



Réseau intercontinental de promotion de l'économie sociale solidaire
Intercontinental Network for the Promotion of the Social Solidarity Economy
Red intercontinental de promoción de la economía social solidaria

11th Annual Meeting of UN and International Organizations Civil Society Focal Points

What are effective approaches to operational collaboration with civil society? How can financial institutions support actors in the social solidarity economy (SSE)?

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RIPESS Board of Directors

RIPESS

- After a first meeting in Lima in 1997 (September), Solidarity Economy, Social Economy and Social Solidarity Economy organisations, further meetings were held in 2001 (Québec), 2005 (Dakar), 2009 (Luxemburg) and 2009 (Manila)
- RIPESS was formally created in 2002.
- Members in all continents (at least 50 countries) : networks, SSE enterprises, women, youth, workers unions, fair trade, etc. Largely a grassroots organisation.

Examples of Civil Society – SSE organisations

- Federation of Community Forestry Users Nepal (FECOFUN)
- Artisanal Fishers Savings and Credit Mutual of Guinea (MÉCREPAG)
- Social Enterprise development Foundation (SEND) West Africa (Ghana, Liberia and Sierra Leone)
- Association for Serva Seva Farms (ASSEFA) - India
- National Network for the Promotion of SSE (RENAPESS) - Mali



Federation of Community Forestry Users, Nepal

- A Federation of 12,500 Community Forestry Users Groups
- FECOFUN is the largest civil society organisation in Nepal representing about 8 million people (out of 25 million in Nepal). About 75% of Nepal's forest is under community management
- Livelihoods : timber and NTFP (non-timber forestry products) and family farming
- PROJECT : Adding value with sawmills, furniture manufacturing, etc.
- FUNDING : Investment for manufacturing businesses and training workers

MECREPAG

MUTUELLE D'ÉPARGNE ET DE CREDIT DES PECHEURS
ARTISANS
DE GUINEE



MÉCREPAG-(Artisanal Fishers Savings and Credit Mutual of Guinea)

- Established in 2007. In 2014, branches in 11 out of the 17 fishing ports in the country.
- About 3,100 members: fishing boat owners, women who sell and smoke the fish, boat carpenters, engine repair, etc. Membership is 60% women.
- A self-managed microfinance institution with Board elected by members. Local credit committees elected locally. Most staff are from the community.
- Different categories of loans, from \$100 to \$4,500 (for 42hp outboard motors)
- Savings are not enough for the loans (only about 35%)

Funding needs

- The most important need is for outboard motors. The boat owners buy the motors on a Lease-loan basis. Once the loan is paid to the Mutual, they become owners. The owner provides 25% in cash and the remaining 75% is paid in a 12-18 month period.
- The immediate need is for 72 outboards (from 8 hp to 40 hp), but the Mutual can buy only a dozen. A long-term investment of \$95,000 would allow them to respond to the needs. With an annual interest rate of 3%, they could reimburse the loan in 5 years.
- Training in all aspects is also a necessity: from governance of the Mutual, managing the loans, health and safety and meeting standards for export of smoked fish.



SEND WEST AFRICA
GHANA • LIBERIA • SIERRA LEONE



- Projects in agriculture, savings and loans credit unions in Ghana, etc.
- In Sierra Leone, most activities are in Kailahun district, a district in the center of the Ebola outbreak
- Out of 506 infected women in the district, 170 died. Out of these, 31 were beneficiaries of SEND activities in micro-finance, in Agriculture Business Centers and in Livelihood projects. Each had an average of 6 dependants.
- The main actions of SEND about Ebola are food distribution, a radio program and fundraising in Ghana. Activities are organised by the SEND partner, the Kailahun Women in Governance Network

Funding needs

- The micro-finance activities are stalled. Clients are cannot repay since they are unable to undertake economic activities and they need to pay for basics such as food.
- One the crisis is over, needs will be evaluated and economic activities will restart again.
- The SEND supported projects are at the core of educating and raising awareness among the population on how to protect themselves and stop the virus. They distribute food and take care of children who have lost parents.
- SSE and Civil Society organisations are also key in disasters or crises.

Association for Serva Seva Farms (ASSEFA) - India

- Created in 1968 on Gandhian principles
- A brief overview
 - 11,000 villages (about 5 million people)
 - Based on village assemblies and women's Self-Help Groups (SHG) – 27,000 SHGs
 - Holistic approach : agriculture, schools, health, micro-finance, gender equality, co-operatives for dairy and fruit juices, peace and non violence, sustainable development, etc...

Operational Areas and Outreach



One of the projects needing investment

- Improving 5,000 hectares of farmland in Tamil Nadu – 4,000 farmers and family would improve income
- Cost: 50,000 Rs (about \$800 USD) per hectare
- Total investment needed: \$400,000
- Can pay interest and start reimbursing capital in the 3rd year

National Network for the Promotion of SSE (RENAPESS) - Mali

- RENAPESS is a national network of 62 civil society organisations from all sectors of civil society in Mali
- Since 2010, has worked with the government to co-construct policies supportive of social solidarity economy (SSE) in Mali
- After many delays, in part due to the coup d'état in 2012, the *Public policy in support of SSE* (PNESS) was adopted by the Council of Ministers on 9 October 2014

Action plan for implementing the public policy

- RENAPESS is formally recognized as partner
- Four strategies
- Adopt new legislation and regulations for SSE enterprises ;
- Reinforce the capacity of the actors ;
- Reinforce information, communications and research related to SSE;
- Improve appropriate funding mechanisms for enterprises in SSE.

Necessary funding

- **Total cost: 28,719,250,000 Francs CFA (about 50 million USD)**
- **Strategy 1 : 4,138,250,000 (4,11%)**
- **Strategy 2 : 21,110,000,000 (46,38%)**
- **Strategy 3 : 2,869,000,000 (9,99%)**
- **Strategy 4 : 602,000,000 (2,10%)**

Sources of funding

- About 1/3 is already guaranteed for the health mutuals
- For the other 2/3, expectations are :
 - National government (38%)
 - African development bank (31,5%)
 - International NGO volunteers and funding (12%)
 - Member organisations (6%)
 - RENAPESS (5%)
 - Local governments (4%)
 - Other (3,5%)

International funding for SSE in Mali

- Training
- Capacity building
- Appropriate resources for long term loans for SSE enterprises

Thoughts about funding mechanisms

- The main avenue is to have access to patient capital (long term investment) for SSE enterprises such as cooperatives or other types of community managed businesses in order to improve economic activity and increase revenue to lift people out of poverty. Unlike micro-finance, the focus is the enterprise, or even the whole community, and not the individual person.
- Partnerships with existing SSE financial institutions such as savings and loans credit unions, Community Development Financial Institutions (CDFI), and in some cases new institutions, are needed for managing the funds. The networks and organisations need to be involved in the design and management, along with others such as government departments, etc.

More....

- All stakeholders in development need to work together at the country and local level, including international organisations providing funding and / or volunteers and specialists
- Besides SSE enterprises, local and regional infrastructure is needed such as roads, schools, health clinics and hospitals. Some communities produce more food than they need, but transportation infrastructure is inadequate to access markets in metropolitan areas

The potential of SSE enterprises

- The involvement of community members, farmers and fisherfolk, families, often in very great numbers, ensure a stable and resilient environment
- SSE enterprises have a track record of lifting people out of extreme poverty
- Women are most frequently at the core of the organisations, and in many cases are the majority of members involved
- The potential for youth job creation is important
- Sustainable livelihoods are at the core

The greater picture : more than economy

- Most SSE activities have low ecological footprint
- Empowerment of women in society in general, leadership skills, increasing education, and positive impact in empowering women at the family level
- In many cases, the organisations strengthen social capital in the community, develop solidarity within the community with people of different religions and ethnic backgrounds
- When disasters or crises hit, SSE organisations, since they are a network of people, often decentralised, can effectively respond with food or care (for example, a Tsunami, an earthquake or Ebola)
- SSE organisations are safer from corruption
- They contribute to a strong civil society, essential for an effective democracy

Possible next steps

- *Create a workgroup with different stakeholders in order to create mechanisms that are agreed upon - co-construction of mechanisms*
- *Establish a CSO consultative body similar to the CSO body set up at FAO*
- *Have a formal meeting between the TFSSE and the International Financial Institutions to discuss proposals in the TFSSE paper on Financing SSE (planned for April 2015)*
- *Have a permanent channel for exchanges on SSE financing leading up to the Addis conference*
- *Exchanges at the continental level*