



**COOPERATIVE FACILITY FOR AFRICA**  
**Coop<sup>AFRICA</sup>**

**Lesotho**

**Information Brochure for Applicants**  
**on**  
**Coop<sup>AFRICA</sup> Challenge Fund**

2009

In view of the large amount of enquiries, please do not telephone the ILO Coop<sup>AFRICA</sup> team in the first instance. Questions should be directly addressed to Ms. Maphamoli Lekoetje ([maphamolilekoetje@yahoo.com](mailto:maphamolilekoetje@yahoo.com)), National Coop<sup>AFRICA</sup> Focal Point for Lesotho as your first point of contact or by email to [coopafrica@ilo.org](mailto:coopafrica@ilo.org).  
To ensure a rapid response, enquiries should be sent in English if possible.

In partnership with:



# Brochure

## Introduction

The Cooperative Facility for Africa – in short Coop<sup>AFRICA</sup> - is a technical cooperation programme mainly funded by DFID for the promotion of cooperative development in Africa. Located in the ILO Office in Dar es Salaam, Coop<sup>AFRICA</sup> covers 9 countries in Eastern and Southern Africa with support of the ILO Cooperative Programme in Geneva. Coop<sup>AFRICA</sup> aims at helping people to co-operate out of poverty as well as at tackling a variety of development constraints such as unemployment, lack of social protection, and lack of empowerment. This is done by assisting cooperatives to establish legal and policy environments conducive for their development; providing support services through identified centres of competence that are strengthened by the programme to provide support services to cooperatives; establishing and maintaining a challenge fund-type of mechanism that will provide support services – including expertise and advisory services, and development of training materials. Cooperative organisations in the region covered by the programme can then request assistance from the centres of competence<sup>1</sup> identified by Coop<sup>AFRICA</sup> or by the applicant.

**The programme disposes of three challenge funds namely for: ‘Services’, ‘Innovation’, and ‘Training’.** All funds are accessible through a competitive demand-driven mechanism and transparent selection of the best initiatives proposed by organisations.

## What is a Challenge Fund?

A challenge fund is an open financing mechanism that allocates grant funding through a competitive process. Challenge funds are set up to meet specific objectives. Bids are assessed against transparent criteria, and successful bidders must match the grant amount<sup>2</sup>. A Selection Committee then awards grants to those projects that best meet the aims of the Fund.

## Who can apply for assistance?

All cooperative-type organizations having identified specific needs related to cooperatives activities and/or areas for assistance to be trained or advised can apply:

- *primary cooperatives* including pre-cooperatives, community-based organizations etc.<sup>3</sup>;
- *cooperative unions* that carry out higher-level economic functions on behalf of primary cooperatives;
- *cooperative federations* that provide cooperatives and their members with voice and representation, as well as with non-economic services.

Other stakeholders close to the cooperative movement can apply to the Coop<sup>AFRICA</sup> Challenge Funds (e.g. public or parastatal authorities, international and national development agencies, etc.) Nevertheless, if the applicant does not belong to the cooperative movement the

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<sup>1</sup> These centres are institutions which have developed a well-known and proven expertise in specific cooperative-related areas.

<sup>2</sup> ‘Our Common Interest’: Report of the Commission for Africa, 2005.

<sup>3</sup> Provided they carry out economic and/or social functions and comply with the provisions of ILO Recommendation 193 (cf. <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R193> )

applicant must demonstrate **a clear partnership** with a cooperative stakeholder (e.g. cooperative union or primary cooperative) in the implementation process and in the design of the proposal.

To be eligible the organizations must demonstrate compliance with the principles concerning international labour standards of the ILO by signing the certification of labour compliance.

### **Who can apply to provide assistance?**

All organisations or institutions with the capability to provide technical support on cooperative-related activities such as training, guidance, advocacy, etc. can apply to Coop<sup>AFRICA</sup> Challenge Funds as *Service Providers*, for example organisations such as Cooperative Colleges or training providers may wish to apply. After an appraisal of applications based on some clearly defined criteria, decision will be made to categorize successful applicants as ‘centres of competence’. These centres are institutions which have developed a well-known and proven expertise in specific cooperative-related areas. Through Coop<sup>AFRICA</sup> Challenge Funds, those institutions will be recommended by the programme and will make their expertise available to cooperative organizations that need expertise in a given area in funded projects.

#### **Centres of competence**

To be eligible as centres of competence for Coop<sup>AFRICA</sup>, the organization must demonstrate among others:

- Significant years experience in a given technical field relating to cooperative promotion/development;
- High level of qualification of the staff;
- Track record in providing advisory services,
- The capability to manage and account properly for total project funds if required;
- Financial sustainability;
- Proven experience at national and/or international level;
- Compliance with the principles concerning international labour standards of the ILO by signing the certification of labour compliance.

**If the applicant does not have the required skills or expertise to implement the project, it is strongly recommended that project proposals be developed in partnership between the potential beneficiary and an institution having the capacity to carry out the project implementation (i.e. centres of competence).**

## What can Coop<sup>AFRICA</sup> Fund ?

Challenge Fund for Services	Challenge Fund for Innovation	Challenge Fund for Training
<p>Coop<sup>AFRICA</sup> supports the <b>modernisation of existing support services</b> which were previously offered by governments in the past, and where possible to get them transferred to the cooperative movement itself, with a perspective that they should become self-sufficient businesses themselves. The fund is also intended to support new services that may be set up to be of benefit to the cooperative movement. Support services include:</p> <ul style="list-style-type: none"> <li>▪ Guidance on market information including market access;</li> <li>▪ Audit or financial services, business planning;</li> <li>▪ Human resource management and development;</li> <li>▪ Policy and institutional environment.</li> </ul> <p>Identified centres of competence are key partners in this fund and their involvement in the implementation of activities is strongly encouraged.</p> <p>The following gives some examples of services that can be facilitated through this Challenge Fund:</p> <ul style="list-style-type: none"> <li>▪ <b>Technical assistance</b> by an established credit union for the setting up of savings and credit cooperatives in a country or region where such coops do not yet exist;</li> <li>▪ <b>Secondment of an expert</b> to advise a cooperative on meeting export standards ;</li> <li>▪ <b>Advisory mission</b> to assist in the design of a cooperative policy.</li> </ul> <p><b>These are just examples and applications relating to a wide range of service activities are welcome.</b></p>	<p>Due to their flexibility, cooperatives have the capacity to adjust themselves to changes in the business and policy environment (global and national) and to meet new members' needs. New innovative types of cooperatives and cooperative activities are being formed but are not always known or recognized in the different countries.</p> <p>The objective of this Challenge Fund is thus to <b>promote new forms of cooperatives and cooperative activities</b> that have proven successful in some regions but are not yet (well) established on other African countries, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ <b>Shared service cooperatives;</b></li> <li>▪ <b>Cooperatives formed by informal economy workers;</b></li> <li>▪ <b>Social service cooperatives;</b></li> <li>▪ <b>Funeral and burial cooperatives;</b></li> <li>▪ <b>Labour contracting cooperatives;</b></li> <li>▪ <b>Housing cooperatives;</b></li> <li>▪ <b>Social and community service cooperatives.</b></li> </ul> <p><b>Please note that it is the activity or form of delivery that must be innovative.</b> Applicants may choose to set up a new organisation but they are not required to.</p>	<p>The issue of provision for education and training services in Africa is very critical. In many African countries, cooperative apex organisations, cooperative colleges or development centres have stagnated and are unable to meet the needs of more market based cooperatives or new forms of enterprise. At present, the insufficiency and the inappropriateness of the support for education and training on the Continent are obvious.</p> <p>The objective of this Challenge Fund is to <b>improve the cooperative management</b> in the region covered by the programme. To this end, through this Challenge Fund, Coop<sup>AFRICA</sup> aims to provide capacity-building services to cooperative members, leaders and managers, cooperative promoters, government officials, and to all other stakeholders. Such training services may include but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ provision of updated cooperative curricula;</li> <li>▪ provision of appropriate management and accounting systems and tools;</li> <li>▪ staff training and training methods;</li> <li>▪ adaptation of training material;</li> <li>▪ provision of adequate cooperative support services.</li> </ul>

## What are Coop<sup>AFRICA</sup> objectives?

The objectives of Coop<sup>AFRICA</sup> are threefold:

1. To improve governance, performance and efficiency of local cooperatives in order to strengthen their capacity to create jobs, generate income, reduce poverty, provide protection and give people a voice in civil society.
2. To improve the capacity of cooperative support institutions (regional and sectoral unions, colleges, development centres, relevant NGOs, government departments) to provide local cooperatives with organizational support and appropriate business development and monitoring services.
3. To assist national cooperative apex organizations in acquiring the technical capacity and political clout to effectively incorporate the cooperative approach as a key element into national, regional and continental programmes and strategies.

## What are the selection criteria?

All projects must fulfil the following criteria:

- Contribute to the Coop<sup>Africa</sup> objectives as mentioned above;
- Be in line with the national cooperative policy and/or priorities
- Contribute to the Decent Work Country Programme (DWCP);
- Be in compliance with principles concerning international labour standards of the ILO;
- Follow the Coop<sup>Africa</sup> application procedures and templates (see [www.ilo.org/coopafrika](http://www.ilo.org/coopafrika));
- Demonstrate a sustainable impact especially after Coop<sup>AFRICA</sup> withdraws;
- Cover a eligible country, within the budget range and an appropriate timeframe;

### DWCP in Lesotho

A decent work country programme is the operational framework for all ILO activities in a given country. It is a management tool enabling the Office to organize its work to assist its constituents in each country to achieve progress towards the goal of decent work for all women and men.

The DWCP in Lesotho has two objectives: i) Increase employment creation for poverty alleviation; and ii) Improve social security coverage and effectiveness.

- Provide the required co-financing (cf. next section);
- Identify an institution with the capacity and expertise to implement the project (strongly recommended);
- Be replicable as far as possible, so other organisations may learn from the project.

## How much funding can Coop<sup>AFRICA</sup> Challenge Fund provide?

Challenge Fund	Range	Applicant Contribution (Min.)	
		In cash	In kind
Services & Innovation	Up to USD 50,000 <sup>4</sup>	10%	20%
Training	Up to USD 20,000	none	20%

## What is the timetable?

All projects must start not later than 15 days after receiving the grant. The project timeframe should range from a few days (for a consultancy) to several months. The maximum project duration is only one year. No funding will be provided after the termination of the programme and therefore all projects need to be finalized by November 2010, including evaluation and final progress reports.

## What is the application procedure?

Applicants can submit a full-fledged proposal or a concept note<sup>5</sup> for the Services, Training and

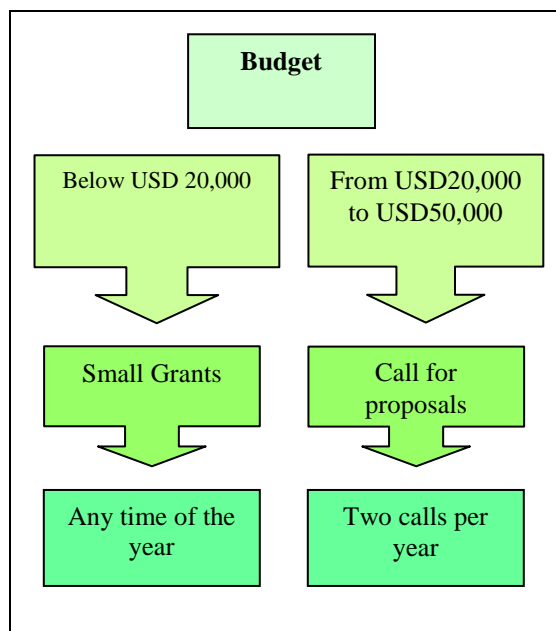
Innovation Challenge Funds to the Coop<sup>AFRICA</sup> Focal Point (preferably in soft copies). The concept note is a brief summary of the project and if it is successful applicants will be asked to provide a full-fledged project proposal for the next round. Concept notes and proposals must be written according to templates provided by Coop<sup>AFRICA</sup>.

### Small Grants

The “Coop<sup>AFRICA</sup> Small Grants” allow the programme to respond quickly to specific and immediate needs through Challenge Funds for Service, Training and Innovation. The contribution by Coop<sup>AFRICA</sup> to projects submitted in the framework of the “Coop<sup>AFRICA</sup> Small Grants” is up to a **maximum of USD 20.000 per project which cannot be extended or complemented by other Coop<sup>AFRICA</sup> grants.**

Proposals can be submitted **at any time of the year** and decisions are directly communicated to applicants in about four weeks after reception by Coop<sup>AFRICA</sup> of the proposal and all required documents.

**Figure 1. Small grants vs. Call for proposals**



<sup>4</sup> Under special circumstances, proposals up to USD 150,000 will be considered.

<sup>5</sup> All templates are available for download at [www.ilo.org/coopafrika](http://www.ilo.org/coopafrika).

## Call for proposals

For larger grants, (for Services and Innovation only), a maximum of two calls for proposals are conducted per year. Two calls have been organised so far: the first in June 2008 and the second in November 2008. The deadline for applications for the third round is 17<sup>th</sup> May 2009. The Coop<sup>AFRICA</sup> invites also interested parties to submit project proposals ranging from **USD 20.000 to USD 50.000** in the framework of its tendering procedure.

## What is the selection procedure?

For small grants

- All Concept notes and proposals are collected by *Focal Points*;
- A review is made by Coop<sup>AFRICA</sup> in consultation with key partners (Focal Points, experts, or selection committee members);
- Decisions are taken in about four weeks after reception by Coop<sup>AFRICA</sup> of the proposal and all required documents.

For call for proposals

- All Concept notes and proposals are collected by *Focal Points*;
- Applications are then reviewed at national level by a *National Advisory Group*;
- Applications are transmitted to Coop<sup>AFRICA</sup> for a first selection based on set criteria and NAGs recommendations;
- Selected applications are assessed by a panel of *international experts*;
- A second review is made by Coop<sup>AFRICA</sup> according to experts' assessment;
- Assessments from both experts and NAGs along with respective proposals are sent for final decision to a *Selection Committee*<sup>6</sup>.

### Coop<sup>AFRICA</sup> at national level

At national level, the selection process is managed by a Country Focal Point facilitating a National Advisory Group (NAG).

Focal Points play a key role in the sense that they liaise between the programme and national stakeholders.

NAGs are made of representatives from the cooperative movement (unions, federations, colleges, etc.) and other stakeholders (ministries, trade unions, etc.). They recommend proposals which are consistent with national policies and DWCP. Through this national platform, NAG members discuss the main national challenges of the cooperative movements and disseminate the information among stakeholders

**Concept notes and proposals submitted to the Training Challenge Fund are only and directly assessed by Coop<sup>AFRICA</sup> in consultation with its partners for a quick response.**

<sup>6</sup> The Selection Committee is made of representatives of the UK Co-operative College, the International Co-operative Alliance, the International Labour Office, the International Trade Union Confederation, and the Committee for the Promotion and Advancement of Cooperatives

## Disbursement

Funding will be disbursed either to the requesting organisation or to the service provider (i.e. centre of competence). Coop<sup>AFRICA</sup> may then subcontract a service provider, either identified through the applicant in their application or by Coop<sup>AFRICA</sup> from a list of Centres of Competence, to support the requesting organisation. Coop<sup>AFRICA</sup> will evaluate each project. Applicants will be responsible for the monitoring with the support of the Focal Point and NAG members. After completion of the project, Coop<sup>AFRICA</sup> may request the cooperation of the beneficiary in providing necessary information or data for the preparation of case studies which directly relate to the project funded.

Figure 2 Selection Procedure

