

NATIONAL POLICY ON PROMOTION OF COOPERATIVES

1.0 Introduction

This document contains Rwanda's National Cooperatives Promotion Policy. The policy highlights the importance of cooperatives, reviews their past and present, and scans through the constraints and opportunities they reflect in the national development. Further the document lays out policy, strategies and action plan aimed at orienting and ensuring that cooperatives become a viable tool for social-economic development in Rwanda.

The Government of Rwanda views cooperatives as a potential vehicle through which the cooperatives members could create employment and expand access to income-generating activities, develop their business potential, including entrepreneurial and managerial capacities through education and training; increase savings and investment, and improve social well-being with special emphasis on gender equality, housing, education, health care and community development.

1.1 Definition of the sector

The cooperative sector in Rwanda is large and diverse. It consists of savings and credit cooperatives, banking cooperatives, agricultural cooperatives, small processing and marketing cooperatives, fishery cooperatives, Consumers, workers, handicraft and artisanal cooperatives. Potential for other activities are many.

A cooperative society may be defined as:

“An autonomous association of persons united voluntarily to meet their common economic, social and cultural aspirations through a jointly-owned and democratically-controlled enterprise”.

Cooperatives are good mechanisms for pooling the people's meager resources with a view to providing to them the advantages of the economies of scale. Besides, as it is in many other countries, in Rwanda participation and inclusion of cooperatives are central to the approach to poverty reduction. Cooperatives are an ideal instrument in such a strategy and Rwanda should draw on the potential strength of a vibrant cooperative movement. Further cooperatives are a key organizational form of

community development and a tool for combating social exclusion and promoting peace and reconciliation, for example, through local development initiatives and mobilization of savings, among other initiatives.

1.2. Background Information of Cooperatives In Rwanda

1.2.1 National Context

The first attempt to institutionalize cooperatives in Rwanda began with the enactment of the Co-operative Ordinance 1949 that operated until the current law No. 31/1988 was enacted on 12th October 1988.

Traditionally, Rwanda had its own self-help forms that conform to the principles of self-help. Some of these forms such as Ubudehe, umubyizi and Umuganda have survived to the present day. What is true is that to date, no efforts have been made to consolidate this traditional philosophy of mutual assistance into economically oriented development initiatives.

The cooperative movement in Rwanda was started as a tool for promoting colonial Government and later in the 1960s the national Government's policies. The interest of colonial Governments was to get resources from Rwanda for the development of their own countries.

After independence, the Government used cooperatives as instruments of implementation of its policies and plans, thus becoming a tool for politicians. This attitude led to misconception of the notion of "*cooperative*" with "*Associations*".

Cooperatives had a false foundation in Rwanda. Although the Government invested a lot of resources in them, most eventually collapsed because they lacked clear policies and strategies and the spirit of self-help among its members. The war and genocide of 1994 had further adverse effects on the rather weak cooperatives, at the level of human, material and financial resources.

In addition, to the foregoing negative effects on the cooperative movement the State and development agencies including donors introduced the culture of dependency by conditioning external assistance to the formation of cooperatives and other forms of associations. Thus, members looked at a

cooperative as a means of only getting financial assistance from donors rather than as an economically productive enterprise.

1.2.2. Regional and International Context

Participation at regional and international levels has been minimal mainly because the movement in Rwanda has not yet joined the international family of cooperatives. This lack of affiliation has been partly due to the fact that Cooperatives in Rwanda have not yet formed Unions, Federations and an Apex body, which would represent cooperatives in regional and international structures.

The International Cooperative Alliance (ICA) and International Labour Organization (ILO), which represent and serve cooperatives worldwide, cooperate directly with cooperative movements not with Governments. As such there is a need to streamline the movement in order to get advantages offered by these organizations. Regional and International cooperation would help Rwanda to harmonize some of its policies about community development through cooperatives.

It would be worthwhile to have learning, technical and commercial exchange programs with other countries to boost the local cooperatives. Such programs would bring about not only rapid economic development to the nationals but also play a great role in the development of peace, reconciliation and stability in the country.

2.0. General Orientation

The Government is convinced that cooperatives among other social benefits would contribute to the achievement of Vision 2020. This notion is supported by the policies contained in the National Poverty Reduction Programme that emphasizes on rural economic transformation, human resource development, development and promotion of the private sector and poverty reduction.

2.01. Rural Economic Transformation

Considering the fact that cooperatives are found in various fields, they will help in promoting the agricultural sector, mobilization of savings and

provision of credit, marketing of handicrafts, housing and constructions and artisans.

2.02. Human Resource Development

Rwanda is currently importing human resources from outside the country. The vision of the cooperative policy is to contribute to solving this problem by offering training and formal education to cooperative leaders, members and institutional employees.

2.03. Development and Promotion of the Private Sector

Cooperatives as private institutions are owned and managed by the members. As business institutions, cooperatives should promote members' initiatives; encourage the population to generate income by their own initiatives without waiting for Government and other outside support.

2.1. Vision 2020

The Government is convinced that Cooperatives among other social benefits will contribute to the achievement of vision 2020. This is true if we consider the role of the cooperatives in line with the objectives in the National Poverty Reduction Program document of June, 2000 that emphasizes rural economic transformation, human resource development, development and promotion of the private sector and poverty reduction.

2.2. Poverty Reduction Strategy (PRS)

To reduce poverty requires people's participation. Cooperatives will be a tool for people's participation in the sense that ownership of the cooperative is exclusively of the members, for the members and by the members and also potential members in the process of development. The cooperative policy is an instrument through which participative development can be achieved. Another determinant factor to consider to alleviate poverty is savings and credit facility which enable the people to develop small projects and generate income.

2.3. International Development Goals

2.3.1 Millennium Development Goals (MDGs)

According to the Millennium Development Goals the Rwanda National Cooperative Development Policy is an implementation instrument that fosters cooperatives to reduce poverty especially in the rural areas where the poorest of the poor live and where jobs are scarce and basic services are inadequate. Often the nearest institutions to the poor are local cooperatives and strengthening their capacity would have a positive impact on rural poverty reduction.

2.3.2 Cooperatives and NEPAD Perspectives

Cooperatives in their various types will contribute to the implementation of NEPAD programs as it is stated in the Rwanda Country Status Report on NEPAD-APRM of the 2nd April 2000, p.30. The author ranks the promotion of cooperatives among measures that the Government has taken to accelerate agricultural production and integrated rural development.

3. 0. Sector Presentation

3.1. Statement of the Sector Problem

The current inefficiency of Cooperative Movement in Rwanda has necessitated the formulation of a comprehensive policy since there has not been one before. The absence of a policy framework in the country has to a large extent invited a profuse of experiments, problems and confusions like equating associations to cooperatives and providing unsustainable foundations for the establishment and growth of cooperatives in the country.

The first formal cooperatives were created in 1949 during the colonial era, and were used as tools for serving the colonial country's interests. Today, Rwanda has well over 370 registered cooperatives and numerous pre-cooperative groups. The major characteristics of cooperatives in Rwanda are small in size, leadership and management is vested with people with little or no entrepreneurial skills and attitudes, no vertical structure comprising of cooperative Unions and Federations. All these features cause the cooperatives to have serious capacity and structural limitations and weaknesses.

The 1994 genocide and the civil instability preceding it left the cooperative movement in Rwanda in ruins. Many cooperatives lost their members, property and assets through death, destruction and looting. Currently, the cooperative movement is being revived and revitalized. As the Government plays an important role in building cooperative movement, the National Cooperative Promotion Policy is the main solution to correcting the above problems and mistakes.

The cooperative promotion policy represents the launch pad for a vitally important transitional phase for cooperatives to begin to operate, as they should. Indeed, the presence of a cooperative policy with clearly defined goals, objectives and strategies is likely to minimize deviation from internationally set standards and thus make it possible for cooperatives to be managed in accordance with cooperative principles and practices for social and economic emancipation of the majority of citizens in Rwanda.

The policy will provide an enabling environment in which a strong and autonomous cooperative movement will evolve in Rwanda. A movement in which men and women participate on equal terms. The cooperative movement will be able to serve its members efficiently, to contribute to poverty reduction as well as to the decentralization and social integration processes that are ongoing in the country.

By formulating and expressing this policy, the Government is expressing its commitment to the cooperative sector as a vital part of the economy and civil society. The commitment recognizes the importance of cooperatives in job creation, mobilizing resources, generating investment and their contribution to the economy. Further it also recognizes that cooperatives in their various forms, promote the fullest participation they have in the economic and social development of all people.

It also recognizes that globalization has created new and different pressures, problems, challenges and opportunities for cooperatives and those stronger forms of human solidarity at national and international levels are required to facilitate a more equitable distribution of the benefits of globalization.

3.2. Sector Constraints and Opportunities

a. Constraints

Investigations undertaken by experts, consultations, and Government officials since 1998 show those cooperatives in Rwanda are faced with several constraints that include:

3.2.1. Legislative and Policy Framework Constraints

Cooperatives are basically economic enterprises requiring proper legislative and policy support aimed at the creation of an environment conducive to their healthy development. To date there is no clear policy on cooperatives and the current legislation governing cooperatives is outdated and inadequate. This lack of clarity in policy and poor legislation has made cooperatives inefficient and ineffective as instruments of economic development. Instead, promoting and enhancing the interests of the common man they have been taken advantage of and abused by certain political interests to hinder economic development.

3.2.2 Resource Constraint

The cooperative sector in general and in particular cooperative societies in the agricultural sector is facing severe credit resource-crunch. Mounting over dues in cooperative credit institutions and lack of revolving of funds together with inability to mobilise internal resources, are making a large number of cooperatives lack survival strategies and motivation for promoting and creating new ones.

3.2.3 Infrastructure Constraint

The cooperative sector is still affected by poor infrastructure, particularly, in the field of post harvest technology, storage, marketing and processing in addition to lack of basic rural infrastructure support such as roads, electricity and general communications.

3.2.4 Institutional Constraint

The cooperative institutional framework is faced with the twin problem of constant change of the Ministry in charge of cooperatives,

and the multiplicity of stakeholders who lack consultation and co-ordination forum. This scenario has led to the creation of cooperative units that are isolated from one another.

3.2.5 Lack of professional management and human resource development

The cooperative movement lack professional management and human resource that could contribute to the effectiveness and efficiency of the institutions.

3.2.6 Poor Member Awareness

A successful cooperative movement requires enlightened and informed membership. Although the membership of cooperatives in terms of numbers has increased greatly, dormant membership and the absence of active participation of members in their management have not only resulted in weakening them but also encouraged the dominance of vested interests causing blockages in the percolation of benefits to the members. In a large number of cases, elections and general meetings in cooperatives are not held regularly. This has been creating apathy among members towards the management and destroyed the very core spirit of democratic nature of cooperatives.

3.2.7 Limited Government Guidance and Monitoring

It is noted that the Government registers cooperatives once they are promoted at the grass root level. However for a long time there was no follow up in terms of extension services, which include guidance and monitoring of their activities for better performance. This state of affairs has limited the development of quality cooperatives.

3.2.8 Social and other Interference

Interference from local and international Non Government Organizations not supporting ongoing activities in the Country may result into distortions due to their large access to the population.

b. Opportunities

The Government's will, exists in order to promote and strengthen cooperatives and the cooperative movement. For this purpose, there shall be a Cooperative Agency which will regulate and supervise Cooperative societies including the cooperative Unions, Federations and confederations. The legal framework for cooperative societies is being revised in order to meet the needs of the cooperative movement and the problems which are not covered by the existing law organizing cooperatives in Rwanda.

The cooperative sector in Rwanda is large and diverse. It comprises savings and credit cooperatives, banking cooperatives, agricultural cooperatives, small processing and marketing cooperatives, fishery cooperatives, Consumers, workers, handicraft and artisanal cooperatives. Potential for other activities are many.

Besides, in Rwanda as it is in many other countries, participation and inclusion are central to our approach to poverty reduction. Cooperatives are an ideal instrument in such a strategy and Rwanda must draw on the potential strength of a vibrant cooperative movement, where cooperatives are a key organizational form to combat social exclusion and poverty, for example, through local development initiatives and mobilization of savings, among others.

3.3. Principles of the Sector Policy

The following Principles have guided the formulation of this policy document:

3.3.1 Cooperative values and principles.

(i) Cooperatives are private enterprises business organisations

Cooperative organisations are owned by their members who manage and control their business activities. Government does not own the cooperatives nor does it have any powers to dictate any business decisions unless when social good demands.

(ii) Cooperatives are public organizations

Cooperatives are businesses in which members of the public are free to join and participate as customers or client subject to the by-laws of the cooperatives.

(iii) Cooperative Societies are “self-help” Organisations

Cooperative societies are one of the best ways for communities to organize themselves, in a business manner, to achieve common objectives and help share the realizable benefits of economic development.

(iv) Cooperatives require a democratic environment to develop.

Members of cooperatives need to have freedom of speech, association, movement and trade in order to be able to make their cooperative societies work. At the same time, members are entitled to adequate levels of cooperative education so that they can be informed of their rights and duties. This freedom should be exercised within the cooperative organization.

(v) Cooperatives facilitate decentralization

Cooperatives as grass root business entities are good vehicles for the implementation of the decentralization policies and regulations.

3.3.2 Principles guiding the formulation of this Policy.

- (i) The functioning of Rwandan cooperatives is based on cooperative values and principles.
- (ii) Promoting Cooperatives to encourage a sustained increase of incomes of their members.
- (iii) Promoting more profitable and productive cooperative enterprises that are capable of delivering services and creating surpluses for themselves and their members.
- (iv) Facilitating the creation of a network and linkages of autonomous and independent cooperative organisations that are able to

negotiate with partners at all levels.

- (v) Promoting among members and the cooperatives, entrepreneurial and innovative spirit.
- (vi) Encouraging effective ownership of cooperative enterprises.
- (vii) Establishing an institutional framework adapted to the needs of cooperatives.
- (viii) Strengthening cooperative education and training and human resource development for professionalization of the management of the cooperatives.
- (ix) Mobilisation of savings for investment purposes.
- (x) Developing and promoting good corporate governance in the cooperative movement.

3.4. Sector Vision

The vision of the sector is to promote *“An autonomous and economically viable cooperative movement founded on the cooperative values and principles and is able to enhance social integration and uplifting the standard of living of its members”*

3.5. Sector Mission

The mission of the sector is to *“serve its members equitably, efficiently and to empower them economically”*.

3.6. Sector Objectives

The role of cooperatives has acquired a new dimension in the changing scenario of globalization and liberalization in the nation's economy. Internal and structural weaknesses of these institutions combined with lack of proper policy support have neutralized their positive impact.

There are wide regional imbalances in the development of the cooperatives in the country. This has necessitated the need for a clear-cut national policy on cooperatives to enable sustained development and growth of healthy and self-reliant cooperatives for meeting the sectoral/regional aspirations of the people in consonance with the principles of cooperation. In this connection, it is also imperative to address the issues which require to be attended to by evolving a suitable legislative and policy support to these institutions.

Thus, the proposed National Policy on Cooperatives is a part of the concerted efforts of the Government to provide appropriate policy framework to and legislative support to cooperatives with a view to revitalizing them.

3.6.1. *General Objective*

The general objective of the National Policy is to facilitate all round development of the cooperatives in the country in order to make a significant contribution to the national economy, particularly in areas which require people's participation and community efforts. Through this policy the Government will create a National Cooperative Agency.

Under this Agency, cooperatives would be adequately coordinated and receive necessary support, encouragement and guidance, so as to ensure that they work as autonomous, self-reliant and democratically managed institutions that are accountable to their members. This is critical since a sizeable segment of the population in the country is below the poverty line and cooperatives offer the most viable and appropriate mechanism to offer support to this section of the people.

3.6.2 *Specific Objectives*

- (i) To increase the numbers of Cooperatives formed countrywide
- (ii) To ensure good quality of the cooperatives through training, education, information and research so that members attain the ability to perform their cooperative business in an autonomous way.
- (iii) To build a strong cooperative movement which will be able to serve

its members efficiently, will contribute significantly to poverty alleviation as well as to social integration and will fully participate to the economic and social development of the country.

- (iv) To create an environment helping cooperatives to be autonomous and viable private enterprises and to contribute to member empowerment, decent job creation and enhancement of production and productivity.
- (v) To enhance the access of cooperatives members to Information and Communication Technologies so that they can access to capacity building opportunities and to best practices in cooperative management.
- (vi) To encourage active participation of the youth, women, the handicapped and demobilized soldiers in the cooperative movement.
- (vii) To promote viable cooperatives that are engaged in social sectors such as health, consumers and housing among others.

4. Sector Strategy in brief

To achieve the above set objectives this policy document highlights a number of strategies that have been formulated on the basis of the identified objectives in order to surmount constraints reflected in the current context of the Rwandan cooperative movement.

4.1. To Facilitate a Gradual Disengagement by the State

To achieve a gradual disengagement by the State, the management autonomy of cooperatives and their independence will be enhanced through the creation of a Cooperative Agency. However the State will continue to play its **role of regulating and promoting cooperatives**. To exercise its rightful role, Government, through the Cooperative Agency, will be expected to promote an economically vibrant and autonomous cooperative movement through institutional capacity building, provision of extension services and assisting them to develop alongside other commercial enterprises.

4.2 To Updating the Policy and Legal Framework

In order to guarantee a favorable management and legislative environment in the cooperative movement, the Government will encourage the process of participative law making through organizing forums where cooperatives will exchange views and discuss and agree on the appropriate cooperative legislation that enhances good corporate governance.

4.3 To encourage and enhance decentralization and community development policies.

Cooperatives will take advantage of the national decentralization policy by encouraging the community to form cooperatives that address their felt needs at the grass root level and manage them according to policies and regulations benefiting their local development.

Further cooperatives will be encouraged to initiate Area Development Programmes with clear goals and objectives. Such programmes will be used to seek for cooperative development financial assistance from donors and other development partners. Equally cooperatives be expected to benefit from the Common Development Fund that allocate funds to the districts for various identified community projects.

4.4 To Ensuring Cooperatives Benefit From Regional and International Integration

In addition to north-south cooperation, the Government will endeavor to develop and promote cordial relations with cooperative movements in the countries and institutions in the sub-region as well as the global world. Special attention will be paid especially in the fields of training of the public personnel involved in the promotion and supervision of cooperatives, members of the board of directors, employees of the cooperative movement and the general membership.

Efforts will also be made to ensure the movement adopt and practice modern information technology. These strategy measures will be carried out through meetings, exchange visits, workshops and

seminars and symposiums among other available forums and training programme.

4.6 To set up ICT standards

Information and Communication Technology is an important tool of modern cooperative business. IC various channels will be installed to establish links between cooperatives and markets and expertise will be provided to support software development to be used within cooperative movement.

4.7. Integrating Research, Cooperative Information, Education and Training in Schools and University Programs and Curricula

The lack of application of cooperative theories and techniques at all levels in the country results in poor understanding and comprehension of the cooperatives concept.

In order to address this problem and other related shortfalls, cooperative theory and practice would be taught and encouraged in schools, technical colleges as well as at university level. This integration will enhance the cooperative entrepreneurial spirit. To achieve this object collaboration and consultation between the ministries in charge of cooperatives development and education and related training institutions will be encouraged.

4.8. Institutionalizing the Cooperative Concept

Cooperatives are private organizations that are founded on the cooperative values and principles. The principles advocate for open and voluntary membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community.

To create awareness to the stakeholders and institutionalize the cooperative concept efforts will be made to organize cooperative education and training and dissemination of cooperative information to all levels of the cooperative movement.

4.9. Evaluation, Restructuring and Forming New Cooperatives.

This policy document paves the way for the promotion of new cooperative movement in Rwanda. The current crop of cooperatives will therefore be required to restructure their institutional framework and operations so as to conform with the requirements of the this policy paper.

To attain the foregoing members will be encouraged through awareness creation to review the structure and operations of the cooperatives by carrying out economic and financial viability studies and revising and amending By-Laws to facilitate formation of new cooperatives.

The emerging cooperatives through needs analysis will be encouraged to form sector based cooperative Unions, Federations and Confederations. These secondary cooperatives institutions will utilize economies of scale to support and provide specialized services that the primary cooperatives cannot provide to their members and not otherwise to compete against each other.

4.10. Diversification of activities

Majority of the cooperative societies in the country are Savings and Credit Societies which reflect a skewed development of cooperatives, To change this scenario the Government and other development partners will endeavor to create awareness through public forums to urge the population to diversify the types and nature of cooperatives and their activities to cover both the formal and informal sectors of the economy. To build confidence in formation other types of cooperatives and acquire knowledge on their operations study visits and exchange of experiences within the region and outside will be enhanced.

4.11 To encourage Local Resource Mobilization

To service the needs of the members efficiently and effectively the cooperative movement will need to review its current strategies of resource mobilization. There is need to a large extend to mobilize own local finances instead of depending on external funding.

To cultivate and inculcate this culture to the general membership of the cooperative movement and other interested stakeholders awareness and education on the importance and benefits of financial resource mobilization to the members, the cooperatives as business institutions and the country in general will be imparted on a continuous basis. Further the cooperatives as well as their members will be encouraged to seek for new income generating ventures that add value to the general income of the members.

4.12. To encourage National and International Cooperation

Primary, secondary and tertiary cooperatives will need to increasingly explore areas of collaboration and networking in terms of exchange of experiences among themselves through periodic meetings, study visits, workshops, seminars and symposiums, commercial and trade fairs and exchanges locally and externally.

4.13. To encourage Active Participation of non Performing Groups

It is observed that some groups of our population that include women, youth, physically challenged members of the community and the demobilized soldiers among others are not active members of the cooperative movement.

To interest these particular groups to join the movement, efforts will be made through sensitization programmes, research on new areas that they can benefit from, exchange of experiences, affirmative action, provision of skills and gender balance. Other strategies will include reduction of the age limit for youth to become members of cooperatives, carrying out surveys and studies to identify and determine income generating activities that are suitable for the physically challenged in order to promote and form cooperatives for their own benefits.

5.0. Programs of the Sector

To actualise and popularize the cooperative movement a number of sectoral programmes will be implemented by the Government, the

cooperative movement and other development partners. The programmes include :

5.1 Popularisation Campaign Programmes

This programme will entail:

5.1.1 Designing Lay- Person's Guides.

Designing of lay- man's guide on the Cooperative Policy and the Cooperative Laws into simple language that is easier to be understood by the population and other interest parties. These documents would be translated into, English, French and Kiswahili and the resulting output would be used to develop some training materials.

5.1.2 Workshops

Organizing forums for discussing cooperative matters which will include workshops, seminars and symposiums. Attendants to these meetings will be the cooperative leaders, NGO officials, Ministry officials and other development partners. The forums would also be used to solicit ideas and views on how to better the performance of the cooperative movement.

5.1.3 Electronic and Press Media

Media Campaign by the Government, the national TV and Radio and press. The Ministry and the Cooperative Agency would therefore develop and maintain cordial relationship with these institutions for purpose of popularising and creating a positive image of the cooperative movement.

5.2 Establishment of the Rwanda Cooperative Agency.

The current Directorate of Cooperatives will be re- organized into a National Cooperative Agency. This Agency will be charged with the roles and responsibilities of promoting, guiding and monitoring of the cooperative activities. To undertake these functions the Agency will

recruit and deploy officers at the national, provincial and district levels. The Agency will further fore see the development, standardization and production of materials to be used by the cooperative movement.

5.3 Re-registration Campaign Programmes.

To conform to the spirit of this policy and the cooperative law, a re-registration campaign for all the cooperatives to hold elections, amend By-Laws, prepare and file with the Ministry an account and financial statement. Cooperatives that will not meet these conditions would be removed from the registration register.

5.3 Building a New Cooperative Movement.

Upon the completion of the re- registration of the existing cooperatives, the quality primary cooperative institutions would be encouraged and facilitated to create vertical and horizontal linkages through formation of cooperative Unions. The intended linkages would enhance the efficiency and effectiveness of service delivery and material benefits to the individual members as well as the cooperatives. Meetings to discuss these linkages would be organized and held at all levels of the cooperative movement.

5.4 Education and Training Programmes

The education and training programme would concern itself with building the capacity of the cooperative leaders, employees, members and the community in general. Special emphasis would be laid on the development and increment of knowledge, change of attitudes and practices, imparting of skills and especially entrepreneurial training.

5.5 Connecting cooperatives to ICT

In order to improve the management of Cooperatives, including the Savings and Credit ones, connection to ICT will be facilitated and intensified. So doing, Cooperatives will be able to get more information allowing them to participate and compete on national and regional market.

5.6 Establishment of a Central Finance Facility

The cooperative movement would be encouraged to establish a central finance facility whose main object would be to assist cooperative societies to overcome any arising financial problems. This facility would create a pool of funds through financial intermediation among the cooperatives and within the cooperative movement.

Therefore the facility encourages savings mobilization by the members as well as the cooperatives through deposits that are available and affordable by the cooperatives or the members. As a lender of the last resort the facility would lend the pooled funds to cooperatives that are experiencing liquidity problems.

To achieve this, the facility will be encouraged to carry out market survey within the cooperative movement to identify products that would encourage cooperatives to enhance their savings and borrowing capacities and levels.

5.7 Establishment of Deposit Guarantee Fund

The features of this facility are less similar to those of the central finance facility. The Fund however protects cooperatives against financial illiquidity.

6.0. Institutional Framework for Policy Implementation

As indicated in this policy document, failures of the past cooperative programmes were largely due to the absence of clear and defined policy and legal framework and other regulatory frameworks.

In order to achieve the objectives of this policy document it would be necessary to have a clear and well spelt out policy that guide on the promotion and development of the cooperative movement. In this context it is therefore important to define the roles and responsibilities of the stakeholders at various levels and the establishment of a

monitoring and evaluation system of the implementation of this policy.

6.1. The Roles and Responsibilities of the Stakeholders

For effective and efficient implementation of this policy it is vital to divide the roles and responsibilities into three categories namely:

6.1.1 National Level

The Ministry responsible for the growth and development of the cooperatives and the Rwanda Cooperative Agency will ensure there is conducive environment and political will to promote cooperatives, provide back up support and guidance in terms of technical and financial resources to the movement and offer a platform for planning and evaluating the progress of the movement.

The Cooperative Movement will be built up the APEX organization which will coordinate the overall activities of its members vis-à-vis third parties especially for marketing of their products.

6.1.2 District Level.

The success of the implementation of this policy will depend on the willingness and effectiveness of the Offices of the district mayor and district cooperative leaders. Coordination and harmonization of cooperative activities will be the responsibility of the Mayors through the establishment of District Cooperative Coordinating Committee while the cooperative leaders will be required to prepare for implementation of plans to ensure that the objectives of this policy are achieved through planning, monitoring and evaluation process.

6.2. Preparation of Development Programmes

The Ministry and the Agency in conjunction with other stakeholders will endeavour to prepare a development programme with details of organization, administration, and financing and implementation framework. The interventions reflected in the programme will be

translated into timely work plans that include interventions and clear outputs.

7.0. Conclusion

The Government of Rwanda trusts that the enunciation of this Policy statement on Cooperatives will professionalize and democratize the operations and facilitate the development of the cooperatives as self-reliant and economically viable organizations. This environment will further provide the members with improved access to the economies of scale, insuring against unforeseen risks, safeguarding them against market imperfections and bestowing the advantages of cooperative collective action.

A detailed plan of action for implementation of this policy will be formulated and pursued with adequate budgetary support by the Government of Rwanda, local Governments and other concerned agencies including cooperative organizations.