



INTERNATIONAL CO-OPERATIVE ALLIANCE
Regional Office for Africa

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Report on the
ICA AFRICA MEMBERS FORUM



Held at the
Co-operative College of Kenya

5TH-7TH May, 2008

DAY ONE

1 ADDRESS BY MR. STANLEY MUCHIRI ICA VICE-PRESIDENT FOR AFRICA

The Vice-President emphasized that the purpose of the Members' Forum was to re-establish ICA Africa as a member-driven organization of the African Co-operative Movement. ICA Africa will contribute to co-operative development in African region through delivery of relevant services that add value to members and partners.

The challenges of ICA Africa were outlined and the restructuring process of the Regional Office was an attempt to address those challenges.

The Vice-President noted that a recent research undertaken by the ICA Africa Regional Office showed that co-operatives continue to be important instruments for promoting development in the African continent.

These developments include inter alia:-

- Mobilization of human and financial services
- Access to the financial resources has enabled co-operative members access vital services such as health, education, shelter and insurance.
- Raising the role of small poor farmers in the global markets and allowing them to access those markets.

These highly encouraging results are thus an invitation to the co-operatives to rediscover the co-operative advantage. This would enable ICA Africa to reposition itself and help the African co-operative movement forge ahead.

The Vice-President asked the participants to join him in congratulating Mrs. E. N. Gicheru for the Rochdale Pioneers Award she received at the ICA General Assembly held in Singapore. The award recognizes persons or a co-operative organization who had contributed to innovative and sustainable co-operative activities that have significantly benefited their members.

The Vice-President then invited the Minister for Co-operative Development and Marketing the HON. JOSEPH W.N. NYAGAH, EGH, MP to give his key note address and formally open the Forum.

2 OPENING ADDRESS BY THE MINISTER FOR CO-OPERATIVE DEVELOPMENT AND MARKETING

The Forum opened with a key note address by the Minister. The Minister noted the Forum was a renewal strategy for the co-operative movement in Africa as well as a milestone in the restructuring of the Africa Regional Office.

He noted challenges currently facing the ICA Africa Regional office such as low membership, weak financial base, overdependence on external partners, and inactive national co-operative federations. It is important that the renewal strategy for the regional office and the new strategic plan addresses these and other emerging challenges.



The Minister reiterated the Kenya Government's commitment to support the ICA regional office and called upon other Governments in the region to do the same. He opined this relationship would enable ICA fulfill its mandate and improve the co-operative movement.

3 OBJECTIVES OF THE FORUM

3.1 GENERAL OBJECTIVE

The main objective of the Forum was to:-

Prepare general propositions for the renewed member-driven and professionally-oriented ICA facility for co-operative growth in Africa.

3.1.2 SPECIFIC OBJECTIVES

The specific objectives of the Forum were:-

- Analyze critical areas of reform, for ICA Africa and identify relationships where the regional office can respond faster to the needs of co-operators in Africa.
- Design a sustainable co-operative business model for ICA Africa and restructure accordingly.

- Identify new global co-operative relationships which add value to co-operative action in Africa.
- Develop a sustainable framework for funding co-operative development in Africa.
- Identify gaps which can be addressed by the new strategic plan as part of the renewal process of the ICA Regional office for Africa

3.1.3 SUMMARY OF PARTICIPANTS EXPECTATIONS

The Forum members were requested to give their expectations. These were summarized and follows:-

- Increased understanding of ICA's potential and members' commitment to drive and support its role and function.
- ICA Africa office is revitalized and that members own up the process of revival.
- Resolve the financial sustainability of the Regional office
- An effective vibrant strategy for ICA Africa office
- Revival and sustainability of Apex organizations
- Strengthening of linkages from members of primary co-operatives, National co-operative organizations, Apex, regional and International organizations.
- Way forward for ICA Africa's growth and development
- Co-operative movement could harness human and technology resources to improve productivity and competitiveness in Africa.
- Improve impact of ICA on its members and give members a role to play in the management and development of ICA.
- Know the direction of ICA Africa, its objectives and organization
- Role of ICA in addressing the scarcity of shelter in cities through co-operatives.
- Linkage and Networking between ICA Africa and other regions as a strong toll for growth and team building as a Global movement.

4. BACKGROUND TO THE RENEWAL PROCESS OF THE ICA OFFICE FOR AFRICA

4.1 GLOBAL OVERVIEW OF CO-OPERATIVE DEVELOPMENT

The Director-General gave an overview of the global co-operative movement and the critical role that Government plays in development in different countries across the globe.

The ICA is the largest NGO in the world. The global movement has an individual membership; of 800 million members and provides 100 million jobs. He furthermore highlighted ICA's Global 300 project which aims at:

- Increasing the profile of co-operatives within their own industries, countries and internationally.
- Demonstrating to governments and other regulatory agencies the economic importance of co-operatives and mutuals.
- Modelling of good practices and highlight successful co-operative business models and innovative approaches.
- Creating much improved statistical and data methodology to allow for better analysis of performance.

The ICA Global 300 project is an indicator of the impact of co-operative enterprises. This is evidenced by the following facts:-

- The combined turnover of the Global 300 is almost USD 1 trillion
- By comparison, Canada the 9th economy in 2004 had a GDP of USD 979 billion
- Turnover ranges from a minimum of USD 600 million up to USD 53 billion.

The ICA has a Memorandum of Understanding with ILO. The ICA helped develop ILO Recommendation 193 to which all governments are signatories. This recommendation is specifically for the purpose of promoting co-operatives and gives governments a responsibility to facilitate the formation of viable co-operatives.

4.2 DECLINE OF NATIONAL STRUCTURES

This was presented by Prof. Chambo. The advent of liberalization and market competition demanded a more planned restructuring of the African economies and institutions. However, the co-operatives have been slow in making changes demanded by the global economy. The slow progress has been due to:-

- Inadequate co-operative legislation
- Slow adaptation to information and communication technology, and
- Slow restructuring of co-operatives to make them competitive.

KEY FINDINGS

Co-operatives and reduction of poverty

A research study carried out by ICA Africa entitled “*An Analysis of the Socio-Economic Impact of Co-operatives in Africa and their Institutional Impact*” revealed that there is a greater realization that co-operatives made significant contribution to economic development and poverty reduction. This was in areas of agricultural marketing, financial services, wealth creation and social development.

Co-operatives and Employment Creation

The co-operatives provide both direct and indirect employment.

Co-operative Policy and Legislation

There were efforts to formulate enabling policies in the countries surveyed.

The poverty reduction strategies recognize co-operatives as a private sector which can mobilize both the rural and urban poor. The co-operative policies recognize the critical importance of primary societies and their critical role in mobilization and hence growth of the co-operative movement.

Challenges in Co-operative Policy and Legislation

The following challenges still exist in the areas of policy and legislation:-

- In some countries the policy promotes member participation, but the legislation provides for state-contracted co-operatives. There is need to match legislation to policy.
- Co-operatives are confined to specific sectors hence unable to contribute to national policy and legislation debate.
- The sectoral approach has resulted to unnecessary competition rather than promoting co-operative among co-operatives.
- Absence of regulatory framework

Co-operative Development and Promotion

In all the countries surveyed, agriculture is the mainstay of the economy. However, there is a shift from agriculture co-operatives to financial co-operatives.

Co-operatives and HIV/AIDS

The HIV/AIDS pandemic was recognized as a real threat to co-operatives. While Governments have comprehensive policies and programmes for mitigation, co-operatives were largely observers rather than active participants.

Co-operatives and the Youth

In many of the countries survey, there were youth development policies but there were no youth policies and programmes in co-operatives.

DAY TWO

4.3. ICA AFRICA OFFICE RENEWAL RECOMMENDATIONS CONCLUSIONS AND RECOMMENDATIONS OF THE EEP RESEARCH

The research drew the following conclusions:-

The environment in which co-operatives operate has changed due to globalization, trade liberalization and political and economical paradigm shifts. The role of governments has changed to providing enabling policies and less direct government assistance. There is also a demand for good governance, and transparency in the management of co-operative organizations. These new developments mean co-operatives must adopt new ways of doing business and improve business efficiency and service delivery to members.

The changes have, however, created opportunities for co-operatives. The governments in the various countries recognize the importance co-operatives can play in improving the socio-economic well-being of majority of the populace.

The Researchers drew the following specific conclusions:-

Co-operative Development and Promotion

In majority of the study countries, agriculture is the mainstay of the rural economy. The policies however, do not support development of agro-based co-operatives.



There was a shift to financial co-operatives with the agricultural co-operatives not growing at the same pace.

Contribution to Income poverty alleviation and employment creation

There was a general realization that co-operatives had made a significant contribution to economic development and poverty reduction.

Co-operatives and Social Dimensions of Liberalization

In the face of liberalization, co-operatives had provided protection against exploitation of their members. This was through appropriate intervention activities like marketing and provision of financial services.

Structures

The study revealed that in many of the countries there were no viable apex co-operative organizations. However, in some countries, there were strong sectoral organizations. While emphasis was on primary societies, there was need to build strong apexes in respective countries to lobby for policy and legislation.

HIV/AIDS

Co-operatives were not actively involved in the fight against the pandemic. As grassroot institutions, co-operatives should partner with others in fighting the scourge.

Gender, Youth and Environment

Despite the existence of policies, co-operatives had not engaged in any programmes touching on these issues.

RECOMMENDATIONS FOR ICA

The ICA Africa has a strong mandate for influencing change and innovation through its member organizations in the African region. Further, it has the opportunity for encouraging new frame works for dialogue between governments and national member organizations of the co-operative movement.

AREAS OF POSSIBLE INTERVENTION BY ICA REGIONAL OFFICE

Research Intervention in West Africa

Due to the diversity of the West African region, the researchers recommended that a similar research be conducted in the region.

Development of impact assessment

Instruments and approaches

The study revealed a gap between poverty alleviation objectives of co-operatives and the real impact on co-operative communities. Consequently, the researchers recommended a special action research to develop an impact tracking instrument to assess the economic and social achievements of co-operatives in Africa.

Extending the enabling environment

Project into critical areas of co-operative development in Africa

The research had revealed a number of critical areas to be addressed in supporting the improvement of policy and legislative environment for co-operatives. This needs to be followed up to ensure that legislation was in tandem with policy.

Co-operative and Gender

This was not addressed as there were no policies and programmes for mainstreaming gender. The only reference is in the number of men and women in employment and leadership of co-operatives.

Co-operatives and the Environment

Co-operatives have no policies and programmes for protection of the environment.

5 THE ICA AFRICA REGIONAL OFFICE AND ITS MEMBERS

5.1. Report on the restructuring by the Director-General

The ICA Board created the Restructuring Working Group. The mandate of the Group was to table recommendations on membership strategy, structures and a new subscription formula. The recommendations and proposed new subscription formula were submitted to the ICA member organizations in a consultation process held from 5th January to 20th February 2008. The results of the consultation were to be presented to the membership at the ICA Extraordinary General Assembly. To view the recommendations, go to <http://www.ica.coop/calendar/ga2008/docs.html#part1>.

ACHIEVEMENTS OF ICA AFRICA

The groups identified the following achievements of ICA in Africa:-

- Research
- Education and Training
- Promoting networking
- Lobbying and advocacy
- Building solidarity
- Project implementation

FUTURE ROLE OF ICA AFRICA IN CONTEXT OF GLOBAL COMPETITION AND LIBERALIZATION

The Forum outlined the following as the future role of ICA Africa:-

- Help members to add value in the marketing chain
- Develop resource centre
- Facilitate standards and quality control
- Lobbying and Advocacy
- Strengthen secretariat to raise the profile of Regional Office
- Facilitate formation of federations in countries which do not have
- Recruit new members
- Identify markets globally
- Enhance linkages
- Introduce fund raising activities

RESPONSIBILITY OF MEMBER ORGANIZATIONS

The Forum identified the responsibility of members as:-

- Ownership of and loyalty to ICA
- Timely payment of dues
- Patronage of ICA programmes
- Aggressive member recruitment
- Build internal capacities
- Develop monitoring and evaluation instruments
- Embrace effective governance structures
- Develop action programmes to promote the co-operative agenda in Africa
- Lobby for ICA Africa inclusion in AU
- Establish an endowment fund for financial sustainability
- Develop strong national chapters from grassroots level to enhance networking.

DAY THREE

5.2 Challenges facing ICA –ROA

The participants were put in working groups to identify and report on the challenges facing the ICA-ROA. The groups identified some of the challenges as:-

- Low and weak membership
- Lack of innovation
- Weak governance structures
- Dependency syndrome
- Weak marketing systems
- Inadequate legislation
- Inadequate funds
- Lack of visibility



5.3 Challenges facing member organizations in the context of ICA

The groups further identified the challenges facing member organizations. These were:-

- Weak national apexes
- Unenlightened membership
- Unaffordable subscriptions and affiliation fees
- Weak financial base
- Political interference
- Inadequate documentation and research
- Lack of organizational transformation
- Lack of innovativeness and product development
- Lack of vetting criteria for leadership in ICA members.

5.4 VALUE DIFFERENCE BETWEEN MEMBERS AND NON-MEMBERS

Member organizations of ICA enjoy privileges and benefits which non-members have no access to. These benefits include: inter alia:-

- Access to global co-operative information
- Subsidized cost for ICA meetings and workshops
- Capacity building
- Linkage and networking
- Technical and financial support
- Participation in policy formulation at local and global levels
- Vote and be voted to ICA committees or Board

6.0 FUTURE ICA REGIONAL OFFICE FOR AFRICA

The restructuring of the regional office in Nairobi started in 2006 and is continuing. The regional office has continued with its programmes and service delivery to its members. This was facilitated by continued support of the partners and renewed commitment of the global ICA. However, it was imperative that the members must play a crucial role in the re-structuring of the regional office.

The ICA Board recommended the continued operation of the regional office. As a way of ensuring sustainability there was need to formulate a renewal strategy for the ICA Africa. This renewal strategy would address the major challenges facing the regional office. The challenges were identified as:-

- Inadequate finances
- Low membership
- Inadequate staffing
- Office space

The Forum made the following observations on the initiatives:-

- That the ICA Africa should not continue to depend on global ICA. The members must play a more active role in re-structuring of ICA Africa.
- The regional office must raise its profile and increase visibility
- The regional office to expand revenue stream areas
- Explore the possibility of establishing an endowment fund
- Youth to be included in the Executive Committee
- The regional office to be run by a Regional Director from the region
- Lobbying and advocacy would be a critical strategy for revamping the ICA Africa.
- The possibility of allowing smaller co-operatives to contribute to ICA Africa through the local apexes and become members if they are financially sound.
- ICA to extend benefits to non-members as a way of enticing them to join up. However, there should be a follow-up immediately after extending such benefits.

6.1 EXISTING STRUCTURES

The current structure of ICA ROAF includes the Regional Assembly, Regional Director, one professional staff and a finance and administration officer.

6.2 PROPOSED STRUCTURE

The Forum proposed a structure that would comprise the Regional Assembly, sub-regional meetings, Executive committee, Regional Director, key departmental heads and an operational secretariat. It was noted that this arrangement would revitalize the regional office.

6.3 GOVERNANCE (REGIONAL STRUCTURES)

In the proposed new structure, there is need to have a Regional Executive Committee which will now be called the Regional Board. The Regional Board would be responsible for implementing the decisions of the Regional Assembly. The Regional Board would define its own rules of procedure. The Regional Director would be responsible for execution of the decisions of the Regional Board and therefore answerable to the Board. Further, the Regional Director would be responsible for the running of the Regional office. It was recognised that secondments should be sought from ICA Members and the government.

6.4 CURRENT AND FUTURE NEEDS OF ICA AFRICA MEMBERS

These were outlined as:-

- An enabling policy and legal environment
- Comprehensive ICT programmes
- Exchange programmes
- Co-operative education and training
- Strengthen and popularize the co-operative identity
- Stronger governance structures that support a strong regional office for Africa.
- Integration of youth in the co-operative agenda

6.5 CRITICAL MEMBER-DRIVEN FUNCTIONS TO BE CARRIED OUT BY NEW ICA AFRICA

The Forum identified the critical functions of the revitalized ICA Africa. These functions would be:-

- Motivating members and inducing potential members through need based programmes.
- Developing instruments for standardization
- Enhancing the co-operative identity

- Disseminating information on best practices
- Creating market linkages
- Mobilizing members to hold co-operative trade fairs
- Creating linkages among all member organizations.

6.6. MEMBERS' RESPONSIBILITY IN SUSTAINING HIGH LEVEL RESPONSIVENESS OF NEW ICA AFRICA

In order to create and sustain high level responsiveness of new ICA Africa, the members agreed to promote:-

- Commitment and loyalty
- Regular and timely subscription payments
- Continuous member recruitment
- Member participation in the restructuring process
- Secondment of staff of members to the regional office

The Forum identified the following as ways of getting the members to participate in the restructuring process:-

- Needs assessment
- Use of opinion leaders
- Stakeholder consultations
- Education and Training programmes
- National organizations to prepare a strategy paper
- Creating systematic feedback mechanisms
- Awareness and sensitization meeting
- Building member loyalty
- Recruiting new members

6.7 RESOLUTIONS

The Forum appointed a resolutions committee to draft the resolutions reached by the Forum. The committee was comprised of the following members:-

- | | |
|------------------------------|-----------|
| 1. Tibamwenda Tom WA-Kighoma | - Uganda |
| 2. David Bankole | - Benin |
| 3. Fumbani Nyangulu | - Malawi |
| 4. Esther Gicheru (Mrs.) | - Kenya |
| 5. Tom Tar | - Nigeria |
| 6. Francis Munyao | - Kenya |

- | | |
|--------------------|------------|
| 7. Agnes Namuhisa | - Tanzania |
| 8. Francis Kamande | - Kenya |

The Resolutions Committee came up with the following proposals:-

- Acknowledge that African co-operative movement is only a part of the Global Co-operative movement.
- Resolve to work toward a renewed ICA ROAF which we are committed to finance and support in order to give Africa Co-operative movement a stronger voice in the global co-operative agenda.
- Resolve to an aggressive recruitment of more members at the country and sub-regional levels to meet agreed targets.
- Decide, in order to ensure the current and future sustainability of ROAF;
 - (a) To establish an endowment fund and that a consultant be appointed to conduct a feasibility study, the report of which should be presented at the next RA;
 - (b) Further adopts the proposed new ICA subscription
 - (c) Urge country members to adopt fund raising strategies to strengthen their national movements and ICA ROAF
- Urge ICA ROAF to provide critical member driven programmes including the following:-
 - Lobbying and advocacy
 - Creation of various projects geared towards members' organizations needs.
 - Development of marketing links
 - Development of virtual office and hyperlinks to all member organizations.
 - Dissemination of information
 - Initiate and embrace a new arrangement which allows sub-regional meetings to precede RA.
 - Agreed to a new ROAF structure that supports a stronger Regional Office, with minimum staff with skills in key areas to manage the office with secondments from ICA Members and governments.

These proposals were put to the Forum for discussion and adoption. The proposals were adopted as Resolutions of the Forum as proposed by Ahmed Madaki of Nigeria and seconded by Japheth Magomere of Kenya.

6.4 STRATEGIC PLANNING

The strategic plan discussion was led by Prof. Chambo who emphasized the need for ICA Regional Office for Africa to have a strategic plan. The plan would help ICA-ROA focus on the activities to be undertaken by the regional office.

The strategic plan for the regional office must conform to the ICA global strategic plan. The following were identified as key areas around which the strategic plan would be developed:-

- Consolidate and increase membership
- Increase global influence to promote co-operative enterprise as a specific business model.
- Develop strong co-operative enterprises for social and economic progress
- Strengthen ICA's sustainability through financial capacity, good governance and a committed people base.

The Forum identified the key pillars and value drivers in which the ICA-ROA must focus in order to achieve the vision and mission statements. These were:-

- Membership
- Influence
- Development
- Governance

The objectives and strategies for achieving the vision and mission were formulated in the above areas.



Action plans will be used as an implementation tool for the plan. They include details of strategies and activities to be employed to actualize the objectives and the time frame within which they would be achieved.

There must be monitoring and evaluation of the plan. This will help to assess the progress made in achieving stated objectives. The monitoring would be on a quarterly basis. It was further agreed that strategic plan must have a phase-in strategy. The strategic plan would adopt the format of the Head Office hereby reproduced.

CLOSING REMARKS

The vice President, Mr. Stanley Muchiri thanked the Director-General for providing an interim Regional Director to the Regional Office. Further, he appreciated the role of the consultants, the Chairmen and secretaries of the groups during the Forum. He emphasized that the Executive committee must drive the ICA Africa agenda. The Executive Committee must also follow-up and implement the resolutions of the Forum.

The Director-General then closed the Forum. He thanked the participants for their commitment to ICA Africa. He implored the members to pay their subscriptions on time and fully engage with the ICA.