# Coop<sup>Africa</sup> Working Paper

# IMPACT ASSESSMENT OF THE $Coop^{Africa}$ PROGRAMME 2008-2010

BASED UPON A LONGITUDINAL SURVEY IN FOUR AFRICAN COUNTRIES: ETHIOPIA, KENYA, LESOTHO AND TANZANIA

# **REPORT**

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# **Contents**

List (	of acronyms	3
	owledgement	5
Abou	it the author	5
Exec	utive summary	6
1.	Introduction	8
1.1	The Cooperative facility for Africa	8
1.2	Impact Assessment: design and methodology	9
1.2.1	What is impact in the context of the $Coop^{Africa}$ programme?	9
1.2.2	How to assess impact and outcome?	11
1.2.3	The methodology used for this assessment	12
2.	Assessment of the impact of the ILO- CoopAfrica	
	programme at local and national levels	15
2.1	Type of interventions	15
2.2	Outcome and impact	15
2.2.1	The extent of the cooperative sector	15
2.2.2	The Cooperative movement: structure and institutions	17
2.2.3	Cooperative education	18
2.2.4	The role of the government	20
2.2.5	Donors and external partners	21
2.2.6	Significance of the cooperative movement for policy and	21
2.2.7	development issues Direct effects from concrete interventions	21 24
3.		24
3.	Assessment of the impact of the ILO- CoopAfrica	27
2 1	programme at regional and sub-regional level	27
3.1	Type of interventions at regional and sub-regional level	27
3.2	Outcome of interventions at regional and sub-regional level	27
3.2.1	Cooperatives featuring in regional African policy acts	27
3.2.2	Establishing synergy: enhancing the effectiveness of programmes of the ILO and other agencies by linking them to cooperatives	28
4.	Conclusions	33
<b>4.</b> 1	$Coop^{Africa}$ 's impact at macro-level: stronger movements	33
4.2	$Coop^{Africa}$ 's indirect impact at the level of policy issues	33
	Confermal statement at the level of policy issues	33
4.3	Coop <sup>Africa</sup> 's impact at micro-level: new dynamics, but	2.4
4 4	sustainable?	34
4.4	Coop <sup>Africa</sup> 's impact at meta-level: inducing long-term	<b>.</b> .
	international partners	34
4.5	Overall conclusion and recommendation	35
Sour	ces	36

# List of acronyms

ACCOSCA African Confederation of Cooperative Saving and Credit Associations ACDI/VOCA Agricultural Cooperative Development International / Volunteers in

Overseas Cooperative Assistance (USA)

AGFUND Arab Gulf Program for Development

ASSP Agricultural Services Support Programme (Zanzibar)

AU African Union

BEEP Biodiversity Environment Education Project (Tanzania)

CAK Cooperative Alliance of Kenya

CC Cooperative College

CCA Canadian Co-operative Association
CETU Confederation of Ethiopian Trade Unions
CHF Cooperative Housing Federation (USA)
CIC Cooperative Insurance Company (Kenya)

CISP Center for Informal Sector Promotion (Tanzania)

COTU Central of Trade Unions (Uganda) CUZA Cooperative Union of Zanzibar

DFID Department for International Development (UK)
DGRV Deutscher Genossenschafts- und Raiffeisenverband

DWCP Decent Work Country Programme

EAC East Africa Community EMP/COOP Cooperative branch of ILO

EU European Union

FAO Food and Agriculture Organization FCA Federal Cooperative Agency (Ethiopia)

GTZ Gesellschaft für Technische Zusammenarbeit (Germany)
HIVA Research Institute for Labour and Society (Belgium)
IFAD International Fund for Agriculture Development

ICA International Cooperative Alliance
ILO International Labour Organization

IPEC International Programme for Elimination of Child Labour

ITUC International Trade Union Confederation
JCCU Japanese Consumers Cooperative Union
JICA Japan International Cooperation Agency

JP Joint Programme

KERUSSU Kenya Rural Savings and Credit Societies Union KNFC Kenya National Federation of Cooperatives KUSCCO Kenya Union of Saving and Credit Cooperatives

MFI Micro-Finance Institution

MUCCOBS Moshi University College of Cooperative and Business Studies

NACHU National Cooperatives Housing Union (Kenya) NAG National Advisory Group (COOPAfrica)

OECD Organisation for Economic Cooperation and Development

OVOP One Village One Product

PASDEP Plan for Accelerated and Sustained Development to End Poverty

(Ethiopia)

RUFIP Rural Finance Intermediation Programme (Ethiopia)

SCCULT Savings and Credit Cooperatives Union League of Tanzania

SACCO Saving and Credit Cooperative SCC Swedish Cooperative Centre

SIDA Swedish International Development Agency

SIDO Small Industries Development Organization (Tanzania)

SSEEO Social and Solidarity Economy Enterprises and Organizations

TFC Tanzania Federation of Cooperatives
TTCA Tanzania Tobacco Cooperative Apex
TUCTA Trade Union Congress of Tanzania
TVE Technical and Vocational Education
UKCC United Kingdom Cooperative College

UN United Nations

UNDAP United Nations Development Assistance Plan

UNDP United Nations Development Program

UNIDO United Nations Industrial Development Organization USAID United States Agency for International Development

WOCCU World Council of Credit Unions

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#### About the author

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# **Executive summary**

The  $Coop^{Africa}$  programme was given a three year period (2008-2010) and an all things considered limited budget of just 10 million U\$ to mobilize the cooperative self-help mechanism and strengthen the cooperative movements in 9 African countries. The hind-laying objective was that through cooperatives some important policy gols could better be achieved, such as creating jobs and generating income for the poor layers in society, reducing poverty in general, providing social protection and giving people a voice in society. Other issues like gender equality, HIV-AIDS impact mitigation and environmental awareness were also among the set goals.

Coop<sup>Africa</sup>'s task therefore has to be understood as a causal chain: to find methods to strengthen cooperatives in order to enable them to tackle the issue-related challenges listed above. It took on this ambitious proposition by using triggering and leverage mechanisms and working through existing structures. Coop<sup>Africa</sup> has to that end combined different approaches: direct support, match-making with competence centres, a demand-lead approach through a challenge fund mechanism, and lobbying, advocacy and networking in order to bring cooperatives in the sights of international agencies and policy makers.

This impact assessment study has employed a broad definition of impact, being a combination of

- changes in people's lives to which the intervention has contributed (impact in the strictest sense);
- changes in regulations and institutions which have direct repercussions on the lives of the beneficiary group (institutional impact); and
- human and institutional dynamics set in motion through concrete interventions (outcome).

In order to carry out the assessment in a methodologically sound way, we have used a combination of documentary study and field research in four countries: Ethiopia, Kenya, Lesotho and Tanzania. The field research comprised a series of interviews with key stakeholders in order to establish a before-and-after comparison, as well as visits to concrete projects set up by grants from *Coop*<sup>Africa</sup>, s Challenge Fund.

It was found that in the countries studied, cooperative movements are expanding and that  $Coop^{Africa}$  has contributed to that.  $Coop^{Africa}$  has also successfully strengthened a number of movement structures (apex, federation, unions...) by involving them in  $Coop^{Africa}$ 's focal points and National Advisory Committees in the different countries. Visibility of the cooperative movements, however, remains still at a low level, resulting in a poor presence of cooperatives at decision-making forums.  $Coop^{Africa}$  has also tried to strengthen the Cooperative Colleges and direct them more to the needs of the primary societies. This proved to be altogether a difficult proposition, as the outcomes of a UK Cooperative College study, suggesting innovations and redirections, collided with financial constraints of the Colleges. As the governmental cooperative department is in practice often the only reference point for cooperatives in rural areas, strengthening these departments (as happened for example in Ethiopia, Lesotho and Zanzibar) has shown to hold significant leverage effects to primary societies and their members. In both Lesotho and Zanzibar,  $Coop^{Africa}$  has also contributed to review the current legislation.

Whether the expansion and strengthening of cooperative movements between 2008 and 2010 did result in a stronger significance in the domains of employment, social protection, gender equality, HIV-AIDS impact mitigation etc. is of course a highly

speculative matter. The impact of  $Coop^{Africa}$ 's interventions in these cannot be but an indirect one. Anyway, employment in and through cooperatives is rising. Coop<sup>Africa</sup> has also shown that campaigns and specific actions can lead to an increase of female participation in unions and cooperatives. As for HIV-AIDS impact mitigation, Coop Africa went into great efforts to link cooperative movement institutions with campaigning international agencies. That said, campaigning for this issue comes as a lengthy process as it is not considered a priority for most of the primary cooperatives. Through the Challenge Fund mechanism,  $Coop^{Africa}$  aimed for innovative cooperative ventures through concrete projects, with the potential of sorting direct impact, as well as impact through its demonstrative effect. Guided by a closely monitoring process and a thorough institutional set-up in the target countries, this mechanism worked out remarkably well. Projects included the combination of technical innovation with a network approach (e.g. Dundiliza, Tanzania), investments in order to improve the sustainability of diary farming (Kenya), inducing new activities or diversification (various projects) and still other types. The quick and positive impact proved very much in evidence as for production, employment, access to goods and services, standard of living, but also togetherness and solidarity, and therefore social protection. On a more critical note however, one can question the sustainability of initiatives like these once the funding and the close monitoring would disappear.

Besides aiming for direct impact at micro-level,  $Coop^{Africa}$  also sought to maximize its effectiveness by bringing cooperatives in the picture of political bodies, international agencies and established development actors. The impact of this can only be felt after a certain time which largely exceeds the three year programme period. However, it will affect large groups of the population and is therefore a highly defendable approach. The potential of  $Coop^{Africa}$  and – through  $Coop^{Africa}$ 's promotion and metworking - of cooperatives in general has not escaped the eyes of the African Union, the East African Community and the ILO's Global Jobs Pact. Other than that,  $Coop^{Africa}$  has established quite some synergetic set-ups by linking development programmes of international agencies to cooperatives. This has been the case for decent work and social dialogue, but also for gender equality, child labour, social economy, HIV-AIDS prevention and impact mitigation, and also for the programmes of One UN, bilateral donors (such as JICA, AGFUND and SIDA) and many cooperative agencies from the North (CHF, DGRV a.o.).

The overall conclusion of this assessment study is that  $Coop^{Africa}$ , by diversifying its approaches, deploying triggering and leverage mechanisms, matching supply and demand and working through existing structures has certainly made a significant impact on the growth and the strengthening of the African cooperative movements. Therefore  $Coop^{Africa}$  has also had a positive – be it indirect – impact on the policy issues to which cooperatives can contribute, such as employment, social protection or poverty reduction. By consequence, the recommendation on the basis of this assessment is that the  $Coop^{Africa}$  programme should be extended, again focussing on a well selected set of countries where collaboration of both government and movement is ascertained on beforehand. At the same time  $Coop^{Africa}$  should take lessons of the 2008-2010 programme period in terms of channelling its efforts to those approaches and sectors that have proven the most efficient and reducing the other ones.

#### 1. Introduction

# 1.1. The Cooperative facility for Africa

Launched on 2nd October 2007, the *Cooperative Facility for Africa - Coop* <sup>Africa</sup> - is a regional technical cooperation programme of the Cooperative Programme of the ILO (EMP/COOP), decentralized to the ILO Office in Dar-es-Salaam, Tanzania. The *Coop* <sup>Africa</sup> programme is based on an ILO preliminary research project - Research for a Cooperative Facility for Africa, undertaken in Africa (Develtere et alt., 2008). The research undertaken revealed that cooperatives in Africa are about to enter a phase of "renaissance", but need a favourable legal and institutional environment, greater visibility, a stronger voice, further diversification, improved governance, better management, and solid horizontal networks and vertical structures, in order to make this a reality.

Based on these findings, and with funding from the UK Department for International Development (DFID) among others, the ILO has launched the  $Coop^{Africa}$  programme.  $Coop^{Africa}$  pursues the overarching goal of mobilizing the cooperative self-help mechanism in order to improve the governance, efficiency and performance of the cooperative sector, so that they may strengthen their capacity to create jobs, access markets, generate income, reduce poverty, provide social protection and give people a voice in society.  $Coop^{Africa}$  wants to build on the evidence that cooperatives in Africa have the potential to address a number of problems, in particular, the lack of decent work in the urban informal economy, access to global regional and national markets for small producers (particularly farmers), and the lack of social protection for vulnerable groups.  $Coop^{Africa}$  supports the cooperative sector in Africa through the following key elements:

- Establishing an enabling legal and policy environment;
- Support services through centers of competence;
- Promotion of effective coordinating structures;
- Challenge Fund for innovative cooperative ventures, training and services.

To multiply and strengthen its effectiveness,  $Coop^{Africa}$  is developed from a group of core countries, pilots new tools, and promotes knowledge sharing.  $Coop^{Africa}$  adopts a participatory model, and seeks to develop its services through a supply driven as well as a demand driven approach (Challenge Fund).  $Coop^{Africa}$  also provides support and advice to international multi- and bi-lateral development partners working in Africa.

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<sup>&</sup>lt;sup>1</sup> Ethiopia, Kenya, Tanzania, Uganda, Rwanda, Zambia, Botswana, Lesotho and Swaziland.

# 1.2. Impact Assessment: design and methodology

Within the overall aim of providing evidence-based assessment of impact of  $Coop^{Africa}$ , s interventions, the Research Institute for Labour and Society (HIVA), of the University of Leuven in Belgium has been contracted by ILO to develop and implement an impact assessment methodology. This impact assessment takes the form of a longitudinal study with a baseline study (2008) and an impact measurement properly (2010).

The baseline study has provided indications of the state of cooperatives, the cooperative movement and the significance of cooperatives to relevant policy issues in the various participating countries and in the region at large. These findings are at avail under the form of a series of  $Coop^{Africa}$  Working Papers (per country and at aggregated level)<sup>2</sup>. All of them can be consulted through the  $Coop^{Africa}$  website.

While adjusting the methodology for the current measurement, it was found that both the concept and the application of impact assessment needed clarifying. We therefore have to be clear on three questions:

- What do we consider to be 'impact'?
- How can we assess impact (manner, subject)?
- How would this assessment be carried out in practical terms?

# 1.2.1. What is impact in the context of the $Coop^{Africa}$ programme?

There is a vast amount of literature available on impact in the context of development cooperation. However definitions vary and none of them can claim the status of overall acceptance or ultimate authority.

- IFAD<sup>3</sup>, for instance describes impact as the changes in the lives of rural people, as perceived by them and their partners at the time of evaluation, plus sustainability-enhancing change in their environment to which the project has contributed. Impact is juxtaposed with other concepts like effect, output and outcome, the latter defined as 'the results achieved at the level of the 'purpose' in the objectives hierarchy'.
- DFID<sup>4</sup> sticks with the definition 'changes attributable to the project', with the recommendation to consider different types of impact as experienced by different groups (purpose or goal-level; short-term or long-term (i.e. within or outside the project lifetime); positive and negative; planned and unplanned; technical, institutional, economic, social and cultural, and environmental). DFID further sees 'effects' as corresponding with 'impacts', output as deliverable or result, and outcome as a generic term combining outputs and impacts.

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<sup>&</sup>lt;sup>2</sup> Pollet I. (2009), Cooperatives in Africa: The Age of Reconstruction – Synthesis of a Survey in Nine African Countries, COOPAfrica Working Paper n°7, ILO, Dar-es-Salam – Geneva.

www.ifad.org/evaluation/guide/annexa/a.htm

www.dfid.gov.uk/aboutdfid/files/glossary i.htm

- In its own glossary, the OECD<sup>5</sup> defines impacts as the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended. Outcome is referred to as 'the likely or achieved short-term and medium-term effects of an intervention's outputs.
- The EU and Europeaid<sup>6</sup> use a different set of definitions. Impact is 'a generic term used to describe the effects of an intervention on society, while outcome is 'the longer-term impact usually expressed in terms of broad socio-economic consequences.

These are only a few of available definitions. It seems that the key elements of impact where upon nearly all sources agree are significant changes and the causal link with the intervention. Then again, both elements give room for interpretation. For changes, the time and the level may need to be specified. As the impact is meant to be lasting, many prefer to see impact as the long-term effect. And as development is meant to improve people's lives, the level will often be the one of the beneficiary population. The causal link can be expressed in terms of attribution ('sine qua non') or contribution (the intervention as one of the multiple causes). Since the proposed chain of causes between intervention and 'impact at population level' is often a complicated one and composed of many sub-links, the level may be broadened to e.g. a regulatory or institutional framework. This however may again be criticized as the impact then would hugely resemble the concrete outputs of the project. Another risk is that, for want of justification vis-à-vis the ultimate donor of the project, the definition of impact is affected by the practical possibility to verify it. A too strict definition would implicate that verification at beneficiary level can only take place a few years after an intervention has been executed, with then holding the risk that the eventual observed change cannot be attributed to the intervention, as a result of contamination by other events or interventions

Another way to look at impact is to focus upon the probability of impact, by using process indicators, i.e. indicators derived from similar experiences in the past where a certain approach was successful.

With these reflections in mind, we have proposed to consider as impact a combination of (a) impact in the strict sense, i.e. at beneficiary level, (b) impact in the institutional sense, i.e. changes at institutional level with direct repercussions at beneficiary level, and (c) outcome of induced interventions.

Impact in the strict sense largely corresponds with the IFAD/DFID/OECD connotation: the (lasting) changes in people's lives to which the intervention has contributed. Since this assessment takes place even before the intervention (the  $Coop^{Africa}$  programme) has been entirely finished, it is simply not possible to state any changes at that level, let alone 'lasting changes'. Because we absolutely want to avoid the vocabulary of 'potential changes', 'possible changes', 'hypothetical changes' and the likes, we must broaden our level of observed changes from the beneficiary group to the level of rules, regulations and institutions which have a direct repercussion on the lives of the beneficiary group. So, we will further speak of impact at beneficiary

<sup>&</sup>lt;sup>5</sup> OECD Development Aid Committee – Working Party on Aid Evaluation (2002), *Glossary of Keyterms in Evaluation and Results-based Management*, OECD, Paris.

<sup>&</sup>lt;sup>6</sup> ec.europa.eu/europeaid/evaluation/methodology/glossary/glo en.htm

level and impact at institutional level. The latter is no less strict a criterion, as it also requires hard evidence for the 'direct repercussion' and the attribution of the institutional or regulation change to the intervention.

The concept of outcome comes in a different logic. Outcome starts from the interventions themselves, carried out under the overarching purpose of the programme. The intervention activities are meant to deliver the results as stipulated in the logical framework, but at the same time they lead to a chain of activities, events and motions which cannot possibly be planned in a logical framework. A logical framework goes for the safety of what can be achieved (the outputs), while many of the consequences of activities are open-ended (the outcome). We therefore will pick up these dynamics set in motion as a part of the impact.

#### 1.2.2. How to assess impact and outcome?

Following the above descriptions, impact can be verified in two manners.

The first manner – tagging impact in the strict sense - is to assess a situation before and after an intervention, compare for the changes and check whether those changes are due to the intervention. The orthodoxy requires that for such measurement, one also need control groups which were not in the intervention target zone. In practice, control groups are often omitted due to financial constraints.

The second manner – tagging outcome - looks at the direct environment (area, institution, sector...) that the intervention was targeting and subsequently tries to find out where the intervention has been leading to.

In this impact assessment of  $Coop^{Africa}$ , it was decided to combine both methods. For a number of set parameters (extent of the cooperative sector, functioning support structures, adapted legislation...), the before-and-after comparison has been used. But since a large part of  $Coop^{Africa}$ 's programme holds a number of dispersed interventions and demand-driven hence unpredictable interventions (e.g. linked to the Challenge Fund, and the identification of Centres of Competence), the outcome method has been be used as well.

A somehow complicating factor is that  $Coop^{Africa}$ 's programme was and is to tackle two sets of objectives simultaneously:

- To strengthen African cooperatives and the African cooperative movements
- To have cooperatives carrying out genuine development programmes (in the sectors of employment, poverty reduction, social protection, voicing, gender equality, child labour, HIV-AIDS mitigation etc.)

While having a stronger, more integrated and larger cooperative sector certainly counts as an impact domain in its own right, the hind-laying rationale is that cooperatives would be a sound instrument to carry out 'real' development programmes.  $Coop^{Africa}$  was therefore not just to strengthen cooperatives (and working on legislation, governmental policy, movement structures etc.) but also to become a match-maker between African cooperatives and various kinds of development programmes (launched by UN, ILO and a whole array of donors).

*Coop* Africa's performance is not the subject of this impact assessment. But to put things in perspective, we cannot overlook the three constraints under which Coop had to operate: a short period of just three years, a small staff, and a relatively modest budget

(approx.10 million U\$ for 9 countries).  $Coop^{Africa}$  has responded to these challenges by reducing its direct interventions to a minimum and looking for demand-driven mechanisms, investing in existing structures, identifying and supporting centres of competence, and matching cooperatives to other development programmes.

To grasp the complicated task of  $Coop^{Africa}$  in combination with our fore laying task assess the impact, we have unpacked it into the different types of interventions and tied them to the expected types of impact in the following table:

*Table 1 – Interventions and benefits* 

Intervention	Subject of	Type of	Level of	Who benefits	Who benefits	Contributio	n
of COOP- Africa <sup>7</sup>	the intervention	the inter- vention	inter- vention	immediately?	in the long run?	Coop <sup>Africa</sup> the impact	to
Challenge Fund	Primary societies & service providers	Demand- lead	Micro level	Cooperative members Primary societies	Primary Sty Coop members Local community	Direct entirely	&
Centres of Competence	Movement structures, colleges	Match- making & capacity building	Meso- level	Support institutions	Primary societies Coop members	Direct partial	&
Direct support	Governmental institutes (legislation, coop policy)	Supply- lead (research- based)	Macro- level	Governmental institutions	Primary societies Coop members	Indirect entirely	&
Cooperatives in political agenda	International policy makers (AU, EAC, ILO)	Lobbying	Meta- level		Cooperative movements Primary societies Coop members	Indirect partial	&
Channelling other actions toward coops	Partner agencies (SCC, FAO, DGRV, etc.)	Networking & partnering	Meta- level	(target of partner programme)	Primary societies Coop members	Indirect partial	&

#### 1.2.3. The methodology used for this assessment

The methodological challenge was to translate the above intervention-impact matrix into a workable data collection framework.

Budget and time constraints obliged to separate the analysis at micro/meso/macro level with the analysis at meta level. The analysis at micro/meso/macro level is in principle to be done for each of the countries where  $Coop^{Africa}$  has intervened. However, for practical reasons, the analysis was limited to Ethiopia, Kenya, Tanzania (mainland) and Lesotho. For each of those four countries, a specialized consultant was assigned to carry out the field work (interviews and documents) and produce a report. At meta-level, the analysis was done on a documents-only basis.

<sup>&</sup>lt;sup>7</sup> Dividing COOPAfrica's task into five types of intervention is a logic we have followed for the purpose of this assessment exercise. It does not reflect COOPAfrica's own logical framework. For knowing the exact activities of each type of intervention, the COOPAfrica Progress Reports of 2008, 2009 and 2010 should be consulted. Note that for each type of intervention both the outcome and the impact 'in the strict sense' are to be assessed.

The four consultants recruited to carry out the field studies received an extensive briefing in Dar-es-Salaam on October 14<sup>th</sup>-15<sup>th</sup> 2010. Three of the four coordinated the earlier *Coop*<sup>Africa</sup> baseline study in their country and all of them know the cooperative sector quite well.

The field studies consisted of a systematic comparison of a set number of parameters, basically about:

- The extent and the institutional landscape of the cooperative sector
- The membership profile
- The capacity of the apex body and support institutions (federations and college)
- The legislation and the governmental policy towards cooperatives
- The involvement of cooperatives in national policy
- The involvement of external partners (donors)
- The significance of cooperatives for creating employment, generating income and reducing poverty
- The significance of cooperatives for providing social protection, for giving voice and for other policies and issues (gender, HIV-AIDS, environment, etc.)

On top of that, the consultants were expected to map the effects of a number of selected interventions. These interventions (called 'research labs' in the briefing notes) were chosen on the basis of the following criteria:

- The occurrence of a sufficiently significant field intervention
- The sufficient duration of the intervention (i.e. project that started longer than one year ago)
- The representativeness of the selected interventions across the region (i.e not all research labs being focused on only one type of coop or one economic sector)
- The diversity of cooperative stakeholders involved (primary, union, college...)
- The institutional partnership (eg. within ONE UN or between primary & Centre of Competence)

This lead to a list of 7 research labs:

#### In Tanzania

- 1) Ona Mbele & Ungalipo projects (Coop<sup>Africa</sup> & JP5 projects)
- 2) SACCOs sector: Dunduliza, CISP and TUCTA projects to support access to microfinance

#### In Lesotho

- 1) Cooperative education: support to the cooperative college
- 2) Legal framework: support to the policy and legal framework

#### In Ethiopia

- 1) Joshua multipurpose coop
- 2) Addis Abeba savings and credit union

#### In Kenya

1) Dairy sector: Only one research lab organised around 4 to 5 field projects: Meru, Limuru, Kabisi, Watuka (OVOP) & Wamunya (tbc).

During the briefing the consultants were given all relevant documents and a list of contacts coordinates.

The field work took place between October 18<sup>th</sup> and November 15<sup>th</sup>. The field trips were subsequently analyzed and brought into this report during the second half of November 2010.

The briefing documents and the methodological guide at included in a separate annex available through  $Coop^{Africa}$ .

# 2. Assessment of the impact of the ILO- Coop<sup>Africa</sup> programme at local and national levels

This chapter summarizes the findings about  $Coop^{Africa}$ ,'s outcome and impact which are gathered through field studies in four countries: Ethiopia, Kenya, Lesotho and Tanzania. However, other countries (Uganda, Rwanda, Zambia, Botswana, Swaziland) were also part of the area covered by the  $Coop^{Africa}$  programme. On top of that,  $Coop^{Africa}$  has also taken the opportunities to support or promote cooperatives in other countries, notably in West-Africa (e.g. Benin) and Southern Africa (e.g. Mozambique).

This means that these findings are not covering all of  $Coop^{Africa}$ 's interventions and subsequent outcomes, and that therefore this chapter should be read as a most significant sample of what a programme like  $Coop^{Africa}$  is able to change or to set in motion.

# 2.1. Type of interventions

Given the time and budgetary constraints,  $Coop^{Africa}$  had right from the start decided to work indirectly, through trigger mechanisms and through existing structures. At local and national levels, the programme grossly consisted of three types of

At local and national levels, the programme grossly consisted of three types of interventions:

- Direct support: technical assistance to Department of Cooperatives, apexbodies, Cooperative Colleges, either by ILO-staff assigned to the *Coop*<sup>Africa</sup> programme or by experts hired in for the occasion
- Match-making: linking primary societies, secondary cooperatives or movement institutions to relevant donors, programmes or centres of competence
- Challenge Fund: enabling cooperatives to obtain financial support for innovative ventures, training or services.

As said above, it is still early days to expect to find much impact in the strictest sense - i.e. at population level - appearing in the statistics. However, we may expect to find impact at population level when using the looking glass in those settings where the Challenge Fund has been deployed. Also, we may expect to find institutional impact, that is: changes at institutional level holding direct repercussions for the constituencies. And we may certainly expect to see relevant outcomes of  $Coop^{Africa}$ 's interventions, i.e. dynamics set in motion which would eventually lead to changes in people's lives.

# 2.2. Outcome and impact

#### 2.2.1. The extent of the cooperative sector

In a first round-up, we draw the figures indicating the size and the shape of the cooperative movements, and the changes in these since 2008 in the four countries.

*Table 2 – Figures on the changes in the cooperative movements 2008-2010* 

	Ethiopia		Kenya		Tanzania		Lesotho	
	2008	2010	2008	2010	2008	2010	2008	2010
N° of coops	23167	34829	11635	12829	8597	9260	1900	1300
							(950)	
N° of coop	4.6 mio	5.6 mio	8.5 mio	9.0 mio	1.6	2.1		43343
members					mio	mio		
Members % of	5.9%	6.8%	22.6%	23.1%	3.9%	5.1%		2.1%
pop.								
Newly registered								
coops								
- 2006-7	4021		669		1569			
- 2009-10		7774		1286		740		67
N° of SACCOs	6260	8220	5122	6004	4780	5370		84
			(3520)	(4342)				
N° of female		17.7%				42.5%		59.4%
members						(Sacco)		

(source: authors' own figures)

#### To situate these figures:

- For Tanzania, only the mainland figures were considered (not Zanzibar)
- For the number of cooperatives, the reference is the registrar, except for the case of Lesotho, where the newly installed Cooperative Data Analysis System is the reference
- The number of cooperatives is therefore overestimated, due to the lacking of a deregistration system. For Lesotho, the number of cooperatives estimated active are given between brackets (for 2008) and for Kenya, the number of SACCOs estimated active are given between brackets
- People may be a member of different cooperatives at the same time, whence the total population covered under cooperatives will be lower than the official number of members

The tendency of the figures, however, is upward in all the cases. It would only be fair to say that  $Coop^{Africa}$  contributed to this, be it in different ways for the different countries:

- In Ethiopia, COOPAfrica assisted to the induction of movement structures (regional and national federations) who have an interest in increasing the presence of cooperatives all over the country, and in integrating them in value chain improvement measures;
- In Kenya, the defunct apex-body was replaced by a new one, who was to become COOPAfrica's focal point and therefore greatly capacitated for leverage, value addition and networking with donors. *Coop*<sup>Africa</sup> also contributed to the SACCO legislation;
- In Tanzania, the most significant direct input by  $Coop^{Africa}$  was the review of the policy formulation and legislation in Zanzibar, all though the mainland cooperatives benefitted from  $Coop^{Africa}$ 's proximity as for the Challenge Fund grants (e.g. Dunduliza system) and the linking up with other donors and programmes (synergetic role of  $Coop^{Africa}$ );
- In Lesotho, *Coop*<sup>Africa</sup> reviewed the policy and legislative framework and recapacitated the Cooperative College

- Challenge Fund projects in all countries proved a trigger for cooperatives 'attractiveness, expansion and duplication

These contributions are dealt with further in this document. The expansion of the cooperative sector was not their sole consequence, as they were meant in the first place to make the cooperative movement more sustainable and more effective, so that cooperatives could be of a greater significance for employment, social protection, poverty reduction, gender equality and other important issues.

Other important findings include that the relative share of SACCOs is increasing among cooperatives, which enhances the overall investment opportunities and which surely makes more people benefit from the most elementary social protection (constituted through savings). Finally, scattered signs that the female presence is on the rise in cooperatives still need to be corroborated. Typically, in a country like Lesotho cooperatives are more female-oriented due to the fact that many men are employed in South African mines. Other figures from Lesotho indicate that cooperatives tend to have percentagewise more members amongst the older generations, though the huge numbers of new cooperatives in e.g. Tanzania or Ethiopia may change this pattern. Finally, it should again be underlined that nearly all cooperatives encountered in the countries studied have been created for delivering services (common purchase, stocking, marketing, credit etc.) for groups of self-employed members. Producers cooperatives are as good as absent in these parts of Africa.

#### 2.2.2. The Cooperative movement: structure and institutions

The cooperative movement of a country is usually made visible by its confederation, federations or apex-body, its support structures and the promotional institution of cooperatives in related government policy domains. When a movement is well structured and its institutions well functioning, cooperatives will be easier to reach and to convince to carry out social policies. At the same time, they will find it more forthcoming to reveal worries and wishes of the members. Therefore,  $Coop^{Africa}$  has chosen to invest in movement structures wherever possible.

In Kenya and Tanzania, the movement was and is functionally structured according to four tiers: primary societies, local (secondary) cooperative unions, federations organized at the basis of trades or products, and a confederative apex body. Though this has over the years proved a sound model, the working of the apex bodies has deteriorated to a point they lost their legitimacy, both inside and outside the cooperative movement. The old defunct Kenya National Federation of Cooperatives (KNFC) was declared bankrupt by December 2009 and subsequently replaced by the Cooperative Alliance of Kenya (CAK). The Tanzania Federation of Cooperatives (TFC) had a low profile, compared to other federations like the SCCULT (SACCO federation). The installation of the  $Coop^{Africa}$  network crossroads in Tanzania like the National Advisory Committee and the Focal Point, as well as the distribution of training packages brought the TFC back in the picture.

In Lesotho, a three-tier structure is in the making, as the long time defunct Coop Lesotho is in a resurging process. Four sector-specific apexes are also yet to be established. This means that Lesotho's small cooperative movement is still without proper structures.

The Ethiopian situation is particular, as until now the governmental Federal Cooperative Agency (FCA) assumed the role of apex.  $Coop^{Africa}$  however organized an exposure visit for FCA to other East African countries in order to convince them into allowing proper federations and a genuine movement apex. This worked out positive in the sense that at regional level (sub-national), federations are developed to scale up union operations. Plans include establishing federations at national level for those SACCOs and grain marketing cooperatives that are not sorting under any regional federation.  $Coop^{Africa}$  looked for the more significant unions to constitute a National Advisory Group (NAG), but the NAG was hindered in its operations as the unions do not have any structural links with the primary societies in their sector.

The case of the Cooperative Alliance of Kenya shows it was a highly defendable choice of Coop<sup>Africa</sup> to include the strengthening of apex-bodies in its strategy. With a reduced staffing of just four people, CAK now enjoys much more recognition, visibility and efficiency. It also manages to raise about 1 million U\$ annually from subscriptions of its members, mostly secondary cooperatives who are motivated to pay their fee by the services they get in return. CAK added significant value to the sector of coffee producers by having registered two firms who provide essential services, namely milling and exporting. CAK also introduced ICT facilities for keeping coffee cooperatives informed on-line on prices and markets. Moreover, being the focal point of Coop<sup>Africa</sup>, allowed CAK to link up with the YESJump initiative of ILO (a challenge fund for projects with marginalized youth) and JICA's One Village One Product programme. In a way, the liquidating of the former KNFC proved a golden opportunity to start afresh. This fortunate chain of events is somehow different from the situation in Tanzania, where the TFC, though struggling, is meant to return from of its state of near-oblivion. TFC obtains the bulk of its income through renting out a part of its estate. All though visibility, recognition and services are still at a low level, TFC restored some pride through its focal point role for Coop<sup>Africa</sup>, making it a reference for matching training supply and demand.

In Kenya, the cooperative movement is most prominently represented by its mighty federations (KUSCCO, CIC, Cooperative Bank, NACHU, KERUSSU), while in Tanzania the SACCO federation SCCULT is to date the most significant institution. In Ethiopia, for lack of higher layers, one looks at the unions (secondary cooperatives) as the only potential for representation at present. However, they represent just 12.7% of the cooperatives and the cooperative members. Any policy to reach and stimulate the cooperative movement in Ethiopia will for the time being be obliged to collaborate with the government, who clearly has taken a pro-cooperative attitude. This should be acknowledged and respected, for that matter, as the unified cooperative model can never be imposed onto a country. That way, having Ethiopia and Rwanda among the  $Coop^{Africa}$  target countries proved a good test, should subsequent programmes (" $Coop^{Africa}$  II") aim to extend the target region into countries with an altogether different cooperative tradition (as is the case in francophone West-Africa).

#### 2.2.3. Cooperative education

During 2008 and at the request of *Coop*<sup>Africa</sup>, the UK Cooperative College (UKCC) carried out an analysis of the strengths and weaknesses of the Cooperative Colleges in

the different target countries (Shaw e.a., 2009). They came up with the following set of recommendations:

- Enhance stakeholdership from the Cooperative movement
- Establish a more sustained and accountable leadership/governance
- Improve the curriculum
  - o Participative learning methods
  - o Relevant and up-to-date subjects (e.g. fair trade)
  - o Bringing students closer to primary coops (field attachments & internships)
  - Develop training in outreach methods
- Ensure and increase resources
  - o Approaching donor & international community for manuals, ICT equipment...
  - o Generate income (hiring out facilities etc.)
- Enhance staff competences and involvement
- Enhance attractiveness for students (location, timing, curriculum...) and generate students interest for cooperatives
- Recruit more students with a cooperative background (members, managements as opposed to the current majority of school-leavers and governmental employees)

One of the research questions of the field study was whether these recommendations have been followed and whether the Colleges' performance has improved since.

Comparing the education offer in the four countries between 2008 and 2010 gives the following table:

*Table 3 – Cooperative colleges 2008-2010* 

	Ethiopia		Kenya		Tanzania		Lesotho	
	2008	2010	2008	2010	2008	2010	2008	2010
Providers	4 univ	Id+	CC of	Id, new	MUC-	Id, now	Les.CC	Id
	(Ambo)	FCA	Kenya	campus	COBS	Coop		
	3 TVE		_		(Moshi)	Univ.		
Staff	46	(?)	105	104	380	135	10 lect.	15 lect
	lecturers		(65 lect)	(64 lect)	(100 lect)	lect		
						(mostly		
						tutoral)		
Enrolment	779	1700	750	800	1430	2713	34	58
	(LT)	(LT)						
	+ 306	during						
	(short	2008/						
	course)	2009						
Curriculum	Long	id	Certific.	Increase	Certific	Re-	Certif	Id
	term +		Diploma	of	Diploma	viewed	Dipl	
	short		Bach.	courses	Bach		_	
					Post-gr			

(source: authors' own data)

As for the providers, nothing fundamentally has changed in the countries studied, but the Moshi based MUCCOBS now can claim the status of Africa's first cooperative university. Most institutions provide tailor-made short courses besides diploma courses (non-academic level) or Bachelor/Master courses. Enrolment generally is on the rise, as is the diversity of the curricula on offer.

Remaining bottlenecks are first of all the qualification level of the staff. Most of the staff are short of meeting the qualification standards, and the well-qualified tend to show high turnover. More attractive working conditions could retain adequately qualified staff, but the cost of this would have to be compensated by the school fees which are felt to be already stretched to the limit.

Coop<sup>Africa</sup>, following the recommendations of the UKCC study has been investing in capacity building workshops for college staff (e.g. in Ambo, and in Botswana). Other UKCC study recommendations included new training methods such as distance-learning which was successfully introduced by MUCCOBS and the Kenya Cooperative College. Temporary placements of students in cooperatives seem to be a less preferred outcome, possibly due to logistic problems. Other than that, most UKCC recommendations, such as improving the curriculums seemed hard to implement due to financial constraints.

A conclusion of the baseline study was that Cooperative Colleges were catering more for school-leavers and public servants than for a genuine 'cooperative public' (management and members). It is rather unclear to which extent this tendency has been reversed. Nevertheless, under the instigation of  $Coop^{Africa}$ , MUCCOBS has produced short courses meant for a large outreach. They reached a total of 4810 people (mostly ordinary members but also board members and cooperative staff) besides another 6681 'potential members'.

We cannot but conclude that the interest for cooperative training (from elementary to academic level) is growing, but that the education institutes are still in a learning process of producing a qualitative and adapted response with respect for their own institutional integrity. As they are basically state property, they cannot easily be manoeuvred in a role that is instrumental for the cooperative movement. Reaching the genuine cooperative public and retaining competent staff remain important challenges.

A meeting with students of the Lesotho Cooperative College revealed a sharp criticism on the institution. The quality of the curricula and the guiding of occurring placements could be drastically improved. Staff turnover was thought to be too high and the lecturers' competence fell short of what one would expect. The students however thought a College as indispensable. They recommended that district cooperative officers, being often the first in line for cooperatives, should receive a high-quality cooperative training. Also, the College should – they said – be given autonomy by the Ministry.

However partial and fragmentary this report, it should be taken serious by the institution in question. (Malhape, 2010, p. 21).

#### 2.2.4. The role of the government

As the preferred government role with regard to cooperatives is that they would create and sanction an enabling environment,  $Coop^{Africa}$  saw one of its tasks in seeing and assisting to an adequate regulatory framework, an adequate policy paper and a functional governmental institutional window.

As for updating of legislation, Kenya has since 2008 a SACCO Societies Act, accompanied by the establishment of a SACCO Societies Regulatory Authority and a SACCO Deposit Guarantee Fund. Kenya is in this respect one of the first countries to bring its SACCO activities in line with the requirements for popular banking, and it is expected that other countries will follow. Coop Africa has only indirectly contributed to the process of drawing this new form of regulation, but in the future it could consider exposure missions to inspire other countries to follow this example. Coop<sup>Africa</sup> has, on the contrary, been quite active in support of the review process of the Zanzibar Cooperative Act and the reformulation of the Zanzibar Cooperative Development Policy paper. Coop<sup>Africa</sup> also played a role in the review of the Lesotho Cooperative Societies Act, all though this is not yet enacted. Coop<sup>Africa</sup>'s presence in Lesotho's Cooperative Department had however other impacts too, e.g. by getting the figures clear and deregistering the inactive cooperatives (817 societies were deregistered). All in all, the governmental role is quite similar in most of the Anglophone African countries: registration, promotion, elementary training, inspection and supervision. The exception to this is Ethiopia, where the government promotes cooperatives as instruments to carry out socio-economic planning. The government therefore has concrete plans e.g. to increase the number of primary cooperatives to over 50000 in the year 2015. The FCA therefore will also go outfield for training workshops (e.g. 805 cooperative staff and leaders trained in 2009).

The conclusion here is that, with regard to cooperatives, the government in many African countries is an underestimated player, not just for the regulatory framework but also for its institutional window. As apex-bodies and federations are not per definition stable and visible organisations, the department and its regional/local section is often the only 'face' or reference point of cooperativism in the countryside. Stimulating and supporting the department, as  $Coop^{Africa}$  has done in the case of Ethiopia (and also Rwanda), has therefore often had a huge – be it indirect – leverage effect to the primary societies and their members.

#### 2.2.5. Donors and external partners

One of the methods used by  $Coop^{Africa}$  to make the most of its presence is to attract donors for cooperative programs, or programs involving cooperatives. The overview of the countries studied does not at first sight indicate a dramatic shift in donor presence. Organisations like IFAD and FAO, but also cooperative movement agencies like WOCCU, ACDI/VOCA, CCA, SCC continue to provide technical support. In Tanzania, however,  $Coop^{Africa}$  managed to bring cooperatives – especially in Zanzibar and in the backward areas around Lindi and Mtwara – in the picture of coordinated UN programmes, such as JP1 (Wealth creation, Employment and Economic Empowerment), JP3 (HIV/AIDS) and JP5 (Capacity Building). For JP1 notably, the bidding method such as applied for the Challenge Fund has been copied. Through those processes, partnerships were created with FAO, UNIDO, DFID and SIDA and extra resources from the ONE UN Fund were mobilized.

Under section 3.2.2 we included a more thematic overview of  $Coop^{Africa}$ 's matchmaking and synergetic efforts.

# 2.2.6. Significance of the cooperative movement for policy and development issues

In the overview below, we concentrate upon the changes since 2008, rather than revisiting the issue or the policy domain. It should be understood that  $Coop^{Africa}$ 's impact upon each of the policy domains cannot be anything but an indirect one: by having strengthened the cooperatives and the cooperative movements, the chances that these have a greater significance on the issue has also been raised.

#### 2.2.6.1. Employment and standard of living

In none of the countries studied, employment statistics of the cooperative sector were at avail, which lead to use estimations and extrapolations. From the impact assessment reports at country level (Kenya, Ethiopia, Tanzania, Lesotho) it appeared that different calculation methods were used, both between countries and within countries (i.e. for comparing the 2010 figures with the figures at hand for 2008). This makes an overview table needs a by-going explanatory note, as it would otherwise lead to wrong impressions. Also, we hesitate to produce aggregated figures as they would come as additions of apples with pears. However, the overall trend is that employment by, through or originating from cooperatives is on the rise.

*Table 4 – Cooperative employment estimates 2008-2010* 

Country	Type of employment	2008	2010
Ethiopia	Employees of cooperatives, movement	81.579	87.778
	institutions, coop department		
	Casual workers employed by cooperatives		207.582
	Self-employed (extrapolation)	115.079	165.850
Kenya	Employees of cooperatives, movement	300.000	300.000
-	institutions, coop department		
	Self-employed	1.500.000	5.400.000*
	Offering services & goods to cooperatives		2.000.000
Tanzania	Movement institutions & coop department	425	
	Employees of SACCOs	34.524	
	Cooperatives permanent & seasonal workers		115.000
	(extrapolation)		
Lesotho	Employees of cooperatives, movement	105	124
	institutions, coop department		

For Ethiopia, the extrapolations are based upon known case-studies and the assumption that 50% of the cooperatives actually employ staff. For Tanzania, the extrapolation is made on the basis of assumptions. The Kenya figure on self-employment(\*) is based upon the assumption that 60% of the cooperative members owe their job to belonging to the cooperative, an assumption which is not consistent with the estimation made in 2008. All other figures in the table are estimates made by either the department or the apex, with the exception of Lesotho where the cooperative sector is so small that the number of employees can easily be counted.

Nevertheless, the figures show that a significant cooperative presence can lead to many jobs. In Kenya, with its 9 million cooperative members, the assumption is that about 20 million people – half of Kenya's population – derive their income by economic activities originating from cooperatives. Employment and food provision – as many societies are in the agricultural or livestock sectors – are the most prominent contribution of cooperatives to poverty reduction in the countries studied.

#### 2.2.6.2. Social protection

In general, the cooperatives significance for social protection is two-fold. The first one is the implicit mutual solidarity between extended family members, neighbours or colleagues. It is believed that cooperative membership creates an extra form of togetherness that increases people's social capital, and therefore the safety nets in case of misfortune or setbacks. The second one is more retraceable, as it corresponds with the working of SACCOs. SACCOs often have borrowing schemes and instant loans for emergencies. In Kenya, we have examples of benevolent funds for loan repayment in case of death, and for burial costs. Some cooperatives have food supply stores for members threatened with starvation while awaiting the marketing of their produce. The impact of  $Coop^{Africa}$  with regard to social protection lies in the stimulation of the SACCO sector, through networking on behalf of organizations such as KUSCCO and SCCULT, and indirect contributions to new SACCO legislation in Kenya.

#### 2.2.6.3. Voice and representation of cooperatives in national policy-making

This aspect strongly reflects the visibility of movement structures and their capacity to come forward in decision-making processes.

This used to be a weak point, but some progress has been made. In Kenya, where before the legitimacy of KNFC was problematic, the newly launched CAK and KUSSCO are regarded as significant and representative institutions. KUSSCO represents the Kenyan SACCOs in many international forums. It also played a decisive role in the making of the SACCO Societies Act.

In Tanzania, the apex TFC is still in a recovery process, but other institutions play a prominent role. The CUZA has been involved in the Strategy for Growth and Reduction of Poverty (2010-2015) in Zanzibar, whereas MUCCOBS has had the same involvement in mainland Tanzania. The result of this involvement is that cooperatives feature among the non-state actors envisaged by the government's socio-economic policy plans. Through its capacity development of both MUCCOBS and CUZA,  $Coop^{Africa}$  has contributed to that.

The situation is different elsewhere. In Lesotho, the cooperative movement is still too weak to be invited at the policy table. In Ethiopia, the FCA itself voices on behalf of cooperatives, for instance through a weekly radio broadcast. Some stronger cooperative unions like Oromia Coffee and Lume are quite visible in public meetings and conferences.

#### 2.2.6.4. Gender equality

In general, female appearance in the cooperative membership statistics is a modest one: 18% in Ethiopia, 16% in Kenya. However,  $Coop^{Africa}$  -lead actions and sensitation have shown that the number of women-members can be increased dramatically. Campaigns through Tanzanian cooperative federations (TFC, CUZA, SCCULT) had a significant effect on the female presence in a group of SACCOs (42.5%). This makes many women in rural areas have now access to credit, which has a positive impact on female entrepreneurship and on livelihood in general. In a challenge fund project by Meru Central Diary Farmers Cooperative Union (Kenya),

milk chilling facilities were installed. This lead to an increase of female participation in the union from 21% to 50%.

For historic reasons, the gender balance in Lesotho cooperatives is in favour of women (60%). This has everything to do with long-term absences of men, working in South African mines.

# 2.2.6.5. HIV/AIDS prevention and impact mitigation

In Lesotho, a 2009 survey revealed a heavy involvement of 27 cooperatives in a campaign for mitigating the HIV/AIDS-impact, through distributing food parcels, paying school fees, supporting families of infected people, taking care of orphans, nursing the sick etc. In some districts, health workers formed cooperatives to that end. This happened without  $Coop^{Africa}$  interference. In Tanzania,  $Coop^{Africa}$  supported MUCCOBS and TFC for aligning with HIV/AIDS programmes by USAID and the UN Joint Programme n°3. In Kenya, a  $Coop^{Africa}$  grant gave the Kenya Cooperative College the possibility to launch an awareness campaign for the apex, the national federations and the department. Complementary to this, four primary societies were involved as demonstration cases. WOCCU as well assisted SACCOs for organizing awareness sessions.

In spite of these campaigns, HIV/AIDS impact mitigation is not a priority for most of the primary cooperatives. A survey in Kenya showed that 66% of them did not have any programme on HIV-AIDS.

#### 2.2.7. Direct effects from concrete interventions<sup>8</sup>

Through a Challenge Fund mechanism,  $Coop^{Africa}$  aimed for innovative cooperative ventures, with the potential of sorting direct impact, as well as impact through its demonstrative effect.

Some of these cases, like the Dunduliza network in Tanzania, drew the attention of national and international policy makers. The combination of technical innovation and a well structured network approach has improved the associated SACCOs' governance and increased the number of credit taking beneficiaries.

Dunduliza is a network which supports SACCOS in the mainland of Tanzania. Dunduliza received US Dollars 52,626 from Coop<sup>Africa</sup> to build a connectivity system between it (Dunduliza) and the SACCOS it serves. The money was used for connecting, equipment, computers and transport.

75 SACCO members benefited directly from this support in skills, transfer in Microsoft Word, Excel and the internet; in skill transfer in a new accounting package; and through interconnection by phone and email. Indirectly 37,465 SACCOs member benefited through increased steady and secure access to financial services and secure savings through improved governance and steady flow of loans. Out of those who benefited indirectly 22,479 were men and 14,986 were women. When SACCOS members' households are considered (five people per household) it means that about 180,325 people benefited from the support.

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<sup>&</sup>lt;sup>8</sup> In this section, we list a limited number of Challenge Fund projects, just to show what the projects are about and what the impact can be. In the separate country reports of this Impact Assessment (available through author and through ILO Dar es Salaam, more examples are described.

Under Dunduliza 15 SACCOS benefited directly from the Coop<sup>Africa</sup> support through connectivity (VPN), modems computers, access to internet, phone call, training of staff, reduction in monitoring fees and increased profitability. These SACCOS are now more sustainable and have a dramatically improved governance and better control of budgets. There is now a sound loan disbursement to borrowers.

As a result of the connection between Dunduliza headquarters and SACCOs five jobs were lost. This was due to the closure of branches which were too expensive for SACCOS to maintain. Nevertheless, connectivity proved efficient, reliable and affordable and more jobs have been created. Other improvements include off site support, for example advisory services to SACCOS. There is better scrutiny of big loans to minimize risks and a timely production of monthly financial statements and statistical data. A total of 3,518 loans for small and medium enterprises (SMEs) and agricultural loans amounting to Tshs 3,612,037,617 have been issued. Connectivity, in short, is assuring sustainability through better governance and more transparency. (Maghimbi, 2010, p.41-44).

Grants through the Challenge Fund sometimes sort a very direct impact, as is shown in the case of the Chururu Cooperative in Zanzibar and the Joshua Multipurpose Cooperative in Ethiopia. The Chururu case demonstrates how through a  $Coop^{Africa}$  grant new economic activities have been introduced and multiplied in a relative short period. In the Joshua case, the  $Coop^{Africa}$  grant was used for a thorough professionalization of the cooperative and a diversification of the delivered services, resulting in a dramatic increase of the membership total, the sales volumes and the outstanding loans portfolio.

The Chururu Primary Cooperative Society, based in Zanzibar had started poultry raising. This cooperative has twenty members who are all adult women. The same is the case with Tupendane primary cooperative society which has eighteen members (sixteen adult and two young women). Chururu society received a support of Tshs 6,000,000 from Coop<sup>Africa</sup>; Tupendane society received a similar amount. The money was used to buy 150 chickens for the two cooperatives. Each of the two societies also bought 100 chickens from members' contributions. The chickens have just started producing eggs but an important impact is that members of these cooperatives have been teaching their relatives about poultry keeping, which makes this activity is gradually becoming a common practice in the villages. (Maghimbi, 2010, p.33).

The Joshua multipurpose cooperative project enhanced the capacity of this cooperative to increase the number of its members from 1300 to 8000, and also its capital, employment of more staff for the cooperative activities, increased loan number of borrowers (from 187 to 1500) which implies higher self employment and opportunities to employ others, increased business portfolio, and more trust from members due to increased efficiency in customer service delivery. The members joint income, as a consequence is estimated to have increased by a four fold (Emana, 2010, p.18-20).

In Kenya, quite a few of  $Coop^{Africa}$ 's Challenge Fund projects aimed for investments in order to improve the sustainability of diary farming. The first results indicate a huge impact in terms of productivity, market penetration and standard of living. A secondary order effect seems to be an improved loyalty to the cooperative, thus creating more togetherness and solidarity amongst the farmers, which – as explained above – counts as a concrete form of social protection.

The Kabisi Cooperative, for instance adapted a project called "Take a Cow – Give a Calf", meant to purchase 100 Ayshire cows, which would be paid back by giving two other members a calf of the same breed. At the time of writing this report, 64 cows have been purchased, 27 of which have calved. In anticipation of the long-term results through the pay-back mechanism, immediate impact is obvious. More milk can be sold (increasing the daily income), credit-worthiness rises and productivity of farmland has been improved by using cow-derives manure.

At the Limuru Diary Cooperative, the cattle are fed through zero-grazing methods, using manufactured types of fodder. The disadvantage of this is that farmers are exposed to unpredictable fodder prices. The Coop<sup>Africa</sup> project therefore planned to set up an animal feeds processing mill at the premises of the Cooperative. While the mill is not yet operational, the prospect of improved milk production has revitalized the attractiveness of the Cooperative to its old and new members.

A different type of investment generated through Coop Africa is the installation of milk cooling facilities at the Meru Central Diary Cooperative Union. The coolers and the accessory structures (loading pumps) have allowed the Union to more than double the intake of milk from its members, facilitating the collection of milk, improving the quality and hygienic standards, reducing the transport costs and improving the payments to milk producers. Obviously, the coolers, which the farmers would never be able to buy on their own, enable the delivery of milk any time of the day. This also enhances the safety e.g. for women who before were obliged to deliver milk during early morning hours.

Another grant of Coop<sup>Africa</sup> has been given to Watuka Farmers Cooperative to set up a yoghurt processing plant through JICA's local One Village One Product project. This project is still in its initial stages, but it is likely to see Watuka crossing from an era of marketing solely raw milk to another mode of value addition, thus improving incomes to both the cooperative and the members. (Wanyama, 2010, p.24-30).

All projects described in this section have their set-backs and their challenges too, but the leverage aspect is too obvious to deny. We have opted to treat this section as a separately from the issue-based overview of  $Coop^{Africa}$ ,'s effects (2.2.1 to 2.2.6), in order to demonstrate the power of an intervention mechanism at micro-level. Without detracting anything from the direct approach and the match-making approach of  $Coop^{Africa}$ , we cannot but conclude that the Challenge Fund approach has its value within the wider context of a programme such as  $Coop^{Africa}$ . At the same time, one should acknowledge the risk of these micro-effects petering out once the funding, and the monitoring process accompanying it would have come to an end. Therefore,  $Coop^{Africa}$  – and in fact the ILO - should at all times consider the handover of the monitoring process of the Challenge Fund to local institutions.

# 3. Assessment of the impact of the ILO- Coop<sup>Africa</sup> programme at regional and sub-regional level

# 3.1. Type of interventions at regional and sub-regional level

As explained in the methodological section of this report, the impact of a 'facility' such as  $Coop^{Africa}$  comes at different levels. Aside from the local and national levels, we can also distinguish the sub-regional (e.g. East-Africa) and regional level (Africa) as a meta-level: through lobbying and networking,  $Coop^{Africa}$  aims to trigger and to channel programmes of international agencies in such a way that they decide to include cooperatives in their target group. The impact is therefore indirect, as  $Coop^{Africa}$  may remain invisible all through these programmes, but nevertheless it played a crucial role to make cooperatives – and their members – benefit from programmes.

We may grossly distinct two types of interventions.

One type of intervention consists of inserting cooperatives in the set of objectives of international agencies or political bodies. Realizing this type of intervention involves a lot of lobbying and networking. In this case, among these agencies we count the African Union (AU), the East African Community (EAC) and the ILO. The former two are set up by the various governments in the region or sub-region, which makes that the inclusion of cooperatives in their agenda or declaration could count as a form of local ownership. The latter (ILO) has a direct influence on the countries' legislation with regard to Decent Work and employment in general.

The impact of this type of intervention could be labelled as huge in terms of scope, i.e. covering large parts of the population, but partial or even fractional, and certainly distant in terms of time and causal link.

The second type of intervention consists of making cooperatives one of the vehicles or target organisations of programmes of other development agents, in other words convincing them of the power of the cooperative model. This also takes a lot of lobbying and networking. The type of agents we have in mind here are the more 'classic' donors in general (like the well known bilateral and UN agencies) and in particular the development agencies belonging to the cooperative movements in Europe, America or Japan (such as SCC, CCA, DGRV, JCCU...). Again, the impact may be large, scope-wise, but also very partial and indirect.

However, in both types of interventions, the impact could be understood in terms of outcome: institutional dynamics set in motion which are likely to have positive repercussions on primary societies and the standard of living of their members.

# 3.2. Outcome of interventions at regional and sub-regional level

#### 3.2.1. Cooperatives featuring in regional African policy acts

Due to the presence of  $Coop^{Africa}$ , the potential of cooperatives has not escaped the eyes of the *African Union*. After the Ouagadougou 2004 Extraordinary Summit of Heads of State of the African Union, a Plan of Action was brought into operation and with it a follow up mechanism and a reporting process. The report of the AU commission on 'Ouagadougou + 5 on Employment and Poverty Alleviation' explicitly mentions the cooperative model for dynamizing Africa's rural areas (AU,

2009, p.26) and more precisely through creation of employment for young people and for women in rural areas (ibid. p.41 and p.48). Further in the report, the  $Coop^{Africa}$  ILO programme is praised for its demonstrating how 'Cooperatives can be used as a means to create productive jobs, alleviate poverty and mitigate the impacts of the Global economic and financial crisis on the living conditions of vulnerable groups' (ibid. p.85). The AU again puts cooperatives in the spotlight in its 'Employment & Labour sub-Cluster Business Plan 2010-2012' as a way of upgrading the informal economy (AU, 2009b, p.3).

At sub-regional level, the *East African Community*, in view of collaboration with the ILO, has put the promotion of cooperative associations in order to create employment and reduce poverty at the forefront of its priorities as early as 2001 (ILO & EAC, 2001, p.1). This formal intention has been materialized in the East African Community Decent Work Programme 2010-2015 (ILO & EAC, 2009, p.16): a common (sub-regional) legal cooperative framework will be established as well as an 'East African Entrepreneurship and Cooperative Promotion Capital Facility', including – clearly following the modus of operating as demonstrated by  $Coop^{Africa}$  – a challenge fund for young entrepreneurs. Cooperatives are very much considered as a way of creating opportunities for the young and female segments of the working population.

Given these prospects, the EAC Secretariat has officially requested the ILO to include five prioritised areas in the upcoming  $Coop^{Africa}$  programme: (i) harmonization of cooperative policies and legislations in the EAC countries, (ii) support to inter-Ministerial meetings in charge of cooperative development, (iii) setting up a Funding facility for cooperative development linked to the EA Development Bank to promote youth cooperatives or youth employment initiatives, (iv) establishing a regional Centre of Excellence for cooperative education and (v) support to the implementation of an EAC HIV/AIDS workplace policy (ILO & EAC, 2009).

During his speech on the 1<sup>st</sup> African Decent Work Symposium, taking place in Ouagadougou, 2009, Juan Somavia named cooperatives as one of the prominent instruments to expand Africa's "productive potential of the informal economy (...)" (ILO, 2009b, p.14-15). A few months before this, the ILO had unveiled its *Global Jobs Pact* as a response to the current economic crisis. Cooperatives were proposed as one of the ten prime mechanisms for accelerating employment creation, jobs recovery and sustaining enterprises (ILO, 2009a, p.5). As the Global Jobs Pact was to be shaped to become applicable for facing the African challenges in particular, cooperatives and other member-based organisations were defined as key actors for rural employment, which is to be Africa's first and foremost recovery strategy.

These significant and recent picking up of cooperatives by regional political agencies as a means for implementing social-economic policies which are adequate for present-day Africa, is certainly due to the much remarked presence and dynamism of the  $Coop^{Africa}$  programme.

3.2.2. Establishing synergy: enhancing the effectiveness of programmes of the ILO and other agencies by linking them to cooperatives.

It may be admitted that  $Coop^{Africa}$  has made the most of its 'crossroads' position to insert cooperatives in the target settings where the ILO and other agencies are to implement their programmes.

To stick with the terminology explained in the introductory section of this report, we should consider this as outcome rather than impact in the strict sense, as most of these programmes are still in the process of implementation.

When comparing the Decent Work Country Programmes (DWCP), issued by the country's administration following an agreement with the ILO, we notice a significant difference depending on whether the DWCP was issued before or after 2008. The DWCP of Kenya (2007), a country with a strong cooperative tradition, sees a role for cooperatives in creating direct employment for informal workers. The DWCP of Tanzania (2006) and the DWCPs of Uganda, Rwanda and Zambia, all of them issued in 2007, do not mention cooperatives. The DWCP of Ethiopia, however, issued in 2009 explicitly mentions cooperatives as suitable for employment creation (notably women and youth employment) as well as for HIV-AIDS mitigation (ILO, 2009e, p. 2, p.8, p.11 and p.14-15). Coop<sup>Africa</sup> is included in the executive partners' list. The Coop<sup>Africa</sup> Progress Reports of 2008 (p. 38-40), 2009 (p.40-41) and 2010 (p.34-35) indicate an intensive involvement of Coop Africa with the formulating and updating of the DWCPs of the above mentioned countries, and also in Lesotho, Namibia, Swaziland, Malawi, Botswana and Togo. Coop<sup>Africa</sup> also contributed significantly to the regional Decent Work Programme for the East African Community (2009-2015), whereby the cooperative approach has been established as one of the key challenges for achieving the agreed priority of youth employment creation (ILO, 2009f, p.13).

In the light of the ILO's on-going efforts for *establishing tripartism and social dialogue*,  $Coop^{Africa}$  has forged more intensive relationships between cooperative movements and workers unions (at the occasion of an ILO/ITUC sub-regional workshop in Nairobi, April 2009) and between cooperatives and employers' organisations (sub-regional workshop in Nairobi, February 2010). The result of the former was a common strategy while the latter led to a resolution on collaboration and a thirteen-point recommendation (Progress Report 2010, p.38-39). The workshops also led to field projects implemented by trade unions in Ethiopia (CETU), Tanzania (TUCTA) and Uganda (COTU), as well as by the employers' organisation of Uganda. These organisations are beneficiaries of the  $Coop^{Africa}$  Programme's Small Grants.

Gender equality is an important issue throughout the whole of ILO's policies and programmes and  $Coop^{Africa}$  has made full use of the chances to tie up with gender-oriented actions.  $Coop^{Africa}$  gave important technical backstopping in the programme proposal 'Promoting Women's Economic Empowerment and Gender Equality through Social and Solidarity Economy Enterprises and Organizations' (SSEEO). This programme is to run from April 2011 until September 2012 in Ethiopia and Rwanda. One of the main objectives is at the micro level: to facilitate women to organise themselves in cooperatives or other social economy enterprises. More in general, the report on the ILO's programme on Gender Equality at the Heart of Decent Work (2009) opts for cooperatives as the likeable environment to promote women's rights. This reflects in the ILO Action Plan for Gender Equality 2010-15 wherin, specifically for sub-Saharan Africa, cooperatives development is put forward as one of the regional priorities (p.60). Other than that, many of  $Coop^{Africa}$ 's separate projects (funded by the Challenge Fund or assigned donors) target women empowerment through the setting up of cooperatives. Some examples: poultry rearing

for sexually exploited women through a credit scheme by Wowoya SACCO (Uganda); setting up a SACCO for the Uganda Private Midwives Association; setting up primary cooperatives for women entrepreneurs in Swaziland (funded by AGFUND). Gender mainstreaming has also been the subject of quite a few of  $Coop^{Africa}$ 's advisory jobs, for example in the revising of the Zanzibar Cooperative Development Policy ( $Coop^{Africa}$ , 2009, p.47).

Another synergy sought by  $Coop^{Africa}$  was with the ILO International Programme for Elimination of *Child Labour* (IPEC). Much of this programme comes under the form of training and sensitation for ensuring child labour free workplaces and supply chains. The synergy consists of capacity building of cooperatives in this respect, combined with establishing the accessibility of cooperatives by its movement structures. The programme (2008-2012) runs in Zambia, Tanzania, Zanzibar, Kenya and Uganda. In Uganda in particular,  $Coop^{Africa}$  underwrites and supports the campaign, using local cooperatives to reach children at legal working ages in order to help them to establish small enterprises (ILO, 2008, p.34).

The concept of *social economy* has gained momentum in Africa due to the efforts by  $Coop^{Africa}$ . In October 2009, the ILO regional office organized jointly with  $Coop^{Africa}$  and others a high-profile conference in Johannesburg. The conference lead to a Plan of Action for the Promotion of Social Economy Enterprises and Organizations in Africa, that is currently been implemented. At ILO level, an international labour standard on the role of social economy is currently discussed by the different ILO constituents. Likewise an Academy on Social Economy has been created in the ILO training centre (Turin) as well as an Observatory on Social Economy (different scientific institutes). At the EU level, the European Economic and Social Committee has developed an opinion paper, which is an important step towards the recognition of Social Economy enterprises (of which cooperatives make a part) as a generic category between public (statal) institutions and the private (for-profit) sector (Jahier, 2010).

Coop<sup>Africa</sup> has supported and collaborated with initiatives under the UN reform process and the One UN umbrella, which are testing how the UN family can provide development assistance in a more coordinated way. Rwanda, Tanzania and Mozambique are among the "Delivering as One" pilot countries. Cooperatives and self-help organisations are well integrated in cluster 1 (economic growth) of the upcoming United Nations Development Assistance Plan (UNDAP 2011-2015). In practice, Coop<sup>Africa</sup> is the lead agent for key actions featuring cooperatives, social economy organisations and small & medium enterprises (access to agricultural inputs, productivity gains, ...). Coop<sup>Africa</sup> is also involved in the current UN Joint Programmes on wealth creation (JP1, notably in Lindi and Mtwara, South Tanzania), capacity building (JP5, Zanzibar) and humanitarian aid to development (JP6.1, NorthWest Tanzania). UN has in a number of cases set up their own Challenge Fund, following the criteria of Coop<sup>Africa</sup>'s Challenge Fund. Coop<sup>Africa</sup>'s efforts for JP6.1 have lead to a study on value chain analysis, which is supposed to form the base of a joint project between WFP, FAO, UNIDO and ILO.

An exact account of the institutional mechanics is explained in  $Coop^{Africa}$ 's Progress Report of the first semester of 2010 (p. 44). The achievement which holds good leverage prospects lies in the setting up of partnerships with FAO and UNIDO in Tanzania, Kenya, Rwanda and Mozambique, and channelling DFID and SIDA funding into UN Joint Programmes in Tanzania, Rwanda and Mozambique, hence

mobilizing extra-resources from the One UN fund for cooperative promotion and development.

Coop Africa has also used its institutional links to bring cooperatives in the forefront of the institutions which would implement the ILO-programme on HIV-AIDS prevention and impact mitigation in work-related settings in Benin, Cameroon, Ethiopia. Mozambique and Tanzania. This programme was funded by the Swedish International Development Cooperation Agency (SIDA). Coop<sup>Africa</sup> particularly contributes to the implementation of this programme's Objective n°2: improving working conditions of infected women and men working in targeted informal settings. This involves a number of activities (assessing training needs, raising awareness, developing guidelines) that corresponds with  $Coop^{Africa}$ 's outreach to cooperatives, cooperative apex bodies and other community-based organisations. Linking this programme to cooperatives has been notably successful in Benin and Tanzania: awareness training to cooperative leaders and members directly, and entrepreneurship training to HIVaffected informal workers. A progress report (2009) indicates that not only these activities have been carried out but that they have had an immediate impact at institutional level. In Tanzania for instance, 42 cooperative organizations and informal economy organizations have developed an HIV-AIDS policy as a consequence of this ILO-SIDA programme. In addition, 15 cooperatives have developed institutional ties with health service providers to facilitates access to care. Moreover, 33470 people (cooperative members and relatives) were as a result trained on HIV-AIDS transmission and access to treatment (ILO, 2009, p.22). All figures for all countries combined, the programme significantly surpassed its set targets, whether these were about the number of organisations adapting an HIV-AIDS programme (improved working conditions) or the number of individuals been given a training. Cooperatives could therefore be described as a 'productive ground' to implement such programme. That said, remaining constraints were also pointed at: the lack of competence of certain apex-bodies, the need to improve gender-sensitivity in cooperatives, and the need to establish partnerships between cooperatives and other institutions for generating the necessary resources to offer comprehensive HIV services (p. 43). Through scaling up the operations of channelling HIV-AIDS support services through social economy and cooperatives, Coop<sup>Africa</sup> has greatly contributed to widening and deepening the impact of the ILO-Sida programme. In Tanzania for example, various cooperative movement institutions (federations such as Saving and Credit Cooperative Union League Tanzania, Kilimandjaro Native Cooperative Union and also Moshi University College of Cooperative and Business Studies) have been involved. Moreover, Coop<sup>Africa</sup> has developed multiple partnerships to extend the initiated activities, notably with the Swedish Cooperative Centre on an East-African HIV-AIDS programme for fishing communities, as well as on an HIV mainstreaming within cooperatives in Uganda, with the Uganda Cooperative Alliance (Coop<sup>Africa</sup>) 2010, p.41).

Coop<sup>Africa</sup> lead AGFUND<sup>9</sup> into a partnership with a ILO-SIDO<sup>10</sup> programme providing support to beekeeper's cooperatives in Tanzania (ILO, 2009d). The programme was launched in October 2009, in a first phase training 16 hives-producers (carpenters) through more adapted techniques, who subsequently produced 106 hives. The

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<sup>&</sup>lt;sup>9</sup> The Arab Gulf Program for Development

<sup>&</sup>lt;sup>10</sup> SIDO is the Small Industries Development Organization, a Tanzanian parastatal

programme is further to train and support 500 beekeepers (over 100 during the first year), to form 8 bee-keepers cooperatives and to strengthen the apex of beekeepers cooperatives.

Finally,  $Coop^{Africa}$  has set up formal or practical partnerships with the US-based Cooperative Housing Federation (*CHF*), *Agriterra*, *DGRV*, *JCCU* and *JICA* (*OVOP-programme*). With CHF, activities are to be articulated in Rwanda, notably in setting up Centres of Competence and in improving the Rwandan regulatory framework. With Agriterra a draft workplan has been elaborated for capacity building for cooperatives and unions and support to service providers. The OVOP-programme ('One Village One Product') aims for villages to identify and implement their competitive advantage, through the acquisition of the added value in the whole value chain following the marketing of their produce. An OVOP Subregional Seminar (Dares-Salaam, 2008) acknowledged the advantage of working with cooperatives: institutionally owned and understood by local people, coordinative structures, identified memberships, accountable governance and knowledge about product opportunities. Under the leadership of the Japanese cooperation (JICA), OVOP is currently being implemented in different African countries (Ethiopia, Kenya, Tanzania etc.) ( $Coop^{Africa}$ , 2008b).

#### 4. Conclusions

The main findings can be presented in four sub-sections: the impact of  $Coop^{Africa}$ 's efforts in strengthening the cooperative movements; the significance of cooperatives as to societal relevant issues; the outcome of interventions at micro-level; and the outcome of interventions at meta-level (regional & sub-regional).

# 4.1. *Coop*<sup>Africa</sup>'s impact at macro-level: stronger movements

As for the cooperative movements, the first conclusion is that they are expanding, and that  $Coop^{Africa}$  has certainly contributed to that. The expanding is undeniable, whether the number of cooperatives is counted, or the number of cooperative members, the percentage of the population under cooperatives, the increase in the number of yearly new registered cooperatives. Also on the rise is the number of saving and credit cooperatives, both in absolute figures and in their share of the cooperative movements.

 $Coop^{Africa}$  has also successfully strengthened a number of movement structures (apex, federation, unions...) by involving them in  $Coop^{Africa}$ 's focal points and National Advisory Committees in the different countries. Visibility of the cooperative movements, however, remains still at a low level. It also became clear that a different approach is needed in countries where the unified cooperative model (movement-led) is not applied, but rather a government-led model. The experiences in Ethiopia for example would come in useful if  $Coop^{Africa}$  would happen to target countries with another cooperative tradition (e.g. West-Africa) in the future.

Coop<sup>Africa</sup> has also tried to strengthen the Cooperative Colleges and direct them more to the needs of the primary societies. This proved to be altogether a difficult proposition, as Colleges are government owned and cater for a public of school leavers and public servants. A UK Cooperative College study analyzed the Colleges' weaknesses, but due to financial constraints of the Colleges the recommendations it came up with were found hard to implement.

As the governmental cooperative department is in practice often the only reference point for cooperatives in rural areas, strengthening these departments (as happened for example in Ethiopia, Lesotho and Zanzibar) has shown to hold significant leverage effects to primary societies and their members. In both Lesotho and Zanzibar,  $Coop^{Africa}$  has also contributed to review the current legislation.

# 4.2. *Coop*<sup>Africa</sup>'s indirect impact at the level of policy issues

Whether the expansion and strengthening of cooperative movements between 2008 and 2010 did result in a stronger significance in the domains of employment, social protection, gender equality, HIV-AIDS impact mitigation etc. is of course a highly speculative matter. The impact of  $Coop^{Africa}$ 's interventions in these cannot be but an indirect one. Anyway, employment in and through cooperatives is rising and as the number of SACCOs trends upwards, social protection is now more in evidence too.  $Coop^{Africa}$  has also shown that campaigns and specific actions can lead to an increase of female participation in unions and cooperatives. As for HIV-AIDS impact mitigation,  $Coop^{Africa}$  went into great efforts to link cooperative movement institutions with campaigning international agencies. That said, campaigning for this issue comes as a lengthy process. Themes as prevention and impact mitigation of HIV-AIDS or

environmental awareness are not considered as priorities for most of the primary cooperatives.

For cooperatives to have an impact or at least a stake in national policy-making, it is still too early. As apex bodies or federation in general lack lobbying capacity and visibility, they are mostly not involved in decision-making processes. However, CAK and KUSSCO in Kenya have gained some respect, while CUZA (in Zanzibar) and MUCCOBS (in mainland Tanzania) are involved in the national Strategy for Growth and Reduction of Poverty.  $Coop^{Africa}$  has contributed to that through its capacity development activities of these organisations.

# 4.3. *Coop*<sup>Africa</sup>'s impact at micro-level: new dynamics, but sustainable?

How strengthening and capacitating cooperatives can quickly sort a positive impact on production, employment and standard of living is more in evidence at micro-level. Through the Challenge Fund mechanism,  $Coop^{Africa}$  aimed for innovative cooperative ventures through concrete projects, with the potential of sorting direct impact, as well as impact through its demonstrative effect. Guided by a closely monitoring process and a thorough institutional set-up in the target countries, this mechanism worked out remarkably well.

Some projects, like the Dundaliza case in Tanzania combined technical innovation with a well structured network approach, resulting in improved governance of the associated SACCOs and an increasing number of credit taking beneficiaries.

In Kenya, quite a few of the granted projects aimed for investments in order to improve the sustainability of diary farming. The first results indicate a huge impact in terms of productivity, market penetration and standard of living. Apart from this, loyalty and solidarity between cooperative members also improves, making for an elementary though essential social protection.

Other grants sort a very direct impact, such as new economic activities (e.g. poultry raising in the Chururu Cooperative, Zanzibar, which was copied in neighbouring communities) or diversification of delivered services (e.g. in the Joshua cooperative, Ethiopia, resulting in a dramatic increase of memberships, as well as outstanding loan portfolio and subsequent investments).

However spectacular some of the Challenge Fund results may seem, one should not forget they are the result of an intensive process of close monitoring. The question remains whether the dynamics created this way will outlast periods without extrafunding and monitoring.  $Coop^{Africa}$  should do well to anchor this monitoring mechanism in local institutions, either government or movement owned.

# 4.4. *Coop*<sup>Africa</sup>'s impact at meta-level: inducing long-term international partners

Besides aiming for direct impact at micro-level,  $Coop^{Africa}$  also sought to maximize its effectiveness by bringing cooperatives in the picture of political bodies, international agencies and established development actors. The impact of this can only be felt after a certain time which largely exceeds the three year programme period. However, it will affect large groups of the population and is therefore a highly defendable approach. The potential of  $Coop^{Africa}$  has not escaped the eyes of the African Union, while also the East African Community has declared the promotion of cooperatives a priority, as a way of creating employment and reducing poverty. The ILO, in the framework of its Global Jobs Pact, has proposed cooperatives as one out of ten prime mechanisms to accelerate employment creation and sustaining enterprises. This was

emphasized by Juan Somanvia at the first African Decent Work Symposium (Ougadougou, 2009).

Other than that,  $Coop^{Africa}$  has established quite some synergetic set-ups by linking development programmes of international agencies to cooperatives. This has been the case for decent work and social dialogue, but also for gender equality, child labour, social economy, HIV-AIDS prevention and impact mitigation, and also for the programmes of One UN, bilateral donors (such as JICA, AGFUND and SIDA) and many cooperative agencies from the North (CHF, DGRV a.o.).

#### 4.5. Overall conclusion and recommendation

The overall conclusion of this assessment study should be that  $Coop^{Africa}$  has been highly efficient in making the best of its presence to create an impact, even when it is still early days to measure the extent of this impact. Diversifying the approaches, deploying triggering and leverage mechanisms, matching supply and demand and working through existing structures have certainly proved to be good choices. At the same time, it should be acknowledged that  $Coop^{Africa}$ 's effectiveness has been largest in countries with a highly structured cooperative presence (such as Kenya) or in locations where it could operate more intensively due to the proximity (Tanzania and Zanzibar). Also, it may be that  $Coop^{Africa}$  may have to adapt its approach for countries with a different cooperative tradition or countries, like Ethiopia, where the government to some extent appropriates the cooperative movement for implementing its own policies. The balance of  $Coop^{Africa}$ 's works is however positive, the result of a sound strategy and deploying a highly performant task force during a relatively short period.

The recommendation on the basis of this assessment is therefore that the  $Coop^{Africa}$  programme should be extended, again focussing on a well selected set of countries where collaboration of both government and movement is ascertained on beforehand. At the same time  $Coop^{Africa}$  should separate its more efficient activities from its less efficient ones, e.g. invest even more in tying cooperatives to policies or programmes of international agencies or in strengthening and promoting dynamizing 'engines' of cooperativism such as CAK, MUCCOBS, KUSSCO or SCCULT. The Challenge Fund programme should be reflected upon from a sustainability and ownership point of view.

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