



Ministry of Trade, Industry and Cooperatives



# Overview of cooperatives in Uganda

By

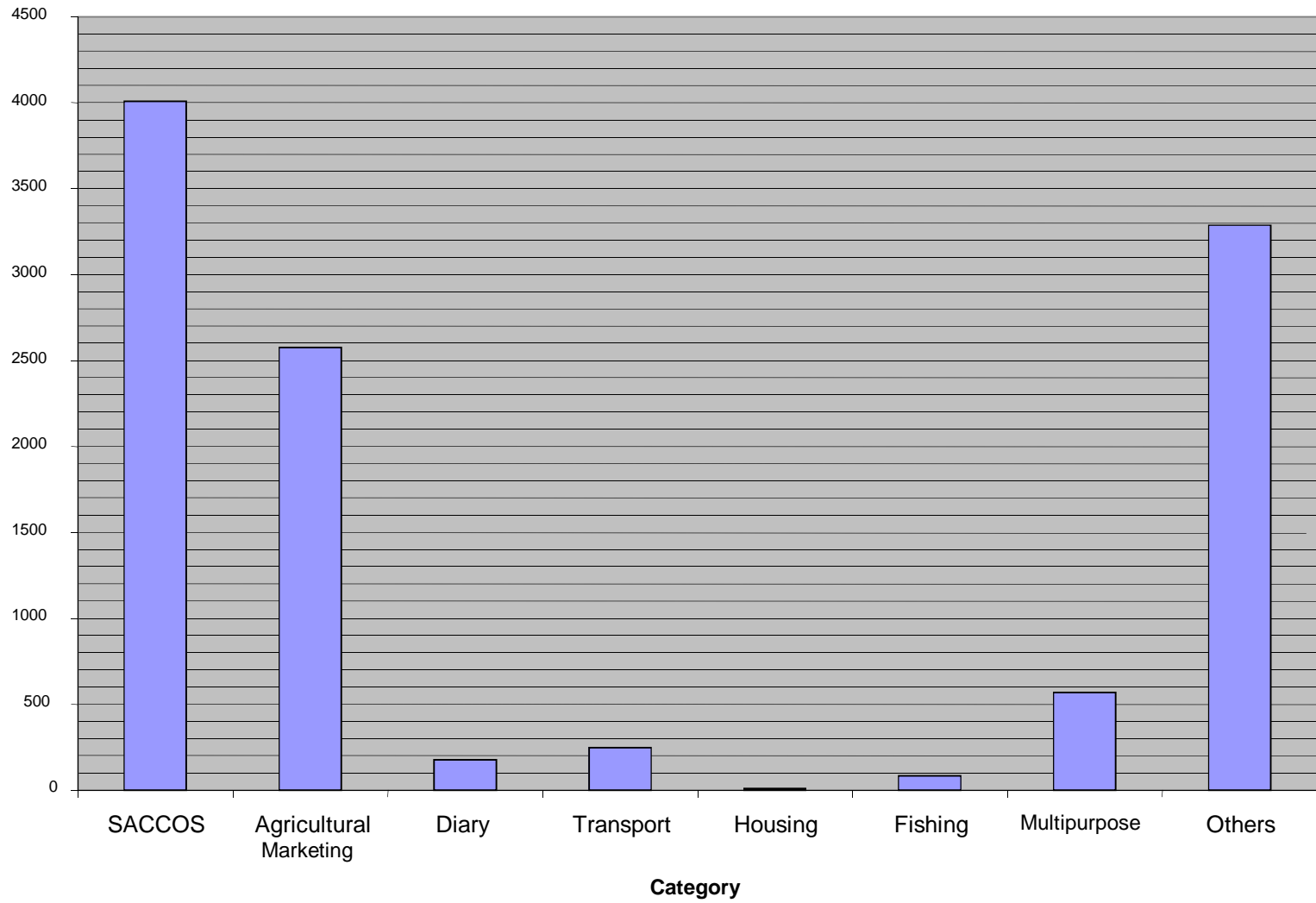
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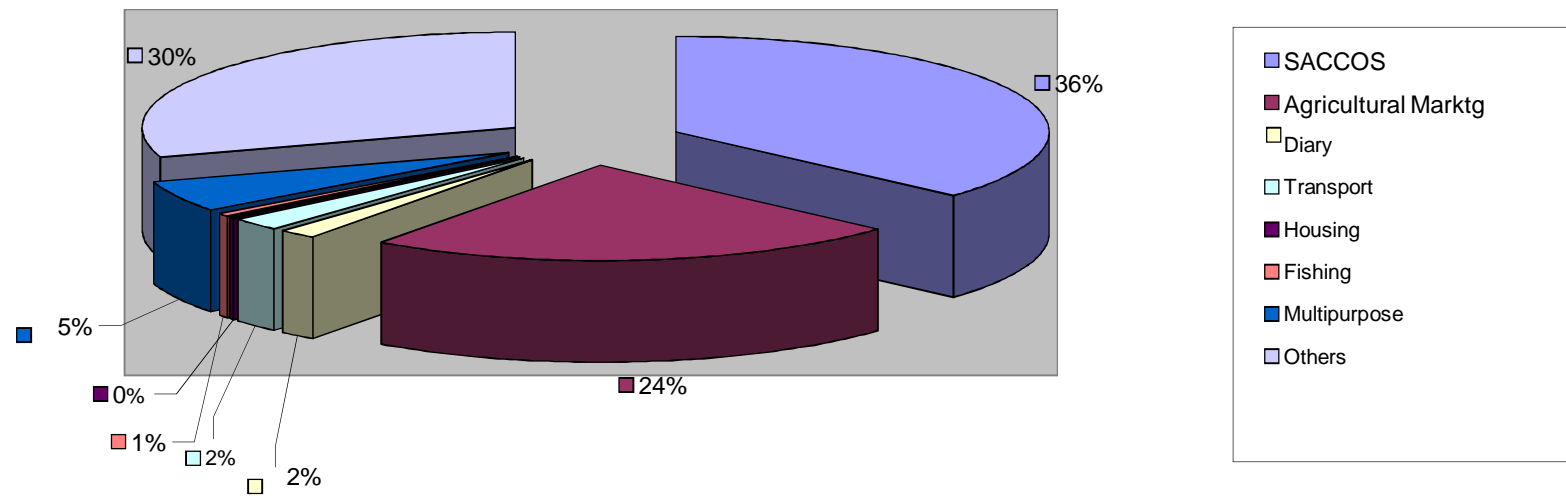
## Status of Co-operatives as at 31st December 2009

Category	Registration status	Probation	Permanent
SACCOS	2417	1592	4009
Agricultural Marketing	2523	53	2576
Diary	165	12	177
Transport	186	62	248
Housing	8	2	10
Fishing	71	13	84
Multipurpose	503	64	567
Others	2892	394	3286
<b>Grand total</b>	<b>8811</b>	<b>2310</b>	<b>10,957</b>

### Status of Co-operatives as at 31st December 2009

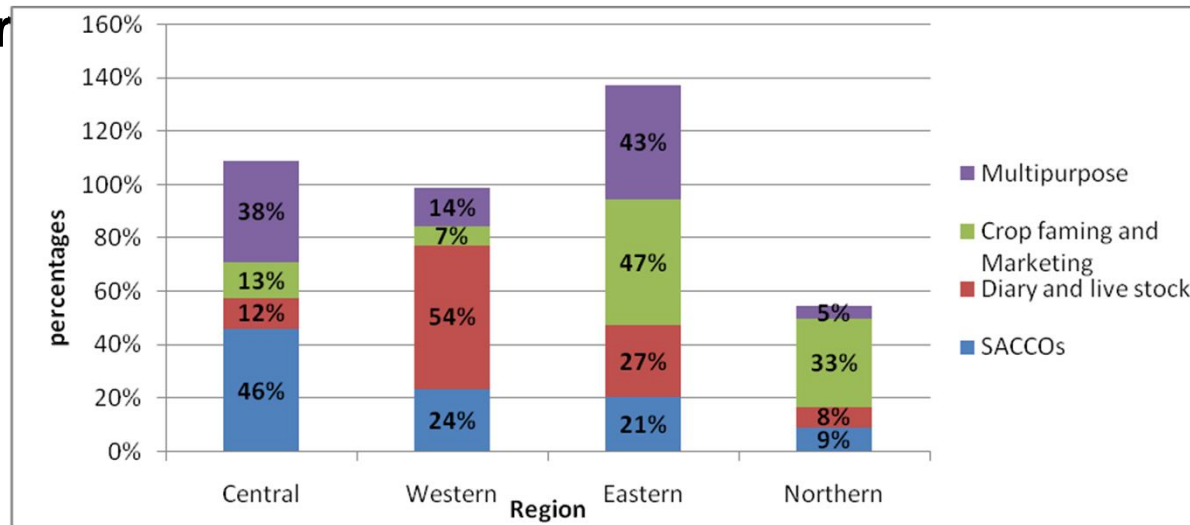


# Status of Co-operatives as at 31st December 2009



# Overview of cooperatives

- **Figure: Societies by Region, Economic Activity and Percentage**



- The figure above shows that, across all regions, 46% of the SACCOs were located in the central region, followed by western, eastern and northern. The Western dominated in area of dairy and livestock (54%), while the Eastern region dominated in the area of crop farming and marking (47%).
- Generally, majority of the SACCOs are located in the Central region, Dairy and Livestock societies in the Western region and Crop Farming and Marketing societies in the Eastern region. It can also be observed that there is also a fair distribution of active

# Interventions by MoTIC

## Cooperative Development:

- Promotion of high value commodity based cooperatives using an integrated approach model
- The figure depicts 3 community based and owned form of cooperative institutions-RPOs, ACEs and SACCOs to be mutually dependent, self-reinforcing in the way gear levers in a

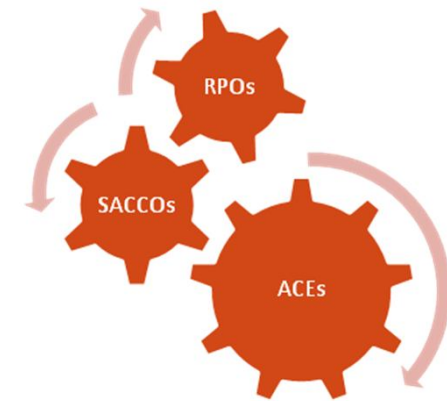


Figure: Integrated approach to local economic development

# POSSIBLE INTERVENTIONS BY MOIIC (Cont'd)

- Each of the above 3 entities will be supported to perform a specific function that will augment and reinforce the function of the other for holistic development of local communities.
- Forms of cooperatives that are are being promoted include:
  - 1.RPOS-Rural Producer Organisations
  - 2.SACCOs – (Savings and Credit Cooperatives)
  - 3.ACEs-Area Cooperative Enterprises
  - 4.Energy cooperatives
  - 5.Consumer cooperatives
  - 6.Transport cooperatives
  - 7.Service cooperatives
  - 8.Workers cooperatives
  - 9.Hand crafts cooperatives



# Possible Interventions by MoTIC (Cont'd)

## Cooperative Development (Contd)

- Successful RPOs include: Lukyabwa Fishing Cooperative society, Lujaggwa Multipurpose cooperative society in Kalangala district.
- Successful SACCOs include: Mukono-Kayunga Teachers' SACCO, Masaka teachers' SACCO, Lwengo SACCO, Kyotera Tusimbudde, Lukaya SACCO, Masaka Microfinance Cooperative Development Trust, Masaka Elders' SACCO, Lwabenge Amazima Bwebugagga and Bagezza SACCO in Mubende to mention a few.
- Successful ACEs include: Kangulumira ACE, Kayunga ACE and Bagezza ACE in Mubende.

# Possible Interventions by MoTIC (Contd)

## Major Challenges faced by Cooperatives

- Poor leadership and governance generally
- Inadequate capitalisation
- Insufficient economic patronisation by the members
- Lack of access to reliable markets that pay competitive prices
- Inadequate storage, post harvest handling and agro processing infrastructure
- Massive frauds by management staff and committees
- High level of dishonesty and lack of transparency on the part of committees
- Lack of cooperative member education
- Some level of political interference from the local politicians

# Possible Interventions by MoTIC (Contd)

## Reasons for Successful Cooperatives

- Visionary leadership
- Good governance
- Business plans
- Continuous member education
- Market access
- Accountable, honest and transparent leadership
- Good management information system
- Separation of roles between committees and staff
- Adherence to laws, policies and procedures by all the members of the cooperative including

- They promote capacity building and human investment through member training and education in various topics of members' interest.
- They gain self respect, esteem and self reliance and learn to trust their fellow co-operators
- Strengthening of family ties.

- They strengthen family ties hence peace in the communities. This is true for the main factor of family instability is the financial problem, often caused by mismanagement of the family income. Through SACCOs people are shown how to avoid pitfalls of money mismanagement.
- SACCOs promote a saving culture amongst their members (Ahimbisibwe, 2007).
- This is crucial

- because increased savings increase capital accumulation ; investment which leads to increased employment, hence increased incomes thus breaking **the vicious cycle of poverty**.
- Employment opportunities: most of the graduates in business studies and at times those with masters have found employment opportunities in those institutions.
- The employment opportunities generated is estimated to be **9,465** jobs on average. This reduces unemployment levels in the country

## Coodept achievements

- Coodept recruited more members from 65 in 2006 to 136 to date
- Coodept has started accessing the prosperity for all funds due to good performance
- Members can access cheaper loans
- members can get easy loans in cases of emergencies like hospitalization, burial, accident.

- Members have a place of belonging where they can participate and control business together
- Coodept is easy to access because there is no lining and in the same building
- Coodept has enabled retired members to continue normally with life since they can withdraw their savings on a monthly basis as salary.
- Coodept has enabled members to start up business, pay school fees, Build houses and many others.



- Members have a facility to save their money for the future through deductions of affordable amounts
- Members can get interest on their savings
- In cases of good surplus, members can get dividends to their share

# Constraints

- Lack of basic infrastructure for effective and competitive service delivery.
- Lack of Safety mechanisms to safeguard members' deposits
- Lack of Co-operative member education and skills development which is either by design or budgetary constraints.

Lack of security support in relation to guarding SACCO premises.

- Inadequate loanable funds limits achievement of outreach principle of the Micro-Finance industry.
- Lack of SACCOs in some areas of Uganda for example in Sub-

- insufficient loanable funds to handle big demands, as our membership grows also the demand for big money increases
- members don't save but demand for loans
- some members delay to repay the loan especially those who promise to pay in cash. After getting the loan they become reluctant to repay the loan.

- Possible Interventions
- The MTTI is in the process of working out appropriate arrangements for effective regulation and supervision SACCOs by appropriate regulatory regime and policy.
- There is need to up scale membership education, skills, development training for governance bodies and management staff.

- The dept is training commercial officers to concentrate on the above activity.
- The department is encouraging SACCOs to take on deposit insurance as a way of safe guarding members' savings and ensuring confidence in SACCOs.

- The government is to provide start up kits and basic logistical support to SACCOs in need and those which are starting up.
- Government is also providing support towards security of SACCO premises. This could be in form of subsidy for the SACCOs that have not yet attained a level of financial self sufficiency.

# Conclusion

- SACCOs create an environment in which members can improve their economic and social wellbeing .
- Improving ones' economic status requires the ability to earn income, to spend it wisely, to save part of it for future benefit and, to have access to credit in order to move into a productive enterprise or any other income generating activity.
- All the values described above, are fully provided by SACCOs. How ever, demand for their services far outstrips their capacity.
- Let us all embrace COODEPT





ALL FOR ONE,  
ONE FOR ALL !!

*Thank You*