CWCF Emergency Relief: Supports to Worker Co-operatives re: Covid-19

We have been monitoring the impact of the Covid-19 pandemic on our members closely, and it has become clear in recent weeks many worker co-operatives will need support to recover or continue their operations during and after the pandemic. We are already aware of various changes: some members are far busier than before but without any additional resources; others have seen their sales plummet or disappear. Everyone is living in significant uncertainty, and it's unclear how long it will take for federal or other supports to reach our members. Therefore we are announcing three support levers for which CWCF already has the structure and resources in place, that will allow us to support worker co-ops in the short term.

1) Tenacity Works Fund

CWCF's *Tenacity Works* Fund, is an investment Fund whose purpose is to create new and to expand existing worker co-operatives and multi-stakeholder co-operatives with substantial worker control. *Tenacity Works* has been owned and operated by the CWCF since its creation in the year 2000 after several years of sustained lobbying efforts with the federal government. As a revolving loan fund, capital is used to invest in worker and multi-stakeholder co-ops, in all regions of Canada. In response to the current Pandemic we have amended the Fund to provide loans for up 5 years with the interest rate in the initial 12 months at 3%, and with no principal payments during the first year. Amounts considered will normally range between $7,000 to $20,000[1] depending on demand and availability of funds. To be eligible, the co-op will demonstrate that it has applied (will apply) for any government programs or other supports that are or may be made available for which it would qualify. At the end of that period and on an annual basis, we will do a full review of the situation of the co-op and re-negotiate the terms, depending on the co-op's ability to repay. Interest after the first 12 months will not exceed Bank of Canada Prime plus 5 %, which fluctuates; this rate is currently 0.25%. More information is available here.

2) Technical Assistance Grants

For many years, CWCF has offered small grants, through our accumulated reserves, to worker co-operatives to help pay for consulting services such as for marketing, financial administration, expansion, conflict resolution or legal issues. The grants cover consulting services provided by members of the CoopZone Co-operative Developers' Network, or by other consultants upon approval.   In light of the current situation, we are converting this granting pool to an Emergency Relief/Survival Planning Fund "SPF". This SPF will provide grants of up to $2,000 to co-ops to hire a worker co-op developer or other consultant to enable the worker co-op to develop and/or navigate their survival or continuity plan. A co-op's prospects for survival will need to be evident in order to qualify for the grant. More is available here.

3) Solidarity Dues: Worker Co-op Dues, for CWCF's Current Financial Year (ending 31-8-20)

For the benefit of member worker co-ops, current and potential, who may be experiencing financial difficulties as a result of the pandemic, CWCF will be charging Solidarity Dues of only $10 (plus G/HST). Members who have already paid their dues, or who have the means to pay the regular amount, will be encouraged to do so; which will enable CWCF to support other members who require supports. However, this is purely voluntary.

OTHER: CWCF is seeking a substantial program of worker and solidarity co-op support from the federal government, in this proposal to build a worker-owned Solidarity Co-operative Economy. Further, we invite all worker & solidarity co-ops to participate in our support groups: through virtual Worker Co-op Pub Nights/ Coffee breaks, & on Loomio, worker co-operative discussion board.

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[1] Higher amounts may be considered on an individual basis.