



**International Co-operative
Alliance – Africa**
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Co-operative Alliance



**THE ALLIANCE AFRICA CO-OPERATIVE LEADERS FORUM AND THE
AFRICA CO-OPERATIVE MINISTERIAL CONFERENCE MIDTERM REVIEW**

Theme: Propelling Co-operatives in Africa to End Poverty

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Introduction

The 2030 Agenda for Sustainable Development builds on what the Millennium Development Goals (MDGs) did not complete. The Agenda has 17 Sustainable Development Goals (SDGs) namely: No Poverty, Zero Hunger, Good Health And Well Being, Quality Education, Gender Equality, Clean Water and Sanitation, Affordable Clean Energy, Decent Work and Economic Growth, Industry Innovation and Infrastructure, Reduced Inequalities, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life below Water, Life on Land, Peace, Justice and Strong Institutions and Partnerships for the Goals.

The 169 Targets corresponding to the above mentioned 17 Goals, are integrated and indivisible, and balance the three dimensions of sustainable development which are economic, social and environment. The Goals and Targets are designed to stimulate action over the next 15 years in areas of critical importance for humanity and the planet, which are also at the core of the co-operative movement in Africa.

The theme for this year is a culmination of a series of discussion we have had since 2014, and more specifically the profound one of 2016 which wholistically focused on Co-operatives in Africa Embracing Sustainable Development Goals. The idea was to unpack on a more general level, and raise awareness on what the SDGs are, and how co-operatives should wholly embrace these Goals and work, together with other stakeholders, towards achieving them. It has indeed been duly acknowledged in several strategic documents, including the 2030 Agenda for Sustainable Development and the Financing for Development (FfD) Action Agenda that co-operative will play a significant role in the achievement of the 2030 Agenda for Sustainable Development goals.

Given this recognition, co-operatives have an opportunity to demonstrate their value as partners in achieving sustainable development. The year 2017 marks the beginning of a vigorous analysis of each Goal, starting with Goal number 1, to see how co-operative enterprises interact with each Goal, hence settling on the theme '**Propelling Co-operatives in Africa to End Poverty**'. Propelling co-operatives in Africa entails strengthening them through empowerment actions, uniting them so that they work better together and re-positioning them to better engage in policy advocacy and other strategic engagements so as to work towards ending poverty in Africa.

The objectives of this meeting is to bring together government officials and co-operative leaders to deliberate on how they can address best the first global goal through repositioning co-operatives in Africa to address issues of climate change and take advantage of the strategic partnerships in existence. The meeting also will take a review of the progress made since the last Africa Co-operative Ministerial Conference in Gaborone Botswana since the year 2015.

Poverty in Africa

There has been marked progress on reducing poverty over the past decades; the world attained the first Millennium Development Goal target to cut the 1990 poverty rate in half by 2015, five years ahead of schedule, in 2010. Despite the progress made, the number of people living in extreme poverty globally remains unacceptably high with 836 million people still living in extreme poverty today. One in five of these persons live in developing regions and subsist on less than \$1.25 per day, and more sadly, most of these people come from sub-Saharan Africa. The global growth report forecasts that poverty reduction may not be fast enough to reach the target of ending extreme poverty by 2030, and many are still living on the edge with a very real risk of slipping back into extreme poverty¹

The Goal to End Poverty in all its Forms Everywhere focuses on meeting the following broad targets detailed below:

- Eradicate extreme poverty for all people everywhere by 2030.
- Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions² by 2030.
- Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance by 2030.

¹ <http://www.worldbank.org/en/topic/poverty/overview>).

² Each country has a poverty reduction benchmark

- Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters by 2030.
- Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
- Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

There is need therefore to scan for the African macro-economic environment in search for current debates which have a major bearing on the poverty alleviation/eradication as one of and the first SDG in pursuit of the better World and position co-operative based development as one key contributor.

ACP-EU Relations Post Cotonou

Since 2000, the Cotonou Partnership Agreement has been the framework for EU's relations with 78 countries from Africa, the Caribbean and the Pacific (ACP). The relationship focusses on the eradication of poverty, sustainable development and the gradual integration of ACP countries in the world economy. It seeks to increase peace and security, and to strengthen the democratic political environment.³

Europe and the ACP countries share principles which should remain the foundations of our societies: peace, democracy, good governance, the rule of law and the respect for human rights. In view of creating sustainable development, our common objectives should be to foster sustainable growth and decent jobs for all, ensure human development, tackling climate change, turn migration and mobility into opportunities as well as speak with one voice on key global and common challenges on the international scene. On top of that, a renewed partnership would strengthen the political dialogue and consolidate our trade agreements.

³[http://europa.eu/rapid/press-release MEMO-16-3885_en.htm](http://europa.eu/rapid/press-release_MEMO-16-3885_en.htm)

Africa is a continent of huge opportunities, but still faces a number of conflict situations and challenges; as such then poverty, unemployment and inequality remain high. The priorities proposed by the European Commission and the High Representative for the EU Africa partnership are to focus on achieving peace and stability, consolidating democracy and good governance, unleashing economic opportunities, managing migration and mobility as well as reaching human development standards leading to reduced poverty. Post Cotonou Partnership Agreement caters mostly for the socio-political environments of the ACP-EU countries and Economic Partnership Agreements concentrate on the economic one.

Economic Partnership Agreements (EPAs)

While the Post Cotonou Agreement is the overall document guiding the collaboration and partnerships between the European Union and the 78 countries from Africa, Caribbean and Pacific, the Economic Partnership Agreements are trade and development partnerships being negotiated between the EU and the 78 ACP countries (+ south Africa) and regions. The trade agreements aim at creating a shared trade and development partnership backed up by development support which will, through gradual and controlled liberalisation of trade in goods over a reasonable period of time, and a set of rules on sectors such as services and investments, contribute to development, growth and job creation.⁴

Development must be backed by trade, without an increase in trade, there can be no development. Regional integration needs to bring small markets together and instil free trade principles so that poverty can eventually be eradicated. EPAs establishes a legal framework for economic and commercial relations, and for developmental aspects as well. The EPA includes binding commitments related to technical and financial assistance that will help recipient countries adjust to the opening of trade, promotes regional integration, which means countries can gain more from the different markets across the world.

While the EPAs are concerned with the socio-economic environment, The physical one is being threatened by the climate change, hence urgent need to put climate change adaption and mitigate on the African Agenda.

Climate Change Adaptation and Mitigation

⁴http://trade.ec.europa.eu/doclib/docs/2011/october/tradoc_148327.pdf

Climate change is a serious risk to poverty reduction and threatens to undo decades of development efforts. The adverse effects of climate change are already evident, natural disasters are more frequent and more devastating, and developing countries more vulnerable more so those in Africa. While climate change is a global phenomenon, its negative impacts are more severely felt by poor people and poor countries who are more vulnerable because of their high dependence on natural resources, and their limited capacity to cope with climate variability and extremes.⁵

The best way to address climate change impacts on the poor is by integrating adaptation and mitigation responses into development planning and this is inherent to the attainment of Sustainable Development Goals.

Increasing the resilience of livelihoods and infrastructure as a key component of an effective poverty reduction strategy. Similarly, effective adaptation and mitigation strategies should build upon, and sustain, existing livelihoods and thus take into account existing knowledge and coping strategies of the poor. Traditional risk sharing mechanisms, such as asset pooling and kinship, could be complemented by micro-insurance approaches and infrastructure design and investment, both for private and public use, taking into account the potential impacts of climate change.

The impacts of climate change vary across geographical regions, where tropical, subtropical areas and countries with the fewest resources are likely to bear the greatest burden of climate change in terms of loss of life and relative effect on investment and the economy. This calls for concerted efforts from all stakeholders to counteract these effects.

Co-operatives Ending Poverty in Light of Consumer Co-operatives

Co-operative enterprises put social justice and equity at the heart of economic progress. As member-owned, member-run and member-serving businesses, co-operatives empower people to collectively realize their economic aspirations, while strengthening their social and human capital and developing their communities. With their ownership structures and goals that are different from those of investor-owned enterprises, co-operatives encourage diversification and innovation, and enable a fairer distribution of income.

⁵<http://www.oecd.org/env/cc/2502872.pdf>

One person in every six is either a member or a client of a co-operative, and some 2.6 million co-operatives employ 12.6 million people worldwide. Co-operatives' assets are worth about \$20 trillion and they generate about \$3 trillion in annual revenue⁶. Co-operatives in Africa play an important role in achieving social stability and social inclusion.

Consumer co-operatives are businesses which belong to the people who use them. They provide services to their communities that are not readily available from for-profit businesses. In other cases, co-operatives enhance the level of competition in the marketplace by providing consumers with an alternative source of products and services. The consumer co-operative system helps to reduce the cost of the goods by eliminating the middleman's profit, meaning that the consumer will benefit as there will be reduction in cost, thus saving. The savings will in return be used to cover other costs thus improving standards of living hence reducing poverty.

Co-operatives in Africa have not really embraced the concept of consumer co-operatives and thus need to be enlightened on the advantages they accrue, and thus be enabled to form and / or strengthen those that already exist.

Conclusion

African co-operators do indeed need to work better together (co-operation among co-operatives) to enhance their efficiencies and take advantage of economies of scale, and also reposition themselves in order to engage, and also get involved in policy dialogue and strategic actions at different levels that will lead to reduced poverty.

⁶ <http://www.un.org/en/events/cooperativesday/2016/sgmessage.shtml>