

# INTRODUCTION

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**– Sec. 35, R.A. 7160 (Local Government Code)**

## **THE COOPERATIVES AND LOCAL GOVERNANCE PROJECT**

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The success of institutional reforms envisioned by the Local Government Code depends on the existence of mutuality and cooperation among LGUs and citizens’ groups, including cooperatives. Local autonomy rests on the collaboration of capable local public and private organizations.

LGUs must effectively harness the complementing resources that cooperatives can bring into the local development process. Making LGUs more attuned to a decentralized setting requires enabling them to take on a catalytic role in development by, among others, strengthening their linkages with cooperatives as an organized sector of their respective constituencies.

Cooperatives, for their part, must effectively engage local governments in collaborative undertakings for social and economic development, even as they endeavor to improve their self-capabilities and assert their autonomy.

With these premises in mind, the Philippine Cooperative Center (PCC) entered into an agreement with the Cooperative Development Authority (CDA), the National Economic and Development Authority (NEDA), and the United Nations Development Program (UNDP) on the 29<sup>th</sup> of May 2001 for the implementation of the project “Effective Local Governance and Support Mechanisms for Sustainable Cooperative Development.” The project duration is from 1998 to 2001.

Module 1 of the project involves the integration of cooperative development in local development plans and the institutionalization of cooperative development offices and cooperative development councils as local support mechanisms for cooperative development.

Module 2 involves the establishment of pilot coop-LGU joint undertakings in the operation of basic services and local enterprises and the promotion of agribusiness partnerships.

Six pilot provinces were jointly identified by the project partners for the implementation of Modules 1 and 2: Benguet, Iloilo, Northern Samar, South Cotabato, Compostela Valley, and Davao del Norte.

Module 3 of the project aims to advocate the thrusts of Modules 1 and 2. It involves working with local government associations such as the League of Provinces of the Philippines (LPP) towards mainstreaming the role of cooperatives in local development. To support this direction, the project partners, in cooperation with LPP, have developed an introductory training manual on building cooperative-LGU partnerships. PCC and LPP have also signed a covenant on the promotion of coop-LGU partnerships.

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## THE CASE STUDY REPORT

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This collection of case studies on coop-LGU partnerships is intended to support the continuing advocacy and training development efforts of the cooperative and local government sectors towards forging effective partnerships for local development. LGU herein refers to any of the following levels of government: barangay, municipality/city, or provincial. It was meant originally as a series of case studies of best practices in coop-LGU collaboration. Good practices and honest initiatives would now be a more modest way of describing the cases covered by the study.

The next section covers the rationale, mechanics, and the basic results of twenty case studies prepared under the Cooperatives and Local Governance Project. It explains how the case study areas were identified and the role and responsibilities of the entities involved in the preparation of the studies.

Chapter 1 of this material contains the analysis prepared by Dr. Edna Co of the National College of Public Administration and Governance of the University of the Philippines- Diliman. According to Dr. Co, the cases can be grouped according to the following categories: (1) cases of coop-LGU joint undertakings in the provision of basic services, (2) cases of coop-LGU multipurpose collaboration through cooperative councils, (3) cases of multi-tiered coop-LGU partnerships, and (4) cases of coop-LGU mutual support.

Chapters 2 through 5 present the case studies according to the categories identified by Dr. Co. The variety of the topics covered by the cases is discussed in the discussion of the background, mechanics, and results.

Chapter 6 is not really a study on a particular case of coop-LGU partnership. Rather, it aims to present an overview of the various other areas and modalities of collaboration that future studies may focus on.

The annexed portion contains background information on the Philippine Cooperative Center.

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## **OBJECTIVES OF THE CASE STUDIES**

One of the objectives under Module 3 of the Cooperatives and Local Governance Project was to investigate and promote the principles and key success factors in specific cases of cooperative-LGU collaboration and various other modalities of local development wherein cooperatives figure as a major mechanism (Immediate Objective 3.4 of the Project Document).

The project included the preparation of 20 case studies on best practices in coop-LGU collaboration. The studies covered various modalities where cooperative-LGU partnerships spurred local development, improved the delivery of basic services, developed local enterprises, and enhanced the economic and social well being of the people. The case studies attempted to identify the factors that contributed to the success of the partnership, and to draw insights with the end view that such experiences could be replicated.

Modalities refer to any enterprise, project, structure, mechanism, or practice involving cooperatives as a major mechanism or element. Examples are coop-LGU joint undertakings in the provision of services, coop-LGU joint mechanisms such as the cooperative development councils, and LGU programs on cooperative development.

Given the objectives of the project, the case studies attempted to cover the following cases:

1. Cases whereby LGU supported a program or a mechanism for cooperative development;
2. Cases whereby cooperative and LGU entered into a joint project in which either one is an initiator and the other is an implementor;
3. Cases whereby the LGU transferred or shared responsibilities on local development such as by privatizing services through the cooperative;

4. Cases of successfully operating cooperatives due to a positive and conducive environment provided by the LGU.

Generally, the cases highlighted the success elements of the cooperative-LGU alliance. However, there might also be some failures and negative experiences. In such cases, lessons could still be learned and possible success factors drawn.

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## IMPLEMENTATION OF THE CASE STUDIES

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PCC served as the principal implementor of the case study project. The framework, including the work plan, for the case studies was validated by the Second General Assembly of PCC on June 27, 1999. PCC member organizations were called upon to submit their recommended cases of coop-LGU partnership for study. They were also requested to recommend case study writers.

The cases included in the studies were recommended by a PCC member organization and were, as much as possible, given the concurrence of CDA. CDA likewise assisted in the identification of possible cases for study. At least 50 possible cases were submitted by PCC member organizations and CDA.

The criteria used in identifying the cases of coop-LGU partnerships included the following:

1. The partnership must be currently operational and active or must have been successful at a certain point in the past (not earlier than 1990);
2. The partnership must indicate improvements in the welfare of the members or the stakeholders, welfare referring to increased incomes, better services, improved status, and so on;
3. The partnership must indicate sustainability and efficiency;
4. The partnership must involve participatory implementation and governance;
5. The case, as much as possible, must be supported by documentary evidence, such as quantitative and qualitative data, information, or statistics, as well as testimonies and thorough description of events and players and are verifiable by indicators.

Selection of cases, orientation of writers, editing of papers, and preparation of summaries and analysis were undertaken by two consultants, Dr. Edna Co and Mr. Armand Padilla. A list of 18 cases for study was prepared by the consultants out of the cases recommended by PCC members. The PCC Education and Training Committee and CDA concurred with the selection of the cases. Two more cases were identified by PMO upon suggestion by CDA. The proponent for each of the selected cases is indicated in the case study summaries.

PCC members identified the case writers, following a set of criteria formulated by the PMO. According to the criteria, case writers must have a working knowledge of cooperatives and local governments, good writing skills, and experience in documentation. PMO and the project consultants assisted the members in identifying the case writers. Most case writers came from PCC member organizations.

Dr. Edna Co oriented the identified case writers on the terms of reference of the case studies, particularly in terms of the basic case study objectives and format. The case writers were instructed to coordinate closely with PCC members in the preparation of the case studies. PCC members provided the necessary support to the case writers during the case preparation, particularly in terms of facilitating case writers' access to data and information.

All case study papers were reviewed by the PMO with the assistance of the case study consultant Dr. Edna Co who edited the initial 18 cases. A minimal editing approach was adopted to preserve the case study authors' writing and composition integrity.

The case study outputs were presented during a series of workshops involving principally the PCC Education and Training Committee, as well as the CDA, NEDA, and UNDP as project sponsors. The inputs and critique of the ETC were consolidated into the overall analysis prepared by Dr. Co.

Summaries of the case studies were initially presented during the National Conference on Local Governance and Cooperative Development held on November 9–10, 1999 at the Subic Bay Freeport. The conference was mounted by PCC under the UNDP-supported Cooperatives and Local Governance Project.



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