

TECHNICAL COMMITTEE OF THE AFRICA MINISTERIAL COOPERATIVE CONFERENCE

Theme: Transforming Co-operatives for a stronger Africa: Building Better Co-operative Identity, Sustaining Cooperation and Reinforcing Institutional Capacity.

Background

The 2023 Africa's Macroeconomic Performance Outlook report shows that estimated average growth of real GDP in Africa slowed to 3.8% in 2022, from 4.8% in 2021 amid significant challenges following the Covid-19 shock and the Russian-Ukraine conflict. Despite the economic slowdown, 53 of Africa's 54 countries posted positive growth. All the five regions of the continent remain resilient with a steady outlook for the medium-term. However, the report sends a cautionary note on the outlook following current global and regional risks. These risks including soaring food and energy prices, tightening global financial conditions, and the associated increase in domestic debt service costs. Climate change with its damaging impact on domestic food supply and the potential risk of policy reversal in countries holding elections in 2023 will pose equally challenging threats.

The United Nations Office of the High Representative for the Least Developed Countries, Landlocked and Developing countries and Small Island Developing States note that Africa has the youngest population in the World, with 70% of Sub-Saharan Africa under the age of 30. Such a high number of young people is an opportunity for the continent's growth. In addition, its resource intensiveness, has a significant role to play in driving inclusive growth and sustainable development globally. There are many smart investment opportunities in key sectors such as agriculture, energy markets, minerals, health infrastructure and pharmaceutical industries, light manufacturing, transport and logistics, digital economy and more. The continent remains a treasure trove for smart investors globally as noted during the launch of the 2023 Africa's Macroeconomic Performance Outlook report.

The Cooperative Movement

Cooperatives constitute a fundamental component of the processes of eradicating poverty, democratizing development and ensure that it is sustainable from the economic, social and environmental point of view. The just released report of the World Cooperative Monitor 2022, indicate that the Top 300 cooperatives and mutuals in the world report a total turnover of more than \$2 trillion USD (2,171 billion USD), based on 2020 financial data. These organizations operate in various economic sectors, with Insurance (101 enterprises) and Agriculture (100

enterprises) leading the list. Wholesale and Retail Trade represent the third biggest economic sector (59 enterprises) in the ranking.

Cooperatives are based on the realization of peoples' fundamental rights and are a key tool to make development processes and institutions more effective and participatory, through the participation of all actors in policymaking, development planning, implementation and review.

Cooperatives are a pillar of the people's economy, which is one of the preconditions for the realization of national independence and sovereignty. In actualization, cooperatives are a system of values, philosophy, and ideology of people's economy with the philosophy of mutual cooperation that is able to leverage and create prosperity for its members.

Cooperatives subscribe to a set of operational principles and underlying values that support the social and people-focused nature of their activities. They are operated democratically by their members. Whether producers, users (consumers, residents, etc.) or workers, members have an equal say and a share of the profits. They are present in most countries of the world, and in most sectors of the economy. The cooperative movement counts more than one billion members. Around 10 per cent of the world's employed population work or produce within the framework of cooperatives.

Cooperatives can hasten the realization of the Sustainable Development Goals and the African Union Agenda 2063. Cooperatives can strengthen the means of implementation toward the achievement of the SDGs. With their values and principles such as democratic ownership, transparency and accountability, cooperatives can be key partners in making development processes and institutions more effective and participatory.

In their report, the 2023 Africa's Macroeconomic Performance Outlook, Africa Development bank highlights key policy actions that will help Africa economies to mitigate the compounding risks hindering development. These include a mix of monetary, fiscal, and structural policies including:

- Timely and aggressive monetary policy tightening in countries with acute inflation, and cautious policy tightening in countries where inflationary pressures are low. Coordination with fiscal policy will further strengthen the levers to ease inflationary pressures.
- Enhancing resilience by boosting intra-Africa trade, especially in manufacturing products to cushion economies from volatile commodity prices.



- Accelerating structural reforms to build tax administration capacity and investments in digitalization and e-governance to enhance transparency, reduce illicit financial flows, and scale up domestic resource mobilization.
- Improving institutional governance and enacting policies that can leverage the private sector financing especially in climate-proof and pandemic-proof greenfield projects and mobilizing Africa's resources for inclusive and sustainable development.
- Taking decisive action to reduce structural budget deficits and the accumulation of public debt in countries facing a high risk of debt distress or already in debt distress.

The Cooperative movement associates itself with these policy actions more specifically, cooperatives have critical roles in eradicating poverty, reducing hunger, contributing to ensuring healthy lives, ensuring quality education, achieving gender equality, providing decent jobs, addressing climate change issues and promoting inclusive and sustainable industrialisation. For instance, according to Brookings¹, Cooperatives have played a significant role in Women Empowerment especially in the Global South, where women's cooperatives have been key catalysts of income growth among the poor. The ILO Director General in his address noted that² cooperatives and other social and solidarity economy models must be an integral part of the solutions that we envision as we confront the enormous challenges of building back better. And if we want to build a human-centered future of work, one that is fairer and greener, one that serves people and planet together, if we are truly committed to realizing the SDGs, then we need to be sure that cooperatives continue to be the crucial actors that they have always been.

In its 2023-2033 Africa Cooperative Development Strategy themed 'One Cooperative One Africa' sets out the vision and mission for the sector, with recommended objectives and strategies for both the movement and African States. The strategy is to be implemented within the three strategic areas namely promotion of Co-operative identity, cooperation among co-operatives, and institutional capacity for effective service delivery. The major focus is to promote and strengthen the Co-operative movement in the region and provide demand-driven services and products.

¹ <https://www.brookings.edu/blog/future-development/2022/11/02/data-co-ops-how-cooperative-structures-can-support-womens-empowerment/>

² <https://www.ilo.org/global/topics/cooperatives/lang--en/index.htm>

GENERAL OBJECTIVE

The general objective of this conference is to bring government officials, cooperative leaders and other stakeholders into a forum to deliberate on how best to transform cooperatives for a stronger Africa.

SPECIFIC OBJECTIVES

- -Strengthening Cooperative Identity
- -Cooperation Sustainability through enhanced partnerships
- -Enhancement/Reinforcing of Institutional Capacity for a Prosperous Africa

EXPECTED OUTCOMES

- Strengthened Cooperative Identity for a united Africa
- Enhanced partnerships for a sustained cooperation and collaborations in Africa
- Reinforced Institutional Capacity for a Prosperous Africa