

# Minutes EN

## Businesses for Development – Perspectives from the Cooperative World

Brussels, 28th January 2015

### **List of participants**

See Annex

### **Hosted by:**

Linda McAvan, Member of the European Parliament, Chair DEVE Committee

### **Moderated by:**

Bruce Byiers, European Centre for Development Policy Management

### **Organised by:**

Cooperatives Europe's Staff members present: Klaus Niederländer, Agnès Mathis, Mirko Nodari, Marc Noël, Carmen Quintana, Arielle Romenteau.

Euro Coop's Staff members present: Todor Ivanov, Rosita Zilli.

### **Proceedings of the event**

#### **Welcome**

**Bruce Byiers, European Centre for Development Policy Management (ECDPM)**

Mr. Byiers welcomed the participants, and gave a short overview on the objectives and the agenda of the seminar. He then briefly introduced the speakers from the first panel.

#### **Opening**

**MEP Linda McAvan, Chair of the European Parliament's DEVE Committee**

2015 will be an important year for EU development policies, and major decisions will be taken not only for developing countries but also for developed ones, especially as the Rio+20 process is combined with discussions on development.

The Sustainable Development Goals, still in discussion, currently count 17 goals and 169 targets, focused on addressing shared issues.

The topic of post-2015 has already been the focus of discussions from the DEVE Committee, and the topic of Private Sector in Development must be discussed as well. The need for the private sector to operate in a regulated way, and the importance of acknowledging the different kinds of private sector actors, were particularly highlighted.



Financing will be an important theme to examine as well, in particular how to finance the climate agenda and development. In that context, the European Parliament will organise a workshop on financing for development on 24 February, to be followed soon by another one on taxation & development. Overall, 2015 needs to be a year for concrete progress in development.

### **1. Civil Society Organisations in the 2014-2020 cycle**

**Paul Renier, Deputy Head of Unit at DG DevCo, European Commission**

Paul Renier highlighted that the European Commission welcomes input from stakeholders, in order to include them in future decisions. The EC also needs to build on previous structures, such as the Busan process, the formalised dialogue set in the Policy Forum on Development, and the 2014 communication on private sector in development.

The EU thematic programmes take on global development challenges, which are included in the different instruments set by DG DEVCO, and the way in which local private sector is specifically targeted. The CSO LA thematic programme was then explained in detail, with a review of its different focuses, such as the role of an enabling environment to promote inclusive and sustainable growth.

It was emphasised that a key goal for the EU institutions is to move from the concept of 'capacity for development' to the one of 'partners in development'. In that context, the most crucial challenges to be addressed are the reduction of inequalities and the promotion of inclusive growth and sustainable development (also in relation to cross-cutting issues such as sustainable energy, etc.). The EU institutions will also be careful not to forget actions targeting Europe on sensitisation to development.

Finally, Paul Renier announced that the EC is willing to bring new actors to the table and seeks to organise back-to-back meetings with the private sector, also open to civil society participation.

### **2. Presentation and official launch of the CEDP Online Platform**

**Klaus Niederländer, Director of Cooperatives Europe**

Klaus Niederländer reminded that many challenges remain to be addressed in the field of development, particularly in the aftermath of the Millennium Development Goals, to continue the fight against poverty and for sustainability, also at the environmental level.

Cooperatives are in a special position to address these issues, as they are both companies and part of civil society. With that view, a good policy framework is important, but not sufficient, and must be backed by action on the ground.

To showcase this operational work, an Online Platform was recently launched by Cooperatives Europe. It is a tool that displays concrete projects and initiatives undertaken all around the world by members of the Cooperatives Europe Development Platform



(CEDP). An overview of the website reveals that there are more than 77 countries with projects, around 650 local partners, and 425 total projects. The key idea is to avoid duplication, enhance synergies and partnerships, and the pooling of resources together.

The audience was encouraged to check the website at:  
<http://coopseurope.coop/development/>

### **Presentation of Cooperatives in Africa** **Sifa Chiyoge, Director of ICA Africa.**

As projects are not distributed equally amongst the 54 African countries, the Development Platform is considered a much-needed innovation, which can be used for consultation and to foster joint initiatives.

This is especially important given the current trend towards channelling more funding at country-level. In that context, some local cooperatives are not yet competitive enough and might use assistance from Europe on how to answer the calls for proposals launched by the EU.

Moreover, Sifa Chiyoge highlighted that doing business for development is really in the DNA of cooperatives, given their people-centred nature. The diversity of the cooperative sector, in terms of sizes and forms, is also an asset.

Finally, supporting initiatives from the EU institutions are very welcomed, in particular the Policy Forum on Development and its beneficial combination of different constituencies, as well as the recent organisation in Nairobi of a multi-stakeholders meeting (including CSOs, Local Authorities, etc.), facilitated by the European Commission.

**These presentations were followed by a short Q&A session.**

This granted a first participant with the opportunity to voice a warning that the European Commission should not let his interest in promoting the private sector in Europe be harmful to the promotion of private sector in Africa.

The EC clarified that the key idea underpinning its targeted geographical or thematic programmes was to give direct responsibility to beneficiary countries, while offering them the possibility to call for external support.

### **3. Presentations of programs from the Online Platform**

Following these discussions, three cooperative programs selected from the Online Platform were presented by the organisations coordinating them.



★ **Cooperative programme in Malawi, presented by Dr Linda Shaw, Vice-Principal, Co-operative Education & Research, Co-operative College**

The presentation started with an overview of the first project, led by the Co-operative College (a UK-based organisation and CEDP member) to support cooperatives in Malawi. The project started in 2012 and is running up until 2015. It counts several key objectives:

- Improving the capacity building of cooperatives by providing training, support and mentorship to new and established cooperatives. It seeks to improve member skills and products, through sharing skills and resources and improving cooperative resilience. This system relies on a bottom-up approach, contributing to build stronger networks and strengthen the cooperative movement.
- Helping cooperatives to identify and link with markets, which also includes focusing on internal markets.
- Supporting the establishment of a national cooperative body, which is particularly important to strengthen the cooperative movement. This includes financial support to help establish better trade unions and apex bodies.

It was detailed that the project includes diverse components. For instance, Co-operative College works more specifically with a dairy cooperative, a type of organisation especially important for women in Africa (who usually own the cattle), to help them improve their skills and income. Other women groups were also trained in financial management, and other successful partnerships with coffee unions were established.

However, Linda Shaw also reminded that the project faced a number of challenges. In particular, the huge demand for training on the ground exceeds the supply available, resulting in a long waiting list. Additional problems include poor infrastructure, the need to have a better education system in which to embed cooperative training, and difficulties in ensuring sustainable funding.

★ **Cooperative programme in Latin America in the agricultural and finance sector, by Kurt Moors, BRS**

The second project presented was the CIDERURAL programme led in Peru by BRS, which builds on a partnership with the Belgian NGO SOS Faim. BRS is an organisation backed by the Cera group (a CEDP member) and KBC. Its core belief is the capacity of people to act for themselves, and its work consists in supporting intermediary organisations, in particular saving and credit cooperatives.

This project relies on a mixed membership, which includes saving and credit cooperatives, along with producers' cooperatives. CIDERURAL provides financial services and technical assistance to its members, acting as a second-degree cooperative. It highly values the training offered to its members, which is important to attract investors.



Supporting farmers' cooperatives helps them to make essential investments, for instance in facilities or road construction, and supporting saving and credit cooperatives enables them to finance their members (including farmers, inhabitants of rural areas...).

Kurt Moors explained that the purpose is to help cooperatives be recognised as viable business models, to provide financing to rural areas and break their isolation, to bring different types of organisations together... The ultimate goal is also to make these cooperatives self-sufficient.

This programme builds on exchanges between staff from the KBC bank and staff from Peru. It also includes the management of special funds, for instance a fair trade fund.

★ **Cooperative programme in Africa in the value-chain and retail sector, by Brian Sønderby Sundstrup, Senior CSR Advisor at Coop Denmark**

The third and last project presented was the Savannah programme, led by Coop Denmark in Africa. Coop Denmark is a member of Euro Coop, which is the European association of consumer cooperatives and a member of the CEDP.

The presentation started with an overview of the Danish context, where consumer cooperatives (i.e. cooperatives owned by the consumers) count 400 shops and 5 million members. The representation of African products is inexistent in Denmark, as the continent is not seen as a potential commercial partner or products producer (despite actually being a major global agricultural producer). Therefore, this project aims at changing the way Africa is considered, and the way business is done. In particular, it aims to link the perception of African goods with the notion of excellent, very high-quality goods.

It led to the creation of the Savannah brand, which promotes top-of-the-range goods coming from Africa. Through this initiative, Coop Denmark aims at helping producers to answer their demands, and stimulate the market in Denmark. It seeks to improve value chain relationships, access to market, and sustainable production. With this view, the programme provides training for local providers on issues such as food production methods, pesticide reduction, and others, and truly working in partnership with them.

Brian Sundstrup explained that the challenges faced by the programme included, among others, the prevention of child labour in Ghana's chocolate production, the need to ensure a sustainable meat production and to address the problem of unused land for farmers. More generally, there is also a need to change how the relation with suppliers is viewed, to make it less unbalanced.

The cooperative thinking is central in this programme, and is reflected by its ambition to give back to society.



#### 4. Debate and Q&A session - Exchanges on the cooperative development approach

During the plenary discussion, the following points were highlighted:

- Cooperatives can be very helpful in providing services to people in various areas, such as childcare, schools, education – and this is also true in developing countries.
- Concerns were voiced from NGO representatives about the role of private sector in development. It was emphasised that EU businesses must be willing to work with local partners on an equal level, and share knowledge and expertise with local cooperatives.
- The potential of cooperative insurance services was also praised. Some initiatives are currently developed to strengthen it, such as the one started by ICMIF (International Cooperative and Mutual Insurance Federation), focused on sharing of experience between cooperatives and mutuals from all around the world active in that sector.
- We must make the best of the dual nature of cooperatives, which are stakeholders forming part of both civil society and the private sector.
- The need to change mindsets was also evidenced; in particular to ensure that presumed “win-win situations” do not become one-sided. The key goal is to establish a balanced relationship between EU businesses and local partners, in which the latter are economically involved, and in which money is injected in initiatives from the ground.
- There is also a growing need to build long-term relationship with suppliers, which are inexistent for now. As African countries are increasingly producing for themselves, this might improve the situation.
- Broader reflections were made on cooperative development in Africa, stressing the impact of past trends - such as colonial, governmental, or NGO-sponsored cooperatives - on today’s cooperative model.
- More generally, it was advocated that there is a need for small and big cooperative businesses in Africa, even if multinationals undertaking ‘private sector in development’ initiatives could fear the competition of big cooperatives, instead of simply dealing with production supplies.
- It was reminded that cooperatives need a level-playing field concerning the legal frame and a beneficial policy environment, setting a flexible system in which they can adapt. The hurdle constituted by old-fashioned, complex, or exceedingly constraining legal arrangements can result in organisations acting like cooperatives but being unable to officially become ones. This problem exists both in Europe and in partner countries.
- It remains very important to use, and build upon, the experience from cooperatives to address common issues.



- Finally, we need to remember that the main motivation for people to become members of a cooperative is to improve their living conditions – this has to be kept at the heart of all our actions.

#### **5. Wrapping up and conclusions, Todor Ivanov, Secretary General of Euro Coop**

Todor Ivanov thanked all participants and the public for the active and constructive participation. He highlighted that the “Cooperatives in Development” platform shows the true nature of cooperatives, made by the people and for the people. The main message to remember is that cooperatives care and act.

Building on this, cooperatives must work closer together, retain the support of EU institutions (such as the European Commission, the European Parliament...), and capitalise on the 2015 European Year for Development, always highlighting the specificities and assets of their model.

Cooperatives are not charity organisations but their business model is people-centred and based on members’ empowerment. One of the key issues in development initiatives is to ensure continuity after the closure of a project, which is often challenging. Cooperative projects are different in that: they are peer-to-peer, and established to stay. They promote long-lasting development, for instance through integrated value chains and, most importantly, they are about pride and dignity for local people.

The event was closed at 5.30 pm, and followed by a networking cocktail.  
Brussels, 28 January 2015

