



Republic of Botswana

DEPARTMENT FOR CO-OPERATIVE DEVELOPMENT

HIGHLIGHTS FOR BOTSWANA CO-OPERATIVE MOVEMENT AND

CALENDER OF EVENTS FOR THE YEAR 2019/2020

FOR SUBMISSION TO

INTERNATIONAL CO-OPERATIVE ALLIANCE (ICA) – AFRICA

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1. INTRODUCTION

The Government of Botswana recognize and relentlessly supports the development of cooperatives as they have the potential to grow the country's social and economic development. The support is depicted by strong collaboration between the cooperative movement and the Government which is geared towards realizing sustainable growth and development. Thus, cooperatives have been identified as vehicles for poverty eradication and makes a list of government's flagship programmes. All the activities undertaken are in conformity with the five (5) pillars of Africa Cooperative Development Strategy 2017 – 2020.

Botswana has committed through the development and implementation of the "Botswana Cooperative Transformation Strategy" to promote profitable cooperative businesses across all sectors such as Agriculture, Manufacturing and Services. This is necessary taking into account that cooperatives by definition are driven by the felt needs of people and therefore they serve as a vehicle for generating income for their members and taking services to local communities, especially in remote and rural areas which are not attractive to private sector investment.

The Cooperative movement in Botswana led by Botswana Cooperative Association (BOCA) which is the Apex Organisation, is determined to exploit all the available opportunities in the country to brand, grow and educate the public about cooperatives. These events are conducted continuously on yearly basis.

The movement in Botswana has continued to grow as most Botswana have started to appreciate and embrace the cooperative model in doing business. There are 315 registered cooperatives in Botswana with over 200 000 members and employed over 1000 people. Out of these, 83 are Financial Cooperatives (SACCOS) while 232 are Non-financial Co-operatives.

2. Engagement

The National Policy for Cooperative Development together with the Cooperative Transformation Strategy for Botswana which is aligned to the "Africa Cooperative Development Strategy 2017 – 2020 " are aiming at luring vulnerable population groups (youth and women) into forming cooperatives businesses. The Government through the Ministry of Investment, Trade and Industry has conducted Capacity Building Workshops country wide targeting women and youth. The workshops were aiming at equipping attendants with Cooperative Philosophy and Management. As a result, there is an increase in membership especially for both women and youth in Co-operatives

Cooperatives have benefited immensely through the Government procurement processes. This is demonstrated by the increase in the number Cooperative Business being awarded tenders or winning contracts to supply the products and services. In rural areas Local Authorities use affirmative action principle and directly award tenders to Cooperatives without making them to go through the normal tendering process. The affirmative action is a government initiative to reduce or deal with

economic inequalities and support the indigent communities. This has resulted in contribution by cooperatives to income generation, employment creation and infrastructure development.

Botswana Cooperative Association and the Government of Botswana are currently spearheading the implementation of Computerisation Project. CoreTEC Systems & Solutions (IT Company from Kenya) has been engaged to conduct the exercise. The project is expected to help cooperatives move away from manual way of doing business and automate their process for easy of doing business. The system is tailor maid for all types of cooperative businesses and it's expected to improve efficiency in all the processes thereby making societies competitive in the contemporary business market.

3. Cooperative Image and Identity

With regard to building the cooperative message and securing the cooperative identity, the Transformation Pillar 1 of the strategy which is "**Cooperative branding**" focuses on developing a positive public image about Cooperatives. The initiatives include dissemination of information on the new cooperatives initiatives; packaging and branding cooperative goods and services as well as diversifying corporative products. Further, Co-operatives will implement cost-serving measures; efficient production methods; appropriate technology and infrastructure as well as employing people with relevant skills and competencies.

Marketing Campaigns: The Ministry of Investment, Trade and Industry has identified platforms such as fairs & exhibitions and media where the value of cooperatives will be communicated to different audiences. Through these outreach programmes, peoples are in turn forming cooperatives businesses in large numbers thereby in increasing membership. The government have made it a standard to intensify these marketing campaigns every year. ***Botswana, Lesotho and Swaziland (BOLESWA) Youth Co-operatives Forum*** was held in December 2019 with Botswana as the host country. The forum was launched by ICA–Africa as one of its sub-structures in 2016. This event is aimed at contributing to the Co-operative Transformation Strategy Pillar that seeks to promote Youth participation in Co-operatives.

Entrepreneurship Workshops: The workshops were held in September 2019 to November 2019 mainly targeting youth. During these workshops youth are capacitated on the Co-operative Philosophy and Management with the aim to lure them into joining and forming cooperatives.

97th International Cooperative Alliance (ICA) International Day of Cooperatives: The Co-operative Movement in Botswana converged to celebrate the day and exhibit the role co-operatives play improving the socio-economic status of the people. Co-operatives have a role in social responsibility as they also promote equality, through the seventh cooperative principle namely '**Concern for the Community**'. Since they are community-based, they are committed to the sustainable development

of their communities; environmentally, socially and economically. This principle depicts itself in co-operative support for community activities, through local sourcing of supplies which benefits the local economy, and in decision making that considers the impact of such decisions on their communities. Botswana Co-operative Movement through the Apex body; Botswana Co-operative Association (BOCA) has committed that in every place where the day is celebrated, they will help the indigent members of the community according to their needs. During 2019 ICA International Cooperative Day commemorated in Gaborone the Co-operative Movement donated blankets and other accessories to Princess Marina Hospital.

Accreditation: Botswana Co-operative Training Centre offers different courses which are tailor-made for cooperatives. The training college offers needs-based training to either employees, cooperative members and Board of Directors. The management of the college is working towards full accreditation with Botswana Qualification Authority.

4. Sustainability

Transformation Pillar 2 for Botswana Co-operative Transformation Strategy: “**Cooperative Growth Pillars and Linkages**” aims to facilitate formation of strategic Co-operatives partnerships and alliances; develop win-win relationships among Co-operatives and between co-operatives and other businesses; and attain Co-operatives products competitiveness in both the domestic and global markets. So far there is an increase in the number of strategic partnerships established particularly for macro

projects. The strategic alliances have been formed with reputable Organisation which has the potential to lead cooperatives into success.

Co-operative therefore operates under the following sectors, Agriculture, Manufacturing, services and Tourism. The Government is promoting formation of new generation co-operatives which are aligned to modern business environment as well as promoting knowledge based economy. However, Traditional Co-operatives are still promoted as they are also beneficial to communities where they operate.

5. Capital

The Cooperative Transformation Strategy Transformation Pillar 4: **“Cooperatives financing and Insurance”** addresses Co-operatives access to financing and insurance. It presents co-operatives as credible businesses that may be financed and insured as non-high-risk businesses. The strategic aims of the Pillar are to diversify Cooperatives sources of funding; ensure that co-operatives finance efficient production methods; improve co-operatives financial management skills; Improve co-operatives staff financial skills, competencies and attitudes.

Co-operatives are currently benefiting through Government Support Programs which include; Youth Development Fund and Poverty Eradication Programme. Government’s development partners such as Mining companies are also establishing partnerships with cooperatives.

6. Legal Framework

The Government's role in supporting co-operative development among others is provide conducive environment for doing business as stated in transformation pillar 3: "**Cooperatives Environment for Doing Business**". It focuses on creating Co-operatives' conducive environment for doing business. It aims at creating a conducive regulatory environment for Co-operatives businesses; streamlining Co-operatives businesses processes; ensuring a healthy and productive co-operative business community; and ensuring that cooperatives have access to appropriate education and training. The initiatives include: aligning the current Policy and Legislation to the co-operation transformation strategy; promoting policies and procedures for transparency and accountability; inculcating entrepreneurship skills and culture; as well as developing and implementing wellness programmes.

Review of the Cooperative Societies' Act, 2013: The Government in consultation with the Co-operative Movement is currently reviewing the Act. The review was necessitated by the need to align the Act with the modern business environment as it was overtaken by events. The intended purpose is to resolve the implementation challenges that the Department for Co-operative Development and the Co-operative Societies continued to experience. These challenges hamper the growth of the Co-operative Societies and thereby negatively impacting on Co-operative members' participation and economic benefit. It was also necessary to amend the Co-operative Societies Act, 2013 to introduce new issues, reintroduce some

matters which were left out at amendment of the 1989 Act, and to ensure that clauses are progressive in order to facilitate development of Regulations which can accommodate changes now and then without necessarily changing the law. Development of the Co-operative Societies Regulations is also meant to explain and interpret clauses in the Co-operative Societies Act, as well as to normalise administrative operations and procedures to facilitate effective implementation.

- The amendment of the Co-operative Act is ongoing, having concluded instructions relating to provisions covering the Non –Financial Co-operatives.
- The second step is to interrogate the SADC SACCO model Law with the view to adapting and/or customising it to the local environment by February 2020.
- The aim is to develop a single legislation with two parts providing for both financial and non-financial co-operatives.
- We envisage to finance this final process under the Financial Inclusion Programme as it is a key milestone in the activities of this programme.

The challenges identified include, among others:

i) Poor governance of the Management Boards and staff of Co-operative Societies. This is despite the capacity building Programmes conducted at the Botswana Co-operative Training Centre;

ii) Lack of regulatory framework for regulation of Financial Co-operatives, leading to abuse of office by office bearers and mismanagement of assets; and

iii) Mismanagement of Co-operative funds, leading to the collapse of some Co-operative businesses.

Finally to improve on authority and powers of the Director for Co-operative Development to effectively deal with mismanagement in order to protect the interests of the members and the Co-operative Societies.

7. Calendar of Events/Activities for the Year 2020

The calendar of events has been categorized into three (3) parts being:

- Member Education Exercise
- Outreach Programs
- Botswana Co-operative Training Centre Training Plan

Please refer to the attached documents.