

# **Providing an enabling environment in Rwanda and Policy Space for cooperatives to influence Government Policy**

**Kigali, March 2019**

# Outline of the presentation

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- 1. General Introduction**
- 2. Situation analysis**
- 3. Roles of cooperative movement in new cooperative policy**
- 4. Changes in New Cooperative Policy and benefits to the cooperatives**
- 5. Space of Cooperatives to the National Strategic Plans**
- 6. Conclusion**

# I. General Introduction ( ½)

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- ⇒ The Government of Rwanda recognizes the central role that cooperatives have to play in promoting **sustainable and inclusive socio-economic transformation**.
- ⇒ The policy on promotion of cooperatives was put in place **in 2006**, and the promulgation **in 2007** of the Law determining the establishment, organization and functioning of cooperative organizations in Rwanda.
- ⇒ The Cooperative Policy was currently revised and approved by the Cabinet on **8<sup>th</sup> August 2018** and is intended to support the development of cooperatives and the entire cooperative movement **by providing the necessary policy and legislative environment for cooperatives to grow and prosper**.

# I. General Introduction (2/2)

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- The review of the cooperative policy was come at a very critical moment where the Government was revisiting its overall planning process toward economic, social and transformational governance.
  - The current Vision 2020 is being updated to Vision 2050.
  - The National Strategy for Transformation (NST-1)
  - New Sector Strategic Plans (2018-2024)
  
- The revised current policy takes stock of past achievements and aligns the cooperative sector to the new development context so as **to contribute to the attainment of the country's ambitious transformational targets.**

## 2. Situation Analysis: Why review of cooperative Policy (1/2)

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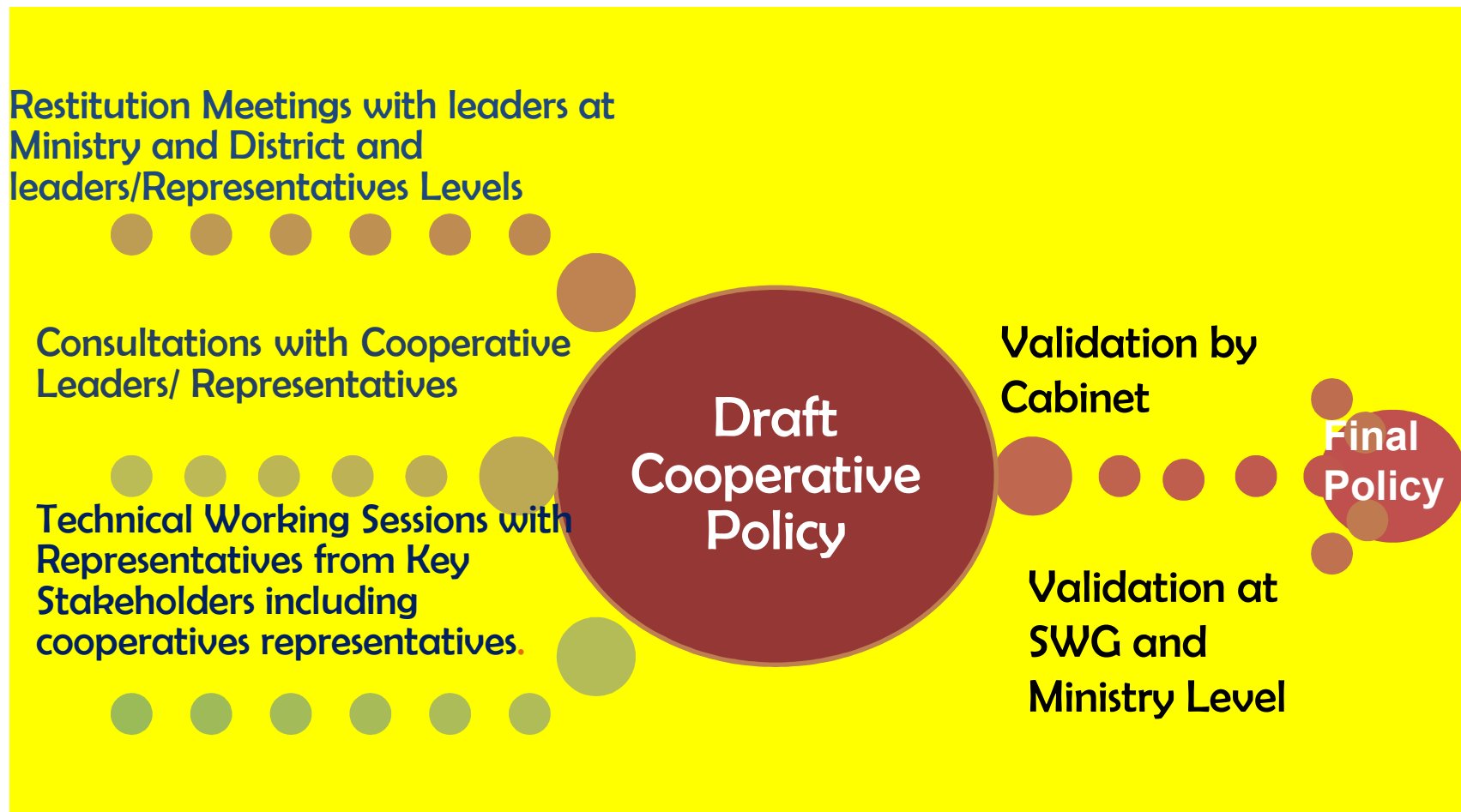
The review of cooperative policy was proposed to handle gaps and emergency issues related to:

⇒ Institutional, policy, management of cooperatives and issues related to Research, Investment, and Development

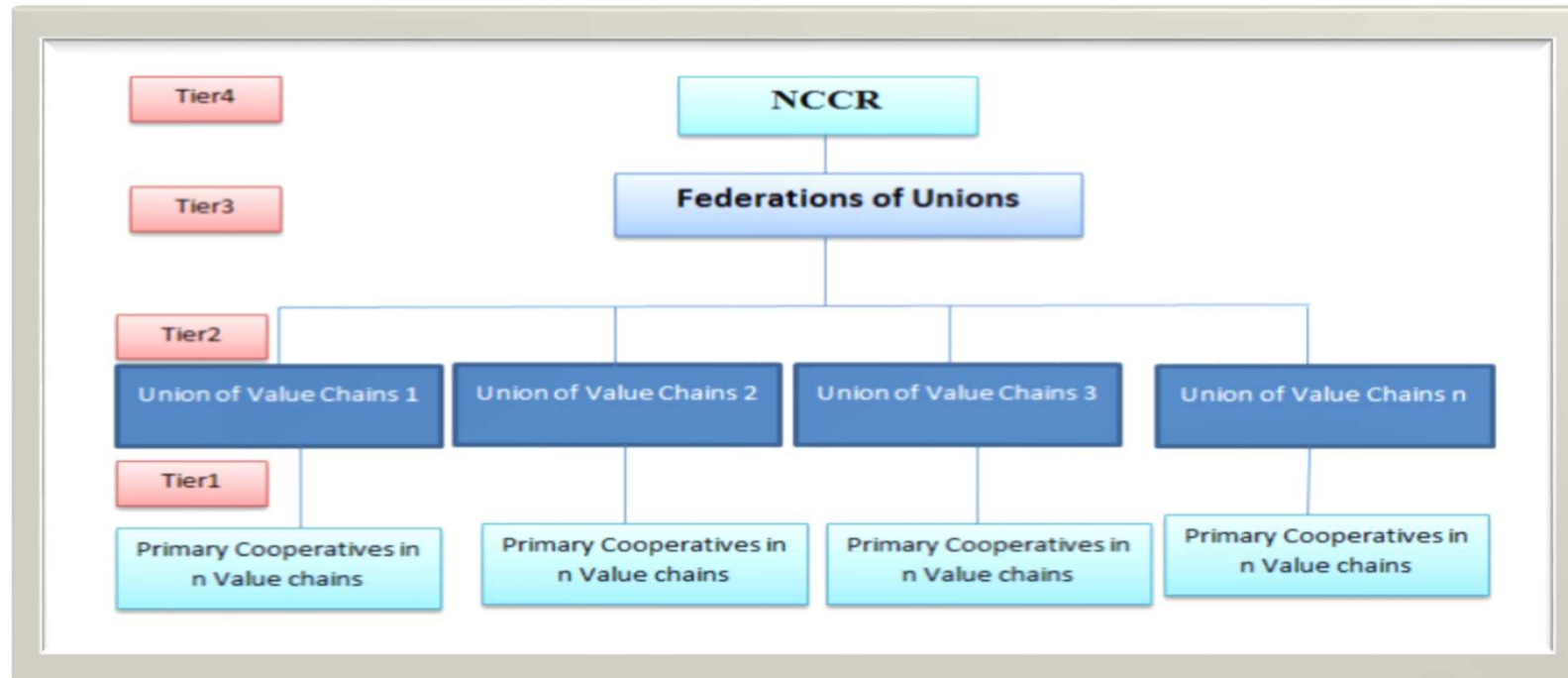
## 2. Situation Analysis: Statistics on cooperatives March 2019 (2/2)

| Registered cooperatives in Rwanda |               |                  |           |                  |           |                  |                       |
|-----------------------------------|---------------|------------------|-----------|------------------|-----------|------------------|-----------------------|
| Economic Activity                 | No. of coops. | Membership       |           |                  |           | Total            | Share Capital         |
|                                   |               | Male             | %         | Female           | %         |                  |                       |
| Agriculture                       | 2,525         | 229,212          | 58        | 167,857          | 42        | 397,069          | 5,014,399,548         |
| Livestock                         | 1,695         | 93,703           | 51        | 91,708           | 49        | 185,411          | 4,080,918,423         |
| Trading                           | 1,257         | 76,294           | 51        | 73,842           | 49        | 150,136          | 8,421,798,480         |
| Service                           | 971           | 70,370           | 54        | 60,089           | 46        | 130,459          | 2,171,064,884         |
| Transport                         | 563           | 68,898           | 58        | 49,029           | 42        | 117,927          | 1,857,283,500         |
| Handicraft                        | 1,024         | 60,696           | 49        | 63,433           | 51        | 124,129          | 1,941,045,080         |
| Transformation                    | 112           | 50,283           | 51        | 49,086           | 49        | 99,369           | 748,144,000           |
| Mining                            | 132           | 48,403           | 51        | 46,794           | 49        | 95,197           | 654,201,100           |
| Fishing                           | 93            | 49,775           | 51        | 47,341           | 49        | 97,116           | 162,422,000           |
| Housing                           | 167           | 51,435           | 51        | 48,543           | 49        | 99,978           | 5,075,251,848         |
| Other                             | 198           | 51,363           | 51        | 49,314           | 49        | 100,677          | 498,431,800           |
| <b>SubTotal</b>                   | <b>8,737</b>  | <b>850,432</b>   | <b>53</b> | <b>747,036</b>   | <b>47</b> | <b>1,597,348</b> | <b>30,624,960,663</b> |
| SACCOs                            | 437           | 1,836,447        | 57        | 1,396,887        | 43        | 3,233,334        | 13,861,085,016        |
| Unions                            | 148           | -                | -         | -                | -         | -                | 210,116,675           |
| Federations                       | 14            | -                | -         | -                | -         | -                | 59,020,000            |
| <b>Grand Total</b>                | <b>9,336</b>  | <b>2,686,879</b> | <b>56</b> | <b>2,143,923</b> | <b>44</b> | <b>4,830,682</b> | <b>44,755,182,354</b> |

### 3. Roles of cooperative movement in development of revised cooperative policy (1/2)

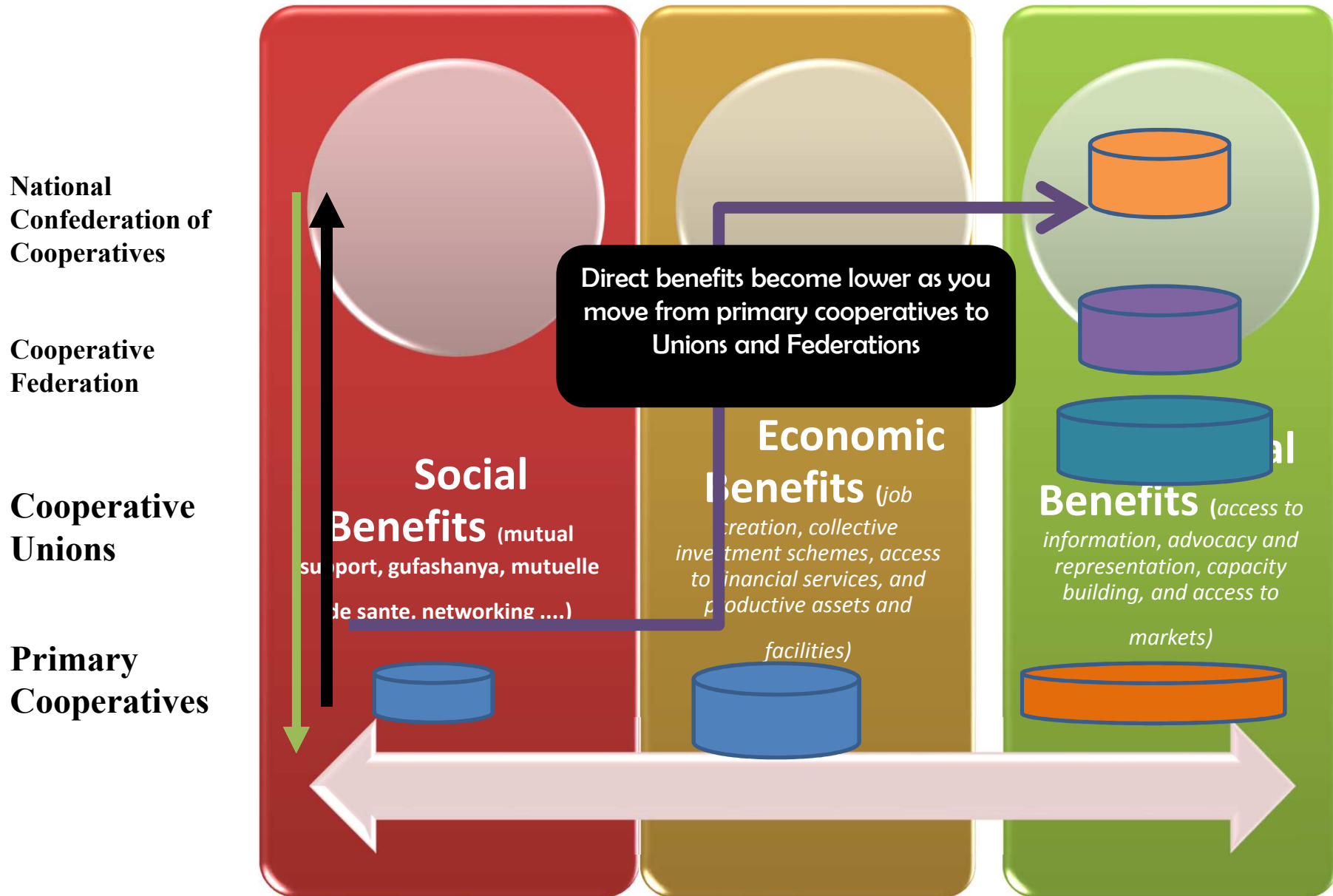


# Operational structure of the Cooperative Movement





# Benefits of members of primary cooperatives



## 4: Changes Proposed by the new Policy

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- ⇒ New strategic Direction: (Vision, Mission, Objective of the Policy) and Policy Options
- ⇒ New Operational structure of the Cooperative Movement
- ⇒ Growth and Graduation Pathways (Categorization of cooperatives and types of government support)
- ⇒ New Policy Intervention Areas :
  - ⇒ Sector support coordination
  - ⇒ Research and Impact Assessment

## 5. Contribution of cooperatives to the National Strategic Plans (1/3)

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- ➔ **Contribution of cooperatives to the National Transformation Strategy (NST1)**
- ➔ **Contribution of Cooperatives to the Sector Strategic Plans (SSPs)**

## 5. Contribution of cooperatives to the National Strategic Plans (2/3)

- *Contribution of cooperatives to the NST 1's Pillars (3/7)*
  - **Economic Transformation :**  
Job creation, promotion of industrial development and export promotion, increase agriculture and livestock;
  - **Social transformation :**  
Primary cooperatives to their members (Girinka, Mutual Support, Mutuelle de Sante, etc)
  - **Governance transformation:**  
Citizen participation through cooperatives, capacity development, service delivery and partnership in development)

## 5. Contribution of cooperatives to the National Strategic Plans (3/3)

- *Contribution of cooperatives to the SSPs' Pillars*

**Contribution to the Strategic Plan for transformation of Agriculture (PSTA 4):** Cooperatives are strengthened through trainings to increase production and productivity with emphasis on value addition to contribute to the food security

**Contribution to the Private Sector Development and Youth Employment Strategy:** The role of cooperative is mentioned in this policy and Cooperatives are big players in implementation of its pillars :

- **Promotion of “Made in Rwanda” strategy,** cooperatives contribute to the domestic market recapturing, especially agro-processing, construction materials and light manufacturing sectors.

- **Collective Investment Scheme:** Cooperatives have played and will continue to play a big role in Collective investment schemes, as a big pillar of the private investment strategy in Rwanda.

- **Cross-Border Trade:** A huge opportunity for cooperative development, especially for Women’s cooperatives which constitute the biggest proportion of CBM cooperatives.

# 7. Conclusion

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**In all, the current revised cooperative policy is aligned the National Strategic Plans for social-economic transformation and recognize the crucial role of cooperatives for social-economic development.**

**Cooperatives are encouraged to transform those opportunities into actions for the benefit of their members.**