

INTERNAL CAPITALISATION TRAINING

AGRITERRA TRAINING PROGRAMME ● ● ● ● ●



INTRODUCTION

Internal capital = member capital + member commitment

During the three-day plenary training, through a very interactive process, participants will gain more knowledge on internal capitalisation applicable to their own cooperative. This training is followed by a one day session for each participating individual cooperative, to apply the new insights on internal capital to their own situation and ambi-

tions. Each cooperative will elaborate a detailed action plan to prepare the cooperative for a successful formation of member capital and commitment.

The training starts by elaborating the cooperative principles and legislation. After that it will guide the participants to the position of members and their roles in the cooperative. Subsequently, the training moves on to the pre-conditions

for a modern cooperative to meet the future demands and desires of the members.

Finally, participants are provided with state of the art management tools. These tools can be used for analyses and planning to improve the effectiveness of decision-making. But also work on the functioning of the cooperative structure and the performance of the internal organisation.



PARTICIPANTS

Per training three cooperatives can participate. Per cooperative, the Chairman of the Board, treasurer, two board members, general manager and accountant are invited to participate. The training will be conducted by a moderator (guide for the group), Agripool expert (experienced board member and content expert) and the Agriterra business advisor.



OBJECTIVES

Internal capital is one of the foundations of a modern and successful cooperative. Therefore, the training elaborates all aspects related to member capital. The objective of this training is to acquire knowledge and understanding of internal capitalisation and the different modalities of internal capital. Participants will see how it can improve not only the financial fundament of the cooperative, but also the member satisfaction and business performance. The output will be a first draft of an Action Plan to prepare the organisation and to implement an internal capitalisation programme.



COSTS

Available on request.



Self-financing is an important principle for cooperatives; if members have trust, they are willing to invest capital in their cooperative.



REQUIREMENTS FOR PARTICIPATION

The participating cooperatives can be very distinct. Every cooperative has its own history, origin, culture and all are in their own stage of development. During the training, focus will be on exchange of experiences, best practices and mutual learning. Openness and willingness to share are crucial. Because the group is made up from various functions - board members, managers and financial officers- it is important that participants are aware of this diversity in advance. And that they are willing to put themselves in the position of others, both in their personal function and their organisational role. During this process, the moderator acts as a guide and facilitator.



PROGRAMME

WHEN?	WHAT?
Day 1 (plenary)	Introduction, cooperative legislation, modalities of internal capitalisation
Day 2 (plenary)	Pre-conditions, management tools, balance sheet management
Day 3 (plenary)	Investment appraisal, communication and action planning
Day 4 (individual)	Training on the job



WHAT'S IN IT FOR YOU?

Participants will learn about:

- The “why, what, and how” of internal capitalisation
- Fundamentals of and pre-conditions for internal capitalisation
- Different modalities of internal capitalisation and analysis of legal framework
- Practical examples of capitalisation strategies and tailor-made advice about which internal capitalisation modality is best fit for the organisation

Different modalities are applied at different cooperatives around the world to maintain or increase the own equity position, such as:

- Shares
- Member accounts – allowing equity on the names of the members
- Member loans
- Membership fees
- Retained earnings
- Proportional capital return based on transaction level of a member with the cooperative



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Agriterra is an agri-agency founded by the Dutch agricultural sector that professionalises farmer organisations and cooperatives worldwide in order to better serve the needs and interests of their member farmers.

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