

REFORMING COOPERATIVE LAWS IN
RWANDA: CHALLENGES AND LESSONS FOR
OTHER AFRICAN COUNTRIES

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Introduction



The Government of Rwanda recognizes the central role that cooperatives have to play in promoting inclusive, sustainable development and economic transformation. Cooperatives are a unique form of self-help group, pooling members' resources to achieve economies of scope and scale, while serving as a platform for policy dialogue and multi-dimensional promotion of the members' wellbeing.

Meet cooperative movement of Rwanda

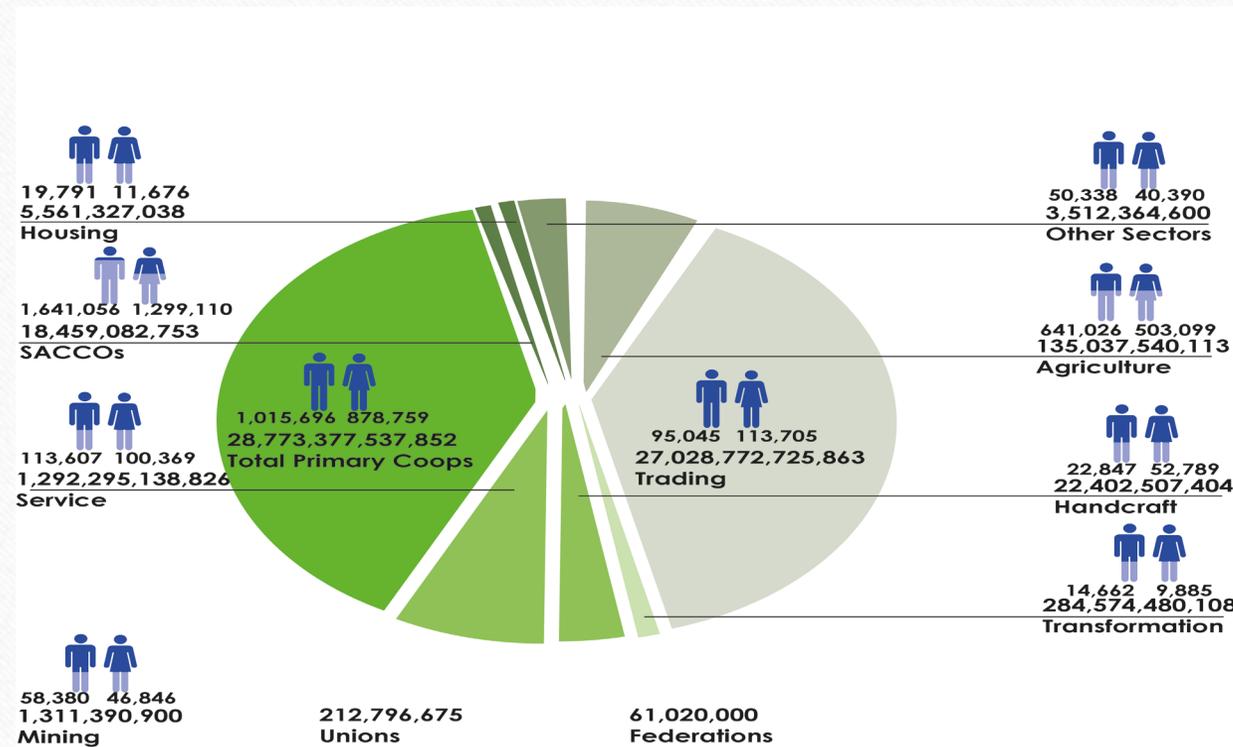
10,563 in 2023

From
919 in
2006

It is important to note that both the economic outlook and the cooperative environment (national and global) have changed tremendously in seventeen years from 2006 to 2023.

This increase influences shifts needed in the organizational and institutional development of cooperatives.

Overview on cooperatives statistics



As indicated here there are 10,563 cooperatives in total with 5,114,731 members. The figure below shows that agriculture covers 46.8%, services cover 16.9%, the trading sector covers 14.8%, and handicraft covers 10.0% while the remaining 11.4% is for financial cooperatives, umbrella and other sectors.

Challenges addressing by the cooperative policy and cooperative law

SLOW DECISION MAKING

LIMITED FINANCIAL RESOURCES

STAKEHOLDERS' INTEREFERENCE

MEMBERSHIP OWNERSHIP

LIMITED IT AND OTHER MANAGEMENT SKILLS other soft skills

LIMITED ACCESS TO MARKETING

Legal and regulatory framework: New developments in cooperative policy (2018) and adopted cooperative law (2021)

Improve the management and accountability system in the overall structure of cooperative movement

The cooperative movement in Rwanda operates on a four-tier umbrella representation system. To be member of Union, Federation and or Apex, cooperative must have a clear business model in which a need of working together is justified.

Legal and regulatory framework: New developments

Improve the government/stakeholders and cooperative policy dialogue to enhance cooperative's contribution in the national development.

Government institutions and stakeholders involved in cooperatives sector development are in process of putting in place formal forums to enhance regular dialogue with cooperative movement representatives. Some Districts cooperative forums are launched.

Legal and regulatory framework: New developments

Increase the efficiency of the service delivery by the cooperative movement through automated services using ICT-based models and Cooperative Information Management System (CIMS)

How shares are administered and protected, how members participate in the decision-making, and the rights of cooperative members, among others.

Legal and regulatory framework: New developments

Promote performance based cooperative management through performance contracts “Imihigo”.

The culture of results-based management and approaches is increasingly receiving good attention in Rwanda mainly from the public sector. Such good practice shall be adopted also by the private sector and the cooperative movement.

Legal and regulatory framework: New developments

Promote self-financing of the cooperative movement and reduce its reliance on government and donor financial support.

Limited financial resources and financial dependence of cooperative organization has been revealed as one of the major challenge and constraint for the development of cooperatives. The main source of funding for cooperatives is the membership fees, share capital and other returns from the investment although limited.

Legal and regulatory framework: New developments

Improve the capacity development and entrepreneurship skills of cooperative members.

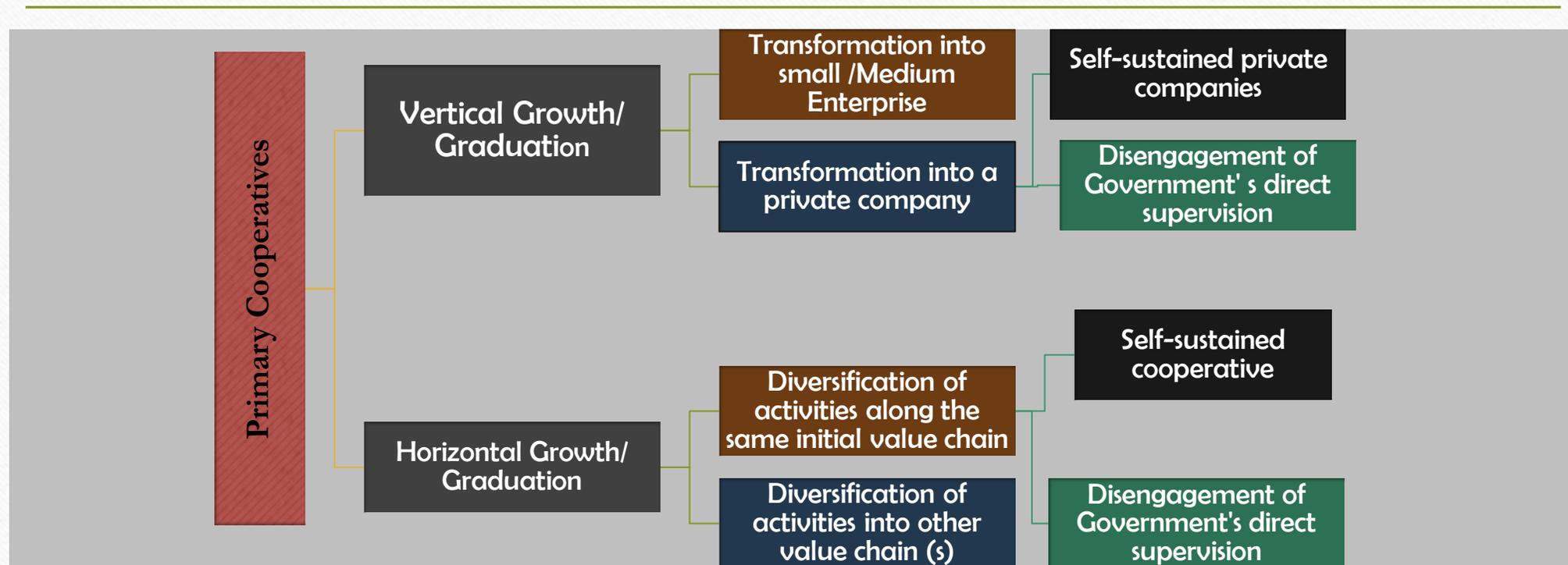
A partnership with capacity building professional Institutions to organize different trainings and coaching is the sustainable response and positive effects of the trainings received and improve how related services are provided. Today, Rwanda Institute of cooperatives, Entrepreneurship and Microfinance offers short courses for leaders and managers of cooperatives to improve their skills in governance and management of cooperatives societies and Microfinance institutions.

Legal and regulatory framework: New developments

Promote the structural transformation of the cooperatives from low to high productive sectors for increased production, improved value addition, and increased income.

To ensure the sustainability and graduation of cooperatives, business plans of cooperatives business plans should consider development opportunities identified along specific economic activity.

Growth Strategy



Thank you

Together we can

Together we will

