumed 2140 calories in terms of value or each household per head incomes of Rs 527.2. In Nepal 25 percent household family are under the poverty outline as per base of monetary measurement.

There are a number of causes for alleviating poverty as follows:

- 1) To grow in remittance
- 2) To increase agricultural income
- 3) To move in towns/cities
- 4) To grow up population financially
- 5) To carry out government programs (education, access to finance, small loan etc)

### **SWOT Analysis (Strength, Weakness, Opportunities and Threats)**

Cooperative must pay an attention to SWOT analysis which includes strength, weakness, opportunity and challenges.

#### **1) Strength**



- a) Cooperatives are always playing important role to access to financial service to household.
- b) Due to cooperative access to service, empowerment and community people's capacity have been increased.
- c) Cooperative have create the employment opportunities
- d) Cooperatives have been moved as per their principles.

## **2) Weaknesses**

- a) Cooperative members have poor knowledge and awareness about the cooperative values, principles and means,
- b) Illegal financial activities are increasing in some cooperatives,
- c) The number of cooperatives are increasing in comparison with the capacity of the Department of Cooperatives and its employees.

## **3) Opportunities**

- a) Cooperatives can support poor people for lessen their poverty line,
- b) Economics and social prosperity can be achieved through the cooperative medium,
- c) Cooperatives have been playing major role to provide easy and simple financial service in the rural areas,
- d) The government has identified to term of backwardness, economic and social development for reducing poverty of members and poor people.

## **4) Threats**

- a) Lack of long term strategies for the cooperative development,
- b) The structure of law and its execution is not strong for the cooperative management.
- c) Some cooperatives have not achieved the objectives in relation to their cooperatives, values, principles and means, since they have been carrying out their activities beyond their objectives,
- d) Since the different specific cooperatives, union and different level of cooperatives have not been strength used the institutional capacity their desired development has not been achieved.

## **The System of Agriculture Cooperatives**

The agricultural cooperatives have its own structure with primary to central level institutions having total number of cooperative units as 34,861 mentioned above. They depend upon the system which includes the following.

- 1) Cooperatives based up agriculture.
- 2) They are based on the structure male and female, general members, management committee and general assembly.
- 3) One door service (access of finance, skill and technology) from management committee.

- 4) Social inclusion and gender mutual relation
- 5) Local ownership
- 6) Low administrative expenses (sustainable at rural level)
- 7) Need base system
- 8) Monitoring and evaluation system
- 9) Research

### **Achievements of Cooperatives in Nepal**

There are important achievements at different level as follows:

- 1) Networks at different levels have been developed.
- 2) Development of cooperative units as 34861 mentioned above
- 3) Creation of employees-60,617
- 4) Leadership capacity development
- 5) Strong emphasis of cooperative's role by the government (3 pillar-government, private and cooperative)
- 6) Many donor agencies involved for cooperative promotion
- 7) Collection of 1 billion capitals
- 8) 10 million loan support through small farmers' bank
- 9) Development of 42,000 social leaders
- 10) 4,400 employment generation (55% women)
- 11) Development of 15,000 agricultural farmers

***Working Paper on:***  
**“Technology Advancement for Cooperative Sector”**

***Resource Person:***  
**Mr. Asheem Sharma**  
**Vice President, Solution 360. a- SUBISU**



**Resource Person**

Mr. Asheem Sharma, Vice President, Solution 360. a- SUBISU

The medium of Information, Communication and Technology (ICT) makes human life easy. The ICT which is utilized for making human life easy is known as medium. The use of ICT helps to make human life each activity fast and easy. If it is not properly utilized in time the proper person may be bereft. Its proper use helps exchange fastly. The present time is called as the age of its fast use. Each action/activity can make its connectivity. The information has played an important role in each activity in relation to connectivity of each and every branch, employees and to evaluate their presence to security and financial activity. If it is properly utilized the daily expense can be reduced.

There will not be two opinions if the financial institutions in Nepal make contribution in changing the society. If they use ICT, they will be more capable and modern. They may play important role to make much more contribution for changing the society.

The financial institutions are utilizing different technologies from time to time for making their refinement. Those technologies are being adopted they will be much stronger and capable.

If ICT could be properly utilized each kind of competition would be increased. Since the financial institutions in Nepal are refining their ICTs they will be competent in each activity.

At present, the financial institutions have come forward to utilize different modern techniques as for example, software, networks in their daily activities. The SUBISU has networks in more than 66 districts in Nepal. It has also set target to expand its network in 75 districts.

The SUBISU has been providing technologies such as DATA connectivity service, Internet service, Video Conference, IPPABX, Data Center, different software, Security Networks (CCTV/IPTV Surveillance, Biometric Attendance system).

***Working Paper on:***  
**"Science of Stress-Free Performance"**

***Resource Person:***  
**Mr. L.P Bhanu Sharma**  
**President**  
**Jeevan Vigyan Pratisthan**



**Resource Person:**

Ms. Yamuna Ghale, Program Officer, Swiss Agency for Development and Cooperation

Human life is very much close to internal or external feeling or experience which indicates stress. In fact, the stress deals with force, pressure, urgency, strain, or emphasis. Sometimes it also presses on weight or importance or pain. It makes lesson pressure on extreme pain to its adaptability. On the contrary of stress the neustress indicates stress of nil. In other words it means no stress or peace.

Stress has other meaning – silent killer. In most of the cases silent killer causes illness. 80% of all illness comes from stress, silence, sleeping disorders, memory losses, obesity (abnormal fatness).

In fact, human life always looks for result oriented productivity and better performance. It is very difficult to enhance productivity and performance without proportionate stress. Such stress is helped with the support of ego, arrogance or haughtiness. The arrogance stimulates the action which can bring negative or positive result.

Such arrogance or haughtiness can create a problem which creates worryment or anxiety and pinches the core heart of human life. One of the sayings is as quoted in Mahabharat, “If the problem cannot be solved worrying will do you no good. That is worrying will not solve it (problem, property).”

Any work depends upon its production and performance. It is dependent on physical matter and spiritual matter. The former effects on physical life of human beings whereas the latter effects on spiritual life of human beings.

**Part V**

**Closing Session of the  
Second Cooperative  
Congress**

At the final session of the congress, former Prime Minister Pushpa Kamal Dahal (Prachanda) expressed whole heartedly happiness to be present in this most important Second Cooperative Congress held at this Hotel Soaltee Crowne Plaza, Kathmandu where a large number of representatives of cooperatives/unions from all over the country Nepal and



foreign delegates of different countries. Explaining the cooperative development varieties of cooperatives of different levels are being conducted in Nepal.

Mr. Prachanda said, “Cooperatives can tremendously make economic development within a short period of cooperative development in the country. In Nepal new model of economic development can be launched. This model can help grow economic prosperity. The country will attain social justice with the help of economic growth”.



He also added much further, “If the new cooperative model could be applied the country will reach high under cooperative development. Explaining the Nepalese political situation cooperatives at present has been doing constructing works in the social economic sector”.

In course of the session of conclusion program Mr. Arial Guarco, President, International Cooperative Alliance, very happily expressed, “I am very much happy to visit Nepal in a moment when the Second Cooperative Congress, Kathmandu 2018 is being conducted in Nepal. The cooperative movement has made high contribution to make economic and social development. I confidently believe that the cooperative movement in Nepal has made constructive works for the benefit and prosperity of the Nepalese people. It may continue even in future.”



In the same conclusion session, Mr. Chandra Pal Singh, Chairman of the National Cooperative Union of India (NCUI) expressed, “I am very much pleased to take part of the Second Cooperative Congress being held in Kathmandu.



The congress will make an important contribution for the Sustainable Development Goals”.

Making concluding remarks, Mr. Keshav Prasad Badal, Chairman of NCF/N whole heartily expressed a lot of thanks to those who have participated in the second congress. Particularly, he appreciated Right Honb'le Prime Minister, Mr. K.P. Oli, for his kind remarks during the opening ceremony, Likewise, Mr. Badal expressed thanks to Mr. Puspa Kamal Dahal (Prachanda), former Prime Minister for his presences and important remarks in the closing session of the same congress.

Mr. Badal thanked ICA President, Mr. Ariel Guarco for his gracious presence and key note speech for success of the second cooperative congress.

Likewise, Mr. Badal appreciated the participation of foreign delegates, all national delegates of cooperatives at all levels.

Mr. Badal thanked for the resource persons for their contribution to present of the working paper, Session Chairperson, Panelist and moderator. He also thanked to the Minister of Agriculture, Land Management and Cooperatives, all members of main organizing committee and steering committee, co-organizers, sponsors, media persons, NCF/N Staffs, hotel staffs for contributing to the congress grand success.

In the same session, NCF/N Chairman Mr. Badal made an announcement the Kathmandu Declaration-2018. (See Annex-2)



# **Part VII**

# **Annexure**



## Program Schedule

3 April, 2018	ARRIVAL of International DELEGATES and Local Participants	
	Chair: Mr. Keshav Prasad Badal, Chairman, Main Celebration Committee of 2 <sup>nd</sup> Cooperative Congress	
4 April 2018		
8.00–9.00	-Breakfast-	
9.00–9.30	Registration	Participants
9.30–9.35	Seating on the dais	Chief Guest and other dignitaries
9.35-9.40	Welcome Speech with the brief introduction of the program	Mr. Gopi Nath Mainali, Secretary, Ministry of Agricultural, Land Management and Cooperatives (MoALMC)
9.40–10.00	Greetings Message	<ul style="list-style-type: none"> <li>» UNDP, European Union, German Embassy</li> <li>» Hon'ble Ram Kumari Chaudhary, State Minister of Agricultural, Land Management &amp; Cooperatives</li> <li>» Hon'ble Chakra Pani Khanal, Minister of Agricultural, Land Management &amp; Cooperatives</li> </ul>
10.00-10.10	Key Note Speech	Hon'ble Dr. Yuba Raj Khatiwada, Finance Minister, Nepal Government
10.10-10.20	Inauguration Remarks	Rt. Hon'ble Prime Minister K.P Sharma Oli, Nepal Government
10.20-10.30	Vote of Thanks with	Mr. Keshav Prasad Badal, Chairman, NCF/N

	Closing Remarks	
10.30-11.00	<i>-Networking Break-</i>	
11.00:12.00	<b>Plenary Session I</b> Vision 2022: Cooperative Movement of Nepal	<b>Chair: Mr. Keshav Prasad Badal</b> , Chairman, NCF <b>Presenter: Mr. Gopi Nath Mainali</b> , Secretary, MoALMC <b>Panelists:</b> <b>1. Mr. Bishnu Prasad Lamsal</b> , Member Secretary, NPC <b>2. Mr. Daksha Poudel Subas</b> , Co-chairman, NCDB
12.00:12.30	Questions/Discussion	
12.30–13.30	<i>-Lunch Break-</i>	
13.30–14.30	<b>Plenary Session II</b> Role of Local, Provincial and Federal Government for the Promotion of Cooperative Sector	<b>Chair: Mr. Dinesh Kumar Thapaliya</b> , Secretary, Ministry of Federal Affairs and General Administration <b>Presenter: Dr. Khim Lal Devkota</b> , Financial Federal Expert <b>Panelists:</b> <b>Mr. Ravindra K.C</b> , Board of Directors, NCF <b>Dr. Krishna Paudel</b> , Cooperative Expert
14:30-15.00	Questions/Discussion	
15.00-15.30	<i>-Networking Break-</i>	
15.30-16.30	<b>Break Out Session I</b> 1. Participation of Cooperatives for the Implementation of SDGs	Megha Hall <b>Chair: Dr. Chirinjivi Nepal</b> , Governor, Nepal Rastra Bank <b>Presenter: Prof. Dr. Puspa Kadel</b> , Tribhuvan University <b>Panelists:</b> <b>Dr. Teertha Dhakal</b> , Joint Secretary, NPC <b>Mr. Raguram Bista</b> , Joint Secretary, MoALMC
	<b>Break Out Session II</b> 2. Current Status of Financial Cooperatives its Challenges and	Madhavi Hall <b>Chair: Mr. Krishna Prasad Devkota</b> , Secretary, Ministry of Culture, Tourism and Civil Aviation <b>Presenter: Dr. Bimal Koirala</b> , Former Chief Secretary of Nepal Government

		Way forward	<b>Panelists:</b> <b>Mr. Ramesh Prasad Pokhrel</b> , Chairman of National Cooperative Bank Ltd & Board Member of NCF <b>Mr. D.B. Basnet</b> , Chairman, NEFSCUN
		<b>Break Out Session III</b> 3. Building Partnership among Public, Private and Cooperatives with reference to the three pillar economy	Malhar Hall <b>Chair: Dr. Sunil Babu Shrestha</b> , Former Member of Planning Commission <b>Presenter: Dr. Ram Saran Kharel</b> , Financial Advisor, Ministry of Finance <b>Panellists:</b> 1. <b>Mr. Minraj Kadel</b> , Senior Vice Chairman, NCF 2. <b>Mr. Kishor Pradhan</b> , Vice Chair of FNCCI
16:30-17.00		Questions/Discussion	
		Summary /Conclusions by the Chair of Each Working Session	
5 April 2018			
8:00-9.00		-Breakfast-	
09.00-10.00		<b>Break Out Session IV</b> 1. Youth and Gender Involvement in Cooperatives	Megha Hall <b>Chair: , Dr. Bharat Pradhan</b> , Former Minister, Nepal Government & Advisor, NCF <b>Presenter: Ms. Om Devi Malla</b> , Vice Chairperson, NCF and Global Board Member, ICA <b>Panellists:</b> 1. <b>Dr. Bishnu Gautam</b> , Executive Director, Youth and Small Entrepreneur Self Employment Fund 2. <b>Ms. Radhika Aryal, Joint Secretary</b> , Ministry of Women, Children and Social Welfare
		<b>Break Out Session V</b> 2. C2C business Model: challenges and potentialities	Malhar Hall <b>Chair: Mr. Deepak Prakash Baskota</b> , Former Chairman, NCF <b>Presenter: Mr. Balu Iyer</b> , Regional Director, ICA-AP <b>Panelists:</b>

		<b>1. Mr. Nabin Karna</b> , National Program Coordinator, ILO Nepal <b>2. International Delegates</b> from ANGKASA, Malaysia
	<b>Break Out Session VI</b> <b>3. Good Governance: A Key Aspect of Cooperatives' Sustainability</b>	Madhavi Hall <b>Chair: Mr. Kashiraj Dahal</b> , Chairman, High Level Administration Reform and Monitoring Committee <b>Presenter: Mr. Sudarshan Prasad Dhakal</b> Former Joint Secretary, MoCPA <b>Panelists:</b> <b>1. Mr. Surendra Bhandari</b> , Board Member, NCF/N <b>2. Mr. Keshab Prasad Regmi</b> , Registrar, DoC
<b>10.00–10.30</b>	Questions/Discussion	
<b>10.30–11.00</b>	<i>-Networking Break-</i>	
<b>11.00–12.30</b>	<b>Plenary Session III</b> Strategic Engagement of Development Partners for Achieving SDGs	Megha Hall <b>Moderator: Mr. Suresh Pradhan</b> , Chief Secretary, Province No. 6, Nepal Government <b>Panellists:</b> <b>Mr. Renaud Meyer</b> , Country Director, UNDP <b>Mr. Richard Howard</b> , Director, ILO Nepal <b>Dr. Volkar Steigerwald</b> , Chief Technical Advisor GIZ INCULUDE <b>Dr. Ranjan Shrestha</b> , Senior Program Manager, European Union Delegation to Nepal
<b>12.30–13.30</b>	<i>-Lunch Break-</i>	
<b>13.30-14.10</b>	<b>Plenary Session IV</b> Successful Case Studies in Cooperatives	<b>Presenter: Mr. Khem Bahadur Pathak</b> , Chairman of NACCFL and Board Member of NCF
<b>14.10-14.25</b>	<b>Plenary Session V</b> Technology Advancement for Cooperative Sector	<b>Presenter: Mr. Asheem Sharma</b> , Vice President, Solution 360. a- SUBISU
<b>14.25-16.00</b>	<b>Plenary Session VI</b> Science of Stress-Free Performance	<b>Presenter: Mr. L.P Bhanu Sharma</b> , President, Jeevan Vigyan Pratisthan

16.00-17.00		Summary/Conclusion by the Experts Group	▶▶ <b>Mr. Nav Raj Simkhada</b> , Cooperative & Microfinance Expert ▶▶ <b>Mr. Babul Khanal</b> , Deputy General Manager, NCF/N ▶▶ <b>CA Badri Guragain</b>
		Announcement of Declaration of 2 <sup>nd</sup> Cooperative Congress	
		Offering Token of Love to all Foreign Delegates	
		Remarks by	▶▶ <b>Mr. Li Chunsheng</b> , Vice-President, ICA and President of ICA-AP ▶▶ <b>Mr. Ariel Guarco</b> , President of ICA ▶▶ <b>Hon'ble Chakra Pani Khanal</b> , Minister of Agricultural, Land Management and Cooperatives
		Remarks	<b>Chief Guest Hon'ble</b> Former Prime Minister Puspa Kamal Dahal
		Closing Remarks	<b>Mr. Keshav Prasad Badal</b> , Chairman, NCF



## Kathmandu Decleration-2018

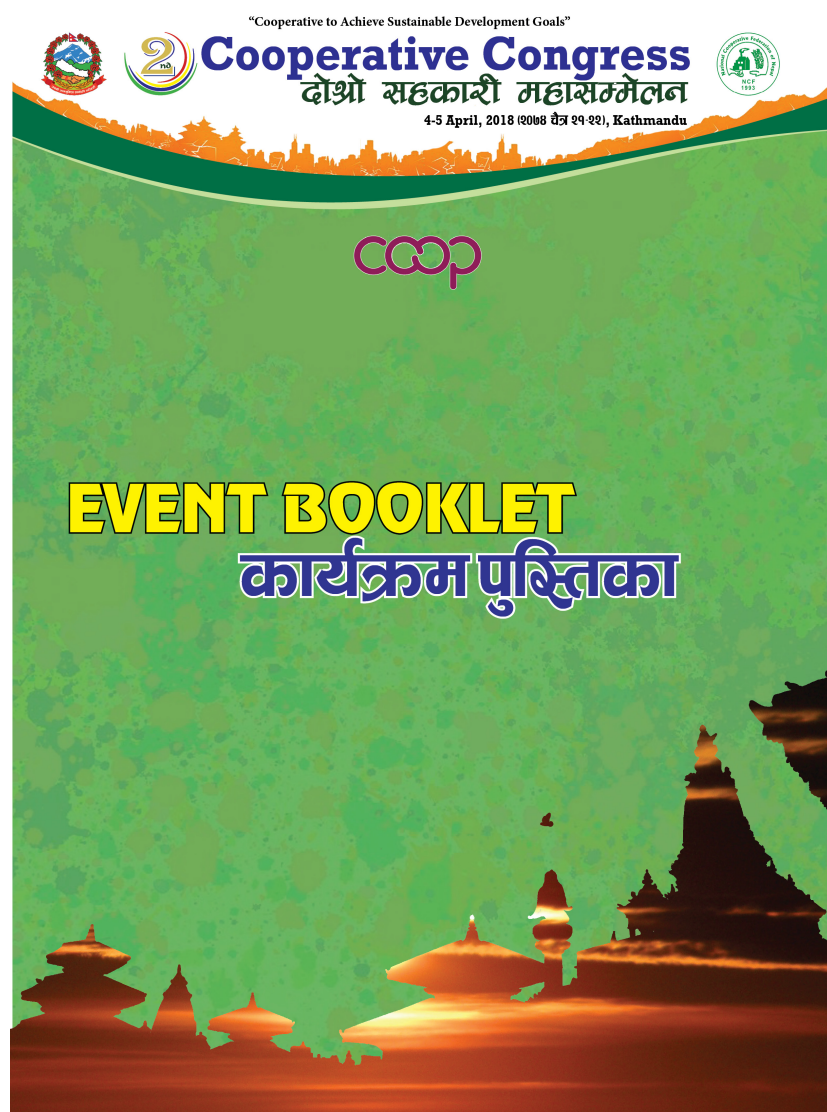
This Second National Cooperative Congress, Kathmandu 2018 organized in a joint collaboration of the National Cooperative Federation, Nepal and the Ministry of Agriculture, Land Management and Cooperative with enthusiastic cooperation of cooperatives/unions and national and international stakeholders for its sustainability and professionalization and with strong commitment on April 4 and 5, 2018. As the conclusion this Kathmandu Declaration 2018 has been announced:

1. To make the contribution of its sector double by making and enabling the role of cooperatives/unions with strategic plan and through achieving “The Sustainable Development Goal 2030”.
2. To make effort by formulating cooperative friendly laws and policy through coordinating and cooperating with cooperatives/unions under cooperatives/unions, province and local government.
3. To develop cooperative culture through self-regulated system by keeping strictness in smooth operation of cooperatives/unions with their resemblance in accordance with cooperative values, honor and principles.
4. To develop economic growth and social transformation by enhancing skill and capacity of community, youth and women not accessible to the backward, poor and marginalized people.
5. To alleviate poverty by creating technique and entrepreneurship through employment generation.
6. To increase products and promote export by enhancing production, processing and marketing through professionalization of agriculture sector and through coordination among cooperative, private and government sectors.
7. To make cooperatives/unions professional by preparing skilled manpower through enhancing the system of education, training and information effective and expanding widely.
8. To provide support for creating prosperous economic development by enhancing participation of cooperatives/unions through the national priorities of health, housing, tourism, education, electricity including energy sector.



9. To take an initiative to implement and to be implemented program of the cooperative security and insurance in order to carry out capacity of cooperative sector, and
10. To enhance qualitative development by expanding competitive capacity and skill through increase of cooperative access and amalgamation in the backward geographical sector.

## Publication



#### Organizers



MoALMC



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#### Co-organizers



NCDB



NCBL



NEMCCU

#### Supportors



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SAHARA NEPAL



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#### ICT Partner



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