

Cooperatives for Zero Hunger in Africa



**COOPERATIVE LEADERS/MANAGERS AND MINISTERIAL
CONFERENCE TECHNICAL COMMITTEE MEETING**

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An Overview of Africa

Globally, many countries were on course to meet the goal of halving the proportion of people living on less than \$ 1.25 a day between 1990 to 2015. There was a global poverty reduction of 59% during this period. In Sub-Saharan Africa (SSA), the number of people living on less than \$ 1.25 a day declined between 1993 to 2015 (World Bank, 2015). Poverty rates decreased in most countries in the region, especially in those countries that had increased food availability as well as experienced economic growth. For example, according to the World Bank 2015 Report, South Africa had a drastic decline of poverty rates by 64 percent between 2000 and 2011; Niger declined by 48 percent between 1994 and 2011 while Ethiopia's poverty rate declined by 33 percent between 1999 and 2010. In Rwanda, the poverty rate declined by 21 percent between 2000 and 2011 and in Mali there was a 17 percent decline in poverty rate between 2001 and 2010. The improvement in poverty reduction rates witnessed may be attributed partly to several partnership strategies and engagements within the continent aimed at alleviating poverty.

Africa is known as the motherland, the birth of mankind, where it all began. Yet for many years it has also been called the "dark continent" due to the low rate of development of many countries in Africa. This perception is changing quickly, with hundreds of technology innovation hubs, who are creating cutting-edge technology products and services, popping up all over the continent, making the rest of the world sit up and take notice.¹ Technology has revolutionized agriculture leading to advances in producing food that we consume. Farmers are using technologies such as motorized equipment, modified housing for animals and biotechnology, which allow for improvement in agriculture. Better technology has allowed farmers to feed more people and requires fewer people to work on farms to feed their families. Drones can help with pest control, while mobile communications connect farmers to each other and the wider economy, and microelectronics mean we can tailor irrigation systems to a wide range of contexts. These are just a few of the numerous opportunities; to leverage them will require smart policies, innovative programs and investments from both the public and the private sector.

It is also worth noting that Africa is home to political insurgencies and financial resources are being lost to wars and recurring social unrest. Africa's rich endowments in oil deposits, gold, diamond, fertile soils, water resources, tropical forests, have turned the continent into a political land mine with both external and internal interests shaping the continents struggle for resource control. A number of African countries continue to experience armed conflict, which hinders economic activity, therefore constraining economic growth. As a result, over 15 million Africans are refugees outside their domicile countries, while over 12 million are internally displaced due to armed and social conflicts across the continent.

¹ <http://www.itnewsafrica.com/2017/06/african-countries-with-the-most-tech-hubs-ranked/>

According to UNDP, Human Development Report (2016), Sub Saharan Africa has the most significant inequality-induced human development losses at 32%. For example, women across the continent have consistently lower Human Development Index as compared to men. The gender development index, which measures differences in HDI reveal that disparities still exist, especially in SSA where the share of people living in rural areas who are multi-dimensionally poor is more than those in urban areas. It is evident that disadvantaged groups of people must have equal choices and opportunities in order for everyone to benefit from the social economic advancement. The challenges that Africa faces are not only socio-political but also environmental.

Although Africa contributes least to the atmospheric build-up of greenhouse gases (GHG), the continent is most vulnerable to global warming and climate change due to its tropical location in the world. Yet, it is also the least equipped to effectively handle negative climate change impacts of drought, biodiversity loss, increase in temperatures, poor air quality, loss of cultivable land. These Climate Change impacts undermine the basic ecosystem services such as subsistence agriculture, portable water supply, crop and animal husbandry. In addition, water stress in form of floods, droughts and El Niño affect millions of people in Sub Saharan Africa² especially the Small scale artisanal, agriculture, tourism who are critical pillars for communities in the continent. Climate Change effects along the coastlines of Africa are also noticeable leading to further dwindling of the economic viability of these places and posing challenges of rising sea levels, warming waters, and increasing ocean acidification. In West Africa, this has resulted in coastal erosion and damaged infrastructure while a warming Indian Ocean has damaged coral reefs that are essential for tourism, fishing, and the protection of the shoreline.

In 2016 a decline in economic growth was witnessed and some of the factors contributing to this decline include: low commodity prices, a sluggish performance in the global economy, a gradual deceleration in China's growth and second-order effects of the Arab Spring, amplified by the prolonged conflict in Libya and other African countries. While Africa's net commodity exporters faced a difficult year, the majority of the continent's non-commodity exporting countries continued to grow, consolidating previous years' gains. Fiscal, monetary and exchange rate policies varied across the continent. Countries with coordinated policies were able to better withstand shocks. In 2017, forecasted growth in Africa was to pick up to 2.6 percent, and an average 3.4 percent in 2018 and 2019. The recovery is predicated on moderately rising commodity prices and reforms to tackle macroeconomic imbalances.³

Africa's growth resilience is premised on improvements in the business environment and governance, resulting from recent bold reforms. The continent has made steady progress in

² <http://www.hunger-undernutrition.org/blog/2011/02/the-causes-of-hunger-and-undernourishment-in-africa-and-the-way-forward.html>

³ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEO_2017_Report_Full_English.pdf

governance and management of public institutions and resources, and continues to do so. Relative to the past, Africa now enjoys better ratings on democratic governance and the rule of law, which are critical to nation building and policy consensus aiming at eliminating the intractable challenges facing the continent such as hunger.⁴

66% of the population in Africa and 75% in SSA depend on agriculture for their livelihood. At the same time there has been unprecedented increase in external interest in land and water resources for production of bio-energy crops and other agricultural produce of high demand in international markets by multi-national companies.

Food Security in Africa

Globally, one in nine people today (795 million) are undernourished with the vast majority of the hungry people living in developing countries, where 12.9 per cent of the population is undernourished. Asia is the continent with the hungriest people – two thirds of the total. Poor nutrition causes nearly half (45 per cent) of deaths in children under five – 3.1 million children each year. One in four of the world's children suffer stunted growth. In developing countries, the proportion can rise to one in three. For example, 66 million primary school-age children attend classes hungry across the developing world, with 23 million in Africa alone.⁵

A study led by the Late Professor Calestous Juma showed that Africa could feed itself by making the transition from importer to self-sufficiency. He said that African agriculture is at the crossroads. He further argued that Africa should end the century old policies that favored Africa's export of raw materials and importation of food. There is need to focus on agricultural innovation as its new engine for regional trade and prosperity. This is a reality for the cooperative business movement. Being businesses driven by values rather than only profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation.⁶

The transformational vision of the 2030 Agenda for Sustainable Development calls on all countries and stakeholders to work together to end hunger and prevent all forms of malnutrition by 2030. This ambition can only be fulfilled if agriculture and food systems become sustainable, so that food supplies are stable and all people have access to adequate nutrition and health. The start of the 2030 Agenda coincided with the launch of the United Nations Decade of Action on Nutrition (2016–2025), adding impetus to these commitments by providing a time-bound, cohesive framework for action.

⁴ 2016 Ibrahim Index of African Governance

⁵ <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-2-zero-hunger/targets/>

⁶ <https://ica.coop/en/media/news/co-ops-for-2030-approaching-300-pledges>

Causes of Hunger

The recent 2017 FAO report on the State of Food Security and Nutrition in the world shows that the global food insecurity appeared to be on the rise again in 2016 compared to 2015 after a prolonged decline. The report estimates the number of undernourished people to have increased to 815 million in 2016, up from 777 million in 2015. Much of this increase in world hunger can be traced to greater number of conflicts, often exacerbated by climate-related shocks.

In Africa, food security during this time has been affected by external shocks especially climate change related ones whereby most of Africa South of the Sahara experienced unprecedented droughts, and pests and diseases including the devastating Armyworms reported in about 30 countries. Many parts of the continent are still experiencing recurring drought, instability and conflicts which are a source of food insecurity and malnutrition due to disruption of household productive systems. This leads to severe food shortages and many people exposed to starvation which could lead to death. Those that survive will endure irreversible physical and cognitive damage. Therefore, millions of newborns and children under the age of five are at risk of crippling malnutrition and death.

According to 2030 Agenda for Sustainable Development, the second Goal (SDG 2) calls on countries to “end hunger, achieve food security and improved nutrition and promote sustainable agriculture” by 2030. Composed of eight targets, SDG 2 unites hunger, food security, nutrition and sustainable agriculture under a single objective, compelling the international community to move towards an understanding of how they are interrelated and promoting integrated policy approaches and actions.

In 2016, the world witnessed the biggest increase in billionaires in history, one more every two days. This huge increase could have ended global extreme poverty seven times over. Whereas 82% of all wealth created in 2016 went to the top 1% nothing went to the bottom 50%. Does this mean that poorly paid work for the many is supporting extreme wealth for the few? Usually, women are in the most indecent work yet almost all the super-rich are men. Governments must create a more equal society by prioritizing ordinary workers and small-scale food producers instead of the rich and powerful.⁷ Oxfam wants our economies redesigned to make them more human and equal, and calls on governments, international institutions and corporations to reinvent the private sector guided by the DNA of co-operatives.

The recipe for reducing inequality for working families and ensuring decent work for all is simple: a minimum wage on which you can live, social protection and companies’ compliance with human and

⁷ https://d1tn3vj7xz9fdh.cloudfront.net/s3fs-public/file_attachments/bp-reward-work-not-wealth-220118-en.pdf

labour rights. Freedom of association and collective bargaining rights are fundamental enablers. Workers need the added volume of a collective voice to make themselves heard. Governments must act. Companies must face up to their responsibilities. Oxfam is indeed right – we have an inequality crisis and the global economy will falter with too many billionaires. An economy for working people, not wealthy owners will end the inequality crisis.

Achieving Zero Hunger in Africa

Cooperatives are not a new idea, but are more relevant than ever if we look at the development challenges and opportunities the world faces over the coming decades. They provide a perfect pathway for building participatory and inclusive societies that put the needs of all people at the centre of development. Many cooperatives worldwide have shown their capacity to provide quality jobs and thus support sustainable development. These include; those related to poverty reduction, zero hunger, gender equality, and peace and justice.

The presence of cooperatives can put an end to the trend of speculation in essential food commodities intended for human consumption, and reduce the large-scale acquisition of arable lands that in many regions forces farmers off their land because by themselves they are too weak to defend their right.

Cooperative Movement

According to the International Cooperative Alliance, Co-operatives are businesses owned and run by and for their members. Whether the members are the clients, the workers, or the producers, they have an equal say in what the business does and a share in the profits. They are based on the values of self-help, democracy, and equality, among others. Being businesses driven by values rather than only profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation. The first co-operative was founded in 1844 in Lancashire, England to provide affordable access to quality food, with any surplus being reinvested in the community. Since then, co-operatives have served their members' economic and social needs making them a well-suited business model for the implementation of Sustainable Development Goals.

According to the 2017 World Co-operative Monitor the top 300 co-operatives and mutuals report a total turnover of 2.16 trillion USD. Co-operatives contribute to sustainable economic growth and stable, quality employment, employing 280 million people across the globe, in other words 10% of the world's employed population. The world's top 300 co-operatives operate in different sectors:

insurance (41%), agriculture (32%), wholesale and retail trade (19%), banking and financial services (6%), industry and utilities (1%), health, education and social care (1%) and other services (1%).⁸

Of all the co-operatives in the world, 32% operate in the food and agriculture sector, meaning that they have an important presence among rural communities. These cooperatives help small agricultural producers overcome the many challenges they as individuals in a more united way. Being often based in remote, rural areas, these obstacles are often a question of access: to markets, natural resources, information about food prices and market trends, high-quality inputs (such as equipment, seeds, and fertilizer), loans to purchase those inputs, and transport, storage, and other infrastructure.

When producers come together in a co-operative, individuals benefit from the strength of the collective, while preserving their autonomy. Farmers improve their leadership skills by participating in decision-making processes and influencing policy-making processes. They increase their negotiating power for better prices and access to capital and markets. They enjoy the services offered by their co-operative, like group purchasing and marketing or skill building to help them innovate, diversify their products, and adapt to changing markets.

As a result, through a co-operative producer can improve their productivity, strengthen their position in the value chain, build more sustainable livelihoods for their families and their communities, and produce better food for all. Financial co-operatives and credit unions are also important means to drive rural investment and development and help end hunger.

Savings and credit cooperatives are community-focused institutions that invest in the betterment of their members. SACCOs and credit unions in rural areas offer low-interest loans to agriculture and livestock producers, helping them to access the capital necessary to grow and raise, and process, transport, and market their products. For individuals, SACCOs can offer development loans for building a home or paying children's school fees.

The International Co-operative Alliance is one of the largest non-governmental organizations in the world today by the number of people it represents, according to available figures. The Alliance directly represents 700 million individuals through its approximately 306 members from 105 countries. The countries with the largest number of members represented by the Alliance are the United States, Japan, India, Iran, Bangladesh, Indonesia, Germany, and Canada.

The Alliance-Africa is - one of the regional offices of the International Co-operative Alliance which serves, unites and represents Alliance's member organizations in Africa. The Alliance Africa promotes and strengthens autonomous and viable co-operatives throughout the region by: Serving

⁸ World Cooperative Monitor 2017 Report

as a forum for exchange of experience and a source of information on co-operative development, research, and statistics; Providing technical assistance for Co-operative development; and Collaborating with national governments, United Nations organizations, and African regional organizations

Co-operatives exhibit enormous potential for transformation. Value addition is an essential part of transforming Africa's Co-operatives, especially with their massive capacity as avenues for local economic and social development: (a) development of industry to provide employment to the unemployed/under employed youth and marginalized; (b) sustainability and productivity management in farm produce and value chain management; (c) processing of produce to ensure marketing as well as maintaining price levels; (d) capital formation in promotion of a savings and investment culture; (e) decent work; (f) financial literacy and financial inclusion; (g) democracy and capacity building by way of good governance and education; and (h) increased social cohesion.⁹

To show their solidarity and commitment to this new global development policy of Agenda 2030 that was adopted in September 2015, the members of the International Co-operative Alliance created an online platform called Co-ops for 2030 (www.coopsfor2030.coop), for co-operatives to learn about the SDGs, make pledges to help achieve them, and track their progress. The language of the SDGs can be difficult for the grassroots co-operator to translate into everyday business terms, so the International Co-operative Alliance regrouped the SDGs into four key action areas where co-operatives can be most impactful: eradicating poverty, improving access to basic goods and services, protecting the environment, and building a more sustainable food system. These four action areas allow co-operators around the world to approach the SDGs in a language they understand, and to reframe their long-standing work on sustainable development into the UN language.

It is for this reason that the Alliance Africa in its commitment to the achievement of SDG 2 and Africa Union's Agenda 2063: The Africa we want and the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods will hold a Cooperative Leaders/Managers and Ministerial Conference Technical Committee (MCTC) meeting on the 29th May 2018 in Maputo, Mozambique themed "Cooperatives for Zero Hunger in Africa". The aim of this meeting will be to facilitate dialogue amongst members, governments, cooperative development actors and other key stakeholders on how cooperatives could leverage on their well-suited model to achieve Zero Hunger in Africa.

⁹ Africa Co-operative Development Strategy 2017-2020

Specifically, the objectives of the proposed MCTC meeting will be to discuss the causes and mitigation strategies of food insecurity in Africa and the role cooperatives should play in Achieving Zero Hunger on the continent.

The MCTC meeting targeting African governments, cooperative development actors and the co-operative movement is expected to strengthen SDG-oriented partnerships on the continent leading to the implementation of Agenda 2030.

It is envisaged that after this MCTC meeting, a renewed impetus for African co-operatives to work together towards the achievement of Zero Hunger in Africa will be ignited leading to a strengthened co-operative sector.

DRAFT AGENDA

| DAY | TIME | ACTIVITY | FACILITATOR |
|---------------------------|--------------|---|-----------------|
| 27 TH MAY 2018 | | Alliance Africa Board Meeting | Alliance Africa |
| 28 th MAY 2018 | | EU Pre-Conference | Alliance Africa |
| 29 th MAY 2018 | 08:00- 08:30 | Registration | Alliance Africa |
| MCTC CONFERENCE | 08:30- 09:30 | Welcome & Opening Remarks: Keynote Address: | |
| | 09:30- 10:00 | <i>Session I:</i> Background Paper on Causes and Mitigation Strategies for Food Insecurity in Africa | |
| | 10:00-10:30 | Group Photo Tea/Coffee Break | |
| | 10:30- 13:00 | <i>Session II:</i> Causes and Mitigation Strategies for Food Insecurity in Africa Panelists: | Chair: |
| | 13:00-14:00 | Lunch | |
| | 14:00- 14:30 | <i>Session III:</i> Background Paper on The Role of Cooperatives in Achieving Zero Hunger in Africa | |
| | 14:30- 15:30 | <i>Session IV:</i> Role of Cooperatives in Achieving Zero Hunger in Africa Break Out Sessions: | |
| | 15:30- 16:45 | Summaries and Recommendations | Plenary Session |



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|--|--------------------|--|------------------------|
| | 16:45-17:00 | Communiqué | Alliance Africa |
| 30TH MAY 2018 REGISTRARS/ COMMISSIONERS, DIRECTORS MEETING | 08:30-10:00 | Presentation of Country Reports | Chair |
| | 10:00-10:30 | Tea/Coffee Break | |
| | 10:30-13:00 | Presentation of Country Progress Reports | |
| | 13:00-14:00 | Lunch | |
| | 14:00-17:00 | Recommendations and Conclusions Draft Agenda for the Ministerial Conference (ACMC) | |
| 31ST MAY 2018 FIELD VISITS | 08:00-17:00 | FIELD VISITS!!! FIELD VISITS!!! FIELD VISITS!!! | Host |

