

# COOPERATIVE ENTERPRISES BUILD A BETTER WORLD

**COOP<sup>AFRICA</sup>'s contribution to the revival of African cooperative enterprises and their roles in fostering equity, empowerment, decent work, and secure livelihoods**



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# COOPERATIVE ENTERPRISES BUILD A BETTER WORLD

2012

Coop<sup>AFRICA</sup>  
Cooperative Facility for Africa

ILO Office for Tanzania, Kenya, Rwanda and Uganda

Cooperative Programme (EMP/COOP)

Job Creation and Enterprise  
Development Department  
(EMP/ENT)

Employment Sector



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## Foreword

*“Poverty anywhere is a threat to prosperity everywhere.”*

Declaration Concerning the Aims and Purpose of the  
International Labour Organization,  
*Philadelphia, 1944*

Eradicating poverty in Sub-Saharan Africa is a daunting challenge. Between 1981 and 2005, the number of poor living on less than \$1.25 a day almost doubled, rising from 214 million to over 390 million. In the same period, the proportion of the world’s poor living in Sub-Saharan Africa rose from 11 percent to 28 percent (Chen and Ravallion, 2008).

Sub-Saharan Africa was relatively less affected by the 2008-9 global economic crisis than other regions mainly, due to its more limited trade and financial links with the global economy. Growth rates for 2011 are projected at 5.5 percent, not far below the strong economic growth of over 6 percent annually in the years before the crisis. Yet this growth has not been translated into jobs. This is all the more worrying given the high growth rates of the working-age population estimated at 2.7 percent a year. In 2009, more than three-quarters of workers in the region were in vulnerable employment and around four out of five workers were among the working poor, living on less than US\$ 2 a day. Female working poverty rates exceeded male rates (ILO, 2011).

Although some 70 percent of the African population lives in rural areas (where agriculture is the main source of income), poverty is not simply a rural phenomenon. Large numbers of the rural poor have migrated to urban areas in search of work. In both rural and urban areas, the majority work in the informal economy. This includes the self-employed in agriculture or micro- and small enterprises and wage workers in informal contractual arrangements. Almost all have no social protection or awareness of their workers’ rights. Few belong to cooperatives or agricultural producers’ or workers’ organizations, so they have little bargaining power in the market place or representation to voice their needs and protect their interests with policy makers and employers. Women are also disproportionately represented in informal

employment.

There is an urgent need to create jobs and raise productivity and incomes, especially for the women and men among the working poor. They need to feed their families and raise their children in conditions of peace, dignity and equity. This is not only a question of human rights and social justice, but also politically vital, for poverty will inevitably lead to social strife and upheaval, threatening all segments of society.

The international community has recognized the importance of employment promotion as a key strategy towards poverty eradication. This is outlined in the ILO 2009 *Global Jobs Pact*, and the World Bank's new 2011 strategy for Africa, *Africa's Future and the World Bank's Role in It*. The Commission for Africa's 2010 report, *Still Our Common Interest* also reflects this urgent need to create employment:

*"African governments should develop strategies to create jobs and support small businesses. These strategies will need to target young people to improve levels of youth employment. Within and beyond these strategies, African governments must take steps to end employment discrimination against women, to give them better access to paid employment and its benefits".*

The Commission for Africa's exhortation also reinforces the African Union's objectives of promoting job creation for young people and entrepreneurship by women. At the same time, the ILO's Decent Work Agenda complements this universal call for employment creation by emphasizing that it is not just a question of the quantity of new jobs that matters but also the quality of both new and existing jobs. Jobs should also be "decent" in that they should promote productive employment and higher incomes, ensure social protection and social security, promote social dialogue and tripartism, and respect, promote and realize fundamental principles and rights at work.

Cooperatives represent a significant and rapidly growing part of the private sector in most African countries. They are well placed to create employment and enhance incomes. Moreover, their complementary, inter-dependent economic and social goals place them in a unique



position among private sector social economy organizations where they can play a strategic role in promoting social protection, workers' rights and voice. Cooperatives are thus unusually well placed to contribute to tackling these multiple and inter-related challenges.

In order to harness and foster the largely untapped potential of cooperatives to meet these challenges and to contribute to the Millennium Development Goals (MDGs), especially MDG1 (fighting poverty and hunger) and MDG3 (advancing gender equality), and to further the Decent Work Agenda, the ILO established the Cooperative Facility for Africa - COOP<sup>AFRICA</sup> in October 2007.

As a regional technical cooperation programme, its mandate was to provide knowledge, capacity-building and financial support to develop or update cooperative policies and legislation to better meet the needs of today's global, liberalized economy, to strengthen cooperative governance and management, and to diversify and improve the productivity and services of primary cooperatives, thus expanding employment and enhancing livelihoods. Pursuing an approach that was anchored within national and regional development priorities, COOP<sup>AFRICA</sup> tailored its activities to feed into national development frameworks to ensure country ownership, as well as within the ONE UN reform process in order to promote coherence among UN initiatives at the country level. It also invested heavily in promoting strategic partnerships with a range of key stakeholders and addressing gender equality to ensure a more balanced role for men and women in membership, managerial and leadership positions within the cooperative movement.

COOP<sup>AFRICA</sup> phase I was implemented from 2007 to 2010 and focused on nine core countries in eastern and southern Africa: Botswana, Ethiopia, Kenya, Lesotho, Rwanda, Swaziland, Tanzania, Uganda, and Zambia. At the outset the programme was primarily funded by the UK Department for International Development (DFID). However, during its first phase COOP<sup>AFRICA</sup> diversified its funding-base to a number of other donors to allow for additional, complementary activities in other countries. The ILO has provided bridge funding for 2011-12 while additional donor financial contributions are currently being mobilized for phase II.

Partly due to the significant achievements of COOP<sup>AFRICA</sup> phase I, the cooperative movement in Sub-Saharan Africa is showing clear signs of revival at the time of writing. Today, the world is witnessing a paradigm shift in the movement, among policy makers, and the public at large. This shift is resulting in new ideas, more open attitudes and renewed vigour in the movement. During phase I measures have been undertaken and are still underway to reform, modernize, and exploit new opportunities for the cooperative movement. These interventions are already paying dividends. By improving cooperative governance, efficiency, and know-how, cooperatives have been able to diversify into new, more remunerative products and markets that in turn create employment and higher incomes for their members. Cooperatives are also playing a more authoritative and effective role in negotiating with governments, social partners, and in the market place, increasing the movement's appeal to its members as well as its visibility and voice in decision-making fora. Recognizing these very valuable contributions, the UN General Assembly declared 2012 as the International Year of Cooperatives. The aim of this declaration is to raise awareness of cooperatives, develop strategic actions to leverage their roles in developing business enterprises and fostering the socio-economic welfare of the poor, develop effective partnerships between cooperatives and other key stakeholders, and stimulate the development of enabling policies and laws. In its first phase, COOP<sup>AFRICA</sup> played a key catalytic role in facilitating a positive environment for cooperative development, and by doing so, significantly contributed to the movement's revival.

This publication is intended for policy makers, cooperative organizations at different levels, donors, the ILO and other UN organizations, the private sector, and employers', workers' and civil society organizations. It explores the underlying rationale for the approach adopted by COOP<sup>AFRICA</sup> and highlights innovative features in the process of setting up and implementing phase I. The core chapters present case study examples that illustrate the programme's successes and lessons learned. The examples provided range from interventions that contributed to the reform of cooperative policies and legislation in several countries to supporting 4,124 primary cooperatives to improve incomes, jobs, and health of their members. There was a particular focus on gender equality,

women's empowerment, and youth entrepreneurship. The concluding chapter offers suggestions on priority action areas for phase II.

In view of the rich contribution of the first phase of COOP<sup>AFRICA</sup> to the on-going revival of cooperatives in Africa, ILO has earned a critical place in national, regional, and international efforts to foster the African cooperative movement. COOP<sup>AFRICA</sup>' successes show that supporting cooperatives in order to increase employment and incomes for the poor represents a key strategy to achieve the MDGs, while furthering the Decent Work Agenda and contributing to the celebration of the 2012 International Year of Cooperatives.

The ILO's close connection with the cooperative movement goes back to its foundation. As the ILO adapts its concrete interventions to the rapidly evolving contexts, it remains committed to the promotion of cooperatives in line with its social justice mandate.



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## Abbreviations and Acronyms

AGFUND	Arab Gulf Program for Development
AU	African Union
BDS	Business Development Services
CAK	Co-operative Alliance of Kenya
CBO	Community Based Organization
CCA	Canadian Cooperative Association
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CETU	Confederation of Ethiopian Trade Unions
CGAP	Consultative Group to Assist the Poor
CoC	Centres of Competence
CONFECOOP	Confederación de Cooperativas de Colombia
COPAC	Committee for the Promotion and Advancement of Cooperatives
DANIDA	Danish International Development Agency
DWCP	Decent Work Country Programme
DGRV	Deutscher Genossenschafts- und Raiffeisenverband
DFID	Department for International Development
EAC	East African Community
EMP/COOP	Cooperative Branch of the International Labour Organization
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FUE	Federation of Uganda Employers
GDP	Gross Domestic Product
GNP	Gross National Product
GTZ	German Technical Co-operation
HIVA	Higher Institute for Labour Studies (University of Leuven, Belgium)
ICA	International Co-operative Alliance
ICT	Information and Communication Technology
ILO	International Labour Office/Organization
IOE	International Organization of Employers

IPEC	International Programme on the Elimination of Child Labour
ITC	International Training Centre of the ILO
ITUC	International Trade Union Confederation
JCCU	Japanese Consumers' Co-operative Union
JICA	Japanese International Cooperation Agency
KNFC	Kenya National Federation of Cooperatives
KUSCCO	Kenya Union of Savings and Credit Co-operatives
LDC	Least Developed Country
MDG	Millennium Development Goal
MUCCoBS	Moshi University College of Co-operative and Business Studies
NACHU	National Cooperative Housing Union
NGO	Non-Governmental Organization
NEPAD	New Partnership for Africa's Development
NOTU	National Organization of Trade Unions
OCB	Organização das Cooperativas Brasileiras
OCDC	Overseas Cooperative Development Council
ODA	Official Development Assistance
PRSP	Poverty Reduction Strategy Paper
SACCO	Savings and Credit Cooperative
SAP	Structural Adjustment Programme
SCC	Swedish Cooperative Centre
SCCULT	Savings and Credit Cooperative Union League of Tanzania
Sida	Swedish International Development Cooperation Agency
SIDO	Small Industries Development Organization
TUCTA	Trade Union Congress of Tanzania
UCA	Uganda Co-operative Alliance
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UKCC	United Kingdom Co-operative College
WB	World Bank
WOCCU	World Council of Credit Unions



Leader of a Women SACCO in Zanzibar reading Minutes at a board meeting

## 1. Phase I of COOP<sup>AFRICA</sup>: an overview

### 1.1 COOP<sup>AFRICA</sup>'s vision and objectives

COOP<sup>AFRICA</sup>, the Cooperative Facility for Africa, was initiated by the International Labour Organization (ILO) in October 2007. It was set up as a flexible and rapid mechanism to provide advisory services, technical assistance, training, tools, and, in special cases, financial support for cooperative development in Africa. By aiming to improve the efficiency and performance of cooperatives and fostering the creation of new jobs and higher incomes, this ILO regional technical cooperation programme was also designed to contribute to the MDGs, especially MDG1 (fighting poverty and hunger) and MDG3 (advancing gender equality), and the *Decent Work Agenda*.

#### Box 1: COOP<sup>AFRICA</sup> phase I at a glance

<b>Start date:</b>	October 2007
<b>End date:</b>	December 2011
<b>Key area:</b>	Decent work through cooperatives
<b>Countries:</b>	Botswana, Ethiopia, Kenya, Lesotho, Rwanda, Swaziland, UR Tanzania, Uganda, Zambia+ Benin, Cameroon, Mozambique (Sida funded)
<b>Set-up:</b>	National Focal Points , National Advisory Groups, partnership initiative
<b>Partners:</b>	AU, COPAC, ICA, IOE-PEC, ITUC-Africa, UKCC
<b>Donors:</b>	DFID (£ 5 million) + AGFUND, Finland, ILO/AIDS, Sida, ONE UN (US\$ 3.1 million) + ILO bridge funding between phase 1 and a subsequent phase (US\$ 500,000 for 2011/2012)

The first phase of COOP<sup>AFRICA</sup> was implemented in 2007-2010, primarily with funding from the UK Department for International Development (DFID). While the core programme operated in nine countries in eastern and southern Africa (Botswana, Ethiopia, Kenya, Lesotho, Rwanda, Swaziland, Tanzania, Uganda, and Zambia), COOP<sup>AFRICA</sup> expanded its outreach with support from other donors (Box 1). It also provided technical support to policy work and the Decent Work Country Programmes<sup>1</sup> (DWCP) in both core and other countries. The ILO is providing bridging funding

<sup>1</sup> The DWCP is the main instrument for ILO cooperation over a period of four to six years in a specific country. The content of DWCPs varies from country to country based on national circumstances, the ILO's global commitments and the priorities established in the Strategic Policy Framework, the Programme and Budget and the regional decent work agenda/decade. For more information see <http://www.ilo.org/public/english/bureau/program/dwcp/index.htm>



for 2011/2012 while additional donor financial contributions are being mobilized for phase II.

During the three years of phase I, COOP<sup>AFRICA</sup> exceeded its targets (Annex 1). Overall, it supported 4,124 primary cooperatives resulting in 287,274 members benefiting from new work opportunities and increased incomes. Figures highlighting its successes in various domains are provided in Box 2.

<b>Box 2: COOP<sup>AFRICA</sup> phase I successes at a glance</b>	
<b>Indicators</b>	<b>Estimates</b>
Number of Member States supported towards modernization of coop. policies & laws	14 countries
Number of primary cooperatives supported to improve business planning, supply & marketing strategies, etc.	4124
Increased turnover of cooperatives	26.6%
Number of cooperative members benefitting from capacity building actions	287,274
Number of jobs created	4,080
Number of (self)-employment opportunities consolidated and made more productive	170,899
Percent increase in income of members	56.8%
Percent of women and youth cooperative members	42.7% women
29.7% youth	
Greater awareness on child labour	4 countries at national level + 4 countries at local level
Cooperative approach increased in policy dialogue, media and partnership between UN agencies	>10 countries

### 1.1.1 COOP<sup>AFRICA</sup>'s vision

COOP<sup>AFRICA</sup>'s vision is to make a modest, yet seminal, contribution to much wider efforts to develop an Africa free of poverty and hunger, where the working population and their families enjoy an adequate income earned in conditions of justice, decent work, and social and gender equity, and where citizens have the right to form their own self-help democratic organizations, and to exert influence in policy processes that affect their lives.

## 1.1.2 COOP<sup>AFRICA</sup>'s objective

COOP<sup>AFRICA</sup>'s overarching objective is to contribute to the achievement of the MDGs, especially MDG 1 (eradicating extreme poverty and hunger) and MDG3 (promoting gender equality and empowering women) and the *Decent Work Agenda in Africa* (Box 3) by promoting self-help initiatives and community action that foster equity and sustainable livelihoods for the poor and most vulnerable people, in particular youth and women, through the cooperative approach (Box 4).

### Box 3: What is a cooperative?

Decent work is work undertaken in conditions of freedom, equity, security, and human dignity. The Decent Work Agenda is an integrated approach to promote rights at work, decent and productive employment, income for women and men, social protection for all, and social dialogue, with gender equality as a cross-cutting priority.

Source: ILO (1999), Decent Work. Geneva.

### Box 4: What is a cooperative?

According to the 2002 ILO Recommendation 193 concerning the Promotion of Cooperatives, “the term “cooperative” means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”.

The movement has a multi-tier structure comprising:

- Primary cooperatives or societies, often at local level;
- Secondary cooperatives or unions comprising at least two primary cooperatives;
- Tertiary cooperatives or federations comprising at least two unions;
- Quaternary cooperatives or confederations comprising at least two federations that come together as a national umbrella organization;
- Cooperatives, particularly unions and federations, are often defined by sector or region. Federations and confederations are also referred to as “apex bodies”.

Source: Tchami, 2007.

### 1.1.3 Links to other international development goals and strategies

In its first phase, COOP<sup>AFRICA</sup> demonstrated the value of the cooperative business model as a modern and resilient way of doing business whilst responding to economic, social, environmental, and cultural needs in order to influence development frameworks and action plans. Examples of frameworks successfully influenced include Poverty Reduction Strategy Papers (PRSP), UN Development Assistance Frameworks (UNDAF), One UN Joint Programmes, and the New Partnership for Africa's Development (NEPAD).

Phase I of COOP<sup>AFRICA</sup> also contributed to the follow-up to the Pan African Conference on Cooperatives that was held in Yaoundé, Cameroon in 2000, which resulted in the adoption of a Plan of Action to support the development of cooperatives in Africa. In addition, it supported the African Union's 2004 Ouagadougou Declaration and Plan of Action on *Employment and Poverty Alleviation*, in particular its recommendation to "establish economically viable cooperative enterprises in the framework of the Decade of Cooperatives adopted by the Plan of Action of the Pan African Conference on Cooperatives (Yaoundé, 2000)".

Finally, during its first phase COOPAfrica contributed to the Global Jobs Pact, adopted by the International Labour Conference in June 2009 to respond to the global financial and economic crisis by providing "an integrated portfolio of tried and tested policies that puts employment and social protection at the centre of crisis response". COOP<sup>AFRICA</sup>'s objectives were further legitimized by the Pact's aim to enhance productive employment and decent work, *inter alia*, by "recognizing that cooperatives provide jobs in our communities from very small businesses to large multinationals and tailoring support for them according to their needs" (paragraph 11, (7)).

## Box 5: Cooperative values and principles

According to the 2002 ILO Recommendation 193 concerning the Promotion of Cooperatives, “Recommendation 193 calls for the promotion and strengthening of the identity of cooperatives on the basis of:

- Cooperative values of self-help, self-responsibility, democracy, equality, equity, and solidarity, as well as ethical values of honesty, openness, social responsibility, and caring for others; and
- Cooperative principles as developed by the international cooperative movement. These principles are: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community.

Source: ILO Recommendation 193 concerning the Promotion of Cooperatives, 2002.

### 1.1.4 COOP<sup>AFRICA</sup>'s values and principles

COOP<sup>AFRICA</sup> embraces the values and principles set out in the ILO Recommendation 193 concerning the *Promotion of Cooperatives*. These principles and values are based on the *Statement on the Cooperative Identity* adopted by the General Assembly of the International Co-operative Alliance (ICA) in 1995 (Box 5). COOP<sup>AFRICA</sup> strives to apply the principles of justice, human rights, equity, equality, and fairness embodied in a range of relevant ILO and UN declarations, conventions, recommendations, resolutions and guidelines (Annex 2)

### 1.1.5 Achieving COOP<sup>AFRICA</sup>'s objective

Phase I of COOP<sup>AFRICA</sup> set out to achieve its objective by:

- Improving the governance, performance, and efficiency of primary cooperatives in order to strengthen their capacity to create jobs, generate income, reduce poverty, provide protection, and give people a voice in civil society;
- Strengthening 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; and
- Reinforcing the technical capacity and political clout of national cooperative apex organizations to effectively incorporate the cooperative approach as a key element into national Poverty Reduction Strategies, Joint Assistance Strategies, UNDAFs and Decent Work Country Programmes, as well as into regional and continental programmes and strategies.



Mrs Zippy Simiyu tends passion fruits at Good neighbours farm in Uasin Gishu, Kenya

## 1.2 Why was COOP<sup>AFRICA</sup> needed?

### 1.2.1 The changing development context

The world has radically changed in recent decades. New opportunities and challenges have arisen, such as trade liberalization and globalization, the financial and economic crisis, climate change and environmental concerns, the spread of democracy and a more serious commitment to equality, welfare, justice and fairness, as enshrined in the *Decent Work Agenda*.

Trade liberalization and globalization are creating market opportunities for some small-scale agricultural or industrial producers and workers.

Prominent examples are fair trade agricultural products such as coffee and cocoa, modern value chains, especially for non-traditional agricultural exports (for example, flowers, fruit and vegetables, shrimps), and the export garment industry. Product quality and labour standards are becoming ever more complex, particularly for the export market. However, other small producers are losing markets either because they are unaware of, or unable to meet, the more rigorous standards, or because of the changing market structure of industrial or agri-food chains driven by multinationals and the related rise of domestic and foreign supermarkets.

Many of the rural poor seek to escape the very low incomes, drudgery, and insecurity of agriculture and find better lives through migration to urban areas or, along with their urban co-citizens, to other countries. This often results in a loss of critical (young, male) labour in agriculture leading to the feminization or ageing of the agricultural labour force that may not be adequately compensated for by remittances (World Bank, 2007; Fontana in FAO 2010a; FAO, 2010b).

### **1.2.2 The prevalence of the informal economy**

In Sub-Saharan African most self-employed producers and wage labourers in agriculture or micro- and small non-farm enterprises operate in the informal economy. Around three-quarters of activities in African urban economies are informal in nature. Perhaps as few as one in ten rural and urban workers have jobs in the formal economy. Self-employment is particularly prevalent in Sub-Saharan Africa where it comprises 53 per cent of non-agricultural employment, compared with 44 per cent in Latin America, 34 per cent in Asia, and 28 per cent in the Middle East and North Africa. Women tend to be concentrated in the informal sector in all developing regions. The largest proportion of women in the informal sectors is found in Sub-Saharan Africa, where 84 per cent of non-agricultural female workers are in informal employment, compared to 63 per cent of male workers (ILO, 2002a).

Unemployment is a serious challenge, especially for women and youth. In 2008 the unemployment rate was slightly higher for women (8.2 per cent)

than for men (7.2 per cent) in Sub-Saharan Africa (ILO, 2009b). However, women's unemployment rate in real terms is likely to be even higher, as women are less likely than men to be registered in unemployment statistics. When the number of working poor is included, the situation is even more bleak. In 2007, 76.8 per cent of the employed workforce in Sub-Saharan Africa was in vulnerable employment, with women in a more precarious situation (83.9 per cent of women were in vulnerable employment compared to 71.3 per cent of men (ILO, 2009a)).

Informal sector jobs are typically casual, unstable, and often part-time, with low productivity and pay. Laws and regulations governing labour standards, health and safety provisions, and social protection are rarely implemented and there are few, if any, monitoring or enforcement mechanisms. Generally unaware of their rights, informal self-employed and wage workers have little or no voice in policy decisions that affect their survival. Marginalized by inequitable distribution of land and other assets and power, their problems are magnified by poor access to a decent education, skills training, information and markets, and by lack of organizations that provide vital services or represent them in the policy arena. Pervasive gender inequalities in access and discriminatory attitudes and practices mean that women tend to be particularly marginalized.

To survive in this increasingly complex world, poor producers and workers need to become more competitive, to be aware of their rights, and to have voice. One of the most effective ways to do so is to join forces through their own democratic organizations. Cooperatives represent one viable form of a member-owned and controlled organization that can help the poor compete in the market and bring significant social benefits and voice.

### **1.2.3 Cooperatives in Africa: their potential and challenges**

The International Co-operative Alliance (ICA)'s *Global 300 list for 2008* showed that the 300 top cooperatives in the world were responsible for a combined turnover of US\$ 1.1 trillion in 2008. This is equivalent to the size of the ten largest economy of the world. The list also showed that

cooperatives were growing, registering a 14 per cent growth in turnover in 2008 compared to 2007 (ICA, 2008).

In many industrialized and middle income countries producer organizations (cooperatives, associations, mutual societies) play fundamental roles, for example, in operating large or small scale retail cooperative businesses, as well as in supporting family agriculture or providing mechanisms for savings and credit and support for small enterprises, housing, and health.

For instance:

- In the United States dairy cooperatives control about 80 per cent of dairy production and most of the specialty crops producers in California are organized in cooperatives;
- In France, nine out of ten producers belong to at least one cooperative;
- The Indian Dairy Cooperatives, with 12.3 million members, accounted for 22 per cent of the milk produced in India in 2005 (World Bank, 2007);
- In Brazil, health cooperatives provided medical and dental services to 17.7 million people in 2009 (OCB, 2010);
- In Colombia cooperatives provided 22.27 per cent of all health sector jobs, 14.7 per cent of jobs in the transport sector, 7.7 per cent in agriculture and 6.4 per cent in the financial sector. They also provided 91 per cent of all microcredit in the country (CONFECOOP, 2009).

A number of African countries also have dynamic cooperative movements. For instance, Kenya has a relatively large cooperative sector, especially in agricultural and finance. Notably, the Cooperative Bank of Kenya is the third largest bank in the country with total assets of over US\$ 1.884 billion. The country has approximately 3,560 Savings and Credit Cooperatives (SACCOs), with a membership of over 4.3 million. The Cooperative Insurance Company, owned by 1,495 cooperative organizations, has a share capital of US\$ 2.7 million. In the housing sector, the National Cooperative Housing Union (NACHU) federates 214 housing cooperative societies, with a membership of over 31,000 (Wanyama, 2010).



Despite the effectiveness of most member-run cooperatives in industrialized countries, cooperatives were introduced into Africa as a foreign model to serve colonial purposes. Primarily they were intended to provide a cost-effective way of collecting and exporting commodities such as coffee, cocoa, cotton, and groundnuts. After independence, most cooperatives continued as semi-public, bureaucratic enterprises, and not as voluntary, member-controlled businesses. Their structures and governance varied among countries in the region, reflecting the colonial administrative heritages in Anglophone, Francophone, and Lusophone countries. Liberalization, bringing a more competitive market environment that coincided in many countries with greater democracy, opened up new opportunities for dynamic, entrepreneurial cooperatives, while posing a threat to those that were inefficient and bureaucratic (Develtere et al., 2008).

Despite some outstanding success stories, the cooperative sector in Africa continues to face some major challenges including limited cooperative participation in policy dialogue; inappropriate policy and legal frameworks; poor implementation of existing laws and regulations; ineffective monitoring and enforcement mechanisms; weak performance in governance; and management of their businesses in a competitive environment. All of these challenges lead to mixed perceptions about the cooperative model.

### **1.3 How was COOP<sup>AFRICA</sup> conceived?**

The concept of a Cooperative Facility for Africa emerged from a preparatory research project (2005-6) commissioned by the Cooperative Programme of the ILO with DFID funding and coordinated by the Higher Institute for Labour Studies (HIVA) of the Catholic University of Leuven, Belgium. The project aimed at assessing the contribution and potential of cooperatives and group-based enterprises to create decent employment, economic activities, basic social protection, voice, and representation in African economies, including in the rural and informal

urban sector. The study (Develtere et al., 2008) included an overview of cooperative development in Africa up to the 1990s with five different 'traditions' that appeared under the various colonial administrations: a unified cooperative model, a social economy model, a social movement model, a producers' model, and an indigenous model. It also provided a stocktaking analysis of the current situation, drawing on recent literature as well as some original field-work that included a rapid appraisal by cooperative insiders in 16 African countries and 11 in-depth county case studies carried out by experienced local researchers.

The studies found that cooperatives were still very active and played a significant role in the private sector in most African countries. The Mwalimu Savings and Credit Cooperative Society of Kenya, for example, had accumulated savings of close to US\$ 100 million; the Mooriben cooperative in Niger provided 25000 households with affordable, nutritious food; and the UNICOOP cooperative in Cape Verde was the country's largest supplier of consumer goods. Small cooperatives could also be viable. A good example was the Rooibos Tea Cooperative in South Africa that had only 36 members, but an annual turnover of 1,250,000 South African Rands (US\$ 198,413). Approximately 150,000 collective socio-economic undertakings were listed in the eleven-country sample, most of them registered as cooperatives. The study also found that, on average, out of one hundred African households, seven belonged to a cooperative-type organization. In Egypt, Ghana, Kenya, Rwanda, and Senegal the membership rate was over ten per cent.

The study also served to identify the main problems cooperatives in Africa face. This helped to define the objectives, and establish priorities and methods for COOP<sup>AFRICA</sup>. The identified problems fall into two categories:

- Institutional failings such as a restrictive regulatory framework, lack of representation in policy, poor governance, lack of member

empowerment (to prevent capture by elites and professional managers), lack of support services including extension, and insufficient support for cooperative education and training; and

- Business constraints such as under-capitalization, lack of business skills and modern information and communication tools, and insufficient market knowledge.

## 1.4 COOP<sup>AFRICA</sup>'s operational principles

### 1.4.1 A flexible and pragmatic approach

COOP<sup>AFRICA</sup> is a flexible and rapid intervention instrument that can be called upon by governments, cooperative movements, social partners, and development partners to provide advisory services, technical assistance, training, tools and, in special cases, financial support for cooperative development in Africa. It is intended to provide coordinated, technical support for implementing the Decent Work Country Programme priorities at country-level. It is essentially designed to be an operational programme that supports people to cooperate in order to deal more effectively with their social and economic problems by being better organized and having greater access to economic benefits through their cooperatives and other social economy organizations (mutual societies and member-based associations<sup>2</sup>). The programme is based on the insight that self-help institutions such as cooperatives provide a valuable mechanism to encourage the progressive integration of informal businesses into the formal economy where they are in a better position to provide members with benefits of social protection, respect for workers' rights, and representation. Cooperatives can, thus, create a bridge between informal workers and formal enterprises, between rural and urban economies, between unregulated work and regulated businesses, and between invisible workers and registered economic institutions. Thus, they give a chance to vulnerable people and the poor

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<sup>2</sup> Although there is, as yet, no universally agreed definition of "social economy", the ILO Regional Conference (19-21 October 2009, Johannesburg) reached a consensus definition: "The social economy is a concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity". See chapter 6 for a discussion of cooperatives as social economy organizations.

to escape poverty, access minimum social protection benefits, and realize workers' rights.

### **1.4.2 A multi-pronged implementation strategy**

As an ILO regional technical cooperation programme, COOP<sup>AFRICA</sup> pursued a multi-pronged implementation strategy in phase I. The strategy had the following key components:

- Provision of knowledge and capacity-building support to develop or update cooperative policies and legislation to better meet the needs of today's global, liberalized economy, to strengthen cooperative governance and management, and to diversify and improve the productivity and services of primary cooperatives, thus expanding employment and enhancing livelihoods;
- Establishment of a Challenge Fund to provide grants mainly for primary cooperatives but also for cooperative unions, federations and training institutions as well as a few workers' and employers' associations, to start up new enterprises, improve management systems, or provide critical services and training to primary cooperatives. The grantees were selected through a rigorous competitive process. Out of a total of 88 Challenge Fund grants issued between 2008 and 2010, approximately 72 were awarded directly to primary cooperatives to initiate new enterprises or value-addition, or to upgrade their technologies and management systems to improve productivity and incomes;
- Anchoring the programme within national and regional development priorities, tailoring its activities to feed into national development frameworks in order to promote country ownership, and furthering the One UN reform that aims to improve the coherence and effectiveness of UN development activities at country level;
- Fostering partnerships among a range of actors and stakeholders both within and between countries in the region, and with other regions, and promoting South-South exchange of knowledge and experience. Its multi-partner approach practiced in phase I included the following:

- Regional and sub-regional African organizations such as the African Union, NEPAD, and East African Community Secretariats;
- UN including the One UN Fund system and UN Specialized Agencies such as FAO;
- Donors (DFID, Arab Gulf Program for Development (AGFUND), Japanese International Cooperation Agency (JICA), Swedish International Development Cooperation Agency (Sida), Government of Finland);
- Trade unions and employers (the International Trade Union Confederation (ITUC-Africa), the International Organization of Employers (IOE));
- International and national cooperative organizations (International Co-operative Alliance (ICA), the UK Cooperative College, the Committee for the Promotion and Advancement of Cooperatives (COPAC), the Belgian Raiffensein Foundation, German Co-operative and Raiffeisen Confederation (DGRV), Japanese Consumers' Co-operative Union (JCCU), Swedish Cooperative Centre (SCC), American National Cooperative Business Association, TransFair USA); and
- International NGOs/CSOs and producer support organizations (Netherlands Development Organisation (SNV) Agriterra, Agricord, Aga Khan Foundation, Oxfam, among others);
- Promoting gender equality throughout the programme to redress the limited presence of women in membership, managerial and leadership positions, and to ensure a more balanced role for men and women within the cooperative movement.

### **1.4.3 An evolving participatory process**

The programme developed from a small group of core countries, piloting new tools, and promoting knowledge sharing. It gradually welcomed other donors, including cooperative movements, to join the programme to support specific components (e.g. HIV/AIDS, gender and youth).

The approach taken by COOP<sup>AFRICA</sup> sought to develop services for cooperatives (a supply driven approach) and provide funding for selected cooperatives through the operation of a competitive Challenge Fund (a demand driven approach).

Key interventions in phase I included:

- Establishing an enabling legal and policy environment; strengthening the capacity of Centres of Competence (CoC) to provide support services for cooperatives;
- Promoting effective vertical and horizontal coordinating structures for cooperatives;
- Operating a competitive Challenge Fund (Box 6) that provided grants for innovative cooperative ventures, and funds for subcontracts to and training by CoCs.

The more detailed rationale for these various approaches and the ways in which they were implemented by COOP<sup>AFRICA</sup> are elaborated in subsequent chapters.

### **Box 6: Challenge Fund at a glance (2008-11)**

<b>Areas:</b>	Training, services, innovation
<b>Purpose:</b>	Linkages between CoCs, microfinance, and cooperative enterprises
<b>Procedures:</b>	(a) Calls for proposals, 2x/y; grants up to US\$ 50,000 or US\$ 150,000 (CoCs) (b) Small grants throughout the year, up to US\$ 20,000
<b>Set-up:</b>	National Advisory Group (& Focal Points), Secretariat, Expert Panel, Selection Committee
<b>Projects:</b>	77 (out of about 800 applications) 17 (out of 56 applications) One UN
<b>Funds:</b>	DFID: US\$ 3,230,000 One UN: US\$ 230,000 ILO: US\$ 100,000 (excl. capacity building)

#### 1.4.4 COOP<sup>AFRICA</sup> governance structure

COOP<sup>AFRICA</sup>'s governance structure comprises:

- A Regional Steering Committee (RSC) which includes representatives of the International Trade Union Confederation (ITUC-Africa), the International Organization of Employers (IOE) and the African Union secretariat, as well as elected cooperative leaders from eastern and southern Africa. The committee also includes representatives from international cooperative organizations and donors such as the International Co-operative Alliance (ICA), the Committee for the Promotion and Advancement of Cooperatives (COPAC), the UK Co-operative College (UKCC), the Department for International Development (DFID), and the ILO. The Steering Committee plans, monitors and evaluates the project activities;
- National Advisory Groups (NAGs) in each participating country, typically comprising stakeholders of the cooperative movement at national level such as cooperative apexes, government units in charge of cooperative development, cooperative colleges, and the social partners.<sup>3</sup> NAGs play a key role in providing guidance and support to the country programme, and ensuring local ownership;
- The Selection Committee, which reviews the expert assessments of the applications for Challenge Fund grants and makes the final selection of projects to be funded, includes representatives of the International Trade Union Confederation in Africa as well as the UKCC, the ICA, COPAC, and the ILO;
- The Reading Committee, which comprises experts in various aspects of cooperative development, reviews all publications before their finalization, and ensures technical accuracy, relevance, and academic quality.

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<sup>3</sup> In ILO's unique tripartite governance mechanism – comprising governments, trade unions and employers' organizations - the two latter partners are often referred to as "social partners".

#### **1.4.5 Strengthening coordination**

As a coordination mechanism, COOP<sup>AFRICA</sup> seeks to forge and strengthen a range of vertical and horizontal partnerships among national, regional, and international cooperative institutions. It also works with the African Union Commission and its regional economic commissions, with the UN and its Specialized Agencies, with northern cooperative institutions and other civil society organizations that support cooperatives, and with donors. During phase I it has developed a particularly close partnership with specialized international cooperative support organizations such as the International Co-operative Alliance (ICA), the Committee for the Promotion and Advancement of Cooperatives (COPAC), the International Trade Union Confederation (ITUC-Africa), the International Organization of Employers (IOE), and cooperative apexes and colleges in the region. These, together with the AU Commission and the UK Co-operative College, are represented in COOP<sup>AFRICA</sup>'s Steering Committee.



## 2. Creating an enabling environment for cooperatives: how did COOP<sup>AFRICA</sup> phase I contribute?

### 2.1 Creating more favourable perceptions of cooperatives

Over recent decades, African cooperatives have inspired conflicting perceptions. One view is that cooperatives have failed to live up to their potential in Africa, compared with other continents. Initially, a mechanism for government control in colonial and post-independence Africa, they have remained dependent and inefficient despite the loosening of state control with structural adjustment and liberalization. The other view that is gaining credence is that cooperatives in Africa are now taking off as an entrepreneurial business model that represents a key pillar of the social economy. For example, in 2007 the US Overseas Cooperative Development Council (OCDC) emphasized the role of African cooperatives in development, while the World Bank (2007:155) advocated membership-based producer organizations, such as cooperatives and marketing organizations or associations, as a “fundamental building block of agriculture-for-development agendas”.



Members and employees of a Bridge Manufacturers Cooperative Society in front of a soap factory in Uganda.

Phase I of COOP<sup>AFRICA</sup> contributed to reinforcing this latter positive perception of cooperatives through the following strategies:

- **Commissioning research** that produced facts and figures to show the importance of cooperatives in Africa (for example, the research coordinated by the HIVA) or to show the greater resilience of cooperatives, especially cooperative banks and SACCOs, to the financial and economic crisis than other types of private sector enterprises. Although African cooperatives generally proved weaker and less able to insulate themselves against the crisis than cooperatives in other continents, they nonetheless did offer their members some distinct advantages<sup>4</sup>,
- **Playing an active role within the UN system** to ensure that the important contribution of cooperatives to economic, social, and political development was recognized and strengthened in national and international development frameworks and plans such as Poverty Reduction Strategy Papers (PRSP), UN Development Assistance Frameworks (UNDAF), One UN Joint Programmes, UN Development Assistance Plans (UNDAP) the ILO Global Jobs Pact, and the New Partnership for Africa's Development (NEPAD);
- **Helping cooperatives at different levels** to improve their efficiency and performance, and increase incomes and other benefits for members, thus, enhancing the reputation of the whole movement;
- **Strengthening the capacity of Centres of Competence (CoCs) and business development service organizations (BDSOs)** to provide capacity-building support for cooperatives, particularly at the primary society level, and disseminating information about available CoCs and BDSOs through COOP<sup>AFRICA</sup> networks and those of its partners;
- **Providing a model** that enabled the marginalized, especially women and youth, to join together to increase their bargaining power and improve their livelihoods;
- **Sponsoring exchange visits** for policy makers, government regulatory cooperative unit staff, cooperative managers and

<sup>4</sup> See for example, the COOP<sup>AFRICA</sup> study by Allen and Maghimbi, 2009; see also Hesse and Čihák, 2007 and Birchall and Ketilson, 2009. A full list of COOP<sup>AFRICA</sup> publications is given in Annex 2);

- members to visit successful cooperatives in neighbouring countries and other regions (Box 7);
- ***Organizing workshops that provided practice in using state-of-the-art tools*** and methods to involve representatives of the cooperative movement, among other stakeholders, in participatory processes to strengthen or revise cooperative policies, laws, regulations, by-laws, and management systems;
  - ***Collaborating with cooperative organizations from industrialized countries*** with large, competitive cooperative sectors, that provide financial and innovative technical assistance to adapt well-trying policies, laws, and cooperative practices to the African situation;
  - ***Fostering partnerships among cooperative organizations within and between countries in the region*** (for example, in the East African Community (EAC)), to improve visibility and agree on a coherent, coordinated strategy that could, in turn, improve their influence in international and regional bodies such as the UN and the African Union;
  - ***Strengthening the federations/apexes*** so they could play a constructive role in policy negotiations at national or regional level on cooperative legal or regulatory issues, as well as take up broader concerns that affect cooperatives, such as trade and labour issues.

### **Box 7: Study tour to Japan for African cooperative leaders**

The Japanese Consumers' Co-operative Union (JCCU), together with ILO-Tokyo and COOP<sup>AFRICA</sup> organized a study tour to Japan for African cooperative leaders from Ethiopia, Kenya, Rwanda, and Uganda in August 2010. The national apex organization of consumer cooperatives, JCCU, has over 600 member societies with a total of 24 million individual members. Its member societies include university, retail, and health cooperatives.

The purpose of the tour was to trigger an attitude and paradigm shift by exposing the participants to activities, lessons learnt, and challenges of Japanese cooperatives. The visit included lectures on consumer cooperative activities and principles such as shared capital, use, and management by members, and on Japanese cooperative legislation. A study visits to consumer cooperative offices/centres, vendors, contracted farms, factories, and agricultural cooperatives was also conducted.

Source: ILO, DFID-ILO Partnership Framework Agreement (PFA) 2006-2009. Report on Progress in Five Key Policy areas supported by DFID. Draft, December 2010. COOP<sup>AFRICA</sup>.

## 2.2 Ensuring an enabling cooperative policy and legal environment

If cooperatives are to create jobs, increase incomes, and reduce poverty, they need an enabling policy, legal, and regulatory environment. In most countries, cooperatives benefit from the general policy and legal framework designed to stimulate and regulate the private sector. However, Africa's unique history of state control of the cooperative movement calls for special measures to reverse the policies, laws, and practices that legitimized this tight control and to place cooperatives firmly in the private business and social sectors. Thus, there is a need for specific legislative and policy measures that guarantee the autonomy and independence of the cooperative movement from the state. Furthermore, in many parts of Africa, specific cooperative policies and legislation (if they exist) are out of date or are inconsistent. Substantial revisions are needed in most countries to respond to new economic, social, and political challenges (even threats) as well as to opportunities opened up by the ongoing processes of democratic reform and to enable cooperatives to develop as competitive businesses in a liberalized, global market economy. Such revisions often involve adaptations to comply with other international or regional legislation such as competition laws, labour laws, accounting rules and regulations, health and quality standards.

They also involve the harmonization of cooperative policies, legislation, and regulatory frameworks within countries and at regional level (for example, in the EAC countries) as well as encouragement to cooperatives to revise their own cooperative by-laws to ensure consistency with new laws and regulations. In particular, there is an urgent need for new or improved regulations for financial cooperatives (for example, in Lesotho, Kenya, Rwanda, and South Africa) in view of the rapid growth of savings and credit cooperatives. Finally, popular information material, guides, and translations of the policies and laws into local languages using simple terminology are urgently needed for ordinary members.

In addition to these more technical business requirements, growing concern to reduce poverty and improve equity and participation is fuelling the call among governments, social partners, and the international

community to strengthen the social functions of cooperatives and other democratic self-help associations, and to develop practical measures to increase employment and income, improve workers' rights, social protection, and dialogue, as called for in the *Decent Work Agenda*. Similarly, there is growing focus on promoting gender equality and women's empowerment, as called for in MDG3 and highlighted as a cross-cutting priority in the *Decent Work Agenda*.

There are many reasons for gender inequalities in cooperatives. Some reflect gender inequalities that are pervasive throughout society and relate to basic structural and socio-cultural issues such as inequalities in access to resources, education and training, unequal division of labour and stereotyped concepts of the roles of women and men. These structural inequalities have implications for the role of women in cooperatives. However, there are also specific legal constraints (ILO, 2002b) stemming from cooperative laws or, as is more frequently the case, related legislation regulating property, land, and inheritance issues or cooperative by-laws. These inequalities are contrary to the fundamental rights of workers and women in particular, and to the cooperative values and principles. They also undermine effective and sustainable development at the national and community level, the business performance at the level of the individual enterprise, and women's efforts to reduce poverty and ensure their own and their families' livelihoods. Barriers to women's cooperative membership are mostly indirect consequences of discriminatory legislation or cooperative by-laws, for example, rules that only one member per family can be a member, or that each member should own land. In addition, social perceptions of acceptable roles for women mean that they rarely hold leadership or managerial positions in mixed cooperatives. While these legal and social barriers hamper women's ability to join cooperatives, they can be changed.

Phase I of COOP<sup>AFRICA</sup> addressed these multiple challenges by organizing conferences and undertaking and publishing research and advocacy documents to raise awareness of the need for revising or designing cooperative legislation and policies, organizing workshops to give participants the opportunity to try out practical tools and methods for undertaking such reforms, and providing hands-on technical and

financial assistance to individual countries on a demand basis.

The regional workshop on Cooperative Policy and Law in Africa (held in June 2008 in Manzini, Swaziland) was an important milestone in this effort. Attended by 47 chief executive officers of national cooperative federations, heads of government authorities, and heads of cooperative training institutions from 16 African countries, it was a key catalyst for many countries to start formulating cooperative policies and laws where none existed, or to revise existing ones. As a result, COOP<sup>AFRICA</sup> provided direct technical and financial support to the initiatives of eight countries (Box 8) while another five countries and territories (Comoros, Kenya, Malawi, Mauritius, South Sudan) were inspired by the workshop to prepare or to revise their cooperative policies and legislation with their own resources.

Other highlights of COOP<sup>AFRICA</sup> phase I include the support for a participatory stakeholder preparatory process for the first cooperative development policies in Uganda and Zanzibar (Box 9). Lesotho finalized and tabled to cabinet its policy for financial cooperatives. In Kenya, a new Act of parliament for financial cooperatives was passed, and a new regulatory authority for financial cooperatives was established. All these measures were developed in a participatory way, thus giving the cooperatives, as principal stakeholders, an opportunity to influence the content of the policy and strategies for its implementation. The policies and laws themselves recognized the role of the national movements in the social and economic development of their countries, thus increasing the visibility of the national cooperative movements.

Lastly, in order to help develop a regional perspective, which identifies common problems and promotes inter-regional collaboration to strengthen the position of cooperatives, COOP<sup>AFRICA</sup> commissioned a working paper (no. 18) on cooperative policy and law in eastern and southern Africa. This was discussed at the 9th ICA African Ministerial Cooperative Conference (Nairobi, October 2009) and provides valuable technical and policy options for countries embarking on the reform of their cooperative sectors.

## **Box 8: COOP<sup>AFRICA</sup> support for formulation or revision of cooperative policies and legislation**

**Ethiopia:** In 2010, the Federal Cooperative Agency held consultations with COOP<sup>AFRICA</sup> regarding its proposed revision of the Cooperative Proclamation and the formulation of a new cooperative development policy.

**Lesotho:** In 2009-2010 COOP<sup>AFRICA</sup> provided technical assistance for the revision of the 1999 Cooperative Development Policy and the 2000 Cooperative Societies Act, and the preparation of a new policy for financial cooperatives. In 2010/11 the government undertook, with COOPAFRICA support, an assessment of the likely impact of the first two measures on the on-going restructuring of the cooperative movement and the revision of existing cooperatives' by-laws, which will help devise effective implementation strategies for the new policies and law. It also harmonized the draft financial cooperatives policy with the Central Bank's new financial policy. Government approval was expected during 2011.

**Madagascar:** In 2008-9 COOP<sup>AFRICA</sup> provided technical support to a cooperative stakeholder task force mandated to prepare a national policy on cooperatives.

**Mozambique:** COOP<sup>AFRICA</sup> provided technical support in 2008 to the network of civil society organizations that were a driving force of the cooperative legal reform. The new Cooperative Law (Lei Geral das Cooperativas) was adopted by Parliament on 30 April 2009.

**Swaziland:** COOP<sup>AFRICA</sup> provided technical advice and guidance for the formulation of a special Act for savings and credit cooperatives (SACCOS), completed in June 2010, and continues to provide technical support for the ongoing revision of the Cooperative Development Policy and the Cooperative Societies Act.

**Uganda:** The Cooperative Development Policy, formulated in 2009 with COOP<sup>AFRICA</sup> financial support, was approved by government in May 2010. COOP<sup>AFRICA</sup> also provided financial support in 2010 for the revision of the 1991 Cooperative Societies Act, which was expected to be completed in 2011.

**Zambia:** At the request of the Attorney General, COOP<sup>AFRICA</sup> assisted with the technical revisions of the Cooperative Societies Act in 2009.

**Zanzibar:** Following the participatory formulation of a cooperative development policy in 2009 with COOP<sup>AFRICA</sup>'s technical and financial support, the draft policy was validated at a stakeholder convention in August 2010 and the final draft was submitted to the government in September 2010. In 2010 COOP<sup>AFRICA</sup> also supported the revision of the 1986 Cooperative Societies Act with a similar participatory process. Both documents are now being reviewed by the government and their approval was expected in 2011.

Source: COOP<sup>AFRICA</sup> Fact Sheet.

### **Box 9: Participatory design of Zanzibar's new cooperative development policy**

For the first time in the 85-year history of the cooperative movement on the Isles, Zanzibar now has a draft cooperative development policy that is awaiting cabinet approval and submission to Parliament in 2011, together with a draft revision of the 1986 Cooperative Societies Act.

Stimulated by COOP<sup>AFRICA</sup>'s Swaziland workshop, the government, cooperative movement, and other stakeholders agreed they needed to develop a cooperative policy, update cooperative legislation, and harmonize the two. Requested to help, COOP<sup>AFRICA</sup> tailored its participatory policy design process to Zanzibar's unique needs.

Starting in 2009, COOP<sup>AFRICA</sup> experts reviewed Zanzibar's cooperative laws, reports, and studies on cooperatives on the Isles, as well as current economic and social policies affecting cooperatives. Focus was given to the poor, youth, and gender equity. Intensive consultations were held with the Chief Minister's Office and senior officials in key ministries such as Agriculture, Livestock and Environment, Finance, Labour, Justice, and Commerce and Industry. A large number of cooperative leaders and ordinary members as well as government officials providing support services to cooperatives were also consulted.

The first draft of the new policy was submitted for comments to 75 selected leaders from the cooperative movement, government, and other stakeholders. The second draft was discussed at a national cooperative convention attended by 125 cooperative leaders and other stakeholders. In September 2010 the final draft was submitted to the government of Zanzibar.

At the request of government and cooperative stakeholders, the 1986 Cooperative Societies Act, which had become obsolete and irrelevant, was revised in an exercise that entailed extensive consultations in much the same manner as the policy formulation and validation process.

Such processes are vital not only to ensure that the policies and laws respond to Zanzibar's needs, are up-to-date, draw on best practice in other countries, and are consistent with other relevant policies and laws, but also to ensure that cooperatives participate throughout the process and thus, share ownership.

Source: COOP<sup>AFRICA</sup> Fact Sheet.

## **2.3 Improving cooperative governance**

One of the objectives of cooperative policy and legal reforms is to reduce the control of government ministries or departments responsible for cooperative development so that cooperatives are free to operate as autonomous and democratically member-controlled organizations. Many African government departments responsible for cooperative



development might need to undergo reform to adapt their management systems and monitoring procedures to the new cooperative environment, as well as to improve their efficiency.

Thus, in the context of cooperative policy and legal reforms, several countries are now creating autonomous or semi-autonomous cooperative development agencies that are relatively independent of government control, even though governments often still provide some funding and appoint the leaders. Such agencies were already in place in Ethiopia (Federal Cooperative Agency) and Rwanda (Cooperative Development Agency) while Tanzania's autonomous Cooperative Development Commission was established in 2010. In 2008 COOP<sup>AFRICA</sup> contributed to the preparatory process in Tanzania by sponsoring three high-level cooperative officials from the government and the movement to visit Ethiopia to share the experience of its autonomous Federal Cooperative Agency, which had been in operation since 2002. In recent years Kenya has also revitalized its own apex organization, a critical effort for which COOP<sup>AFRICA</sup> provided support (Box 10).

## 2.4 Strengthening cooperative education

A dynamic and competitive cooperative sector in Africa requires competent, motivated, well-trained cooperative leaders, managers, and teachers who are up-to-date with national and regional cooperative policies and legislation. They should be familiar with international cooperative recommendations and policies, with good practice in other developing or industrialized countries with highly successful cooperative sectors, relevant trade issues, modern business management methods, and have leadership and negotiating skills.

Today, as many African countries seek to create an innovative, entrepreneurial cooperative sector, their efforts are handicapped by the low priority that cooperative education has received for many years. Cooperative education is mainly provided by state-run cooperative colleges, which cater for secondary school leavers and government cooperative staff. Training for primary cooperative members and staff is mainly provided by the outreach programmes of the colleges, cooperative

federations, secondary societies, or by government personnel, especially during the formation stages.



Co-operative College of Kenya students visiting persons living with HIV/AIDS in Mbotela, Kenya

### **Box 10: Revitalizing the Kenyan apex organization**

After years of gross mismanagement, Kenya's apex organization, the Kenya National Federation of Cooperatives (KNFC), was fighting for its life in 2005. Its membership had shrunk from over 8,000 to about 600 and the institution was bankrupt. In May 2005 the Minister for Cooperative Development and Marketing dissolved KNFC's Board of Directors, replacing it with an Interim Board. The Cooperative Bank seconded a senior official to serve as KNFC's Chief Executive Officer and oversee the restructuring and revitalization of the organization. A new governance structure, revised by-laws, and a new funding strategy were endorsed by the National Cooperative Leaders Conference in November 2007 and a National Governing Council was elected in November 2008.

The revitalization programme charted a new direction for the apex, focusing its core activities on representing the movement in key national, regional, and international bodies, and helping members escape from poverty. This rekindled the support of many cooperatives for the apex. However, by 2009, with debts of over Kshs 100 million (US\$ 1.3 million), KNFC's creditors started freezing its bank accounts and foreclosing on its properties. In December 2009 the KNFC Board decided to liquidate KNFC and start afresh by registering a new apex, the Cooperative Alliance of Kenya (CAK).

CAK adopted KNFC's revitalization programme and KNFC's Chief Executive Officer and the National Governing Council continued to serve as CAK's interim officials. CAK quickly established a solid reputation. Besides advocacy and lobbying for the cooperative movement, it started promoting the development of cooperatives through value addition and marketing initiatives. For instance, following the failure of Kenya Planters Cooperative Union (KPCU) to mill and market coffee at competitive prices, CAK initiated the formation and registration of Kenya Cooperative Coffee Exporters Ltd (KCCE) and Kenya Cooperative Coffee Millers Ltd (KCCM) to serve cooperatives in the coffee sector. The result has been a significant increase in prices paid to farmers since these new cooperatives were able to compete effectively with private coffee millers and traders. CAK also formed Cooperative Communication Holdings Ltd (CCHL) to partner with the private sector in areas of Information and Communication Technology (ICT) to bridge the digital divide, particularly for rural cooperatives.

COOP<sup>Africa</sup> played an important supporting role in the apex's revival. Apart from a grant of US\$ 20,000 to train cooperative societies in corporate governance CAK, the COOP<sup>Africa</sup> Focal Point in Kenya, considerably increased its visibility among the donor community, international and regional cooperative organizations, and among its own members. As a result it was able to attract donor funding for other cooperative development initiatives and, at the request of members, provided guidance on writing proposals for grants from COOP<sup>Africa</sup> and ILO's Yes Jump youth enterprise development project.

Source: Wanyama, 2010.

In view of the urgency of building a cadre of experienced and well-trained cooperative leaders, managers, and teachers, COOP<sup>AFRICA</sup> undertook a major programme to help upgrade the education and training capacity of cooperative colleges. In partnership with the UK Co-operative College (UKCC), COOP<sup>AFRICA</sup> provided support to a number of cooperative colleges (Box 11) for institutional restructuring and strengthening, revising curricula, and modernizing teaching methods. Notably, learner-centred programmes, participatory learning methods, and distance learning were introduced. Further, outreach programmes were strengthened and a more entrepreneurial approach to cooperative organization, management, and governance was promoted. Four cooperative colleges also received support from the competitive Challenge Fund to develop specific activities in their outreach programmes (Box 12). Subsequent plans included building capacity in data collection, processing, and analysis on cooperatives, supporting initiatives to promote school

cooperatives, developing new training modules in promising green sectors such as organic and fair trade agriculture, solar and improved stove businesses, and helping cooperatives to tackle environmental degradation and climate risks. The launch of COOP<sup>AFRICA</sup> phase II would lead to an expansion of this programme, including work with other institutions such as secondary schools, vocational training centres, business schools, training providers, universities, and research centres.

### **Box 11: Cooperative colleges assisted by COOP<sup>AFRICA</sup>**

<b>Botswana:</b>	Cooperative Development Centre*, Gaborone
<b>Ethiopia:</b>	Department of Co-operatives, Ambo University College, Ambo
<b>Kenya:</b>	Cooperative College of Kenya, Karen, Nairobi
<b>Lesotho:</b>	Lesotho Cooperative College, Maseru
<b>Swaziland:</b>	Cooperative College of Swaziland, Ezulwini, Mbabane
<b>Tanzania:</b>	Moshi University College of Cooperative and Business Studies, Moshi
<b>Uganda:</b>	Uganda Cooperative College, Kigumba
<b>Zambia:</b>	Cooperative College, Lusaka

\* The Cooperative Development Centre is being transformed into a fully-fledged Cooperative College.

Source: ILO, DFID-ILO Partnership Framework Agreement (PFA) 2006-2009. Report on Progress in Five Key Policy Areas supported by DFID. Draft, December 2010.

## Box 12: Cooperative colleges supported by Challenge Fund grants, 2009-10

**Ethiopia: Ambo University College**  
US\$ 50,000

In view of the high prevalence of HIV/AIDS, malaria, diarrhoea, malnutrition, and child mortality in Ethiopia, COOP<sup>AFRICA</sup> funded a feasibility study, which included a field trip to a health cooperative in India to support the setting up of a pilot health cooperative. The cooperative will provide care and raise awareness on prevention and sanitation issues.

**Kenya: Cooperative College of Kenya**  
US\$ 50,000

The project supported the capacity building of selected cooperative organizations to respond to HIV/AIDS. Model initiatives and related training materials were developed based on the cooperative principle of social responsibility.

**Tanzania: Institute of Continuing Cooperative Development and Education, Moshi University Co-operative College of Cooperative and Business Studies**  
US\$ 50,000

The project empowered people with disabilities, especially disabled people's organizations, through training in financial and business management of microenterprises. It further facilitated access to savings and credit to strengthen their microenterprises.

**Uganda: Uganda Cooperative College**  
US\$ 50,000

The project provided training for cooperative leaders in the mid-western region in business management to improve the competitiveness of their cooperatives in an increasingly dynamic and liberalized private sector.

After undertaking an assessment of the situation in each participating cooperative college and preparing a regional synthesis in 2008-9, the UKCC provided technical support in staff development, resource mobilization, recruitment, marketing, and institutional strengthening in 2009. In 2010, COOP<sup>AFRICA</sup>, with support from the ILO Regional Office for Africa, commissioned the UKCC to develop a new programme to:

- Promote a more entrepreneurial culture in colleges and more systematic teaching and learning about entrepreneurship, enterprise, and innovation;
- Improve the research capacity of selected cooperative colleges in

East Africa and the dissemination of their research findings (Box 13).

A second component of the first phase of COOP<sup>AFRICA</sup> involved assisting Rwanda to build a more structured and sustainable cooperative training and education system in the absence of a cooperative college. In the context of the One UN reform in Rwanda and in partnership with UNDP, UKCC, the Moshi University College of Co-operative and Business Studies (MUCCoBS), and a national expert, COOP<sup>AFRICA</sup> prepared a feasibility study for setting up a cooperative college in Rwanda. The study was submitted to the government in early 2010. Its findings were used by the government, and cabinet approval for the establishment of the college was expected by the end of 2011, after which financial resources were planned to be mobilized.

A second component of the first phase of COOP<sup>AFRICA</sup> involved assisting Rwanda to build a more structured and sustainable cooperative training and education system in the absence of a cooperative college. In the context of the One UN reform in Rwanda and in partnership with UNDP, UKCC, the Moshi University College of Co-operative and Business Studies (MUCCOBS), and a national expert, COOP<sup>AFRICA</sup> prepared a feasibility study for setting up a cooperative college in Rwanda. The study was submitted to the government in early 2010. Its findings were used by the government, and cabinet approval for the establishment of the college was expected by the end of 2011, after which financial resources were planned to be mobilized.

### 3. Advancing the Decent Work Agenda in Africa: how did COOP<sup>AFRICA</sup> assist?

#### 3.1 What is *Decent Work*?

*Decent Work* is captured in four strategic objectives:

- Promoting full and productive employment;
- Developing and enhancing social protection and social security;
- Promoting social dialogue and tripartism; and
- Respecting, promoting, and realizing fundamental principles and rights at work.

Reconfirmed by the landmark *Declaration on Social Justice for a Fair Globalization*, adopted by the International Labour Conference in June 2008, these objectives form the core of a strong social dimension of globalization to achieve improved and fair outcomes for all, while reflecting the imperative of vibrant, sustainable enterprises in creating new and better paid jobs and income opportunities for all.

The four strategic objectives are inseparable, interrelated, and mutually supportive. Failure to promote one will harm progress towards the others. Gender equality and non-discrimination cut across all four objectives and are not negotiable.

The objectives apply to *all* workers, women and men, in both formal and informal economies, whether employed or self-employed, working in the fields or forests, at sea or on the beach, in factories, small workshops or offices, hawking in the street, or labouring in their homes or in the community.

#### 3.2 Why does *Decent Work* matter?

Decent Work matters because it embodies the aspirations of people in their working lives – their aspirations for opportunity and income; rights, voice, and recognition; family stability and personal development; and fairness and gender equality.

Poverty, inequity, discrimination, and lack of voice are not just problems for the poor. As eloquently stated by the historic ILO Philadelphia Declaration of 1944,

*“Poverty anywhere constitutes a danger to prosperity everywhere”.*

Political and social stability and security are seriously threatened at the regional, national, and international level by one-fourth of humankind living on less than US\$ 1.25 a day (World Bank, 2010), trapped in cycles of poverty with few opportunities to escape in a global system that is discriminatory and unfair.

Decent Work is thus central to efforts to reduce poverty and achieve a fair globalization with greater respect for human dignity and prosperity for all that allows people to fulfil their and their families and communities needs and aspirations.

### **3.3 What are Africa’s Decent Work priorities?**

Faced with a daunting challenge of rising unemployment and a growing number of people living in poverty despite solid economic growth in recent years, the ILO’s African Regional Meeting in 2007 adopted a sweeping new *Decent Work Agenda in Africa 2007-15*. The Agenda was designed to stimulate the creation of millions of decent jobs and improve the lives of the continent’s working poor. It builds on the conclusions of the 2004 Ouagadougou Summit and commits ILO’s tripartite constituency (governments, employers, and workers) to develop DWCPs in order to mainstream policies for more and better jobs into national development strategies.





Young girl in Rwanda carrying a load of dry banana leaves for feeding cattle

The *Decent Work Agenda's* targets, to be achieved by 2015, are ambitious but vital to tackle the growing poverty. They include:

- Creating sufficient decent jobs to absorb new labour market entrants and reduce by half the number of working poor;
- Implementing integrated strategies for sustainable enterprise development, with a special focus on women entrepreneurs, and the registration of at least half of all enterprises operating informally;
- Adopting policies and programmes to reduce significantly the current youth unemployment rate for Africa of nearly 20 per cent;

- Ensuring that half of Africa's workforce have gained new or improved skills;
- Incorporating local economic development and employment-intensive investment approaches in all reconstruction and recovery programmes and, in particular, building effective and accountable institutions for the world of work and for economic and social governance in general;
- Developing programmes to improve working conditions, including regulations on hours of work and minimum pay, the reduction of occupational accidents and diseases, and a progressive increase in the number of labour inspectors in relation to workers; and
- Upgrading the informal economy and extending protection to informal economy workers.

Furthermore, African countries are exhorted to introduce or extend basic social security packages; to have national HIV/AIDS strategies that ensure the workplace contributes to the overall objective of achieving universal access to prevention, treatment, care and support; establish or further develop tripartite social dialogue institutions; adopt legislation to guarantee the rights to freedom of association and collective bargaining; ratify, implement, and respect fundamental principles and rights at work; prepare national action plans for the elimination of the worst forms of child labour and the eradication of forced labour by 2015; have anti-discrimination legislation in place and promote equality of opportunity and treatment in respect of employment and occupation; and generate basic sex-disaggregated annual data on the size and composition of the labour force.

In response, by the end of 2010 an increasing number of countries were implementing their national DWCPs. Although the overriding priority is given to employment (see pie chart), the other three strategic objectives are also seen as very important.

## Africa: Distribution of Decent Work Country Programme outcomes by strategic objective



Source: ILO (2007a), The Director-General's Programme and Budget Proposals for 2008-09, ILO Governing Body, March 2007, Geneva.

### 3.4 Cooperatives and the *Decent Work Agenda* in Africa

Recognizing the important role played by cooperatives in many sectors of the African economy, especially in rural areas, the *Decent Work Agenda in Africa* underlines ILO's contribution to "cooperative human resource development through support to curriculum development, the improvement of training methodologies, the promotion of gender equality in cooperatives, and the development of cooperative entrepreneurship"<sup>5</sup>. The Agenda further stresses its aim "to strengthen autonomous, member-controlled, economically viable cooperatives able to contribute to the processes of economic reform, democratization, employment creation, and poverty alleviation".

The Regional Decent Work Programme (R-DWP) for the East African Community 2009 – 2015 also establishes the cooperative approach as one of the strategies for achieving the regional priority of youth employment creation. Specifically, it plans to create a regional apex body

<sup>5</sup> ILO: The Decent Work Agenda in Africa: 2007–2015. (Geneva, 2007).

or network of MFIs and SACCOs, harmonize cooperative legislation, examine the possibility of establishing a common cooperative legal framework for the EAC area, and promote self-employment through an East African Entrepreneurship and Cooperative Promotion Capital Facility. The East African Community Secretariat has formally requested COOP<sup>AFRICA</sup>'s assistance to support market integration in EAC countries through cooperatives and other types of member-based organizations.

### **3.5 How did COOP<sup>AFRICA</sup> contribute to Africa's Decent Work Country Programmes?**

Pursuing a two-pronged approach, COOP<sup>AFRICA</sup> helped to incorporate cooperative approaches into eight new DWCPs while assisting six countries to implement their existing DWCPs.

Focusing on capacity building of small and medium cooperative enterprises as private member-based organizations, COOP<sup>AFRICA</sup> supported Botswana, Comoros, Madagascar, Malawi, Namibia, Rwanda, Swaziland, and Togo to elaborate objectives and strategies in their new DWCPs in order to improve access to microfinance, markets, social services (including HIV/AIDS prevention and mitigation) and, thus, to create jobs and to increase incomes in conditions of dignity, respect, social and gender equity.

In the case of the existing DWCPs, COOP<sup>AFRICA</sup> concentrated on supporting the achievement of the key priorities identified in the DWCPs through cooperative approaches (Box 14; see also Annexes 4 and 5 for more examples). In particular, the following priorities were supported:

- Increasing access to decent employment, particularly for women and youth;
- Combating child labour;
- Fighting HIV/AIDS.

**Box 14: Examples of COOP<sup>AFRICA</sup> contributions to existing DWCPs in the core DFID-supported countries**

Country DWCP priorities	COOP <sup>AFRICA</sup> support for these priorities
<p><b>Ethiopia, 2009-2012</b></p> <ol style="list-style-type: none"> <li>1) Reduce poverty through enhanced employment creation, focusing on youth and women;</li> <li>2) Enhance social protection and HIV/AIDS workplace policies;</li> <li>3) Strengthen tripartism and social dialogue mechanisms at all levels;</li> <li>4) Promote rights at work and fight against child labour especially the worst forms of child labour.</li> </ol>	<ol style="list-style-type: none"> <li>1) Addis Ababa Saving and Credit Cooperative Union to strengthen member SACCOs' capacity and performance to enhance employment creation (<i>challenge fund project</i>);</li> <li>2) Tigray Disabled Veterans Association to develop cooperatives for destitute, disabled people in rural and semi-urban areas of Tigray Region, enhancing their social protection (<i>challenge fund project</i>);</li> <li>3) The Lorna Young Foundation to promote African peer partnering to develop effective business and marketing learning for cooperative smallholders (<i>challenge fund project</i>);</li> <li>4) Confederation of Ethiopian Trade Unions for the mobilization of workers' cooperatives and promotion of workers' rights (<i>challenge fund project</i>).</li> </ol>
<p><b>Kenya, 2007-2011</b></p> <ol style="list-style-type: none"> <li>1) Increase youth empowerment, youth employment and eliminate child labour, particularly in its worst form;</li> <li>2) Fight against HIV/AIDS at the workplace and expand social protection;</li> <li>3) Expand and strengthen the principle of inclusion for enhanced influence of tripartite partners in national and international frameworks.</li> </ol>	<ol style="list-style-type: none"> <li>1) The Co-operative Insurance Company to sensitize cooperatives on risk management and increase their employment capacity especially for youth (<i>challenge fund project</i>);</li> <li>2) Cooperative College of Kenya to promote a HIV/AIDS responsive cooperative movement (<i>challenge fund project</i>);</li> <li>3) Kenya National Federation of Cooperatives (KNFC)/Co-operative Alliance of Kenya (CAK) to improve the governance and employment potential of the cooperative movement and its capacity to represent the movement in policy fora with tripartite partners (<i>challenge fund project</i>).</li> </ol>
<p><b>Lesotho, 2006-2009</b></p> <ol style="list-style-type: none"> <li>1) Increase employment creation for poverty alleviation;</li> <li>2) Improve social security coverage and effectiveness.</li> </ol>	<ol style="list-style-type: none"> <li>1) Setlabocha Farmers Cooperative Society to provide hatchers for 'Koekoek' chickens to increase incomes (<i>challenge fund project</i>);</li> <li>2) Cooperative policy and legal reforms to promote and strengthen the economic and social services provided by cooperatives (<i>policy advisory services</i>).</li> </ol>

<p><b>Tanzania (Mainland &amp; Zanzibar), 2006-2010</b></p> <ol style="list-style-type: none"> <li>1) Reduce poverty through creation of decent work opportunities;</li> <li>2) Reduce incidence of child labour and its worst forms;</li> <li>3) Mitigate socio-economic impact of HIV/AIDS at the workplace.</li> </ol>	<ol style="list-style-type: none"> <li>1) The Dunduliza network of SACCOs, whose members are mostly micro-entrepreneurs, to improve their effectiveness, support for decent work and their members' livelihoods (<i>challenge fund project</i>);</li> <li>2) Shirika la Kusaidia Watoto (SAWA), an NGO, to help women develop village community banks to enhance their incomes and reduce their reliance on child labour (UN Joint Programme/COOP<sup>AFRICA</sup> <i>challenge fund project</i>);</li> <li>3) Mtwara women living with HIV/AIDS (MWOLIHA) and Jitegemee Group to help their members living with HIV/AIDS to establish dairy goat enterprises and vegetable farming to improve their own and their families' nutrition and livelihoods (UN Joint Programme/COOP<sup>AFRICA</sup> <i>challenge fund project</i>).</li> </ol>
<p><b>Uganda, 2007-2010</b></p> <ol style="list-style-type: none"> <li>1) Reduce poverty through increased opportunities for youth employment and productivity;</li> <li>2) Improve industrial relations through the promotion of rights at work;</li> <li>3) Reduce the incidence of child labour and its worst forms;</li> <li>4) Mitigate the socio-economic impact of HIV/AIDS at the workplace.</li> </ol>	<ol style="list-style-type: none"> <li>1) Uganda Crane Creameries Cooperative Union to expand dairy farmers' role in the dairy value chain, increasing their productivity and income, including for youth (<i>challenge fund project</i>);</li> <li>2) Uganda Cooperative College, for cooperative institutional development and capacity building of cooperative leaders to promote, inter alia, rights at work, and the Federation of Uganda Employers to build the capacity of cooperatives, including decent work and industrial relations (<i>challenge fund projects</i>);</li> <li>3) Assisting ILO's International Programme to Eliminate Child Labour to provide good practice models for child labour free zones, by encouraging and helping cooperatives assist vulnerable children of legal working age to start small enterprises (<i>thematic technical partnership</i>);</li> <li>4) Uganda Co-operative Alliance to develop and disseminate a cooperative response to HIV/AIDS and Wowoya SACCO to empower persons living with HIV/AIDS (<i>challenge fund project</i>).</li> </ol>
<p><b>Zambia, 2007-2011</b></p> <ol style="list-style-type: none"> <li>1) Support more and better employment for youth, women, and people with disabilities through enhanced labour market information systems;</li> <li>2) Respond to HIV/AIDS challenges in the world of work;</li> <li>3) Eliminate child labour, particularly in its worst forms.</li> </ol>	<ol style="list-style-type: none"> <li>1) Monze Dairy Farmers' Cooperative to alleviate poverty and improve food security amongst rural households in Monze district through livestock restocking, market access and disease management. in an animal restocking programme to improve incomes and social benefits (<i>challenge fund project</i>);</li> </ol> <p>Twatasha Multipurpose Cooperative to improve its waste management business, thus, creating new job opportunities, especially for youth. (<i>challenge fund project</i>)</p>

### 3.6 COOP<sup>AFRICA</sup>: a few illustrations of its approach and achievements

COOP<sup>AFRICA</sup>'s approach to furthering the four strategic objectives of the *Decent Work Agenda* was essentially practical. Given the complementary economic and social objectives of cooperatives, many of the Challenge Fund grants as well as COOP<sup>AFRICA</sup> technical support contributed to more than one strategic objective. Some illustrative examples of each of the strategic objectives are given below.

#### 3.6.1 Increasing access to employment and income, particularly among women and youth

Cooperatives can help to create jobs and raise incomes by giving small producers benefits of scale such as market access, purchasing inputs in bulk for sale to members at lower than market prices, and negotiating more competitive producer prices, particularly for niche or fair trade markets. Cooperatives can also facilitate transportation, storage and value-addition, especially crucial for perishable products such as milk and fruit. Many cooperatives, especially cooperative unions, provide technical training that can help producers to learn new skills and diversify into higher value crops, artisanal products, or processing. In addition, training in simple business skills like record keeping can make a big difference to efficiency. Phase I of COOP<sup>AFRICA</sup> contributed in a number of ways (see Annexes 4 and 5). For example, it supported a series of initiatives aimed at upgrading cooperative services especially in:

- ***Promoting production and value addition*** (soy bean production and value chain addition by the Uiri Farmers' Cooperative Society in Kenya; installing a feed mill for the Limuru Dairy Farmers Cooperative in Kenya; establishing a fish feed manufacturing plant in Uganda's Nama Area Cooperative Enterprise; supporting oil palm processing by the Kirumya Bridge Manufacturers Cooperative in Uganda; and grain milling by the Ona Mbele primary cooperative society in Zanzibar);

- **Improving transportation, milk cooling, and processing** (installation of milk cooling facilities in the Meru Central Dairy Cooperative Union in Kenya; and supporting dairy processing by the Uganda Crane Creameries Cooperative Union);
- **Strengthening market information** (enhanced fish market information by the Kenya Marine and Fisheries Research Institute; computerization support services for agricultural cooperatives by Innovation Africa in Kenya; cooperative market information villages by Kachumbala Area Cooperative Enterprise in Uganda);
- **Supporting consumer cooperatives** (Ethiopia's Joshua Multipurpose Cooperative Society) and waste management (Zambia's Twatasha Multipurpose Cooperative Society);
- **Improving access to finance by small farmers and entrepreneurs through support to SACCOs** (enhancing the capacity of SACCOs by the Cooperative Bank of Kenya; promoting small and micro enterprises through micro-credit financing by the Baringo Teachers Sacco Society in Kenya; strengthening rural microfinance institutions in the Kagera region of Tanzania by Karagwe Development and Relief Service; transforming a farmer association into the Bukadesu Cooperative Savings and Credit Society in Uganda; strengthening the capacity and efficiency of SACCOs by the Addis Ababa Savings and Credit Cooperative Union).

Such initiatives, coupled with training in technical and business management skills, raised producer incomes by 57 per cent, increased business turnover by 27 per cent, and created 4,080 new jobs in cooperatives assisted by COOP<sup>AFRICA</sup> during phase I.

Employment is not only crucial to raise income, but in many rural areas the side benefits such as improved nutrition, empowerment or forging group bonds and joint action are at least as important, particularly for women. For example, in Tanzania where there is chronic protein malnutrition, some cooperatives, with COOP<sup>AFRICA</sup> support, started raising poultry and dairy cows for household food as well as income. The results were particularly striking in Zanzibar's Ona Mbele cooperative which used its US\$ 40,000 grant to renovate its building, install electricity, buy an



electric grain mill, and help its Chururu and Tupendane women's groups buy chickens. The women, who comprised 60 out of the 70 cooperative members, now have higher incomes and more self-confidence. The addition of quality eggs, chicken, and maize flour to their diets has improved their own and their families' nutrition (Box 15).

The expansion of cooperatives and the development of new services invariably means new jobs. These can be permanent as in the case of the Chururu and Tupendane women's groups that now employ two or three workers to take care of the chickens as well as a watchman, or seasonal, such as in the case of the Tanzania Tobacco Cooperative Apex Ltd. that employs considerable wage labour during the tobacco picking and curing season (Maghimbi, 2010). Other jobs are created in transporting and marketing (for example, the Meru Central Dairy Cooperative Union), processing (for example, palm oil, passion fruit and pineapples in Uganda), providing finance (for instance, the SACCOs), and in training and capacity building (for example, the projects of the Lorna Young Foundation in Ethiopia and Kenya which promoted African Peer Partnering to develop effective business and marketing learning for cooperative smallholders).

### **Box 15: Zanzibar's Ona Mbele cooperative brings women economic and social benefits**

Zanzibar's Ona Mbele cooperative used part of its US\$ 40,000 COOP<sup>AFRICA</sup> grant to help its Chururu and Tupendane women's groups buy chickens. The women now have higher, more stable incomes, and are enjoying renewed self-confidence and hope. This is largely due to the project's mutually reinforcing actions to: (i) create a capital and productive asset for poor, financially, and socially excluded rural women, (ii) improve women's skills to run their own groups and take care of the poultry, (iii) develop collaboration and networking within and among the cooperatives and small groups to improve their bargaining power, share experiences and good practice, and making them more resilient to economic shocks and political interference, and (iv) encourage and help other women to start raising poultry. With the project's support, the Ona Mbele cooperative upgraded its maize milling machines, expanding its business within the community, and started selling quality chicken feed and flour for family consumption at lower prices than on the open market.

According to Omar Juma Kidua, the project manager, the project made a big difference to the members' lives. At least ten new full time jobs were created in the community, and the time women saved from travelling afar in search of milling facilities was used for other productive work. Improved poultry raising facilities and skills led to increased chicken and egg production and, combined with the cheaper feed, poultry farmers were able to earn higher incomes from the sale of eggs and their family's health improved through eating more chicken meat and eggs. Improved entrepreneurial skills enhanced the efficiency and profits of members' businesses. The cooperative's income also increased and in 2010, after setting aside a reserve fund, each member received a dividend of Tshs 20,000. The project has brought members renewed hope for the future.

### **3.6.2 Social protection and social security**

The poor mainly struggle in the informal sector where jobs and incomes are low and erratic, and are subject to the variances of the weather, family illnesses or deaths, financial and economic crises, or political and social upheavals. They have no guaranteed unemployment, disability, sickness, maternity or child benefits, and no pension rights. Policies and laws to fix minimum wages, hours, and other conditions of work – if they exist – are rarely applied to poor informal wage or self-employed workers. Whether in the fields, at sea, in artisanal workshops, small factories, working in the street or at home, healthy and safe working conditions are far from the norm.

To help ensure just and socially responsible development, especially in the context of the frequently aggressive globalization, COOP<sup>AFRICA</sup> worked to put a human face on cooperative development. For example, its activities included supporting the establishment of a pilot health cooperative in Ethiopia, and income-generating activities for people with disabilities in both Ethiopia and Tanzania. Across the countries covered by the programme, it also encouraged SACCOs and multipurpose cooperatives to extend special loans, or other financial products, for family emergencies. Particular attention was given to gender equity since women tend to be less prepared for risk and have lower access to formal and informal coping mechanisms. Its main efforts, however, were concentrated on helping cooperatives fight HIV/AIDS, as outlined below.

### *Fighting HIV/AIDS*

In Africa, cooperatives and traditional community organizations are known for their 'protective' role in providing food and loans to their members or neighbours during times of crisis. Many SACCOs and multipurpose cooperatives have formalized this role with their loans for emergencies. And it is this spirit that has inspired many cooperatives to provide help to those affected or infected by HIV/AIDS. Their focus was not only on reducing members' vulnerability to HIV/AIDS but also on empowering women and men to make healthy choices, and supporting the development of small businesses by HIV-positive women and men. Although HIV/AIDS is a threat at all levels of society, informal economy workers are particularly vulnerable to the pandemic given their lack of steady income, social protection, and access to health facilities, low educational levels, high proportion of women, and lack of voice and representation. The informal economy was, thus, the critical entry point for the 2008-2010 project *HIV and AIDS prevention and impact mitigation in the World of Work in Sub-Saharan Africa*, funded by the Swedish International Development Cooperation Agency (Sida). Responsible for one component of the project, COOP<sup>AFRICA</sup> supported innovative activities by cooperatives to reach out to high-risk groups in five countries: Benin, Cameroon, Ethiopia, Mozambique, and Tanzania. These activities included:

- Developing partnerships with national institutions (government, cooperatives, universities, workers', employers' and community-based organizations);
- Developing policy guidelines for mainstreaming HIV/AIDS issues within the cooperative movements;
- Training and awareness-raising of leaders and trainers in government, cooperative and small business-supporting organizations, as well as cooperative members;
- Training in business management and enterprise development for cooperative members with HIV/AIDS;
- Developing and disseminating training tools and materials;
- Supporting the development of small businesses by HIV-positive women and men through new, strengthened savings and credit schemes, or by providing Challenge Fund seed capital to individuals (maximum US\$ 10,000 per grantee) or to cooperatives to set up a revolving fund;
- Assisting primary cooperatives to provide their members with information on HIV/AIDS prevention and access to treatment and care, and to register infected and affected women and their families with community health insurance schemes.

In three years, nearly 100,000 women and men were reached by this project (Box 16), with many accessing better care and over 400 people living with HIV/AIDS starting small businesses. The social and psychological benefits of the project were remarkable. Notably, the interventions lead to less community stigmatization of infected people and growing self-confidence among women participants who were proud of their achievements. The success of the project was such that many more women and men living with HIV wanted to join the project.



HIV/AIDS training for youth carried out by WOWOYA SACCO in Uganda

In view of the project's remarkable achievements, Sida approved a new project that started in 2011. Entitled *Project on Economic Empowerment and HIV Vulnerability Reduction*, this new project foresees outreach activities in six core countries: Malawi, Mozambique, South Africa, Tanzania, Zambia, and Zimbabwe. Activities are also foreseen in four non-core countries: Botswana, Lesotho, Namibia, and Swaziland, where ILO/AIDS already has structures on the ground that will facilitate the implementation of cross-border activities. COOP<sup>AFRICA</sup> will be the key collaborating partner. It will also take responsibility for creating an Innovation Fund, modelled on COOP<sup>AFRICA</sup>'s Challenge Fund, which will provide seed money to promote innovative initiatives that enhance economic empowerment, aimed at mitigating the impact of HIV/AIDS, decreasing vulnerability, and promoting gender equality.

Other examples of COOP<sup>AFRICA</sup> support are given in Box 17. Finally, in 2010 the Swedish Cooperative Centre (SCC) and COOP<sup>AFRICA</sup> jointly supported the Uganda Co-operative Alliance to mainstream HIV/AIDS within cooperatives in Uganda. A partnership with Agritererra was also under way in 2010-2011 to develop a toolkit and mainstream HIV/AIDS in their farmer organization's development projects in the region.

## **Box 16: Challenge Fund support for people living with, or vulnerable to, HIV/AIDS**

### **Wowoya SACCO (Uganda): Empowerment of People Living with HIV/AIDS and Commercially Sexually Exploited Young Women through Poultry Farming 2009-10 (total budget US\$ 27,955 including COOP<sup>AFRICA</sup> grant of US\$ 20,000)**

The project provided people living with, or vulnerable to HIV/AIDS, particularly young sex workers, with alternative livelihood opportunities in Idudi town, Iganga district, Uganda. Wowoya introduced a revolving chicken loan scheme, giving 35 local chicks to each of the initial 50 registered beneficiaries (38 PLWAs and 12 CSWs, 32 of whom were women). They had to repay the SACCO with either 35 birds (which were then given to a new beneficiary), or in cash with two per cent interest. Each beneficiary was given training and a start-up package (feed, a poultry kit, chicken wire, and 35 chicks) worth US\$ 350. Beneficiaries were able to earn at least US\$ 18 a month from the sale of eggs and a few live chickens – considerably more than they were earning from commercial sex. Five months after the end of the project two persons had fully repaid the loans and another 30 had repaid at least 20 chickens. Slow repayment was attributed to poor hatching of the eggs and the SACCO was considering buying a hatchery and better quality feed than available in the local market. Fatuma M from Busesa village repaid her loan quickly. “My chicken stock has increased from the original 35 to 82. With proceeds from the sale of eggs I have been able to feed and clothe my family and also pay school fees for my three children. The children help on the poultry farm. We eat eggs and chicken regularly and I, together with my children, are healthy”. The project also provided her and her children counseling on living with her HIV/AIDS status, and she was respected by the community for running a successful farm.

### **Cooperative College of Kenya, Promoting HIV/AIDS Responsive Cooperative Movement Sector in Kenya 2009-2011 (total budget US\$ 80,742 including COOP<sup>AFRICA</sup> grant of US\$ 50,000)**

The project promoted HIV/AIDS mainstreaming within the cooperative movement through capacity building of apex organizations, district cooperative officers, and selected cooperative organizations. It undertook extensive HIV/AIDS interventions in four cooperatives, while promoting a non-discriminatory work environment with access to voluntary counseling and testing.

### **Ambo University College (Ethiopia): Feasibility and Organization of Health Cooperatives 2009 (COOP<sup>AFRICA</sup> grant US\$ 50,000)**

The project setup a pilot health cooperative, with view to replication elsewhere in the country. Focusing on HIV/AIDS and health issues such as malaria, malnutrition, and child mortality, the initiative aimed at providing basic medical facilities and raising awareness of the importance of sanitation and clean water, with special attention to women. The project involved a feasibility study, a field trip to a functioning health cooperative in India, and the design and construction of the health cooperative.

### **3.6.3 Tripartism and the role of social partners in promoting an inclusive society**

Tackling poverty is not just about raising incomes. It is also about creating greater respect for human dignity and ensuring an inclusive society where everyone can fulfil his or her needs and aspirations. To promote a more equitable distribution of wealth and power without confrontation, social dialogue is fundamental. Social partners (workers' and employers' organizations) have a key role to play in facilitating consensus building on policies that impact on poverty eradication, employment, and decent work, to ensure that these policies are inclusive of the poor and marginalized groups, and are gender-sensitive. They also have an important role in promoting the effective implementation of labour laws and institutions on behalf of their constituencies.

COOP<sup>AFRICA</sup> support for social partners mainly focused on helping them to organize wage and self-employed workers, especially in the informal economy, into SACCOs in order to strengthen the management capacities of existing worker cooperatives and to encourage workers to join trade unions or employers' organizations that represent their interests in policy discussions. For example, the Trade Union Congress of Tanzania (TUCTA) used its US\$ 50,000 COOP<sup>AFRICA</sup> grant to establish 20 workers' SACCOs in the Lake Region to provide employment opportunities for 2,000 self-employed and 2000 wage earners in the informal economy. Benefiting from gender-sensitive training in entrepreneurial skills, education in their rights, occupational health and safety issues, and negotiating skills, and improved access to credit, these workers were able to create jobs, raise their incomes, and improve their livelihoods.

The Confederation of Ethiopian Trade Unions (CETU) received support (US\$ 20,000) to provide its workers' cooperatives (mainly SACCOs) basic training in financial literacy, consumer education, micro-insurance, modern management methods, and members' rights and responsibilities. The improvement of business planning, management, bookkeeping and control systems in SACCOs and trade unions was one of the main achievements.

In Uganda, the National Organization of Trade Unions (NOTU) received a US\$20,000 grant to sensitize workers in ten labour unions about the benefits of cooperative membership and support the establishment of SACCOs. The results were an improved savings culture among worker members and easier access to affordable credit through the formation of four SACCOs. Members were encouraged to enrol in trade union ranks, thus enhancing their collective bargaining power. The Federation of Uganda Employers (FUE) was awarded a US\$ 35,350 grant to provide capacity building to 100 managers, board members, and staff of two of its member unions and some of their primary cooperative societies, the Bugisu Cooperative Union (processing and marketing coffee) and the Uganda Transport Cooperative Union. Rigorous training in modern management methods with emphasis on effective governance, accountability and transparency, social responsibility, including gender equity and abolishing child labour, made these cooperatives much more efficient and competitive. The improvement for the Bugisu Cooperative Union was dramatic. Heavily indebted in 2008, a new dynamic board, with some assistance from this FUE project, completely turned round the Union's business, rehabilitating its factory, raising a substantial working capital and encouraged the union to apply for international certification to sell Arabica coffee on the world market.

### **3.6.4 Fundamental principles and rights at work**

COOP<sup>AFRICA</sup> furthered the implementation of the 1998 ILO Declaration on *Fundamental Principles and Rights at Work* that aims to ensure that social progress goes hand in hand with economic progress and development. The Declaration covers four principles and rights:

- Freedom of association and the right to collective bargaining;
- The elimination of forced and compulsory labour;
- The elimination of discrimination in the workplace; and
- The abolition of child labour.

COOP<sup>AFRICA</sup> also supported the 1951 *Equal Remuneration Convention* (No. 100) that calls for equal remuneration for men and women workers for work of equal value, as well as the 1958 *Discrimination (Employment and*



*Occupation) Convention* (No. C111) that promote equality of opportunity or treatment in employment and occupations. The 1998 Declaration classifies both these conventions among the core labour standards.

Poor women, men, children, and youth, are often trapped in exploitative and hazardous work conditions where international or national labour rights are ignored. The poor need respect and voice to claim their rights. Empowerment lies at the heart of the path out of poverty, and freedom of association lies at the heart of empowerment. All COOP<sup>AFRICA</sup> activities implemented during phase I contributed directly or indirectly to raising awareness of workers' rights and fighting discrimination on the basis of gender, race, ethnicity, and disability. Of overriding concern was the right of children to an education and a healthy, happy childhood. For this reason COOP<sup>AFRICA</sup> paid particular attention to the fight against child labour.

### *Combating child labour*

Instead of going to school and playing, millions of girls and boys are child labourers. They are everywhere, though often invisible, toiling as domestic servants, labouring behind the walls of workshops or industries, hidden from view on plantations or in mines and construction. The vast majority of child labourers work in agriculture, especially on family farms, tending livestock, planting and harvesting crops, spraying pesticides. They also work on fishing boats or on shore cutting, smoking or drying fish, or in petty trade and hawking. The majority contribute to family enterprises, though some are trafficked, work as bonded labourers to pay off family debts, or are abducted into armed conflict or illicit activities including commercial sex (Box 18).

With 215 million child labourers worldwide, of whom 115 million are engaged in hazardous work, the situation is appalling (ILO, 2010b). It is particularly alarming in Sub-Saharan Africa where about one in four children is a child labourer. This is a much higher proportion than in other developing regions (Box 20). The core cause is poverty, lack of basic protection (family benefits, health care and pensions), and adequate incomes for adults. Poor families are often forced to depend on their children's labour and wages, or have them take care of younger

siblings and domestic chores while the parents work. Africa suffers a double burden with HIV/AIDS and conflict, resulting in huge numbers of orphans or children forced to take over the work of their sick parents. The tragedy is that child labour prevents children from going to school, steals their childhood, and can leave them with serious physical injuries or mental disabilities, thus perpetuating the cycle of poverty.

### **Box 17: What is child labour?**

A child is defined as any person under 18. The definition of child labour is based on a child's age, hours and conditions of work, tasks performed, and hazards.

The ILO Minimum Age for Employment Convention, No. 138, (1973) sets the general minimum age for children to work at 15. For work considered hazardous, the age is 18.

The ILO Worst Forms of Child Labour Convention, No. 182, (1999) defines those forms of child labour that are hazardous and damaging to children's physical, mental, or moral well-being.

Children's' or adolescents' participation in work that does not affect their health and personal development or interferes with their education, is generally regarded as positive. This includes activities such as helping their parents around the home or farm, assisting in a family business or earning pocket money outside school hours and during school holidays. Such activities contribute to children's development and to their families' welfare, provide them with skills and experience, and help prepare them to be productive members of society during their adult lives.

### **Box 18: The tragedy of child labour**

Worldwide 215 million children are child labourers with 115 million in hazardous work. In Sub-Saharan Africa, about one in four children aged five to seventeen are child labourers, compared to one in eight in the Asia-Pacific region, or one in ten in Latin America and the Caribbean.

Globally 60 per cent of child labourers work in agriculture, in contrast to seven per cent in industry and 25 per cent in services.

Only one in five working children is in paid employment. The overwhelming majority are unpaid family workers.

Child labour continues to decline, but only modestly, with a three per cent reduction in the period 2004-8.

Among five-fourteen year olds, the number of children in child labour has declined by ten per cent and the number of children in hazardous work by 31 per cent. But there has been an alarming 20 per cent increase in child labour in the fifteen to seventeen year age group – from 52 million to 62 million.

Source: ILO, 2010, Accelerating action against child labour, Report of the Director-General, International Labour Conference, 99th Session, Geneva, 2010.



Boy with his market stall on road in Zanzibar.

Operating in most of the economic sectors where child labourers are found, particularly in agriculture, cooperatives' commitment to social responsibility lends them naturally to play an important role to eliminate child labour. In view of its vision and objective, this fight against child labour was a fight that COOP<sup>AFRICA</sup> was eager and very well placed to join.

Working with the ILO's *International Programme on the Elimination of Child Labour* (IPEC), COOP<sup>AFRICA</sup> contributed directly and indirectly to the fight against child labour. This was done by helping cooperatives at different levels to:

- Ensure that cooperative business operations and supply chains are child labour free;
- Engage in awareness-raising campaigns among their members and in the communities in which they operate;
- Improve productivity and incomes for adult members;
- Stimulate decent youth employment through training and education programmes;
- Provide social protection through micro-insurance to

- protect families from failed crops, death of livestock, illness or loss of breadwinners, and ensure access to healthcare;
- Incorporate child labour issues in curricula of cooperative colleges and training programmes of cooperative support institutions;
  - Engage in social dialogue with government, workers' and employers' associations, and other stakeholders; and
  - Encourage national and multinational companies to adopt policies prohibiting child labour along the value chain.

Among its direct contributions to the fight against child labour, COOP<sup>AFRICA</sup>, together with the ILO Cooperative Programme and IPEC, produced two practical tools in local languages for cooperative stakeholders: Cooperating out of Child Labour (2009c) and the Training Resource Pack for Cooperatives on the Elimination of Hazardous Child Labour (2009d). In addition, a field study on cooperatives and child labour in Tabora, a tobacco-growing region of Tanzania, was issued as a COOP<sup>AFRICA</sup> working paper.



Group members in Mtwara region (Tanzania) standing outside their newly constructed chicken house

Other practical support provided by the first phase of COOP<sup>AFRICA</sup> included sensitizing and training leaders and trainers from cooperative colleges and apex organizations in Kenya, Tanzania, Uganda, and Zambia on child labour. They were helped to develop action plans to combat child labour at a seminar organized by COOP<sup>AFRICA</sup> at the Moshi University College of Co-operative and Business Studies (MUCCoBS), Tanzania in May 2008. These plans were subsequently implemented in the four countries. The apex organizations in Tanzania and Uganda called on COOP<sup>AFRICA</sup> for follow-up support, especially with rural cooperatives. Again, on the practical front, COOP<sup>AFRICA</sup> contributed to the *Time Bound Programme to Combat Child Labour* in Uganda where cooperatives promoted child labour free zones (Box 20). In Kenya COOP<sup>AFRICA</sup> worked with the ILO/IPEC-TACKLE programme to eliminate the worst forms of child labour within and through cooperatives.

### **Box 19: Eliminating child labour in Uganda**

Around 1.76 million five-seventeen year old children and youth in Uganda are child labourers. Almost 96 per cent of seven-fourteen year old labourers work in agriculture (including fishing) while the rest work in transport, mining, construction, the urban informal sector, domestic service, and commercial sex. Tragically vulnerable are children affected and infected by HIV/AIDS, children from very poor families, orphans, children with disabilities, as well as children caught up in armed conflict or trafficking.

Launched in April 2010, this 44-month IPEC project, funded by the US Department of Labor (US\$ 4.8 million), assisted the government of Uganda to finalize and implement its five-year National Action Plan to combat the worst forms of child labour. With a focus on strengthening the legal framework and enforcement mechanisms to protect children from exploitative work and abuse, and awareness-raising. The project piloted an integrated area-based approach to support vulnerable families and children in three districts (Wakiso, Mbale and Rakai). The aim was to create good-practice models for child labour free zones that could be scaled-up throughout the country. The following cross-cutting goals were woven into the project: preventing the spread and mitigating the effects of HIV/AIDS on children, addressing gender concerns, especially for the girl child, and encouraging the children's participation in project activities. About 8,000 children were helped to stop working through various educational and non-educational benefits and 1,100 parents or adult caregivers were given help to improve their incomes and access to social benefits so they could support their children in school.

COOP<sup>AFRICA</sup> and its partners helped to set-up these child labour free zones by encouraging and supporting local cooperatives to assist vulnerable children of legal working age (and adult care givers, as appropriate) to start small or micro enterprises, assess markets, and access start-up capital through savings and credit cooperatives (SACCOs). They also helped the cooperatives to provide business development and financial services, health and social protection schemes, and adult functional literacy classes.

Source: ILO COOP<sup>AFRICA</sup> Project Document and Fact Sheet.

## 4. COOP<sup>Africa</sup>'s contribution to MDG1 – eradicating extreme poverty and hunger

*“Overcoming poverty is not a gesture of charity. It is an act of justice.”*

Nelson Mandela, 3 February 2005.

### 4.1 Working out of poverty and hunger

The *Millennium Declaration* and the *Millennium Development Goals* (MDGs) go hand in hand with the goals of the *Decent Work Agenda*. The declaration focuses on development and eradicating poverty and hunger through peace and security, values and human rights, democracy and good governance. It stresses the fundamental importance of freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility that are also the fundamental values of the *Decent Work Agenda* and the cooperative movement.

Economic growth, while essential, is not sufficient for the achievement of MDG1. Growth needs to be pro-poor. It needs to be economically and socially inclusive to guarantee social and gender equity, ensure adequate jobs and incomes for everyone of working age who wishes to work, provide social protection, and a voice for all. In many countries, this may call for changes in institutions, laws, and practices that perpetuate inequality and poverty.

As stated in the ILO's 2003 report *Working out of Poverty*:

*“Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation, and sustainable livelihood. The principal route out of poverty is work.”*

This statement captures the spirit of COOP<sup>AFRICA</sup> and provides the programme's entry point to help cooperatives play a more dynamic role in meeting this historic challenge.

## 4.2 How has COOP<sup>AFRICA</sup> phase I helped?

Pursuing a two-pronged strategy, COOP<sup>AFRICA</sup> directly contributed by providing:

- Primary cooperatives and cooperative unions with seed capital through its Challenge Fund to start new enterprises or purchase modern equipment to improve productivity, value addition, and incomes;
- Centres of Competence, including some training institutions, NGOs, private companies, and social partners with technical advice, training, and funding to update and strengthen their services to help primary societies improve their production, processing and management practices, information technologies, and foster an entrepreneurial spirit.

Embodied in such support was COOP<sup>AFRICA</sup>'s consistent advocacy for gender equality, abolition of child labour, promotion of youth employment, awareness-raising, and support for people living with HIV/AIDS and carers.

## 4.3 Why is agriculture key to reducing rural poverty?

Three out of four of the world's poor live in rural areas and are heavily dependent on agriculture for their livelihoods. Many are small producers or entrepreneurs, others are landless wage labourers, and many, especially women and children, work for their families without pay. While globally 35 per cent of workers were employed in agriculture in 2009, this figure masks variations between regions. Among developing countries, the share of workers in agriculture varied from 16.3 per cent in Latin America and the Caribbean, to 19.1 and 27.8 per cent respectively in the Middle East and North Africa, 36.9 per cent in East Asia, 44.3 per cent in South-East Asia and the Pacific, and 53.5 per cent in South Asia. Sub-Saharan Africa had the highest percentage rate at 59 per cent (ILO, 2011). On average, women represented 43 per cent of the agricultural workforce in developing countries in 2010, and women in Sub-Saharan Africa had the highest average participation rates in the world, averaging



48.7 per cent. However, the rates varied considerably within the region, ranging from 36 per cent in Côte d'Ivoire and Niger, to over 65 per cent in Lesotho and Mozambique (FAO, 2011).

Despite the importance of agriculture, only four per cent of official development assistance (ODA) goes to agriculture and only four per cent of the budgets of African governments are dedicated to this sector (World Bank, 2007). This official neglect of agriculture poses a major challenge to the private sector, including cooperatives, to compensate for this failure. While liberalization and globalization have weakened the cooperative movement worldwide since the late 1980s with the advent of multinationals and cartels, and very high bank interests on loans, there is evidence that the movement is now beginning to rebound (Develtere et al, 2008). Approximately 250 million farmers in developing countries belong to a cooperative-type organization (World Bank, 2007). In Africa too, the growing role of agricultural and financial cooperatives in the policy arena and in providing services demonstrates the determination of small producers and entrepreneurs to take matters into their own hands.

Increasingly cooperatives and other membership-based producer organizations are playing vital roles in helping small producers and wage labourers to expand food and agricultural production, diversify their livelihoods, and increase incomes in a sustainable manner by:

- Influencing policies in favour of small producers and wage labourers;
- Negotiating better terms with the private sector, including supermarkets, along value-chains;
- Providing cheaper inputs and services, including marketing and financial services and advice on quality standards for domestic and export markets;
- Promoting the production and local marketing of healthy foods that can help alleviate malnutrition among small producers, landless labourers and their families, and the urban poor;
- Promoting value-addition by supporting agro-processing activities;
- Encouraging production and processing methods that are

- environmentally sound and sustainable;
- Building ownership, empowerment and the self-help capacities of their members, thus fostering democracy, spurring investment, entrepreneurship, and growth in jobs and incomes;
- Promoting gender equality in access to assets, employment opportunities, and equal pay for equal work; and
- Advocating for agriculture free of child labour but in which youth of working age can enjoy a prosperous and dignified future.

Some examples of COOP<sup>AFRICA</sup>'s direct contribution are provided below (see also Annexes 4 and 5).

#### **4.3.1 Increasing agricultural production and productivity**

Kenya's Meru Central Dairy Cooperative Union serves 13 primary cooperatives whose products range from pasteurized fresh milk, two weeks shelf life milk, cream, fermented milk, ghee and butter to ice cream. With a COOP<sup>AFRICA</sup> grant of US\$ 150,000, the union bought milk coolers and milk loading pumps for the primary societies and a tanker with a 7,000-litre capacity. Before the project milk could only be collected from the farms in the morning. With the new coolers farmers can sell both their morning and evening milk. This is particularly beneficial for women who were often too busy in the early morning with domestic chores and their children to have time for the morning collection. Apart from boosting the amounts collected, other benefits include improved milk quality, lower losses and operating costs, and thus higher incomes.

The Limuru Dairy Farmers' Cooperative Society, also in Kenya, used a different strategy to boost productivity and incomes (Box 21). With its US\$ 50,000 grant, it bought a feed mill to provide farmers with affordable high-quality animal feeds. An experienced food technologist and animal nutritionist was recruited to run the business. The cooperative also trained its members in new feeding technologies to improve the quality and quantity of their milk. Using the existing distribution and milk collection network, the feed was given on credit with the loan deducted each month from the milk sales. A third strategy was promoted by the Uganda Crane Creameries Cooperative Union. Owned by seven district unions and 84 primary cooperatives, the Union was able to increase

incomes for its 45,000 farmers in southwest Uganda with COOP<sup>AFRICA</sup> support. Its US\$ 70,000 grant enabled it to buy an up-to-date processing plant, greatly improving the quality and range of products in the dairy value chain.

### **Box 20: Boosting dairy farmer incomes with improved feed in the Kenya highlands**

Limuru Dairy Farmers Cooperative Society (LDFCS) caters to smallholder dairy farmers in the area. In 2010 its membership stood at 9,600 of whom 56% were women and 20% young farmers. LDFCS used to sell members animal feed bought from various manufacturers and retailers but the products were often adulterated and contaminated. Despite the wholesale discount offered to the cooperative, the prices were still high. Many members could hardly afford to purchase adequate quantities of feed and resorted to cheap supplements that provided little nutrition. As a result, milk production was low both in quality and quantity.

Thanks to the installation and commissioning of a feed mill financed by a COOP<sup>AFRICA</sup> US\$ 50,000 grant the situation has improved. The feed mill provides employment for about 14 people, including a food nutritionist (in charge of production), a feed meal supervisor, loaders, and casual workers. Its daily production is 11,200 kg of high quality animal meal that has been approved by the Kenya Bureau of Standards. It provides animal feed to its members on credit for which repayment is deducted from proceeds realized from members' milk deliveries. Its competitiveness has been safeguarded as a result of lower prices, the high quality of the product, and increased sales. It has already crossed the break-even point and is making steady profits. Families' incomes are increasing too.

As the sun sets over the horizon, Charity Wairimu empties the last bin of animal feed into the trough in her cattle barn and watches contentedly as her three healthy cows voraciously attack their meal. She has enjoyed a marked improvement in the health of her animals since the start of the COOP<sup>AFRICA</sup> project and milk production has risen steadily.

Back at her dairy farm, Charity, the single parent of four, muses over a much more promising future when she hopes she will not have to worry about feeding and clothing her children and paying their school expenses. In her native Kikuyu, she whispers:

“Dari ino itu nituteithitie muno. No Ngai wui haria tungiri tutuangiri nayo” which means “This cooperative of ours is truly taking us places. Only God knows where we would be without it”.

Source: COOP<sup>AFRICA</sup> Fact Sheet.

COOP<sup>AFRICA</sup> also helped in other agricultural sectors. Notably, in Lesotho, the Setlabocha Farmers' Cooperative Society used its US\$ 22,582 grant to buy an incubator to hatch and breed 1,800 'koekoek' chickens a month for sale to members and the public. The project transformed the surrounding villages where families could regularly eat good quality eggs and an occasional chicken, and have a surplus to sell locally and across the border to South Africa. Rwanda's Abahuzamugambi Ba Kawa/Maraba Cooperative was able to replace its old diesel coffee-pulping machine with a modern electrical model, with a grant of US\$ 35,000. The result was better quality coffee, higher productivity, and much lower fuel costs, enabling the cooperative to pay the farmers higher prices.

### 4.3.2 Building assets

In its first phase COOP<sup>AFRICA</sup> support helped to build the collective assets of primary cooperatives and unions such as machinery for industrial processing of milk or coffee or village grain mills. The programme also helped to build the personal or family assets of cooperative members. For instance, the Kabisi Farmers' Cooperative Society in Kenya helped more than 70 impoverished farmers, especially women and youth, to build their assets with its innovative *Take a Cow, Give a Calf* scheme. With a US\$ 55,896 grant, it provided each participant with an Ayrshire heifer, related services, and training in basic livestock and entrepreneurial skills. Participants repaid their gift by giving two other cooperative members a calf each. These new assets gave the farmers more confidence and security, while providing regular income and nutritious food, as well as cow manure to fertilize their land.

The Monze Dairy Farmers' Cooperative in Zambia, with 204 male and female members, also benefited from a US\$ 30,000 COOP<sup>AFRICA</sup> grant to undertake a dairy restocking programme. This enabled beneficiaries, 50 per cent of whom were women, to obtain materials to build a modern dairy stall, acquire a dairy cow and veterinary drugs, and benefit from animal husbandry training, technical backstopping, artificial insemination services, and access to a market for their milk.



A cow and a calf of a farmer who benefited from the “Take a cow, Give a calf” project implemented by KABISI Farmers’ Cooperative Society in Kenya

### 4.3.3 Promoting value addition

Recognizing that new opportunities for farmers and workers to participate along the value chain brings new jobs, raises incomes, and producers’ ‘ownership’ of their sector, COOP<sup>AFRICA</sup> accorded considerable importance to supporting efforts to introduce value addition. Three examples in Uganda illustrate this approach.

The Bududa Yetana Area Cooperative Organization, comprising 23 primary societies, used its US\$ 91,772 grant to set up a cottage industry to process, brand, and market passion fruit juice in both domestic and international markets. As a result, farmers were able to enjoy a 25 per cent improvement in their livelihoods. The Kangulumira Area Cooperative Enterprise (KACE) in Kayunga District was specialized in pineapple production. Poor farmers reaped benefits from value addition by drying their fruit with polythene solar dryers bought with a US\$ 50,000 grant. Members of the Kirumya Bridge Manufacturers Co-operative enjoyed a substantial increase in their incomes after the cooperative bought more modern equipment to improve the value added of their oil palm products with a US\$ 50,000 COOP<sup>AFRICA</sup> grant (ILO, 2010a).

#### 4.3.4 Supporting innovative “niche” ventures

Innovative ‘niche’ ventures often capture premium prices, which hasten the path out of poverty. When COOP<sup>AFRICA</sup> started, Kenya’s Mugama Farmers’ Cooperative Union, representing 15 primary societies, was already operating in a niche, specialty coffee market. To improve the quality and quantity of its coffee, and enhance its market share, COOP<sup>AFRICA</sup> gave the Union US\$ 32,781 to train farmers in good agricultural practices, improve management systems and skills, and set up local coffee market outlets and shops where each coffee farmer received one to two kilos of processed coffee for family consumption a month through a credit scheme. It also set up a Specialty Coffee Advisory Group with public and private partners to offer technological transfer and backup support in coffee value chain development.

A more unusual case was that of the Rumuruti Women’s Group in Kenya, which was formed in 2005 by 25 women to develop an aloe farm. After training sponsored by the Laikipia Wildlife Forum, they developed three products: aloe soap, lotions, and cream. As part of its contribution to the dissemination of the *One Village One Product* concept initiated by Japan (see Box 22 and 6.4), COOP<sup>AFRICA</sup> offered collaborative support (US\$ 16,240), so that the women could expand this innovative enterprise by developing a one hectare plantation of natural aloe, purchase modern processing machines, and benefit from additional training to enhance their propagation, production, packaging, and marketing skills.

Two further examples demonstrate the range of COOP<sup>AFRICA</sup>’s activities. A pioneering project by Uganda’s Nama Area Cooperative Enterprise established a fish feed manufacturing plant and a fish-breeding centre with a US\$ 45,950 grant. The staff were trained in modern manufacturing and breeding techniques, and participating farmers were given feed and fingerlings on credit as well as training in production and marketing. Finally, a US\$ 35,000 grant enabled the Wamala Growers’ Cooperative Union in Uganda’s Central Region to establish its first yoghurt-processing unit with up-to-date methods for quality control, packaging, and marketing.

### 4.3.5 Providing technical training

It is not enough to have new machines and technologies. Farmers and wage labourers also need to know how to use, maintain, and repair them. For this reason, COOP<sup>AFRICA</sup> focused to a considerable extent on capacity building. For example, it collaborated with the One UN Joint Programme JP1 (see Box 23) to support technical training for cashew nut farmers in Tanzania's Masasi Farmers and Marketing Association. The farmers were trained in the proper use of inputs, rehabilitation of old trees through simple techniques such as grafting, planting high yield species, and processing cashew nuts and apples. This US\$ 19,657 project also established cashew nut marketing centres where farmers could access information on prices and laws and regulations on standards. Benefiting four farmers' groups with a total of 640 members (50 per cent female), incomes were expected to increase by ten per cent.

#### **Box 21: COOP<sup>AFRICA</sup> partnership with One UN Joint UN Programmes**

Within the framework of the UN reform process, COOPAFRICA created new partnerships with FAO and UNIDO in three of the four African One UN pilot countries (Mozambique, Rwanda and Tanzania) and channelled DFID and Sida funding to UN Joint Programmes in Tanzania (2009-10), in order to mobilize extra resources from the One UN Fund for cooperative promotion and development.

In Tanzania, COOPAFRICA intervened directly under UN Joint Programme One on Wealth Creation, Employment and Economic Empowerment (JP1) to support 12 projects that aimed to strengthen local business services for social economy organizations such as cooperatives, self-help groups, and other local member-based organizations, in particular in the informal economy. It also participated in the UN Joint Programme three on Support to the National HIV and AIDS Response (JP3) through the production of the HIV and AIDS Mainstreaming Guidelines for the Cooperative Movement in Tanzania, in partnership with the Tanzania Federation of Cooperatives (TFC). Finally, COOPAFRICA supported five projects under UN Joint Programme five on Capacity Support for Zanzibar (JP 5) that helped cooperatives and small self-help groups to improve their access to microfinance (through SACCO development), enhance cooperative governance, improve productivity for dairy and poultry activities, and develop entrepreneurship for women's empowerment. The list of projects is provided in Annex 5.

Source: ILO, 2010a.

The RUKAKA Dairy Cooperative in Uganda used its US\$ 50,000 grant to purchase modern laboratory equipment to grade and weigh milk and set up an Ultra Heat Treatment (UHT) plant for high quality milk. This enabled the cooperative to introduce premium prices for high quality milk, providing an incentive to farmers to improve their dairy farming skills. In addition, farmers were given training in improved livestock production, taking care of pastures, milk quality, record keeping, and leadership skills.

#### **4.3.6 Setting up market information systems**

Small producers are often exploited by private traders and suffer big losses with perishable products if they do not have ready markets. To address this concern, COOP<sup>Africa</sup> gave a boost to some cooperative market information systems. For example, with a US\$ 83,951 grant, the Kenya Marine and Fisheries Research Institute set up a system for collecting real-time market information using mobile phones from 150 fish landing sites and markets, as well as some fish processing firms around Lake Victoria (Box 24). The Institute set up and equipped a data centre in Kisumu which developed a database and started issuing regular bulletins of up-to-date information on prices and quantities of fish, the number of fish buyers and cold storage fish trucks, and the weather. This was done through mobile phones, the Internet, newspapers, and local radio. The project also trained 198 data informers and collaborated with mobile and Internet service providers to put in place suitable information transmission systems.

Two other market information projects were supported in Uganda. The I-Network Uganda received US\$ 100,000 to help agricultural cooperatives collect and manage better market intelligence information to help cooperatives and individual farmers make sound business decisions, as well as generate accurate production information for the cooperatives to plan their bulking and collective marketing services. The seven primary cooperatives belonging to the Muhorro Area Cooperative Enterprises benefited from support to develop better farmer-market linkages along the rice value chain with a US\$ 16,500 grant. The project carried out a baseline study on the rice value chain, including bulking



and collective marketing, identified certified input dealers, and trained members in quality standards.

### **Box 22: Women traders use mobile phones for fish marketing**

Omena, a small fish found in Lake Victoria in East Africa, is the mainstay of the local economy. On the Kenyan side of the lake about 100,000 tonnes of omena are caught by about 30,000 fishermen every year, operating from around 150 fishing villages. Once the men land the fish, they immediately sell them to small-scale traditional fish processors-cum-traders who are predominantly women. The women spread the fish out to dry on mats or fishing nets all over the village.

From the moment omena is landed on the shore, it is a race against time. The women have only five or six hours to dry and market the fish. Omena that fails to dry in time is sold at throw-away prices for animal feed. This brings the first dilemma, for the success of the women's businesses depends on the sun. "On a cloudy day women here incur huge losses if fish fail to dry", says a trader at Karungu Beach. On a sunny day their omena dries out perfectly but they then face the second dilemma – how to market their fish. Most women do not travel to markets outside their villages as they have no information about them. So instead, they wait for fish brokers (mostly women) to come to their villages to buy dried omena. But there is usually plenty of omena, and too few brokers, who often collude among themselves, to keep the purchase prices low.

In Karungu Village, for instance, omena provides employment for 200 fishermen and 500 women fish traders living in Karungu and another 120 women brokers coming from outside the village. It is also an important food for local families. By enabling women fish processors-traders to tap into the new fish market information network with their mobile phones, the COOP<sup>AFRICA</sup> project transformed the lives of women omena traders. They were better equipped to attract and negotiate with the brokers. By December 2009, six months after the start of the project, prices of omena in these fishing villages had risen by 20 per cent. This meant that Karungu women traders and their families could enjoy higher and more stable incomes.

Source: Kenya Marine and Fisheries Research Institute, 2010.

### **4.3.7 Encouraging ICT and networking**

Many cooperatives, especially in rural areas, are only just beginning to reap the efficiency gains from modern information and communications technologies (ICTs). Two cooperatives that benefited from COOP<sup>AFRICA</sup> support in this area are the Kachumbala Area Cooperative Enterprise in Uganda and the Dunduliza SACCOs Network in Tanzania.

The former linked farming communities in Bukedea District to an agri-business information network connected to the Internet. Stressing a 'pro-poor, pro-nature, pro-women' approach, the cooperative used its US\$ 19,750 grant to establish a rural market information network hub with free access for farmers to marketing information through the Internet, phone or email. The hub also offered access to other services such as word processing, printing, and fax. The Dunduliza SACCOs Network project was even more ambitious. A network of 50 SACCOs, with a total membership of 65,000, Dunduliza was able to purchase computers, software, and other equipment, and pay Internet connection charges with a US\$ 52,686 grant. Complemented by training of SACCO staff in using the equipment, the system has dramatically improved the regular monitoring of cash balances and updating members' passbooks, considerably reducing risks, and increasing transparency and members' confidence and loyalty.

### **4.3.8 Improving cooperative management and governance**

Many COOP<sup>AFRICA</sup> projects had components on management and governance capacity-building. These contributed indirectly to MDG1 by improving cooperative efficiency and accountability, which in turn increased member confidence, output, and incomes. One notable project that focused on this aspect was that of the Co-operative Alliance of Kenya (CAK), which replaced the former Kenya National Federation of Cooperatives (KNFC).

Seeking to improve governance, transparency, and accountability in cooperative leadership in a competitive liberalized global market, CAK prepared and distributed corporate governance materials to the CAK

Board of Directors, cooperative union committee members, trainers, leaders, and members of primary cooperatives. It also broadcast information on best practices in corporate governance through an interactive website and radio programmes, popularising the cooperative model as a vehicle for poverty alleviation, wealth, and employment creation.

#### **4.3.9 Protecting the environment**

Sharing the growing global concern to protect the environment and promote the sustainable use of natural resources, COOP<sup>AFRICA</sup> supported several environmentally sensitive projects that also helped to improve livelihoods in a sustainable manner. For example, in the wake of an outbreak of cholera and other water-borne diseases, Zambia's Twatasha Multipurpose Cooperative Society, whose main activities deal with crop storage and marketing, asked for a COOP<sup>AFRICA</sup> grant of US\$ 15,000 to expand its activities to promote better collection and disposal of refuse and garbage, and general environmental cleanliness. After launching a public campaign and advisory services in February 2009, cooperative and community members started using bins with protective materials and wheelbarrows to carry litter to dump sites. Street vendors were grouped to sell at three points in the town, which made it easier to collect their rubbish.

The Bukadesu Cooperative Savings & Credit Society, developed from an association of farmer groups in Uganda's Bukedea, Kumi, and Katakwi districts, used its US\$ 49,562 grant to sensitize farmers on the risks of land degradation and deforestation. It further promoted soil conservation through training in modern farming methods, tree planting, and intercropping cashew nut and orange trees with rice, maize, and beans to enhance fertility.

#### 4.4 How did COOP<sup>AFRICA</sup> phase I support the urban poor?

Although the focus of COOP<sup>AFRICA</sup> activities during its first phase was on rural areas, which harbour a higher proportion of the poor, it also supported the urban poor, particularly in the informal sector. For example, the Trade Union Congress of Tanzania (TUCTA) received US\$ 50,000 to help set up 20 SACCOs for around 4,000 informal sector workers to improve their chances of creating micro-enterprises through better access to financial services. A side benefit was stronger solidarity among informal workers and greater voice, visibility, and respect in society. Furthermore, Tanzania's Centre for Informal Sector Promotion (CISP) diversified its decade-long support for farmers and formal economy wage workers to access loans from formal financial institutions and provided (with a US\$ 19,950 grant) practical and gender-sensitive support to informal worker groups in Arusha and Moshi to set up and run their own SACCOs.

COOP<sup>AFRICA</sup> also helped to promote income-generating activities. For example, in collaboration with the One UN Joint Programme in Tanzania, Coop<sup>AFRICA</sup> helped the Mtwara Sports Academy to build the capacity of eight youth and five women's groups to benefit from coastal tourism. This US\$ 20,000 project helped the groups to improve the quality and marketing of their local products such as weaving, handicrafts, local souvenirs, local henna, food-snack packing, tour guiding, fishing, and traditional dancing.

Another area of assistance for urban informal workers is illustrated by an initiative by Kenya's Umande Trust. With a US\$ 49,816 grant, the trust set up 20 new savings groups with over 850 members. It provided training in leadership, bookkeeping, and business development, and helped empower the youth by involving them in the construction of a bio-centre, supported by a revolving fund, to improve the quality of water and sanitation.



A young cooperative member in a local manufacturing factory in Addis Ababa, Ethiopia weaving sisal thread to produce materials for marketing

#### 4.5 Financing for development: how did COOP<sup>AFRICA</sup> contribute?

Many of COOP<sup>AFRICA</sup>'s projects had several components, including support for SACCOS. A few examples illustrate its approach in this area.

The Kenya Union of Savings and Credit Cooperatives (KUSCCO), the apex for Kenyan SACCOS with a membership of over 2,000 SACCOS, received US\$ 50,000 to strengthen its support to informal sector cooperatives with new outreach programmes, special lending packages, and risk mitigating strategies. Concerned that rural women often cannot benefit from SACCOS because they are run by men, Uganda's Organization for Rural Development (ORUDE) requested a US\$ 46,606 grant to set up two women's sub-country savings and lending cooperatives (Box 25). The membership included 380 women and 113 men with women holding most of the leadership positions. The cooperatives successfully mobilized a share capital of US\$ 13,404, and members were able to take loans to finance income-generating activities such as poultry and pig-rearing, and small businesses.

The Baringo Teachers SACCO in Kenya offered a different experience. Using its US\$ 44,910 grant to improve its financial services to help rural poor members start small and micro-enterprises in such areas as small-scale farming or livestock production, bee-keeping, and trading, it also provided complementary training to 75 SACCO staff, 26 senior managers and board members, and 577 group leaders (52 per cent of whom were women) from the five districts where the SACCO is operating.

### **Box 23: Empowering women through their own SACCOs in rural Uganda**

Jinja, in south-eastern Uganda, on the shores of Lake Victoria, is home to the Organization for Rural Development (ORUDE), a grassroots NGO dedicated to improving the lives of rural communities with a focus on empowering women by developing rural sub-county women's savings and credit cooperatives, known as SUSALECOs. The organization was inspired by the fact that most microfinance institutions view rural women as credit risks, making it difficult for women to access credit. If they manage to get loans, high interest rates averaging ten per cent per month are charged while their savings earn no interest (even when they have repaid their loans) on the pretext that these constitute loan security. Although savings and credit cooperatives (SACCOs) exist and many of them enjoy government support, they are mostly male-dominated and women have not been encouraged to join.

It was against this background that ORUDE developed the concept of SUSALECO to help rural women not only to form and use the services of SACCOs but also to provide them with the skills necessary to plan, organize, lead, manage, and conduct the affairs of their cooperative in an efficient, transparent, and democratic manner.

With a total budget of US\$ 63,089, of which CoopAFRICA contributed US\$ 46,607 (the rest was raised locally), ORUDE assisted 500 members from 20 women's economic groups in the sub-counties of Mafubira and Busedhe to form two SUSALECOs. These have a combined membership of 493 (380 women and 113 men). Within a year they had a loan portfolio of US\$ 31,109 and savings and shares amounting to US\$ 13,404. By the end of the project, 141 women had received credit amounting to US\$ 23,997. For the first time in these communities' history women were able to setup their own SUSALECO to meet their financial and social needs.

Women began to no longer see agriculture as the only source of livelihoods and became motivated to start their own businesses, even if on a small scale. In the words of Ms Kaudha Margret:

“I was a bitter wife, always asking why God has given me an ‘irresponsible man’ who does not take care of the family’s needs. I was weighed down with worries about the wellbeing of my children. Oh! Thanks be to God, after obtaining a loan of 200,000 Uganda Shillings from MARUSACCO to distil local gin I am now a proud bread-winner, able to look after my family. I am indeed grateful to ORUDE for drying away my tears.”

The project helped to create social networks and stronger cohesion among rural women. United, they have started demanding their rights and participation in the decision-making processes not only in their communities but even at the national level. The project has opened up avenues for women to hold and test their leadership roles, and has given them the courage to contest for leadership positions locally and nationally.

Source: Coop<sup>AFRICA</sup> Fact Sheet.



Members of the Ona Mbele Co-operative Society in Zanzibar

## 5. COOP<sup>AFRICA</sup>'s contribution to MDG3 - promoting gender equality and empowering women

### 5.1 The challenge

Throughout the developing world poor women work, often unrecognized, in subsistence agriculture, growing food crops, tending small livestock or processing crop, livestock or fish products. Women also frequently work in informal enterprises, petty trading, or paid domestic or care work, so that they can feed and clothe their children. They also shoulder the bulk of the domestic chores in their own homes without the benefit of labour-saving equipment, running water, and electricity available to richer citizens. Women are using the primary caretakers for children, the sick, and elderly. In Africa, the majority of workers in subsistence agriculture are women. Women also predominate in the informal economy, which provides work for up to 90 per cent of the workforce in some African countries. Even though today's youth is better educated than ever, young people are, on average, two or three times more likely to be unemployed than adults. Due to social and economic barriers, stereotypes about suitable jobs for women and, on average, fewer years of schooling than young men, young women face particular obstacles in their search for work. Worldwide, women's work tends to be undervalued and they are often paid less than men, even for work of equivalent value. Women are less likely to hold managerial or leadership positions, or to belong to producer organizations and cooperatives, trade unions, or employers' and professional groups, which could bring them significant social and economic benefits and represent their interests in the market place, or with employers' and workers' organizations and policy makers (ILO 2009d).

### 5.2 The call for gender equality

Around the world, and particularly in developing countries, women still suffer greater disadvantages and discrimination than men in the world of work. This is the case, even though freedom from discrimination based on gender is a human right enshrined in the 1948 *Universal Declaration on Human Rights* and reinforced as a human right and development goal



in the 1979 *Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)*. Reiterated in numerous UN declarations and conventions, gender equality was made centre stage in the *UN Millennium Summit Declaration*, which commits signatories:

*“To promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable”<sup>6</sup>.*

The declaration recognizes the many inter-linkages between all eight MDGs, underlining the need for cross-cutting interventions that drive progress across all the goals, in particular, investing in expanded opportunities for women and girls, as elaborated in MDG3.

With a long history of commitment to gender equality ever since the ILO’s establishment, four of its core conventions promote gender equality. These are the 1951 *Equal Remuneration Convention* (No. 100), the 1958 *Discrimination (Employment and Occupation) Convention* (No. C111), the *Workers with Family Responsibilities Convention* (No.156), and the 2000 *Maternity Protection Convention* (No. 183). The first two conventions are covered by the 1998 ILO *Declaration on Fundamental Principles and Rights at Work* (see Annex 1 for details). The ILO once again reaffirmed its commitment to gender equality in its 2008 *Declaration on Social Justice for a Fair Globalization* and its 2009 *Global Jobs Pact*. Also in 2009, the International Labour Conference adopted the landmark Resolution on *Gender Equality at the Heart of Decent Work*, which sets out the overarching rationale and principles to guide its strategies to promote equality for women and men in the world of work. These are now embodied in the *ILO Action Plan for Gender Equality 2010-15*.

In order to achieve gender equality, gender equity is necessary. Gender equity refers to *fairness* of treatment for men and women, according to their respective needs. As elaborated in Box 26, this may include equal treatment or treatment that is different but which is considered equivalent in terms of rights, benefits, obligations, and opportunities. In the development context, a gender equity goal often requires built-

<sup>6</sup> United Nations: Millennium Declaration Resolution 55/2. (New York, 2000).

in measures to compensate for the historical and social disadvantages faced by women.

### **Box 24: Gender equality and gender equity**

Gender equality refers to the equal rights, responsibilities, and opportunities of women, men, girls, and boys. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities, and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs, and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men. Gender equality is not a women's issue but should concern and fully engage men as well as women. Equality between women and men is seen both as a human rights issue and as a precondition for, and indicator of, sustainable people-centred development.

Gender equity means fairness of treatment for women and men, according to their respective needs. This may include equal treatment or treatment that is different but which is considered equivalent in terms of rights, benefits, obligations, and opportunities. In the development context, a gender equity goal often requires built-in measures to compensate for the historical and social disadvantages of women. Equity is sometimes regarded as a means and equality as the result.

Source: ALINe, 2011.

## **5.3 How did COOP<sup>AFRICA</sup> help?**

Gender equality is not just matter of rights and social justice – it also makes good business and economic sense

Cooperatives, with their values of equality, equity, and solidarity are ideally placed to promote women's rights and social and economic empowerment while at the same time helping women to improve their businesses and incomes. These values mean cooperatives can do this without confrontation and in a win-win way that can bring progress for both, women and men.

In most African countries, women represent only a small proportion of cooperative members, employees, managers, and elected leaders (ILO

2009f). However, there are variations. For example, in 2010 women comprised only 18 per cent of all primary cooperative members in Ethiopia (Emana, 2010), while in Tanzania they represented 42.5 per cent of the members of the country's SACCOs (Maghimbi, 2010). To show that cooperatives can make a difference, COOP<sup>AFRICA</sup> has developed its own gender strategy that reflects the principles and priorities of the *Resolution on Gender Equality at the Heart of Decent Work*. Focusing on four inter-related strategies to promote gender equality within cooperatives or cooperative-like groups, the strategy during the first phase:

- Promoted entrepreneurship and SMEs for adult and young women members of cooperatives or cooperative-like groups;
- Provided tools and support for gender-sensitive technical, business, and leadership training for women and men cooperative members, with affirmative action to encourage women's participation in such training;
- Stimulated attitudinal changes among women and men to encourage women to join mixed or single sex cooperatives and stand for leadership positions, and for cooperatives to recruit more women employees and managers;
- Promoted gender equality in regional and national cooperative policies and legislation.

Both through Challenge Fund projects, for which gender-responsiveness was an explicit selection criterion, and through partnership projects aimed exclusively at women, COOP<sup>AFRICA</sup> channelled resources towards mixed-sex or women-only initiatives enabling women to access technical services, credit, skills building, and other forms of support. The Challenge Fund projects benefited approximately 140,000 women, representing approximately 48 per cent of Challenge Fund beneficiaries, and individual Challenge Fund projects showed solid evidence of their contributions towards women's economic and social empowerment.

### 5.3.1 Reducing the gender gap among farmers

Although African women represent almost 50 per cent of the continent's farmers, when it comes to agricultural inputs and services their share is meagre. They receive only seven per cent of agricultural extension services, less than ten per cent of the credit offered to small-scale farmers, and own only one per cent of the land (ILO, 2009f). As a result, women are often concentrated in subsistence agriculture and unpaid farm work, and excluded from more lucrative opportunities such as cash crop or livestock production. Cooperatives can change this. By enabling women and men farmers, or women only, to come together to acquire inputs, agricultural services, and marketing of their produce, they can improve their productivity, develop value addition through processing, access to markets, and yield better prices than when operating individually. Easier access to credit can also help them build assets as well as acquire inputs (ILO, 2010d).

COOP<sup>AFRICA</sup> set out to help women farmers to enjoy some of these benefits. In some cases it worked with women-only cooperatives. Notably, it supported Uganda's Manyakabi Area Cooperative Enterprise Ltd (MACE) to empower women by promoting market-oriented agricultural intensification on small farms. A community-owned society comprising 28 rural women's groups, MACE used its US\$ 50,000 grant to train women in modern farming methods including soil and water management and input use to increase maize and bean production and productivity. The training also covered more efficient post harvest practices and value addition. The women were also given training in quality control, collecting and analysing basic market information, and in negotiating skills. In addition, the project improved access to modern storage facilities and equipment for drying, grading, and cleaning at household, collecting centre, and main store levels.

Many of COOP<sup>AFRICA</sup>'s projects aimed at improving women's participation within mixed cooperatives. For instance, in collaboration with the One UN Joint Programme One (JP1), Tanzania's Masasi People's Umbrella Organization (KIMAS), a community-based organization, received a grant of US\$ 19,953 to improve productivity and incomes in groundnut

and sesame production, processing, and marketing. Using its grant to buy machinery (power tillers and oil pressing machines) and packaging material, and provide training in processing and entrepreneurship, the project benefited members of local farmers' groups, at least 60 per cent of whom were women. Also in Tanzania, COOP<sup>AFRICA</sup> partnered with the Small Industries Development Organization (SIDO) to promote bee-keeping cooperatives for women and youth (Box 27) and, in a separate project, to help the Mshidima Self Help Group to improve its winemaking business. Managed by SIDO's Mtwara branch, the latter project used its US\$ 20,000 grant to help its 16 members (12 women and 4 men) to improve their premises, buy fruit-processing equipment, and provided gender-sensitive training in production skills, group management, and cooperative policy and legislation. Spin-off benefits also brought new jobs and higher incomes to other actors in the value chain, such as fruit farmers and wine distributors.

Uganda's Kimeeme Livestock Cooperative Society, which specialized in trading livestock products such as goats' meat, mutton, hides, and skins, also made a major effort to encourage women's participation in this mixed sex enterprise. With a US\$ 50,000 grant the cooperative was able to invest in modern meat processing and packaging equipment, protective clothing, and upgrade its storage facilities. This led to a dramatic increase in the number of live animals and livestock products bought and processed each day, while also improving working conditions, hygiene standards, and the quality and life span of the products. It further reduced transportation and distribution costs. Women were specially targeted in the training programme to encourage their engagement in the livestock trade.

### **5.3.2 Helping women entrepreneurs**

Many COOP<sup>AFRICA</sup> projects supported women's entrepreneurial development by providing funding for equipment, credit, and training in mixed or women-only cooperatives, and by encouraging affirmative action for women. For example, Waridi SACCO (Unguja), a union of five women's groups with a total of 517 rural and urban members, received support from Zanzibar's One UN Joint Programme and a US\$ 9,533 grant

from COOP<sup>AFRICA</sup> to enhance women's access to finance and entrepreneurial skills. By setting up a computerized financial system and improving the management of the five groups and the women's business and marketing skills, the project resulted in raising incomes and establishing new employment opportunities.

### 5.3.3 Reducing the gender gap in savings and credit

Discrimination against women with regard to land ownership, legal and administrative procedures that sometimes require a male relative's signature, mobility, and time constraints further result in increasing the barriers faced by women farmers and entrepreneurs to get formal credit. In Kenya, for instance, only three per cent of women have access to the formal financial sector, compared to approximately 44 per cent of men (Vukets, cited by ILO, 2010d). Experience shows that mixed or single sex SACCOs work better for women. Locally based and run by community members, they are more accessible, culturally in tune, and often involve less intimidating procedures. Such SACCOs often offer micro loans that are more suitable for small businesses, can be used to address social or other emergency needs, and are available on more flexible conditions than in formal banks. Women have taken part in the remarkable growth of SACCOs in the last decade. In Tanzania, for example, in 2010 42.5 per cent of SACCO members in the mainland were women (Maghimbi, 2010).



Members of Tandale SACCO supported by the Dunduliza project in Tanzania

By promoting the formation of women-only SACCOs or encouraging women's membership in mixed cooperatives at the level of unions and primary societies, COOP<sup>AFRICA</sup> helped women to access loans to build their businesses and gain self-confidence from running a successful business and from holding management and leadership roles in their SACCOs.

Two major projects promoted affirmative action for women at the union level. One concerned the Addis Ababa Savings and Credit Cooperative Union (AASCCU), which is the largest Savings and Credit Cooperative Union in the country (with 160 primary SACCOs and some 90,000 members). With a US\$ 50,000 grant, the project addressed issues of poor governance, un-diversified products, low female membership, inadequate audit services, exposure to high credit risks, and the increasing threat of HIV/AIDS for the members and their families. The project undertook research on these different issues, trained board members of 50 SACCOs on recommended solutions and products, increased female membership, improved SACCO governance and audit services, and promoted awareness of the causes of, and methods for, preventing HIV/AIDS.

In the second case, Uganda's Organization for Rural Development (ORUDE) received a US\$ 46,606 grant to support rural women's savings and credit associations using a sub-county savings and lending cooperative (SUSALECO) model. This project helped women to set up savings and lending cooperatives by providing technical support and training, including coaching and mentoring of the coordinator and boards, and training trainers in running business clinics and counselling. Combining institutional support with advice on savings, buying shares and accessing credit to start or strengthen women's enterprises, the project was a pilot initiative that will be later up-scaled to help other sub-county women's cooperatives.

Among the primary societies helped by COOP<sup>AFRICA</sup> features Shirika la Kusaidia Watoto (SAWA), an NGO in Tanzania's Masasi district, Mtwara region. The NGO received a US\$ 19,793 COOP<sup>AFRICA</sup> grant to help men and women to set up village community banks (VICOBAs). With special emphasis on women, the project led to a significant increase in the number of VICOBAs, a rise in women's membership and, at the same time, an

improvement in their income and a reduction in child labour. Activities included village-level advocacy campaigns, support to community facilitators to help villages set up banks, and the development of a local VICOBA federation.

Furthermore, the Pemba Savings and Credit Cooperative Society (PESACCO), also in Tanzania, received a grant of US\$ 9,835 to strengthen its microfinance services for poor members, especially women entrepreneurs, to run more efficient and profitable businesses. The training-focused project addressed the poor management capacities of leaders and members, including improper record keeping, loan processing, repayment tracking, as well as their limited success in identifying and building profitable enterprises. The project trained cooperative leaders in cooperative governance and leadership, financial management, and provision of microfinance services. It also provided training for members in entrepreneurial skills, business management, and marketing.

### **5.3.5 Equalizing women's burdens in the care sector**

Worldwide women shoulder the main burden of care work. This includes caring for children, the elderly, the sick or the disabled. This work is often invisible, unpaid, and undervalued. Even those working for pay in the government or private sector generally endure low respect, poor working conditions and pay, inadequate training, and poor access to medical and paramedical equipment. Since the majority work isolated in their own homes or those of others, they have little opportunity for collective action and, thus, have low bargaining power. Women also have specific health needs, such as reproductive and maternal health care and, given that women are disproportionately affected by the epidemic, HIV/AIDS prevention and treatment.

During phase I COOP<sup>AFRICA</sup> was at the forefront in supporting health cooperatives, an area of growing interest in Africa. For example, it provided finance to the Uganda Private Midwives' Association to help its members to set up SACCOs, enabling them to access credit to buy equipment and improve their maternity and infant care services (Box



28). In Ethiopia, it supported an Ambo University project to set up a pilot health cooperative with particular outreach to women through its focus on infant mortality and childcare, awareness and treatment of HIV/AIDS and malaria, and awareness-raising, and training in the prevention of common diseases, especially through improved sanitation and a clean environment.

A number of COOP<sup>AFRICA</sup> projects that supported cooperatives to respond

### **Box 26: Promoting a SACCO among Ugandan Private Midwives to improve their services**

In Uganda private midwives (PMWs) face many obstacles in sustaining their business practices. Notably, they lack fundamental business skills, their working capital is meagre, and they have difficulty in accessing credit to expand their businesses and buy essential equipment and inputs.

Through a COOP<sup>AFRICA</sup> grant of US\$ 46,040, the Uganda Private Midwives Association (UPMA) helped PMWs to set up SACCOs, enabling them to raise the capital they needed to buy equipment and hire additional staff. The improved, low-cost maternity and infant care services offered by private midwives helped to reduce maternal and infant mortality.

Source: ILO, 2010d.

to the HIV/AIDS pandemic, prioritized women who were infected or were struggling as carers or widows. The focus was on strengthening the capacity of cooperatives to build awareness of the risks, and methods of prevention and treatment, especially in rural areas. The projects built on this capacity to help cooperatives play a more proactive role in responding to HIV/AIDS, reducing prejudice against victims, and improving their services to help women, men, and young people to strengthen their businesses and enhance their livelihoods.

### 5.3.6 Promoting gender balance among cooperative managers and leaders

As membership-based organizations with a mandate to serve their members, cooperatives are also employers. COOP<sup>AFRICA</sup> encouraged the cooperatives it worked with, whether they were apexes, unions or primary societies, to eliminate sex discrimination in their selection processes and to recruit staff and managers on the basis of skills, competencies, and merit. Gender-sensitive training programmes sponsored by COOP<sup>AFRICA</sup> also aimed to increase the pool of qualified women and men for responsible managerial and leadership positions.

### 5.4 Gender-equitable youth employment and income generation

COOP<sup>AFRICA</sup> actively promoted new opportunities for youth employment and income generation that were gender equitable. This meant deliberately attempting to break down traditional stereotypes that reserved certain jobs for women or men, and encouraging entrepreneurship among both young women and men. Kenyan and Tanzanian cooperatives showed particular commitment to these principles.



Kiandatho Mavuno Group in Kuku, Kenya supported by Swisscontact

A number of initiatives in Kenya focused on the agricultural sector. For example, with a US\$ 20,000 COOP<sup>AFRICA</sup> grant to support its work to improve the business, marketing, and organizational capacity of coffee cooperatives in Nyeri, the Lorna Young Foundation focused on increasing the number of women and young people involved in coffee production, and their roles within primary and secondary coffee cooperatives. The Kabisi Farmers' Cooperative Society improved the livelihoods of more than 70 impoverished households through the provision of heifers, related services, and training in basic entrepreneurial skills. The project *Take a Cow – Give a Calf*, which was set up with a US\$ 55,896 COOP<sup>AFRICA</sup> grant, demonstrated a self-sustaining way of helping vulnerable women, men, and youth to feed themselves and their families, and become self-reliant.

Associates for Innovation Africa Limited (Innovation Africa) received a US\$ 53,045 grant to improve the governance, and financial and business management of agricultural cooperatives in Kenya, through improved ICT services. The project aimed to strengthen the viability of the cooperative business model and its attractiveness to young women and men. This was done by using the existing software 'CoopWorks', developed in 2005-8 with FAO, Finland, and Agriterra support in collaboration with a local public-private partnership with the Ministry of Cooperative Development and Marketing (MCDM), the Kenya Federation of Agricultural Producers (KENFAP), and the Kenya ICT Federation. The COOP<sup>AFRICA</sup> project also collaborated with the MCDM, the Co-operative Alliance of Kenya, and the Kenya Cooperative College to help primary agricultural cooperatives adapt and use these ICT services.

A number of initiatives were taken in the area of microsavings and credit. Based on the success of its Mavuno Group Savings and Lending Project and the SACCO Start-up Kit Project, Swisscontact aimed to establish 300 new cooperative cells in Kenya to reduce dependence on more costly microfinance institutions. With a US\$ 50,000 COOP<sup>AFRICA</sup> grant, the project developed a training manual and trained 89 community-based trainers. These, in turn, trained 350 groups. The Mavuno project created an environment where people from the same locality could come together in their new groups to save and finance their businesses. By helping women and youth to invest in income-generating activities, which in turn

enhanced their roles in household financial decisions, the project helped to raise the status of women and youth within their communities.

Even the big players have started to give prominence to youth and women. With a US\$ 150,000 grant, the Cooperative Bank of Kenya (Cooperative Consultancy Services (K) Ltd) helped to improve governance and accountability in 20 SACCOs with a total membership of 280,000. The cooperatives were suffering from a high level of mismanagement. The project completely turned these cooperatives around by training the management committees and senior officials in governance, leadership, and efficient internal controls to curb frauds, forgeries, and other revenue leakages. It also helped them to develop policy documents in critical areas such as procurement, codes of ethics, and governance. Special efforts were made to enable youth to participate meaningfully. Gender issues were mainstreamed in all activities to provide a supportive environment for women in SACCO management.,

Other projects in Kenya combined training and finance to develop completely new enterprises. For example, the Umande Trust used its US\$ 49,816 grant to transform the lives of low-income urban communities and improve their access to water and sanitation services by establishing community SACCOs to finance community activities. The project helped 20 communities to set up new savings groups with a total of over 850 members. It further provided training in leadership, book-keeping, and business development. Emphasis was given to empowering young women and men by involving them in the construction of a bio-centre to provide clean water and sanitation, and the creation of a revolving fund to run and maintain these facilities.

In a slightly different vein, Merciful International Guild, an NGO committed to mobilizing resources for the rehabilitation and training of youth, women, and children in Kenya, received a US\$ 49,897 grant to train 250 primary cooperative leaders and staff members in marketing strategies, value addition in processing and production, modern accounting and management systems, business and IT skills, and awareness of HIV/AIDS prevention and treatment. The training led to new jobs and higher incomes.

In Tanzania, the Mtwara Sports Academy conceived of an original way of encouraging eight mixed youth and five women's groups in the Mtwara-Mikindani Municipality to capitalize on the growing eco-coastal tourism in ways that also promoted and conserved their cultural heritage and

environment. With a US\$ 20,000 grant, the academy provided skills-building in coastal tourism including diversifying and improving the quality and marketing of locally produced goods. These groups, with a total of 195 members, are now involved in income generating activities such as making handicrafts, cloth, henna, souvenirs, food snacks, weaving, tour guiding, traditional dancing, fishing, and waste management. As the groups gain new skills, they are improving the range and quality of their products and their standard of living.

Also in Tanzania, thanks to implementation support from the Masasi Peoples' Umbrella Organization (KIMAS) and a COOP<sup>AFRICA</sup> grant of US\$ 20,000, the Mchemba Youth Group, which is based in Masasi, embarked on hydra-form brick making, creating new jobs for its 12 members. The project helped the recently registered group to buy a hydra-form machine, increase the skills of group members in the technology of soil cement compressed earth block (CEB) production, entrepreneurship, and business skills. As a result, the local construction industry is now enjoying a bonus from the lower-cost blocks. The project has further benefitted the environment as it replaced traditional burnt bricks, which were made with firewood and had contributed to local deforestation and land degradation.

A Tanzanian NGO, Mtukwao Community Media, partnered with the Mikindani Youth Development Group and its 65 members to create new employment opportunities among youth in Mikindani. Benefiting from a US\$ 20,000 COOP<sup>AFRICA</sup> grant, and with a focus on skills-building in fishing, fish marketing, fish preservation, entrepreneurship, business and financial management, and improving access to fishing equipment, the project enhanced awareness of environmentally-sustainable fishing practices, cooperative values and principles, and gender equity.

Uganda cooperatives have also started to show commitment to gender-equitable youth employment. Experiencing difficulty in getting credit from formal financial services in Masindi District, a group of farmers formed the Tulihamu Budongo Savings and Credit Cooperative in Budongo sub-county to help them finance the formation of new rural producer organizations (RPOs). These RPOs were basically marketing cooperatives that bulked and negotiated better prices for the members' produce. The US\$ 50,000 grant paid for an information system in the sub-county to link farmers to information on marketing and HIV/AIDS.

The project particularly focused on creating jobs for young women and men, also encouraging them to get involved in cereal production.



Beneficiary of the ORUDE project in Uganda who received a loan to further develop her grocery business

## 6. COOP<sup>AFRICA</sup>'s role in reviving the African cooperative movement

The legacy of colonial and post-independence state control of cooperative institutions for economic ends and their subsequent abandonment by most countries on the continent during structural adjustment reforms had left the movement fragmented and leaderless, with no sense of direction or ownership by its members. However, at the time of writing, the cooperative movement in Sub-Saharan Africa is showing clear signs of revival and displaying optimism for the future. The movement has undergone a paradigm shift, which has resulted in changed attitudes, new ideas, and renewed vigour.

Measures have been undertaken in recent years and are still underway to reform and modernize cooperatives and enable them to adapt to new challenges and exploit new opportunities, in order to improve their, efficiency, visibility, and voice. These reforms are already paying dividends. Cooperative membership is expanding on the continent as cooperatives create new jobs and increase incomes; reduce poverty and vulnerability, while also playing a more authoritative and effective negotiating role with governments and social partners.

The revival was fostered by several drivers, including the increasing appreciation by governments and development partners of the growing role of civil society in creating employment and providing representation of the poor, the renewed support for public-private partnerships to develop competitive enterprises, a more buoyant economic growth, and new strategies to promote an entrepreneurial culture and skills among small and micro-entrepreneurs, including women, men and youth, especially in agriculture and non-farm industries and services.

The revival was also fostered by a growing concern not just for economic growth and higher incomes but also for a fair development that improved social and gender equity, provided social benefits and protection that are rarely available to informal sector workers, and implemented internationally-recognized workers' rights, and the rights to and

mechanisms for, social dialogue and negotiation, as called for by the *Decent Work Agenda* and the 2008 *Declaration on Social Justice for a Fair Globalization*. It was also accompanied by a vigorous call for the creation of decent jobs for female and male youth who form a large share of the unemployed. Possibly because they are the best educated generation so far, these youth remain the most frustrated group in society, prone to express their frustration and anger in street protests or illegal income-earning activities. Thus, there is an urgent need to create quality jobs for the youth.

At a time when the political climate in much of the Africa continent was becoming more democratic, open, and sensitive to these values and objectives, the first phase of COOP<sup>AFRICA</sup> was able to take advantage of this propitious environment to play an important catalytic and facilitating role in stimulating this renaissance of the cooperative movement. In addition to supporting cooperative policy and legal reform, improving governance and performance of a significant number of apexes, unions and primary societies, COOP<sup>AFRICA</sup> also supported the cooperative movement in other vital ways that are highlighted in this chapter.

## 6.1 Cooperatives and the social economy

ILO's *Declaration on Social Justice for a Fair Globalization* recognizes that in a globalized world "productive, profitable and sustainable enterprises, together with a strong social economy and a viable public sector, are critical to sustainable economic development and employment opportunities."<sup>7</sup>

### 6.1.1 What is the social economy?

Although the concept of 'social economy' was first used in France at the beginning of the 19<sup>th</sup> century, it is gaining increasing relevance today in a world where democracy and socio-economic issues are dominating citizens' agendas. In view of the diversity of its forms, there is no universally agreed definition, yet there are some commonalities (Box 29). Social economy enterprises and organizations (SEEOs) are essentially regulated by the stakeholder principle, in contrast to the

<sup>7</sup> ILO: ILO Declaration on Social Justice for a Fair Globalization, ILC, 97th Session, (Geneva, 2008).



shareholder principle of private-for-profit firms. SEEOs put people and their communities, rather than profit, at the centre of their goal. They do not primarily aim for profit-maximization, but rather for creating both economic and social benefits. They share common values such as democratic control, voluntary participation, flexibility, self-help, self-reliance, solidarity, and community ownership. Basically, SEEOs represent a complementary way of doing business, while collaborating with the public sector, and being part of the formal private sector or the informal economy (ILO, 2010e).

Cooperatives embrace all these institutional mechanisms. Anchored in the private sector, their economic and business functions reflect the private sector's profit motivations while their complementary and inter-dependent economic and social functions place them among the private sector's social economy organizations. In each of these functions, they cooperate with the public sector, which both regulates their operations and often provides resources.

SEEOs have the potential to pave the way to decent jobs, especially, but not exclusively, for the poor and disadvantaged. In this regard, they share the following three objectives:

- Opportunity (the economic function): creating jobs, livelihoods, and income through collective entrepreneurship, community-based businesses, and group-based financial services;
- Protection (the social function): taking part in a basic social protection floor at the local level through mutual assistance, local and national solidarity schemes, and micro-insurance systems; and
- Empowerment (the societal function): organizing people and communities, extending social dialogue and collective bargaining, providing voice and representation through freedom of association, promoting gender equality and disability inclusion, mitigating the impact of HIV/AIDS and other diseases through empowerment of people infected and affected, and creating higher-level structures through the development of vertical structures (ILO, 2010e).



A member benefiting from the loan scheme in his shop

### 6.1.2 How did COOP<sup>AFRICA</sup> support the social economy?

Since cooperatives represent one of the most widespread and organized institutions in the social economy, much of COOP<sup>AFRICA</sup>'s work is directly relevant. In addition to its rich contributions to improving the business efficiency and productivity of many cooperatives and members' incomes, most of COOP<sup>AFRICA</sup>'s initiatives during its first phase had strong social benefits. On the business side, COOP<sup>AFRICA</sup> supported fair trade and green ventures that combined competitive market principles with other benefits for producers and the environment. On the social side, it expended considerable resources and energy in helping cooperatives provide prevention, treatment, and other support for HIV/AIDS infected and affected members, fight child labour, and promote gender equity and women's empowerment. In its societal role, it promoted dialogue with government and social partners. Cutting across the economic and social, it reached out to informal vulnerable workers, providing a bridge to bring them some of the benefits of the formal economy such as social protection.

During its first phase, COOP<sup>AFRICA</sup> was able to draw on this rich experience to help the ILO Regional Office organize a regional conference on *the social economy – Africa's response to the crisis*, held in Johannesburg,

19-21 October 2009. Attended by over 200 social economy promoters and stakeholders from Africa, including government representatives from 25 African countries, representatives of employers' and workers' organizations, SEEOs from other regions, and UN organizations, the conference adopted a *Plan of Action for the promotion of social economy enterprises and organizations in Africa (ILO, 2009g)*. This plan gives prominence to actions to support cooperatives.

COOP<sup>AFRICA</sup>'s follow-up to the conference included participation in the first session of the *Interregional Academy on Social and Solidarity Economy* (Turin, 25-29 October 2010) that was organized by the ILO International Training Centre, jointly with the European Economic and Social Committee. The academy brought together a range of diverse participants including policy makers, academics, social partners, representatives of social and solidarity economy organizations, practitioners of SSE (leaders, managers, local governments), promoters of social and solidarity economy organizations (development agencies, donors, UN agencies), and experts from Sub-Saharan Africa, the Americas, Asia, Europe, and the Arab States.

## **6.2 Improving horizontal and vertical integration within the cooperative movement**

Developing business partnerships between cooperatives and their support structures (business service providers) was critical to reduce cooperatives' dependence on government and donor funding, and to make them more self-reliant enterprises. To this end, in 2009, COOP<sup>AFRICA</sup> started investing in setting up a network of cooperative business service providers, which could respond to demands for capacity-building support from individual cooperatives or cooperative unions (Box 30). It identified and assessed 121 organizations, of which it recognized 44 as Centres of Competence (CoC) to provide professional business services covering a range of expertise such as agricultural diversification, productivity-enhancing technologies especially in dairy and coffee production, value-addition, financial services, education and training, business management, and ICT.

## Box 28: Network of cooperative business service providers

- Over 120 service providers went through an organizational capacity assessment;
- 44 were recognized as centres of competence (CoCs):
- 16 CoCs are cooperative federations, apexes, unions, and colleges;
- wo CoCs are trade unions and onewas an employers' organizations;
- 26 CoCs are NGOs, private consultancy firms, government bodies.
- 22 received CoopAFRICA technical or business capacity building support;
- Nine cooperative colleges received technical assistance from the UK Cooperative College.

Source: ILO, 2010a.

In each country the National Advisory Group (NAG) was the key partner in identifying potential CoCs and promoting and disseminating information about the network and COOP<sup>AFRICA</sup> training materials and tools. The visibility of the CoC mechanism was also enhanced by wide dissemination of the list of CoCs through COOP<sup>AFRICA</sup>'s website and other development partners' networks.

COOP<sup>AFRICA</sup> also provided capacity building support in technical, business, and training skills to its recognized CoCs, covering sectoral (e.g. agriculture, health, finance) or cross sectoral needs (e.g. branding products to enhance market penetration). Some of this support was provided through the Challenge Fund (e.g. Addis Ababa Saving and Credit cooperative Union, Uganda Co-operative Alliance, Moshi University College of Co-operative and Business Studies). Other support involved collaborative, often in-kind, initiatives with development partners. Some exemplified South-South cooperation such as the 2008 visit of Tanzanian cooperative officials to share experiences from Ethiopia's Federal Cooperative Agency. Others typified North-South cooperation, for example, with Agricord, Agriterra, the Canadian Cooperative Association (CCA), the Japanese Consumers' Cooperative Union (JCCU), and the Swedish Cooperative Centre (SCC).

COOP<sup>AFRICA</sup> also designed criteria for evaluating the services delivered by the CoCs in terms of relevance, cost effectiveness, business performance,

impact on income generation, wealth creation, and employment in the beneficiary cooperatives. Finally, it developed a resource mobilization strategy to obtain coordinated support from development partners with specialization in specific value chain sectors and geographic zones.

### 6.3 Knowledge development

In response to continued requests for training materials on cooperative management and in follow-up to the 2008 COOPAFRICA tools development workshop in Nairobi, COOPAFRICA initiated a collaborative process to develop a training package for agricultural cooperative managers that builds on ILO's MATCOM (Box 31). The package, called My.Coop (Managing my agricultural cooperative), consists of four modules plus a trainers' manual. It covers the basics of an agricultural cooperative including cooperative marketing of agricultural produce, cooperative supply services, and production support services.

#### **Box 29: Materials and techniques for cooperative management training (MATCOM)**

MATCOM comprises a set of training materials for cooperative managers, trainers, and promoters that was developed by a major international training programme of the ILO Cooperative Programme between 1978 and the early 1990s. Today, MATCOM consists of forty trainers' manuals and sixty learning elements covering different types of cooperatives in various economic sectors, different target groups, and different levels of cooperative management. The entire set exists both in printed and electronic versions.

The development of the training package involved extensive consultation and collaboration among experts from a number of African and European cooperative and cooperative-support institutions. Key milestones included:

- Two COOP<sup>AFRICA</sup> training workshops on cooperative entrepreneurship were held in September 2009. One workshop for Nigerian cooperative stakeholders was organized in Nigeria by the Nigerian Ministry of Agriculture and Water Resources, while the other was held in Kenya with support from ILO's

- Turin-based International Training Centre (ITC/ ILO), Agriterra, and Wageningen University and Research Centre;
- A literature database was developed and made available on the online COOP<sup>AFRICA</sup> knowledge sharing platform;
  - A three-week writing workshop was organized in Kenya from October to November 2009 in collaboration with ITC/ILO, Agriterra and the Cooperative College of Kenya (CCK), involving writers of the CCK, the Kenyan Federation of Agricultural Producers (KENFAP), MUCCoBS, and the Uganda Co-operative Alliance;
  - The draft modules and trainers' manual went through a process of peer review and subsequent revisions from April to November 2010;
  - The final revisions were undertaken by several partner organizations, where possible making use of a cost-sharing arrangement (see Box 32). The overall development of the package (quality control, editing, graphic design, printing and website) was finalized in 2011 in coordination with the ILO Cooperative Branch in Geneva.

### **6.3.3 Other cooperative guides**

The *Operational Guide on Cooperative Audit* was prepared in cooperation with the German Co-operative and Raiffeisen Confederation (DGRV) and the ILO Cooperative Programme in response to demand voiced at a workshop on cooperative audit organized by DGRV and COOP<sup>AFRICA</sup> in Pretoria in November 2008. COOP<sup>AFRICA</sup> also designed guidelines for mainstreaming HIV/AIDS in cooperatives and in the workplace.

### **6.3.4 Internet-based knowledge sharing platform**

The knowledge-sharing platform on cooperative development in Africa was initiated in 2008 and provided access to COOP<sup>AFRICA</sup> workshop documents and working papers, to information on the Challenge Fund, and the database for the development of the cooperative management training package. Although its expansion as an interactive platform was constrained by internet connection limitations, it could be expanded in the future.

### Box 30: Partners in My.Coop

A wide variety of organizations participated in the development of the training package. Key organizations and their respective contributions included:

The Government of Nigeria through its Ministry of Agriculture and Water Resources co-financed a training workshop on cooperative entrepreneurship for Nigerian cooperative stakeholders and financed the printing of the package. The Ministry also expressed interest in piloting the package in 2011 at its own cost. Agriterra is a Dutch agri-agency supporting cooperation between Dutch farmers' organizations and producer organizations in the South. Agriterra co-financed the Nigerian training workshop as well as the collaborative writing workshop. In addition, Agriterra financed the writing-up of case studies to be included in the training modules in collaboration with the Centre for International Development Issues Nijmegen (CIDIN) of the University of Nijmegen (The Netherlands).

The Royal Tropical Institute (The Netherlands) coordinated the final content write-up of the modules. It financed one third of the staff time required from its own funding.

The Wageningen University and Research Centre (WUR) in the Netherlands supported the initiative through its Centre for Development Innovation (CDI) and its Social Sciences Group. Besides co-financing a resource person in the Kenya training workshop on cooperative entrepreneurship, WUR shared costs of the package by providing authors and peer reviewers.

These partners have expressed interest in supporting the roll out of the package in 2011, including a joint resource mobilization effort.

Source: ILO, 2010a.

## 6.4 Partnerships

### 6.4.1 South-South and North-South partnerships

An example of South-South collaboration was COOP<sup>AFRICA</sup>'s sponsorship in 2008 of high-level Tanzanian cooperative officials from the government and the movement to visit Ethiopia in order to learn from the experience of its autonomous Federal Cooperative Agency. Regarding North-South partnerships, COOP<sup>AFRICA</sup> supported the UK Cooperative College to assist in capacity-building of African cooperative colleges and partnered with the Japanese embassies and JICA in Kenya, Tanzania, and Uganda to introduce the *One Village One Product* (OVOP) concept to cooperative leaders in a seminar in August 2008. Further, financial support for two

Kenyan OVOP projects, the Aloe Project run by the Rumuruti Women's Aloe Group and the Watuka Farmers' Cooperative's Dairy Project, was provided.

## 6.4.2 Social partners

COOP<sup>AFRICA</sup> also promoted collaboration with social partners. Trade unions and employers' organizations were made members of the NAG as well as Centres of Competence in areas such as business advisory services, organizational capacity building, negotiating, and representational skills. Trade unions and employer's organizations were technically and financially supported in projects to enhance capacity and improve collaboration between cooperatives and social partners in Ethiopia, Tanzania, and Uganda (Box 33).

### **Box 31: Social partners reinforced as CoCs by COOP<sup>AFRICA</sup>'s Challenge Fund projects**

**Confederation of Ethiopian Trade Unions:** The Challenge Fund project provided education and training to trade union leaders to mobilize their members to establish cooperatives in their organizations and to provide them with capacity-building support. It also fostered gender equality, fundamental principles and rights at work, and social dialogue.

**Trade Union Congress of Tanzania:** The project helped TUCTA to organize informal economy workers to strengthen their solidarity and participation in economic and social dialogue. Through awareness raising about their rights and training in negotiation skills, these workers increased their voice and visibility in society.

**Federation of Uganda Employers:** The project supported the federation in strengthening its cooperative members' capacities in business and financial management and leadership skills, boosting the development of cooperatives as businesses, while widening the federation's membership base to cooperatives.

Source: ILO, 2010a.



### 6.4.3 Trade unions and cooperatives

By December 2010, trade unions in the nine core countries of the COOP<sup>AFRICA</sup> programme were not only more aware about cooperatives, their origins and aims, but also had a clearer strategy for working with cooperatives for the mutual benefit of their respective members. Trade unions also recognized the value of building their capacity to mobilize and assist their members to form cooperatives as a means of improving their livelihoods. Already a large number of savings and credit cooperatives belonging to members of workers' organizations were operating in all the nine countries.

COOP<sup>AFRICA</sup> made a significant contribution to encouraging and facilitating this new collaboration between trade unions and cooperatives in keeping with ILO Recommendation 193. A sub-regional conference organized by COOP<sup>AFRICA</sup> in 2009 for leaders of workers' organizations agreed that trade unions and cooperatives should develop joint strategies and work together to improve working and living conditions of trade union members, as well as to organize workers in the informal economy. The conference also called on the ILO to continue supporting collaboration between trade unions and cooperatives, including helping them to organize workers in the informal economy. COOP<sup>AFRICA</sup> subsequently provided support for cooperative initiatives by the Confederation of Ethiopian Trade Unions (Box 34), the Trade Union Congress of Tanzania, and Uganda's National Organization of Trade Unions.

### **Box 32: Strengthening workers' SACCOs in Ethiopia**

How can one address the perennial financial insecurity of workers who are so often at the mercy (and greed) of loan sharks? What can be done to provide some kind of social protection to mitigate crises such as illness or death? How can one help workers manage their incomes and expenses prudently? What means are there to help workers realize their dreams of owning a house? These and similar questions were preoccupying the Confederation of Ethiopian Trade Unions (CETU) for a long time.

In 2010 COOP<sup>AFRICA</sup> helped trigger positive changes. With a US\$ 20,000 COOP<sup>AFRICA</sup> grant, CETU set out to strengthen the 166 SACCOs belonging to members of 520 basic trade unions. The unions are members of nine federations that are in turn affiliated to CETU. One hundred members selected from the 166 SACCOs were trained in basic cooperative principles, values, and practices, as well as in financial literacy and thrift. Special focus was given to micro-finance and micro-insurance cooperatives, which have the potential of providing social safetynets for workers. Training was also given to managers and leaders of the 166 SACCOs to strengthen managerial skills, good governance, and entrepreneurship. While the impacts of this type of training programme are difficult to assess quantitatively, the participants were enthusiastic and said that they had benefited considerably from their new knowledge.

Source: COOP<sup>AFRICA</sup> Fact Sheet.

#### **6.4.4 Employers' organizations and cooperatives**

Although the aims pursued by employers' organizations are not identical to those of cooperatives, the areas of convergence, as in the case of trade unions, are far greater than those of divergence. Notably, they find strength in unity and are inspired by solidarity. Both have a stake in enterprises, they are committed to human development, generate employment, are both employers, and work in partnership with governments and other development actors. Collaboration between employer's organizations and the cooperative movement could yield considerable benefits for the members they serve.

This view was strongly endorsed by leaders of employers' organizations at the workshop organized jointly by COOP<sup>AFRICA</sup>, the Pan African Employers' Confederation, and the Federation of Kenya Employers in Nairobi in February 2010. The workshop brought together 30 leaders (chairpersons

and chief executive officers) of national employers' organizations from nine countries in the sub-region. High-ranking government and ILO officials attended its inauguration. The workshop's objectives were to create awareness of the state and current trends in the employers' organizations and the cooperative movement in the sub-region, and to agree on practical ways of promoting and strengthening collaboration between employers' organizations and cooperatives in the context of ILO Recommendation 193, the *Decent Work Agenda for Africa*, and the *Global Jobs Pact*. Deliberations were very constructive with participants demonstrating a positive attitude towards cooperatives and a genuine willingness to work with them (Box 35).

COOP<sup>AFRICA</sup> deliberately involved the social partners in its governance structures to promote social dialogue between them and the cooperative movement, particularly with regard to labour issues. Thus, the Steering Committee (RSC) included representatives of the International Trade Union Confederation (ITUC-Africa), the International Organization of Employers (IOE), the African Union secretariat, as well as elected cooperative leaders from eastern and southern Africa (in addition to representatives from international cooperative organizations and donors such as the International Co-operative Alliance (ICA), the Committee for the Promotion and Advancement of Cooperatives (COPAC), the UK Co-operative College (UKCC), the Department for International Development (DFID) and the ILO).

The National Advisory Groups (NAGs) in each participating country, typically comprising stakeholders of the cooperative movement at national level such as cooperative apexes, government units in charge of cooperative development, cooperative colleges, and the social partners, also served as national platforms. These platforms provided space for dialogue among cooperative stakeholders, social partners, and other stakeholders such as ministries and development partners. Finally, the Selection Committee, which reviewed the expert assessments of the applications for Challenge Fund grants and made the final selection of projects to be funded, included representatives of the International Trade Union Confederation in Africa as well as the UKCC, the ICA, COPAC, and the ILO.

## **Box 33: Sub-regional workshop on employers' organizations and cooperatives, Nairobi, 15–16 February 2010**

### **Recommendations**

We, the representatives of Employers' Organizations in Botswana, Ethiopia, Kenya, Lesotho, Rwanda, Swaziland, Tanzania (Mainland and the Isles), Uganda and Zambia, having attended the workshop on Employers' Organizations and Cooperatives held in Nairobi Kenya on the 15th and 16th day of February 2010, and organized by the International Organization of Employers, the Pan African Employers' Confederation, the Federation of Kenya Employers and the International Labour Organization:

**RECOGNIZING** the spirit and letter of ILO Recommendation 193 of 2002 on the Promotion of Cooperatives;

**COMMITTED** to the implementation of both the Action Plan on Social Economy adopted in Johannesburg in October 2009 and the Global Jobs Pact in Africa;

**CONVINCED** that cooperatives constitute a business model that needs promoting;

**ACKNOWLEDGING** that cooperatives are enterprises that constitute a segment of the private sector and are employers in their own right; **BELIEVING** that there are mutual gains of considerable value to be made through collaboration between Employers' Organizations and cooperatives;

**DETERMINED** to forge links with the cooperative movement and maintain close and sustainable collaboration with cooperatives and enjoy the benefits accruing from such collaboration, we hereby **RECOMMEND** that:

- 1) Regular consultative fora between Employers' Organizations be organized under the auspices of the ILO;
- 2) Initiatives be taken to build awareness among cooperatives about Employers' Organizations and, likewise, Employers' Organizations be given orientation in cooperatives;
- 3) Cooperatives be encouraged to join Employers' Organizations as long as they meet the necessary requirements for membership;
- 4) Employers' Organizations share with cooperatives their vast experience and proven excellence in entrepreneurship – for example by providing education and training, consultancy and information, and by helping create appropriate systems and structures necessary for good governance as well as increased

- efficiency in the performance of cooperatives;
- 5) Employers' Organizations support non-bargaining activities such as workplace cooperatives, including but not limited to savings and credit; burial cooperatives, housing and recreational cooperative societies;
  - 6) Employers' Organizations work with cooperatives to help formalize the informal sector through cooperatives;
  - 7) Work closely with cooperatives, government and other stakeholders to ensure that appropriate policies and legislation that create a conducive environment for cooperative development are in place;
  - 8) Sharing of unrestricted and non-confidential information – including research findings, studies, reports, markets, as long as such information shall not compromise confidentiality;
  - 9) Act together to influence government economic and fiscal policies in so far as they relate to trade, industry and development;
  - 10) Act together to influence policies relating to poverty reduction strategies;
  - 11) Devise and implement strategies designed to achieve the Decent Work Agenda for Africa in the context of the Global Jobs Pact;
  - 12) Cooperatives and Employers' Organizations reach out to each other to undertake initiatives of mutual and public benefit;
  - 13) Employers' Organizations, cooperative organizations institutions and relevant stakeholders work closely with the ILO in a concerted effort to systematically implement the actions listed above in a sustainable manner.

## **6.5 Advocacy, awareness-raising, and reinforcing the cooperative movement's political influence**

New or revised cooperative development policies and laws which COOP<sup>AFRICA</sup> helped to put in place, facilitated the creation of a conducive environment for promoting and regulating cooperatives. In addition, the preparatory consultative process itself, involving a series of stakeholder workshops and meetings, increased the cooperative movement's visibility among policy makers, the general public, and among cooperative members. Visibility of national cooperative movements was further bolstered by the popularization of the policies and laws, their translation into local languages, and wide dissemination through cooperative networks.

COOP<sup>AFRICA</sup> encouraged national cooperative leaders to incorporate the cooperative approach in poverty reduction strategies (PRSPs) and national development plans. For instance, through the UN Country Team, COOP<sup>AFRICA</sup> contributed to the review of Mkukuta/Mkuza, the PRSP for Tanzania mainland and Zanzibar, led by the government of Tanzania, and sought cooperative stakeholders' contribution in the design of the PRSP. In addition, COOP<sup>AFRICA</sup> directly contributed during the first semester of 2009 to the design of the ILO's Decent Work Country Programmes in Malawi and Togo.

Cooperative stakeholders and the public in general increased their awareness of the benefits of the cooperative approach through the information provided by COOP<sup>AFRICA</sup> through various means, including speeches at meetings and conferences, the print and electronic media, special events such as the ILO's 90<sup>th</sup> anniversary and the annual International Day of Cooperatives, and through advocacy materials.

To increase the visibility of the cooperative movement and its contribution to poverty prevention and reduction, and to promote the *Decent Work Agenda*, COOP<sup>AFRICA</sup> commissioned a series of working papers and books on the status and potential of cooperative development in Africa, drawing on baseline studies undertaken in the nine core countries (Annex 3). Of particular interest to social partners was a book, issued in 2011, entitled *Economic and other benefits of Entrepreneur Cooperatives as a specific form of enterprise cluster*. The book presents an innovative advocacy approach to the promotion of cooperative enterprises with a focus on the informal sector in Africa and associates problems of the low productivity of SMEs to unskilled staff and unmet market opportunities. It also shows how clusters of enterprises, notably entrepreneur cooperatives, which are cooperatives whose members are enterprises rather than individuals, can significantly increase the profitability of SMEs, and therefore the livelihoods of the entrepreneurs and their employees.

Despite these efforts, awareness on a number of issues could still be further increased. Notably, the role that cooperatives are playing or could play in mitigating climate change impacts on their members, protecting the natural environment, promoting value chain development, youth cooperatives, diversification, and entrepreneurship in cooperative enterprises could be further emphasized.

## 7. Conclusions and the way forward

COOP<sup>AFRICA</sup> chartered a new course for reviving the cooperative movement in Africa. During its first phase, the programme provided a platform for dialogue with policy makers, social partners, and development practitioners within and across countries on the continent. It put in place new mechanisms to foster partnerships and improve the horizontal and vertical integration essential to unite cooperatives at apex, union, and primary level in pursuing common aims. COOP<sup>AFRICA</sup> offered the movement practical support through technical, policy, legal, and business advice. It facilitated the exchange of experience and learning among cooperatives within and between countries in Africa and beyond. It also provided seed money to enable 4,124 cooperatives - selected through a rigorous competitive process - to acquire new production or processing technologies and equipment, improve their access to markets and modern marketing information systems, set up revolving funds, and benefit from capacity building support.

### 7.1 What was so unique about COOP<sup>AFRICA</sup>'s contribution?

COOP<sup>AFRICA</sup>'s contribution was unique because it provided a holistic, flexible, and integrated support to cooperatives in Africa, with an emphasis on listening and responding to demands, and learning from, and adapting to, experience. Seven outstanding achievements of the first phase of COOP<sup>AFRICA</sup> should contribute to the sustainability of its work. These are:

- ***Promotion of African ownership of the movement's renaissance:*** COOP<sup>AFRICA</sup> played a key catalytic role in this revival process, by raising awareness of the value of cooperatives, showing what powerful mechanisms cooperatives could be to diversify, add value, and modernize the economic activities of poor women, men, and youth. It helped poor members to strengthen their businesses or create new enterprises and jobs, increasing incomes, and reducing poverty. It also convinced policy makers of the need to adopt or modernize their cooperative policies and legislation to provide a positive enabling environment for cooperative development. It provided the

poor a voice through their cooperatives in dialogue and negotiations with policy makers and in the market place, building the confidence and enthusiasm of cooperative members across the movement.

- ***Demonstration of the value of cooperatives as social economy enterprises:*** Through its support to the cooperative movement, COOP<sup>AFRICA</sup> demonstrated that cooperatives were a bridge between complementary, inter-dependent economic, social and societal goals, and between the informal and the formal economy. In addition to its very substantive work in improving cooperative business efficiency and productivity and members' incomes, COOP<sup>AFRICA</sup> played a significant role in helping cooperatives in their fight against HIV/AIDS and child labour, and in promoting gender equity and women's empowerment. In its societal role, it promoted dialogue with government and social partners. Cutting across the economic and social, it reached out to informal vulnerable workers, providing a bridge to bring them some of the benefits of the formal economy, such as social protection.
- ***Demonstration of how cooperatives can contribute towards implementing Africa's Decent Work Agenda:*** COOP<sup>AFRICA</sup> made a significant contribution to helping 4,124 cooperatives and 287,274 women, men, and youth to access decent employment and higher incomes in conditions of dignity, respect, and social and gender equity. A key strategy was promoting entrepreneurship, helping them develop and diversify their businesses, improve their access to safe savings and microfinance services that are less costly than formal banking services that they have access to, find better markets, and improve the governance and efficiency of their cooperatives. Special focus was given to upgrading informal enterprises by extending protection to informal economy workers, providing social services especially for HIV/AIDS prevention and mitigation, and eliminating the worst forms of child labour.
- ***Fostering partnerships within and between different tiers of cooperatives within and between countries in the region:*** COOP<sup>AFRICA</sup> fostered partnerships as well as South-South and North-South cooperation among a variety of stakeholders and actors. This was done within the cooperative movement, and within and between the cooperative movement, governments, the international



community (especially the UN and African Union), donors, the private sector, and other civil society and social economy actors.

- ***Development of tools, sharing knowledge, and learning:*** To boost national, community and members' ownership of the cooperative movement, COOP<sup>AFRICA</sup> identified a need to radically improve access to information, knowledge and know-how, including South-South learning. In its first phase, the programme pioneered a range of knowledge and capacity-building initiatives that included support for developing new tools, setting up ICT systems, and disseminating learning on good practice in African cooperatives.
- ***Promotion of cooperative business development to create more and better jobs and higher incomes, in line with MDG1:*** A key focus of the first phase was the promotion of value chain approaches. Many of the Challenge Fund projects promoted value chains in agriculture where the majority of the poor work. Particular focus was given to niche markets with emphasize on green jobs and fair trade. This included transportation, storage, and value-addition for perishable products such as milk and fruit, but also for many other products such as soya bean and oil palm processing, grain milling, and the production of fish feed and aloe cosmetic products. Yet, there remains considerable untapped potential in many African countries for upgrading or creating new enterprises to bring new jobs and increase incomes.
- ***Promotion of gender equality, women's empowerment, and youth employment:*** With a focus on MDG3, COOP<sup>AFRICA</sup> gave consistent support to promoting women's entrepreneurial activities. Groups were supported to start up and run women-only cooperatives, pre-cooperative groups or women entrepreneurs' associations, or to play an equal role in mixed cooperatives. Entrepreneurship promotion helped these groups to better integrate into value chain development, to increase access to growing or niche markets, and to raise their productivity. Because women dominate the informal economy as workers, owners, or managers of informal enterprises, efforts were directed towards formalizing or upgrading informal enterprises, through providing social protection and other benefits that cooperatives bring. Emphasis was given to changing women's and men's attitudes and stereotypes about appropriate economic

and social roles for women, and encouraging women to join cooperatives and to stand for leadership positions. Furthermore, cooperatives were encouraged to recruit more women as staff and managers. COOP<sup>AFRICA</sup> also gave considerable support to creating youth cooperatives by providing training and access to finance, especially in innovative areas of social enterprises and green jobs that tend to appeal to the younger, more educated generation, and provide young women and men with the opportunity to become change agents in their communities.

## 7.2 The way forward

In helping to revive the cooperative movement, COOP<sup>AFRICA</sup> has convinced many policy makers, social partners, entrepreneurs, farmers, and workers of the important contribution cooperatives are making to poverty reduction; stimulating innovative entrepreneurship among poor women, men, and youth; providing an outlet for the voices of the poor; improving gender equity and women's empowerment; and kindling hope for a better future.

Since the first phase of the programme sought to promote the MDGs, the *Decent Work Agenda* and the *Global Jobs Pact*, as well as the objectives of the African Union and NEPAD, many of its contributions are now being reinforced and up-scaled within these various initiatives and programmes. However, such global or regional initiatives inevitably address cooperative development in fragmented ways, often as relatively small components within much broader programmes. Without doubt, there is a serious need for a dedicated programme that focuses on the holistic, yet flexible, development of the African cooperative movement while its revival is still in its infancy.

### 7.2.1 Some challenges for the future

Despite the positive developments facilitated by the first phase of COOP<sup>AFRICA</sup>, the cooperative movement in Africa still faces a number of challenges (ILO, 2010g). Future interventions should give priority attention to:

- ***Strengthening the presence of the cooperative movement at local, national and (sub-) regional levels:*** Even with the cooperative revival, the cooperative movement on the continent still remains largely inward looking. Horizontal interaction among cooperatives at the local level is limited. Even where horizontal or vertical linkages have been established, through affiliation to secondary or tertiary-level cooperatives, the linkages are not yet very strong or interactive. National-level cooperatives have limited relationships with cooperatives beyond their borders. With few exceptions, the movement at the sub-regional and regional levels remains fragmented and insular. There is, thus, an urgent need to build more dynamic horizontal and vertical connections, and partnerships between cooperatives at local, national, and regional levels.
- ***Addressing gaps in cooperative policy and legal frameworks:*** Despite the progress made in some of the countries or territories where COOP<sup>AFRICA</sup> has supported policy and legal reforms related to cooperatives, a number of weaknesses in the policy and legal framework are still present:
  - *Lack of coherence between cooperative policy and cooperative legislation.* Firstly, with a few exceptions such as Lesotho, Kenya, South Sudan, Uganda, and Zanzibar, COOP<sup>AFRICA</sup> support covered *either* policy *or* legislation but not both. Thus, there are numerous countries that have new or revised policies but the legislation remains unchanged and is inconsistent with the new policies, or vice versa. Secondly, there are countries such as Botswana, Malawi, Mauritius, Tanzania, and Zambia where policy and legal reforms are still needed, either because there are no specific cooperative policies or laws in place, or because those that exist are outdated.
  - *Inconsistencies between cooperative policies and legislation*

*and cooperative societies' by-laws.* In many cases, cooperative societies have not revised their by-laws to ensure consistency with new or revised policies and legislation. The latter cannot stimulate cooperative development effectively if cooperative society by-laws are in conflict. While the responsibility to modify the by-laws lies with the cooperative societies, many societies, particularly at the primary level, need encouragement and guidance to undertake the necessary revisions.

- *Poor popularization of cooperative policies and laws.* Almost invariably cooperative policies and laws in Africa are written and published in a language other than the one popularly spoken by the majority of cooperative members or potential members, such as English, French, or Portuguese. Furthermore, these documents, especially the laws, are written in a technical language that is not easy to understand for people who are not versed in law, particularly if they are not well-educated.
- *Inadequate mainstreaming of cooperative development in other national development policies and programmes.* In many African countries, the rich potential of cooperatives to promote social and economic development has not been adequately recognized. Hence, measures to promote cooperative development are lacking in most national development policies and programmes, including PRSPs, DWCPs, and national action plans for the implementation of the *Global Jobs Pact*. Similarly, sectoral policies and programmes, for example, in agriculture, also tend to neglect the potential of cooperatives to support their target groups.
- ***Enhancing the governance and management of cooperative enterprises:*** The dual nature of cooperatives, combining their business enterprise, and social economy functions, requires sound governance skills on the part of the elected cooperative leaders as well as strong business management and entrepreneurial competencies of cooperative managers. In practice, however, there are few cooperatives in the region that meet these requirements. The following causes, among others, need to be urgently addressed:

- Inadequate feasibility assessments preceding the formation of new cooperatives;
- A vicious circle where cooperatives are financially too weak to employ competent and enterprising managers results in poor management and perpetually under-performing cooperatives;
- Difficulty among cooperative members, managers, and leaders to cope with the historical transition from state dependency, monopoly, and special privileges to autonomy and independence;
- Lack of entrepreneurial skills, particularly among managers, resulting from training systems that tend to create business administrators rather than entrepreneurs;
- Lack of adequate market information and access to local, national or export markets;
- Lack of marketing strategies and the technical skills among managers and leaders to develop such strategies;
- Inadequate access to and/or lack of skills in the application of ICT in a global context, where the application of such skills is crucial for the survival of an enterprise;
- Lack of availability of reliable and competent service providers, especially in the areas of cooperative entrepreneurship, business development, management, and governance ('lack of supply');
- Inability of cooperatives to access competent management and business support services ('lack of demand');
- Leadership or attitudinal problems resulting in poor governance, lack of initiative in accessing business and management advisory services, and managers and leaders who do not listen to the membership, especially women members, and thus have little idea of real demand from the grassroots;
- Low levels or lack of basic education and entrepreneurial skills among members, which undermine their capacity to question the way their cooperatives are run and to insist on their right to participate effectively in decision-making processes;

- A highly competitive business environment where only the most entrepreneurial managers can flourish;
  - Lack of a widely-recognized governance framework for cooperatives;
  - Inadequate access of cooperatives and their members to finance.
- ***Boosting women's participation in cooperative membership, management, and leadership positions:*** In the majority of African countries, women remain seriously under-represented in cooperatives. They are a minority at all levels – as members, employees, managers, and, in particular, as leaders. Achieving active and equal participation of women – to enable them to influence decision-making and shape their cooperatives' agenda as leaders, or benefit from cooperative services and educational programmes as members – is an enormous challenge. Given their values of equality, equity and solidarity, cooperatives should be able to play a greater role in advancing gender equality and women's empowerment than other types of enterprise. In particular, cooperatives are well-placed to promote more equal access to resources, education and training, and reduce stereotyped concepts of gender roles that tend to keep women in subordinate positions. Cooperatives also provide a platform to advocate for gender equitable legislation with regard to cooperatives as well as property, land, and inheritance rights, and to amend cooperative by-laws to ensure gender equality.
  - ***Promoting the cooperative model as an effective mechanism to combat poverty and create dynamic enterprises and employment, especially for the poor:*** The cooperative movement in Africa is undergoing a transitional period, stimulated by vigorous advocacy for the cooperative model by key international players such as the ILO and its COOP<sup>AFRICA</sup> programme, the International Co-operative Alliance, and many cooperative organizations from northern countries which provide technical and financial support. Moreover, the World Bank has endorsed

the cooperative form of enterprise as an effective mechanism for promoting agricultural development (World Bank, 2007).

The approach of the UN International Year of Cooperatives in 2012 is fortuitous, and the rich array of celebratory events that will take place are expected to play an important role in further convincing policy makers, civil society, private sector organizations, donors, and international development organizations, including the UN, of the great social and economic potential of cooperatives. However, these events need to go beyond rhetoric and provide solid examples of good practices in cooperative development that have enhanced the livelihoods of the poor and empowered them in ways that are also gender equitable. The achievements registered by COOP<sup>AFRICA</sup> and its partners during first phase of the programme should be replicated, scaled-up, and further built on to meet the remaining challenges faced by the movement. Information on these advances needs to be widely disseminated to policy makers and other stakeholders to reinforce their support for the cooperative movement.

### **7.2.2 ILO's unique mandate for cooperative development**

ILO has a unique mandate within the UN system and the international cooperative movement to play a critical role in meeting the many challenges faced by the movement in the future. It not only brings many decades of very sound and state-of-the-art technical, policy, and legal support to the movement, but its unique tripartite structure also facilitates dialogue and partnership among governments, workers', and employers' organizations. Moreover, the organization is increasingly working with other civil society organizations that are involved in supporting the cooperative movement.

In fulfilling its mandate in more innovative and vigorous ways, the ILO in general and COOP<sup>AFRICA</sup> in particular, will need to continue supporting national ownership of the cooperative movement in Africa and fostering the growing South-South and North-South partnerships that it has so carefully initiated. Above all, it will need to keep kindling the spirit that

COOP<sup>AFRICA</sup> has infused in just three years, that is a spirit of creativity, entrepreneurship, and social goals embedded in the values of democracy, solidarity, equality, equity, voice, and hope.



Women seaweed harvesting in Zanzibar



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## Annex 1: COOP<sup>AFRICA</sup> phase 1 results (2007 – 2010)

COOP<sup>AFRICA</sup> has developed an M&E system making use of baseline studies and in-depth monitoring activities. Only reliable data have been compiled from a sample of projects and estimates calculated at programme level. The data below only show the direct measurable impact and do not consider data for which exogenous parameters may have too largely influenced results.

PFA Indicators	Target (End 2010)	Estimates (Samples out of 85 projects)
Number of Member States supported towards modernization of cooperative policies & laws	10 countries	14 countries
Number of primary cooperatives supported to improve business planning, supply & marketing strategies, etc.	1200	4124 (sample=22 projects)
Increased turnover of cooperatives	20%	26.6% (sample=10 projects)
Number of cooperative members benefitting from capacity building actions	210,000	287,274 (sample=21 projects)
Number of jobs created	1,000	4,080 (sample=18 projects)
Number of (self)-employment opportunities consolidated and made more productive	210,000	170,899 (sample=22 projects)
Percent increase in income of members	20%	56.8% (sample=11 projects)

Percent of women and youth cooperative members	30%	42.7% women (sample=22 projects)  29.7% youth (sample=20 projects)
Greater awareness about child labour	6 countries	4 countries (at national level)  + 4 countries (at local level)
Greater awareness about HIV/AIDS	6 countries	7 countries
Cooperative approach in DWCP & PRSP and (sub-) regional policy documents	6 DWCP, 2 regional	9 DWCP, 1PRSP, 2 regional
Number of apexes & colleges strengthened	20 apexes/ colleges	11 apexes & 9 colleges + 1 regional apex
Cooperative approach increased in policy dialogue, media, and partnership between UN agencies	9 countries	>10 countries

Source: COOP<sup>AFRICA</sup> Fact Sheet, February 2011.

## **Annex 2: Key ILO, UN and African Union Declarations, Conventions, Recommendations, Resolutions, and Guidelines related to COOP<sup>AFRICA</sup>'s work**

### **ILO**

#### **1919 Constitution of the International Labour Organization**

#### **1944 Declaration of Philadelphia**

**1948 Freedom of Association and Protection of the Right to Organize Convention (No. 87)**, ratified by 150 countries, gives workers and employers, without distinction whatsoever, the right to establish and to join organizations of their own choosing.

1951 Equal Remuneration Convention (No. 100), ratified by 168 countries, provides for equal remuneration for men and women workers for work of equal value.

**1958 Discrimination (Employment and Occupation) Convention (No. C111)**, ratified by 169 countries, aims to ensure equality of opportunity or treatment in employment or occupation.

**1973 Minimum Age for Admission to Employment and Work Convention (No. 138)**, ratified by 155 countries, sets the minimum age for work at 15 (with possible exception for developing countries at 14). For work considered hazardous, the age is 18. Children between the ages of 13 and 15 may do light work, if it does not threaten their health and safety, or hinder their education or vocational orientation and training.

**1981 Workers with Family Responsibilities Convention (No.156)**, ratified by 41 countries, provides for equal opportunities and equal treatment for men and women workers with family responsibilities such as dependent children or other members of their immediate family who need their care or support.



**1998 ILO Declaration on Fundamental Principles and Rights at Work**, aims to ensure that social progress goes hand in hand with economic progress and development. It covers four principles and rights:

- Freedom of association and the right to collective bargaining;
- The elimination of forced and compulsory labour;
- The elimination of discrimination in the workplace; and
- The abolition of child labour.

**1998 ILO Recommendation (No. 189) on Job Creation in Small and Medium-Sized Enterprises**, aims to ensure that members adopt appropriate policy, legal, and other measures and enforcement mechanisms to promote the fundamental role that small and medium-sized enterprises can play in promoting full, productive, and freely chosen employment with greater access to income-earning opportunities, and to safeguard the interests of workers in such enterprises by providing them with basic protection.

**1999 Worst Forms of Child Labour Convention (No. 182)**, ratified by 172 countries, focused world attention on the need to take immediate action to eradicate those forms of child labour that are hazardous and damaging to children's physical, mental or moral well-being.

**2000 Maternity Protection Convention (No. 183)**, ratified by 20 countries, revises the Maternity Protection Convention (Revised), 1952 (No. 103, that had been ratified by 29 countries), in order to further promote equality of all women in the workforce with regard to protection for pregnancy, ensuring the health and safety of the mother and child.

**2002 ILO Recommendation (No. 193) on the Promotion of Cooperatives** is designed to form the conceptual basis for ILO's technical work in the field. It recognizes the important role of cooperatives in all sectors of the economy, and proposes a policy, legal, and institutional framework for supporting cooperatives consistent with cooperative functions, values and principles, as well as guidance for governments and workers' and employers' organizations for its implementation.

**2008 ILO Declaration on Social Justice for a Fair Globalization**, the outcome of tripartite consultations, institutionalizes the *Decent Work* concept by placing it at the core of the Organization's policies to reach its constitutional objectives.

**2009 ILO Resolution on Recovering from the Crisis: A Global Jobs Pact**, addresses the social and employment impact of the international financial and economic crisis, and promotes a productive recovery centred on investments, employment, and social protection.

**2010 ILO Recommendation (No. 200) on HIV and AIDS** prescribes general principles, policies and measures that should be taken to address HIV and AIDS as a work place issue, ensuring human rights, fundamental freedoms and gender equality for all.

## UNITED NATIONS

**1948 Universal Declaration of Human Rights**

**1966 International Covenant on Economic, Social and Cultural Rights**

**1966 International Covenant on Civil and Political Rights**

**1996 UN General Assembly Resolution 51/58**, recognizing the potential of cooperatives and urging that due consideration be given to the role and contribution of cooperatives in achieving social and economic development goals.

**2001 UN General Assembly adopts Guidelines on the Role of Cooperatives in Social and Economic Development**, aimed at creating a supportive environment for the development of cooperatives, and recognizing "the cooperative movement as a distinct and major stakeholder in both national and international affairs".

## **AFRICAN UNION**

### **2011 Assembly of the Union, Sixteenth Ordinary Session:**

- **Decision of the Continental Launch of the African Women's Decade, Doc. EX.CL/629(XVIII)**
- **Decision on the reports on the implementation of the African Union Solemn Declaration on Gender Equality in Africa, Doc. EX.CL/643(XVIII)**
- **Decision on the recognition of women as resource for sustainable Development and Economic Growth in Africa, Doc. Assembly/AU/15(XVI)Add.6**

## Annex 3: COOP<sup>AFRICA</sup> publications and working papers

### Publications

#### Book

- Develtere, Patrick, Pollet, Ignace and Wanyama, Frederick (eds.) (2008), *Cooperating out of Poverty. The renaissance of the African cooperative movement*, (COOP<sup>AFRICA</sup>, Dar es Salaam)

#### Working Papers

- *WP 1 – Reinventing the wheel? African cooperatives in a liberalized economic environment*, by Fredrick O. Wanyama, Patrick Develtere and Ignace Pollet, COOP<sup>AFRICA</sup> Working Paper No.1, 2009.
- *WP 2 – Enterprise future lies in cooperation – Entrepreneur Cooperatives in Africa*, by Nicole Goler von Ravensburg, COOP<sup>AFRICA</sup> Working Paper No.2, 2009.
- *WP 3 – African cooperatives and the financial crisis*, by Emma Allen and Sam Maghimbi, COOP<sup>AFRICA</sup> Working Paper No.3, 2009.
- *WP 4 – Child labour in Tanzania tobacco industry: An analysis of the value chain*, by Leonie Theuerkauf and Emma Allen, COOP<sup>AFRICA</sup> Working Paper No 4, 2010.
- *WP 5 – Social economy approaches to mainstreaming HIV/ AIDS – the case of the Kasojetua Youth Group*, by SIAPAC Ltd, COOP<sup>AFRICA</sup> Working Paper No.5, 2009.
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- WP 14 – Cooperatives in Tanzania mainland: Revival and growth, by *Sam Maghimbi*, COOP<sup>AFRICA</sup> Working Paper No.14, 2009.
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- WP 16 – Bearing the brunt of liberalized economy: A performance review of the cooperative movement in Zambia, by *Peter K. Lolojih*, COOP<sup>AFRICA</sup> Working Paper No.16, 2009.
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## Annex 4: Challenge Fund Projects

### Ethiopia

- **Ambo University College** – Feasibility and Organization of Health Cooperatives (grant US\$ of 50,000)
- **Joshua Multipurpose Purpose Coop Society with Ltd Liability** - Genuine & Accessible Consumer Goods Service project (grant US\$ of 20,000)
- **Addis Ababa Saving and Credit Cooperative Union**– Strengthening member SACCOs’ capacity, performance and efficiency (grant US\$ of 50,000)
- **Tigray Disabled Veterans Association** - Cooperatives Development among Destitute Persons with Disabilities in Rural and Semi-Urban Areas of Tigray Region (grant US\$ of 50,000)
- **The Lorna Young Foundation** - African Peer Partnering - Developing effective business and marketing learning for cooperative smallholders (South-South learning and good practice) (grant of US\$ 20,000)
- **Confederation of Ethiopian Trade Unions** -Workers’ Cooperatives Mobilization (grant of US\$ 20,000)

### Kenya

- **Co-operative Insurance Company LTD** - Sensitize cooperatives on risk management (grant of US\$ 33,668)
- **Kenya National Federation of Co-operatives** - Cooperative Governance Project (CGP) (grant of US\$ 20,000)
- **Uriri farmers Co-operative Society LTD** - Soy Beans Production and Value Chain Addition (grant of US\$ 30,000)
- **Swisscontact** - Establishment of Innovative Cooperative Cells (grant of US\$ 50,000)
- **Co-operative College of Kenya** - Promoting HIV/AIDS Responsive Cooperative movement (grant of US\$ 50,000)
- **Kenya Marine and Fisheries Research Institute** - Enhanced Fish Market Information (grant of US\$ 83,950.99)
- **Cooperative Bank of Kenya** (Cooperative Consultancy Services (K) Ltd) – Enhancing Institutional Capacity & Sustainability of SACCOs (grant of US\$ 150,000)

- **Kabisi Farmers Cooperative Society** - Take a Cow, Give a Calf (grant of US\$ 55,896)
- **Kenya Union of Savings and Credit Cooperatives Ltd** - Integral Advisory - Market and Finance Service Access (grant of US\$ 50,000)
- **Mugama Farmers Cooperative Union Ltd** - Specialty Coffee Cooperative Project (grant of US\$ 32,781.25)
- **Meru Central Dairy Cooperative Union Ltd** - Installation of milk cooling facilities (grant of US\$ 150,000)
- **Innovation Africa** - Computerization Support Services for Agricultural Cooperative Societies (grant of US\$ 53,045)
- **Kenya Small and Micro Entrepreneurs Rural SACCO Ltd** - Wealth Creation Among KESME Rural SACCO Members through Establishment of an Indigenous/Organic Chicken Brand for Effective Savings Mobilization and Credit Facilitation (grant of US\$ 43,165)
- **Limuru Dairy Farmers Cooperative Society Ltd** - Feed mill installation and commissioning at Limuru Dairy Farmers Cooperative Society Ltd (grant of US\$ 50,000)
- **Umande Trust** - Community SACCO Initiative (grant of US\$ 49,816)
- **Agriculture and Rural Development Scheme Savings and Credit Cooperative Society Ltd** - Establishment of Front Office Savings Activity (grant of US\$ 27,971)
- **Baringo Teachers Sacco Society Ltd** - Promoting Small and Micro Enterprises through microcredit financing (grant of US\$ 44,910)
- **Merciful International Guild** - Capacity Building For Improved Market and Governance (grant of US\$ 49,897.5)
- **Computer feed** - Improving Service Delivery For SACCOs Through ITC (grant of US\$ 41,185)
- **Dunga fishermen Cooperative** - Cage/Aqua culture Development Project (grant of US\$ 40,000)
- **NEST Savings & Credit Co-operative Society Ltd** (grant of US\$ 32,000)
- **Wamunyu FCS Ltd and Masii Joint Application** - Wamunyu FCS Ltd and Masii FCS Ltd Joint Milk Marketing Initiative (grant of US\$ 65,000)

- **The Lorna Young Foundation** - African Peer Partnering - Developing effective business and marketing learning for cooperative smallholders (South-South learning and good practice) (grant of US\$ 20,000)
- **Equator Product Ltd** - Strengthening smallholders' producer organizations and export supply chains in coastal Kenya (grant of US\$ 20,000)
- **Kencom Savings and Credit Co-operative Society** - Kencom SACCO Training of Trainers Course (grant of US\$ 14,511)
- **Rumuruti Women Group** - OVOP Aloe project (grant of US\$ 16,240)
- **Watuka Farmers Co-op Society** – OVOP Dairy project (grant of US\$ 17,270)
- **Cooperative College of Kenya** – Empowering 'Yatta South Women Help Group' Through Capacity Building in Cooperative Management and Formation of Cooperative (grant of US\$ 15,720)

### Lesotho

- **Setlabocha Farmers Cooperative Society** – 'Koekoek' Chicken Hatchers (grant of US\$ 22,582)

### Rwanda

- **Abahuzamugambi Ba Kawa/Maraba Co-operative** – Strengthening Abahuzamugambi Ba Kawa/Maraba Cooperative's Capacity (grant of US\$ 35,000)
- **Cooperative Training and Research Center** – Women's empowerment income generating project in rural areas (grant of US\$ 15,989)
- **Trends-Pro Inc.** – Coop Enterprise (grant of US\$ 17,120)

### Tanzania

- **Dunduliza Company LTD** - Implementation of an Interconnection System in the Dunduliza SACCOs Network (grant of US\$ 52,686)
- **Institute of Cooperative & Continuing Development Education** (MUCCoBS): Enhancement of Entrepreneurship



- Skills & Micro Enterprises (grant of US\$ 50,000)
- **Trade Union Congress of Tanzania** - Promotion of workers SACCOs in formal & informal economy (grant of US\$ 50,000)
  - **Ona Mbele Cooperative Society** - Strengthening capacity of cooperative societies (ZNZ) (grant of US\$ 40,144)
  - **Mkombozi Biharamulo Savings and Credit Cooperative Society** - Support to Peasantry Enterprises Development in Biharamulo (grant of US\$ 50,000)
  - **Karagwe Development and Relief Service** - Improvement and Strengthening of Rural Microfinance Institutions in Kagera Region (grant of US\$ 50,000)
  - **Centre for Informal Sector Promotion** - Capacity Building of Informal Associations/Groups through Formation of Cooperatives (grant of US\$ 19,950)
  - **Dunduliza** - Increased incomes of women and youth, cooperative members of Tandale SACCO through steady creation of decent work (grant of USD 18,000)
  - **Kilimanjaro Co-operative Bank Limited** - Awareness Building and Economic Empowerment for Women in Kilimanjaro Region (grant of USD 18,000)

## Uganda

- **Uganda Crane Creameries Cooperative Union** - Cooperative Dairy Processing Project (grant US\$ 70,000)
- **Konde SACCO** - Developing finance to enhance farm production (grant of US\$ 38,465)
- **Nama Area Cooperative Enterprise Ltd** - Establishment of fish feed manufacturing plant (grant of US\$ 45,950)
- **Aminanara Coop Savings And Credit Society Ltd** - Osukuru Aminanara Cooperative Society (grant of US\$ 50,000)
- **I-Network** - The Rural Market Intelligence project (grant of US\$ 100,000)
- **Rukaka Dairy Cooperative Society Ltd** - Improvement of quality of milk (grant of US\$ 50,000)
- **Wamala Growers Cooperative Union Ltd** - Dairy processing and marketing (grant of US\$ 35,000)
- **Uganda Cooperative College** - Organizational development

and capacity strengthening of cooperative leaders (grant of US\$ 50,000)

- **Tulihamu Budongo Savings & Credit Cooperative Society** – Savings mobilization through formation and establishment of rural produce organization in Budongo Sub Country, Masindi District (grant of US\$ 50,000)
- **Bukadesu Co-operative Savings & Credit Society Limited** - Transforming a farmer association into a cooperative society (grant of US\$ 49,562)
- **Bududa Yetana Area Cooperative Organization** - Proposal for the construction of a passion fruit processing plant (grant of US\$ 91,772)
- **Manyaka Area Co-operative Enterprise Ltd** - Processing and marketing of produce (maize and beans) by primary cooperatives for improved household incomes (grant of US\$ 50,000)
- **Uganda Private Midwives Association** - Promoting a Saving and Credit Cooperative Culture among Ugandan Private Midwives for Improved Services (grant of US\$ 46,040)
- **Kimeeme Livestock Cooperative Society** - Livestock Products Processing and Marketing for Improved Household Incomes (grant of US\$ 50,000)
- **Organization for Rural Development** - Enhancing Rural and Savings and Credit Association through the Sub-Country Savings and Lending Cooperative (SUSALECO) Model (grant of US\$ 46,606)
- **Bweyale Solidable Community Cooperative Savings and Credit Cooperative Society Ltd** -Establishment of village savings and loan associations (groups) - 50 village banks (grant of US\$ 50,000)
- **Ikongo Rural Cooperative Savings and Credit** - Strengthen members of Ikongo, acquire development skills geared towards poverty eradication for community enhancement (grant of US\$ 50,000)
- **Kangulumira Area Cooperative Enterprise** – Promotion of value addition to farmers' pineapple produce by turning it into packed juice and wine (grant of US\$ 50,000)
- **Kirumya Bridge Manufacturers Co-operative Society** – Oil

- palm processing in Bundibugyo (grant of US\$ 50,000)
- **Uganda Co-operative Alliance LTD (UCA) (HIV AIDS)** - Cooperative Response to HIV/AIDS (CoopAIDS) (grant of US\$ 100,000)
  - **National Organization of Trade Union** - NOTU Cooperative Programme (grant of US\$ 20,000)
  - **Progressive Microfinance Savings and Credit Cooperative Society** - Strengthening the capacity of the management staff and board committee members for efficiency and effective service delivery to members (grant of US\$ 19,065)
  - **Wowoya Cooperative Savings and Credit Society Ltd** - Empowerment of Persons Living With HIV/AIDS (grant of US\$ 20,000)
  - **Uganda Co-operative Alliance** - Cooperative Approaches to Enterprise Promotion and Rural Community Development (CAEPRCD) (grant of US\$ 20,000)
  - **Kachumbala Area Cooperative Enterprise** - Cooperative Market Information Villages (grant of US\$ 19,750)
  - **Cooperative Department** - Enhancement of National Cooperative Development Policy Formulation Process (grant of US\$ 15,000)
  - **Muhorro Area Cooperative Enterprises** - Cooperative Rice Processing Project (grant of US\$ 16,500)
  - **Federation of Uganda Employers** – Project Proposal to Build Capacity and Strengthen Cooperatives (grant of US\$ 35,350)
  - **Organisation for Rural Development** – Enhancing the soundness and efficiency of rural savings and credit associations (grant of USD 19,000)

## Zambia

- **Monze Dairy Farmers Cooperative Society** – Dairy Animal Restocking Programme (grant of US\$ 30,000)
- **Twatasha Multipurpose Cooperative Society** – Sanitation management of refuge & garbage collection (grant of US\$ 15,000)

## Annex 5: UN Joint Programmes and Challenge Fund Projects in Tanzania

### UN Joint Programme 1 on Wealth Creation, Employment and Economic Empowerment (Lindi and Mtwara)

1. **Masasi Peoples Umbrella Organization (KIMAS)** - Oil Seeds Growers Empowerment Project (grant of US\$ 19,953)
2. **Mtwara Sports Academy (MSA)** - Improving Capacities of Youth and Women Economic Groups in Mtwara–Mikindani on Coastal Tourism (Cultural and Ecotourism) and Business Practices (grant of US\$ 20,000)
3. **United Peasants of Tanzania (UPT)** - Supporting Agricultural Marketing Cooperative Societies to improve governance systems and mobilization of new membership (grant of US\$ 20,000)
4. **Masasi Farmers and Marketing Association (MAFAMA)** - Cashew nuts Farmers Empowerment Project (grant of US\$ 19,657)
5. **Mtwara Women Living with HIV/AIDS (MWOLIHA & JITEGEMEE Production Groups)** - Contribution to Mitigation of Socio-economic Impacts of HIV Among Members Through Establishment of Dairy Goats Project (grant of US\$10,000)
6. **Shirika la Kusaidia Watoto (SAWA)** - Capacity building to women on VICOBA in Lisekese ward Masasi district, 2010 – 2011 (grant of US\$ 19,793)
7. **Nanganga Rural Primary Cooperative Society and Mpowora Rural Primary Cooperative Society** - Improvement of Members Income through Value Addition and Utilization of Appropriate Cashew nuts Production Techniques (2 grants of US\$ 16,992)
8. **Savings and Credit Coop Union League of Tanzania (SCCULT)** - Mtwara Branch - Business skills development for women members of Savings and Credit Cooperative Societies in Mtwara-Mikindani Municipality (grant of US\$ 20,000)
9. **Masasi Peoples Umbrella Organization (KIMAS)(in collaboration with Mchema Group)** - Soil Cement Block Production Using Hydra Form Machine (Soil Cement Compressed Earth Block (CEB) Technology) (grant of US\$ 20,000)

- 10. Small Industries Development Organization (SIDO) Mtwara (in collaboration with Mshidima Group)** - Fruit Wine Processing (grant of US\$ 20,000)
- 11. Mtukwao Community Media (in collaboration with Mikindani Youth Development Group)** - Capacity Building for Employment Creation for Members of a Fishing Cooperative Society (grant of US\$ 20,000)

### **UN Joint Programme 5 on Capacity Building Support to Zanzibar**

- 1. Ungalipo Cooperative Society Chaani Mcheza Shauri** (Unguja) - Strengthening Dairy Cooperative (grant of US\$ 11,178)
- 2. Waridi SACCOS** (Unguja) - Developing Entrepreneurship for Women Empowerment (grant of US\$ 9,533)
- 3. Jumuiya ya Wafugaji wa Ng'ombe wa Maziwa Fuoni Porini** (Unguja) - Developing a Dairy Cooperative (grant of US\$ 13,230)
- 4. Kupata si Nguvu Primary Cooperative Society** (Pemba) - Enhancing Members Poultry Keeping Capacity (grant of US\$ 7,161)
- 5. Pemba Savings and Credit Cooperatives Society (PESACCO)** (Pemba) - Improving capacity of PESSACO members to establish income generating activities and improvement of their livelihoods (grant of US\$ 9,835)







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