

POSITION PAPER

COOPERATIVES: KEY PARTNERS IN REALIZING THE AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT

EXECUTIVE SUMMARY

The international community marked the mid-point in the implementation of the 2030 Agenda for Sustainable Development in September 2023. The UN hosted the SDG Summit which culminated to Member States adopting a political declaration with a call to action to reverse the declines and accelerate the progress to achieve the 2030 Agenda and implement the SDGs. Cooperatives contributed to the process that defined the content of the Agenda 2030, resulting in acknowledgment of the significant role of cooperatives in achieving sustainable development. The SDGs are at the very core of cooperative enterprises as the cooperative business model is based on ethical values and principles whose goal is to provide for the needs and aspirations of its members and the community. To unleash the full potential of cooperatives' contribution to the SDGs, they need a robust and a conducive policy and regulatory environment.

INTRODUCTION

The 2030 [Agenda for Sustainable Development](#), adopted by the United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are a call for action by all countries in a global partnership. They recognize that ending poverty and other deprivations must go together with strategies that improve health and education, reduce inequality, and spur economic growth while tackling climate change and working to preserve our oceans and forests.

Cooperatives contributed to the process that defined the content of the 2030 Agenda for Sustainable Development, resulting in acknowledgment of the significant role of cooperatives in delivering development results for all¹. In particular, cooperatives are recognised as a significant partner in the implementation of the Agenda 2030 and are called upon to work together with the international community in achieving the SDGs².

The international community marked the mid-point in the implementation of the 2030 Agenda for Sustainable Development in September as the UN hosted the SDG Summit to review the progress and seek ways to accelerate the implementation of the SDGs. The UN Member States adopted a [political declaration](#) highlighting their shared commitment to effectively implement Agenda 2030 and made a call to action to reverse the declines and put-up measures to accelerate the progress to achieve the SDGs. It is thus a critical moment for all actors and stakeholders to act and demonstrate their commitment to revitalise the global partnerships for sustainable development and cooperatives will not be left behind.

¹ UNDESA: [EGM on Cooperative Sector and the 2030 Agenda for Sustainable Development](#)

² Transforming our world: the 2030 Agenda for Sustainable Development: <https://undocs.org/en/A/RES/70/1>

The 2023 SDG Progress Report by the UN Secretary General has noted that halfway to the deadline of the 2030 Agenda, more than half of the world will be left behind. The report further shows that the progress on more than 50 percent of targets of the SDGs is weak and insufficient while 30 percent has stalled or gone into reverse which include key targets on poverty, hunger, and climate.³ Unless we all cooperate and act now, the 2030 Agenda for Sustainable Development will not be realized. As stated by the President of the International Cooperative Alliance (ICA), Ariel Guarco during the International Day of Cooperatives: “Enterprises, which are responsible for organising the production and distribution of goods and services, must focus on people and the planet. Cooperatives have a model for doing this and have been demonstrating it for almost 200 years”⁴.

OUR VISION FOR SUSTAINABLE DEVELOPMENT

Sustainable Development is at the very core of cooperative enterprises as the cooperative business model is based on ethical values and principles whose goal is to provide for the needs and aspirations of its members and the community. Cooperative enterprises are particularly committed to the 7th cooperative principle of concern for communities that states, “cooperatives work for the sustainable development of their communities through policies approved by their members”, which included the concept of sustainable development in 1995, 20 years before the Agenda 2030 was adopted⁵

Cooperatives are committed to their values of self-help, self-responsibility, democracy, equality, equity, and solidarity and their principles that help them deliver sustainable social, economic, cultural, and environmental outcomes for members and the community⁶. Through self-help and empowerment, enhancing local resources and capacities and reinvesting surpluses, cooperatives play a pivotal role in responding to local community needs and objectives. As was demonstrated during the International Day of Cooperatives by cooperatives all around the world⁷, instead of looking at short-term goals of maximizing profits, cooperatives have a long-term aim of sustainable economic growth, social development, and environmental responsibility. Therefore, cooperatives as a sustainable business model, empower economic abilities, social inclusion and environmental sustainability and represent a perfect fit with the SDGs.

OUR CONTRIBUTION

Cooperatives make significant **contributions in all sectors of the economy**: they operate in banking, agriculture, insurance, health, housing, retail and wholesale, community energy, and increasingly in IT industries.

At least 12% of people on earth are cooperators of any of the 3 million cooperatives on earth. Cooperatives provide jobs or work opportunities to over **10% of the employed population**, and the three hundred largest cooperatives or mutuals generate \$2.2 trillion in turnover while providing services and infrastructure society needs to thrive⁸. They also occupy significant shares of their national economies and are among the larger contributors to national GDP around the world.

³The Sustainable Development Goals Report 2023: Special Edition <https://unstats.un.org/sdgs/report/2023/>

⁴ <https://www.ica.coop/en/newsroom/news/cooperatives-sustainable-development-2023-international-day-cooperatives-announced>

⁵ Cooperative principles and values: <https://www.ica.coop/en/cooperatives/cooperative-identity>

⁶ ibid

⁷ www.coopday.coop

⁸ ICA: cooperatives facts and figures: [https://www.ica.coop/en/cooperatives/facts-and-figures#:~:text=Cooperatives%20provide%20jobs%20or%20work,thrive%20\(World%20Cooperative%20Monitor\).](https://www.ica.coop/en/cooperatives/facts-and-figures#:~:text=Cooperatives%20provide%20jobs%20or%20work,thrive%20(World%20Cooperative%20Monitor).)

The UN recognizes that cooperatives, in their various forms, **promote the fullest possible participation in the economic and social development of local communities** and all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a significant factor of economic and social development and contribute to the eradication of poverty and hunger. It further recognises that as cooperative enterprises often serve the socially excluded and vulnerable sectors of the population that profit-driven businesses tend to neglect, they are therefore important for the support of socially inclusive policies that drive inclusive development, particularly in developing countries⁹.

On 1st July, the International Conference 'Cooperatives for Sustainable development' convened, drawing together cooperators from all round the world to explore the intricate relationship between the cooperative movement and each of the 17 SDGs¹⁰. Cooperatives contribute to sustainable development by **bringing a democratic approach to access to land, capital, and entrepreneurial decisions**. By doing this, it sends a message to the whole society saying that there are sustainable alternatives to the organization of business and social activities in a more ethical and people-centered way. Cooperatives also provide equitable access to goods and services including access to affordable and healthy food, education, social care and medical services, access to work and other income-generating opportunities. They prioritize equal rights, affordability of their services, solidarity, democratic decision-making, and inclusion. Their services promoting inclusion are particularly well geared to the needs of vulnerable and marginalised groups.

Eradication poverty in all its forms and dimensions is the first commitment of the UN Member States in their call to action as highlighted in the adopted political declaration. Providing **income-generation opportunities and decent work** is one of the core areas of cooperatives' sustainable development impact. Cooperatives fight against poverty and drive change by creating jobs, promoting decent work, equality, and inclusion, developing entrepreneurial and professional skills, and responding to new work-related challenges in society. Cooperatives create employment opportunities for all kinds of population, but very often particularly for vulnerable categories, allowing them to reintegrate into society by developing their skills, employability and assisting them in finding new employment. Promoting decent work, equality and inclusion is another important area of cooperatives as their member-owned and democratically governed model is integrative of decent work and human rights values that are mainstreamed in supply chains, member, employee, and other relations.

Financial cooperatives help generate **better income, improve living conditions** as they stimulate job creation, allow access to financial services, savings accounts, micro-insurance, thus allowing communities of members to graduate from the vicious circle of poverty. They also promote entrepreneurial activities and help producers to improve their production activities.

In the effort to accelerate actions to end hunger and food insecurity, cooperatives **stimulate the adoption of sustainable farming and production practices** using alternative and renewable energy sources, organic fertilizers, reducing the use of chemicals, water and energy consumption, reducing greenhouse emissions, land erosion and waste. They engage in sustainable fishing, forest management practices, implementing reforestation and forest conservation projects, training and sensitizing on sustainable practices. Cooperatives facilitate **access to sustainable value chains and fair trade**, reducing intermediaries, improving farmers' collective action and bargaining power,

⁹ 2021 UN Resolution on Cooperatives in Social Development: <https://social.desa.un.org/publications/cooperatives-in-social-development-2021-resolution>

¹⁰ <https://www.ica.coop/en/newsroom/news/coopsday-2023-all-around-world-cooperatives-show-how-sustainable-development-rooted>

realizing the economies of scale, ensuring better access to inputs and equitable markets, building coop-to-coop value chains, allowing access to international markets, among others.

Cooperatives also provide access to **sustainable energy sources** to promote access to affordable, reliable, sustainable, and modern energy for all. In recent years, more and more communities are setting up cooperatives for accessing renewable sources of energy. Cooperatives allow citizens to organize their own production, distribution and/or supply of renewable energy. They also contribute to local development, supporting local industries, farmers, and the business community, providing access to energy, financing energy projects, providing loans, member education, and integrating sustainability in everyday practices.

As the Member States commit to targeted and accelerated action to remove barriers to achieving gender equality and empowerment of women, cooperatives have also advanced promotion of **gender equality** through a range of activities such as fostering women leadership by encouraging women participation in the decision-making bodies and management positions. They are also empowering women on equal access to economic opportunities by supporting self-help groups of women, reinvesting cooperative surplus in gender equality projects and ensuring equal access to credit, jobs, agricultural production, and other economic opportunities, building capacity and professional skills of women, sensitizing and counselling member communities on gender equality issues such as gender-based violence, among others.

Cooperatives are also advancing **youth empowerment** in various ways such as supporting their employment and business projects, participation in the value chains, access to finance; developing entrepreneurship skills through training, enhancing their financial literacy, how to establish and run cooperatives, raising funds; supporting student initiatives through campus cooperatives, cooperative schools, offering scholarships, internships, assisting to their peer learning networks and communities. More and more cooperatives have been created by the youth inspired by the cooperative idea and motivated to change the world.

Lastly, cooperatives are in the frontline **advocating for protection of the environment and mitigating effects of climate change**. Cooperatives' members care about their natural ecosystems and engage in environmental protection and climate action through different means: by preserving biodiversity through tree planting, reforestation, recycling, restoring water quality, engaging in volunteer work, supporting projects, introducing incentives for the reduction of environmental degradation. Cooperatives adopt sustainable practices by reducing energy use, installation of solar panels and renewable sources of energy, monitoring carbon footprint and CO2 emissions, and engaging in waste reduction and recycling. Cooperative banks and other financial cooperatives are increasingly active in sustainable finance by supporting climate-related projects, issuing, and investing in green, sustainable bonds, developing credit, savings products for eco-loans, renewable energy installations, energy efficiency, sustainable housing, also insurance products that allow protection from climate risks and natural disasters.

OUR POLICY ASKS

A major constraint to cooperative enterprises in many countries is the **poor enabling environment**: either due to restrictive laws and regulations stemming from the legacy of state control or, in some cases, the complete absence of a cooperative legal framework. The negative impact of this lack cannot be overemphasized. To function well, such organizations **need a robust enabling**

environment with solid prudential regulation, protecting democratic member control and ownership, autonomy, as well as voluntary and open membership¹¹.

The UN Secretary General has called upon the governments in his [2023 report on cooperatives in social development](#), to **support and strengthen cooperatives as sustainable and successful business enterprises** by using the entrepreneurial ecosystem approach, as well as support for further research on the enabling ecosystem for cooperatives in varying geographic settings and in different social and economic sectors, to build a firm foundation for evidence-based policies. He further called upon governments to strengthen the capacity of cooperatives to collect comprehensive and internationally comparable data on the role of cooperative enterprises in economic and social development and the implementation of the SDGs as well as to integrate cooperatives in national development plans and SDG reporting processes, in national consultations on social and economic policies and in voluntary national reviews submitted for the High-Level Political Forum on sustainable development. He also asked the UN System and other national and international organizations working on cooperative issues to provide policy analysis, technical support, and capacity-building assistance to promote the continued growth of cooperatives for the achievement of sustainable development¹².

The 2021 UN resolution on cooperatives in social development further encourages the governments to intensify and expand the availability, accessibility and dissemination of evidence-based research on the operations and contribution of cooperatives, to develop a statistical framework for the systematic collection of comprehensive and disaggregated data on and the best practices of cooperative enterprises, taking into consideration available methodologies, such as the guidelines concerning statistics of cooperatives, in collaboration with all stakeholders, and to raise public awareness of the linkages between cooperatives and sustainable development, especially in the areas of social inclusion, decent employment creation, poverty eradication in all its forms and dimensions, inequality reduction, gender equality and the empowerment of women and girls, and peacebuilding¹³.

To unleash the full potential of cooperatives requires, among other measures:

- **Recognition** that cooperative enterprises are a well-suited model of business to deliver Sustainable Development Goals; the generation and equitable distribution of wealth, the creation and maintenance of sustainable enterprises and jobs at the local level and the concern for the surrounding community are specific characteristics of cooperatives that makes them well suited to deliver these goals.
- **Inclusion** of specific targets and indicators related to the promotion and development of cooperatives in member countries, in accordance with the definition, values and principles referred above; these targets should be associated with a concept of growth that includes targets associated with social and environmental indicators.
- **Access** to specific implementation measures and programs including funding; these programs and measures should be adapted to the specific characteristics of cooperatives and respect their specific business model. As the UN Member States have committed to increase financing for data and statistics, as well as scale up financing for sustainable

¹¹ R193 - Promotion of Cooperatives Recommendation, 2002 (No. 193):
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_code:R193

¹² 2023 UN Secretary-General's report on cooperatives in social development: <https://social.desa.un.org/publications/cooperatives-in-social-development-2023-report>

¹³ 2021 UN Resolution on Cooperatives in Social Development: <https://social.desa.un.org/publications/cooperatives-in-social-development-2021-resolution>

development and enhancing capacity building¹⁴, cooperatives should be given access to these funding opportunities as recommended in the 2021 UN resolution on cooperatives in social development.

- **Participation** of cooperative structures in the discussions and decision-making processes regarding the Sustainable Development Goals such as the voluntary national reviews and the UN high-level political forum. The decision-making process should be made in full compliance with participatory principles. Moreover, the identification of specific measures and programs should ensure the involvement of local business, their representative organizations and civil society. Programs should be designed through local consultation processes and preceded by in-depth assessment studies of the local context.

¹⁴ Recommendation (r) and (p) in the [political declaration on sustainable development](#) by UN Member States.