

# **Enhancing cooperatives' impact in the food and agriculture sector: key to implementing the Sustainable Development Goals**

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Food security, nutrition and agriculture are at the heart of the 2030 Agenda for Sustainable Development, with SDGs 1 and 2 being the leading goals that focus on eradication of poverty and hunger. This ambitious Agenda is based on a holistic vision for sustainable development and emphasizes transformative change that ensures no-one is left behind. All the goals are interlinked, interdependent and based on sustainability in its three dimensions – economic, social and environmental.

The new vision of the SDGs recognises the importance of multistakeholder approaches to eradicating poverty and hunger and achieving sustainable development. Cooperatives are acknowledged as key actors in implementing the Agenda. It is important that they integrate into the multi-stakeholder processes being formed for implementation of the Goals, linking up in effective partnerships with a range of actors including governments, the United Nations system, civil society and the private sector.

Cooperatives and producer organizations play a fundamental role in ending poverty and improving food security and nutrition. The majority of the world's poor live in rural areas, particularly in developing countries, and depend on agriculture as their main source of employment. Smallholder farmers and small-scale food producers however, face numerous constraints that hamper their development. They are often fragmented, dispersed in remote areas and face high transaction costs. They lack access to information and knowledge, infrastructure, markets and financial resources. Inclusive and efficient cooperatives and producer organizations enable their members to overcome these constraints by increasing their access to resources and services including information, market and economic opportunities, enhancing social inclusion and giving their members a voice to defend their own interests in policy and decision-making processes.

As jointly-owned and democratically-controlled enterprises, cooperatives can boost smallholders' capacities to innovate and create economic and social opportunities for the most disadvantaged groups. Due to their unique nature, that combines economic and social goals, cooperatives can naturally contribute to the three inter-related dimensions of sustainability, promoting inclusive economic growth for present and future generations, social development and environmental protection for the benefit of all (UNDG 2016).

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Offering a wide range of services to their members and communities, they are essential for a thriving agricultural sector and for boosting rural economies.

Cooperatives and producer organizations however, need to be supported in order to fully play their role as autonomous agents of change. There is a need to build their capacities so that they can drive rural institutional changes within their own organizations and support innovation by their members.

FAO recognises cooperatives and producer organizations as strategic partners in order to achieve its mandate. The Strategic Framework of the Organization acknowledges the role of cooperatives, producer organizations and other forms of collective action, in contributing to poverty reduction and inclusive agricultural and food systems at all levels.

FAO's approach to supporting cooperatives and producer organizations falls under three main pillars: 1) supporting member states to foster an enabling environment and enhancing cooperatives' and POs' abilities to raise their voice in policy dialogue and consultation platforms to advocate for their members' needs, and to participate effectively in key processes where their contributions can make a difference; 2) promoting the organizational strengthening of cooperatives for them to become efficient and equitable organizations; and 3) generation of knowledge and evidence on issues related to cooperatives and POs.

This paper highlights a number of partnerships and other instruments promoted by FAO that can be further leveraged to advance the critical role of cooperatives and producer organizations in achieving food and nutrition security and implementing the SDGs.

*Fostering an enabling environment for cooperatives and enhancing their impact in key processes*

The Committee on World Food Security (CFS) is a multi-stakeholder, international and intergovernmental platform dedicated to ensuring food and nutrition security for all. In recent years, the CFS has endorsed two important instruments that will support the development of appropriate enabling environments for food and nutrition security and sustainable agricultural development.

The **Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security** (VGGT 2012) are based on the principles of sustainable development and recognise the central role of land tenure issues in development. They promote secure tenure rights and equitable access to land, fisheries and forests in order to achieve food security while protecting and sustaining the environment. Agricultural cooperatives and producer organizations play important roles in improving the tenure security of smallholder farmers both as advocators and implementers of the VGGT. It

is critical however, that they are adequately informed and equipped to carry out their role effectively.

In November 2015, FAO and ICA partnered to organise an Awareness-Raising Event on the VGGT among cooperatives, during the ICA Global Conference and General Assembly of Members held in Turkey. The event successfully raised cooperatives' awareness on the importance of the Guidelines and assessed the needs of cooperative members to effectively implement them. A further initiative was carried out in September 2016 under the framework of FAO's partnership with the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM). FAO collaborated with the Mediterranean Agronomic Institute of Montpellier (IAMM), one of the four institutes of CIHEAM, to organize a regional workshop focused on developing the capacities of producer organizations and agricultural cooperatives from four countries in North Africa (Algeria, Mauritania, Morocco, Tunisia) to support implementation of the VGGT. It will be important to increase these efforts and other related initiatives of the cooperative movement in collaboration with other key stakeholders, in order to ensure that cooperatives can be actively involved in VGGT implementation and have a voice in decision-making processes that influence VGGT policies at the national level.

As stated in the FAO publication *State of Food and Agriculture 2012*, one of the most effective strategies for eradicating hunger and poverty and promoting sustainable development is investing in agriculture. Moreover, it will be crucial to not only increase the quantity of investment in agriculture by a significant amount – by an annual average of US\$265 billion per year during 2016–30 (FAO, IFAD and WFP. 2015) – but also importantly the quality of investments. The **CFS Principles for Responsible Agricultural Investment (RAI)** “promote responsible investment in agriculture and food systems that contribute to food security and nutrition, thus supporting the progressive realization of the right to adequate food in the context of national food security” (CFS, 2014).

The RAI are intended to identify key stakeholders engaged in food and agriculture and to serve as a framework to guide their actions in promoting responsible investments and improving livelihoods, particularly of the rural poor. As the largest source of investment in agriculture, farmers need to be central to any strategy for increasing investment in the sector. Farmers' capacity to invest however, is constrained by numerous barriers. Efficient and equitable cooperatives help farmers to manage risks and achieve economies of scale in accessing markets, as well as to access information and overcome barriers to savings and investment. In this way, cooperatives play an important role to improve the livelihoods of their members by promoting responsible investments in agriculture.

Similar to the VGGT, cooperatives are strategic partners for implementing the RAI and can play a dual role. Cooperatives can both represent their members in discussions with policy-makers to support establishment of an enabling environment for responsible agricultural

investments and apply the Principles in their own operations, including by, among others, managing risks, using natural resources sustainably, and helping their members to raise their incomes and productivity and invest responsibly through better access to local and international markets and by generating inclusive employment opportunities. Recognising the urgent need for increased and better investments, FAO recently launched an umbrella programme to support responsible investments in agriculture and food systems. This programme envisages engaging with and supporting all relevant actors, including cooperatives and producer organizations, to strengthen awareness and promote joint action.

Cooperatives also have an important role in adopting sustainable agricultural practices and supporting agro-ecology approaches that can sustainably increase production, as well as adapting to and mitigating climate change and its effects. In these ways, agricultural cooperatives help to build the resilience of small-scale and family farmers in particular.

The **Committee for the Promotion and Advancement of Cooperatives** is a multi-stakeholder partnership that champions and promotes international visibility of cooperative enterprises as leaders in sustainable development. Members include the United Nations Department Economic and Social Affairs (UN-DESA), the International Labour Organization (ILO), FAO, ICA, and the World Farmers' Organisation (WFO). COPAC is a strategic platform for advocating the importance of cooperatives and producer organizations in realising the SDGs, including on the International Day of Cooperatives that is celebrated annually. In addition, COPAC members have organised side events at the CFS, which highlighted the role of cooperatives and producer organizations as active agents of change for inclusive sustainable development and global food security in the context of the Post-2015 Agenda (2015) and in supporting inclusive rural-urban linkages for sustainable food systems (2016).

#### *Promoting organizational strengthening of cooperatives*

As mentioned above, it is important that cooperatives and producer organizations are supported to enhance their organizational capacities in order that they can respond effectively to their members' needs. This involves the development of a vision, goals and structure that together ensure their efficiency, inclusiveness and ability to deliver quality services to their members. It also entails building the technical, managerial and leadership skills of members of cooperatives and producer organizations, improving their access to information and knowledge, and supporting them to engage effectively in policy dialogue processes at all levels.

An effective means of strengthening technical and organizational capacities of cooperatives, particularly in developing countries, is by using **peer-to-peer approaches**, whereby cooperatives and producer organizations from different parts of the world share their experiences and learn from each other. FAO promotes such exchanges, including between

and among countries from the global South, as they can increase knowledge and awareness on good practices relating to sustainable agricultural development, importantly also at the local level. This approach reinforces national ownership of development, ensuring that it is driven by country actors, including cooperatives, building on their national systems and local expertise. South-South cooperation between cooperatives and producer organizations can support institutional and organisational strengthening, such as the development of cooperatives' governance structures and managerial, technical and marketing skills, promote innovation and support the inclusion of collective action organizations in value chains and networks. There is significant potential to increase and leverage these exchanges among cooperatives and producer organizations in order to contribute to the achievement of food and nutrition security and the SDGs as a whole.

FAO develops and adapts to specific contexts a range of participatory methodological approaches that can be leveraged to support cooperatives' self-development processes. A few examples include FAO Learning Module 4, that focuses on strengthening organizations to empower small-scale farmers to become agents of change; participatory extension services provided through Farmer Field Schools and Junior Farmer Field Schools; and the FAO-Dimitra clubs promoting capacity development in participatory communication, gender, organizational skills, leadership, networking, situation analysis, and oral expression.

FAO also promotes the My.Coop training package and programme on the management of basic agricultural cooperatives, developed with a wide range of partners including FAO. Building on this package, and recognizing that financial cooperatives are increasingly utilized by members and promote their financial inclusion, FAO is currently partnering with ILO, the International Training Centre of ILO (ITCILO) and key stakeholders to develop a "My Financial Cooperative" Learning Programme. This comprehensive programme targets financial cooperatives, apex organizations as well as policy makers in order to equip them with tailored tools to support the development and advance the scale of financial cooperatives. My Financial Cooperative will be an important resource for cooperatives that can be utilized and promoted to empower apex organizations or unions and policy makers to ensure the effectiveness of financial cooperatives.

### *Generating knowledge and evidence to demonstrate impact of cooperatives in sustainable development*

Improving access to information and knowledge by and in support of cooperatives and producer organizations is critical to increasing productivity, sustainably managing resources and connecting to markets (Herbel et al., 2012). Making knowledge and information more available and accessible can also improve the understanding of policy makers and other key stakeholders on the crucial role that cooperatives and other forms of collective action play in

eradicating poverty and hunger and help ensure that policies can better respond to their needs.

An example at the global level is FAO's collaboration with ICA to gather and analyse information on the impact of the institutional environment for cooperatives on the structure and performance of cooperatives in developing countries. This ongoing work includes the development of a global database and online platform on cooperative law that will contain the main legislation on and related to cooperatives at country level, as well as data on the critical aspects of cooperative legislation that facilitate or hinder cooperative business.

The United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE) promotes the recognition of the role of SSE enterprises and organizations, of which cooperatives form a large part, in realising sustainable development. The UNTFSSSE is well-positioned to work actively within the global partnership for sustainable development, including through its links to civil society organizations that are observers to the Task Force and by acting as a hub for identifying and leveraging inter-agency synergies on SSE enterprises, including cooperatives, and improving knowledge and advocacy on SSE enterprises at national, regional and global levels.

There is also potential to build on partnerships with academic and research institutions in order to enhance information and foster uptake of knowledge, particularly of young people, on the important role of cooperatives in achieving food and nutrition security. For instance, under the framework of its partnership with Roma Tre University of Rome, Italy, FAO is integrating its expertise, learning resources and information materials into the Roma Tre Masters programmes on Human Development and Food Security and Cooperatives: Economics, Law and Management.

As cooperatives and producer organizations help move implementation of the Sustainable Development Agenda forward, the need for improved quality of information and statistics on cooperatives becomes increasingly urgent. This is key in order to measure, demonstrate and advance the economic and social impact of cooperatives in sustainable development, at country as well as global level. An important initiative being carried out by COPAC in collaboration with key stakeholders aims to enhance the quality of statistics on cooperatives at national and global levels. This work includes development of a harmonised concept, definition and methodology for generating comparable cooperative statistics. Improving statistics on cooperatives and producer organizations will enhance global knowledge and awareness on the impact of the cooperative movement and support evidence-based advocacy on the unique role of cooperative enterprises as a driver of sustainable development.

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