

## **Review and Updating of Cooperative Societies Act, 1925**

### **Background**

The International Trade Centre (ITC) is a joint agency of the World Trade Organization (WTO) and the United Nations (UN). It is the only development agency that is fully dedicated to supporting the internationalization of micro, small and medium enterprises (MSMEs). ITC's mission is to foster inclusive and sustainable economic development, and contribute to achieving the United Nations Global Goals for Sustainable Development.

ITC is implementing the EU funded 'Growth for Rural Advancement and Sustainable Progress' (GRASP) project which aims to contribute to the reduction of poverty through development of rural MSMEs in selected districts within two provinces of Pakistan: Balochistan and Sindh. GRASP will focus on selected product lines within livestock and horticulture.

GRASP will take a holistic approach to building MSME competitiveness in agribusiness value chains starting from a deep understanding of markets and working back through the value chain to enable MSMEs and ultimately producers to create and capture additional value. To do this, GRASP will implement three intermediary outcomes:

1. Regulatory and institutional frameworks improved at federal and provincial levels for rural value chain and MSME development.
2. Productivity, quality, and sustainability of selected value chains in horticulture and livestock improved.
3. MSME commercialization within selected value chains improved.

Under intermediary outcome 1, GRASP will seek to improve the regulatory and institutional frameworks, at federal and provincial levels in Sindh and Balochistan, in the areas of domestic commerce, agricultural policies, rural MSME development and food safety, including plant and animal health. GRASP will undertake regulatory reform by developing and sustaining policies, laws, regulations (including upgrading existing laws) and strengthening government institutions to reduce barriers to competition and market openness, and foster market dynamics, while ensuring essential social and environmental welfare. GRASP will employ highly inclusive approaches to the design and implementation of regulatory reforms through close participation of all relevant stakeholders, especially the private sector including the small hold farmers and women through wide range consultations and public private dialogue (PPD).

Cooperative societies play a key role in promotion of the economic interests of its members in accordance with co-operative principles. Balochistan Cooperative Societies Act, 1925 is a detailed act which tries to address the registration, membership, loaning, taxes, arbitration & dispute resolution and offences for the members of the cooperatives. However, much has changed in the last 95 years and the rules of business have also changed. For example, the provisions related to growing crops and sale of produce need to be updated as per the advanced operations currently carried out in various farm businesses. Similarly the sections related to liability of members and duties also need to be critically reviewed and updated based on the best practices from other developed countries as well as the current ground realities in Pakistan.

### **Description of Duties/Responsibilities**

ITC plans to hire a legal expert to review the existing Cooperative Societies Act, 1925 in the Balochistan province and draft the revised law for cooperative societies by undertaking a regulatory impact analysis of existing laws in Balochistan and in other provinces of the country as well as

international best practices and evolving trends. The proposed revised law will be developed in consultation and coordination with all relevant stakeholders from public and private sectors and shall specifically cater for the membership registration, arbitration, duties of members, liabilities, sale of produce, storage, disposal, surplus, liquidation (among other areas) of the cooperatives in the province.

The Legal Consultant (Cooperative Societies) will work under the guidance of the Islamabad based Deputy GRASP Coordinator cum Policy Lead in association with Balochistan GRASP Lead and under the overall supervision of GRASP Coordinator. The consultant will be required to collaborate with other ITC GRASP staff and consultants working on the GRASP project.

The consultant would be required to address the below specific objectives of the assignment:

- Review the existing Cooperative Societies Act, 1925 for Balochistan and other national and provincial laws related to and affecting the above mentioned areas of cooperatives and draft a revised law for functioning, regulation and control of cooperatives in Balochistan in line with the evolving trends, domestic experiences (in other provinces) and international best practices. The consultant will employ an inclusive approach to produce the draft revised law by engaging in consultations with the private sector (including more vulnerable groups such as small hold farmers, SMEs and women) to identify challenges and needs; and with relevant government departments to understand government objectives and with any other stakeholders. Based on the collected information, the consultant will develop policy options (regulatory responses) that strike a delicate balance between government objectives and ease of doing business and present them to a PPD before further legal drafting and finalization.

The consultant has to ensure that s/he has obtained the necessary permissions with regard to intellectual property rights required to perform his/her services under this consultancy contract and for the subsequent dissemination by ITC in any form. Documentary proof is to be submitted to ITC. S/he has further to ensure to obtain accreditation to the event(s) as required. Should any license fee be due for the use of copyrighted materials of third parties, the consultant shall request the prior written permission from ITC.

### Expected Outputs and Timelines

Activities	Expected Outputs	Timeline
Conduct literature review including analysis of existing Cooperative Societies Act 1925 Balochistan and historical federal and provincial laws related to the regulation and functioning of cooperatives in the country. The review should also include the best international practices (especially from comparable countries) and based on the review, an issue paper should be developed.	Issue paper is produced	Week 1
Together with the Departmental Representative from Agriculture Department, hold consultations with the relevant stakeholders in public and private sectors to identify the challenges faced by various private sector actors from across the sector and to gain understanding of government objectives. Subsequently, come up with a draft outline of the revised law specifically indicating different sections and parts of the proposed law to show case structure. Along with outline develop a narrative of the proposed provisions and sections of the proposed law	Outline and narrative are produced (the areas included in the outline will be validated by ITC and Agriculture Department)	Week 2-3

Present the proposed law in a PPD in Quetta to present and select policy options that satisfy both public and private objectives	PPD is held	Week 4
Based on the discussions at PPD and feedback received from the stakeholders, develop first draft of the revised Act and submit to ITC. Incorporate changes as suggested by ITC and Agriculture Department among other stakeholders.	First draft is produced	Week 5
Present the draft law in BRRC and or experts round table after incorporating all suggestions from stakeholders review	Proposed law is finalized and presented	Week 6
Submit final draft of the proposed law	Final draft of proposed law is submitted	Week 6

### Travel

Travel to Quetta will be required to hold consultations and presentation of the proposed revised and updated draft Act.

**Budget:** Lump sum fee for the consultancy. Travel and DSA will be provided as per UN rules.

### Required education, skills and experience

The consultant should have the following education, skills and experience.

#### Education

Master's degree (or higher) in Law, Agriculture, Economics, Business, Development studies or a closely related field. Extensive relevant experience may be accepted in lieu of the university degree. A combination of qualification in law and business/economics/agriculture would be preferred.

#### Experience

- At least 8 years of progressively responsible experience working on issues related to legal affairs, drafting laws, agriculture development, economic development and policy formulation on agriculture/economic/trade/rural development matters in Pakistan.
- Experience with research and report writing in the above-mentioned fields
- Experience with project related consultancies and drafting project related documents in relation to drafting of laws, economic/trade/rural development matters

#### Skills

- Excellent presentation and communication skills
- Strong networking and capacity to build partnerships
- Good knowledge of institutions working on development and regulation of cooperatives
- Extensive knowledge of institutional and regulatory regime in Pakistan
- Excellent legal drafting skills

**Language:** Fluency in Urdu and English required