REPUBLIC OF ZAMBIA

MINISTRY OF SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

REVISED NATIONAL COOPERATIVE DEVELOPMENT POLICY 2024

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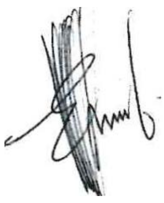
FOREWORD

The Government has made strides in providing an enabling environment for the private sector including cooperatives to thrive. It is Government's resolve that the cooperative business model is rekindled in order to contribute to job creation and poverty reduction. In the last ten (10) years there has been a sustained promotion of cooperatives to be established in other economic sectors. Despite these promotional efforts, cooperatives continue to be predominantly agricultural oriented.

This Policy seeks to address all facets of the cooperative movement and guide the development of cooperatives in all economic sectors with the aim of significantly contributing to wealth and job creation opportunities.

The Policy acknowledges the various bottlenecks to cooperative development in Zambia. These include: poor entrepreneurial and management skills; poor credit profiles; limited access to markets and affordable finance; inadequate capacity to innovate and take up new technologies and failure to adhere to principles of establishing cooperatives (a strong desire to access Government empowerment funds being a key motivating factor for creating cooperatives with 98 percent of the registered cooperatives falling under the agriculture sector.) In view of the identified challenges, Government has developed this Policy in order to promote cooperative development in a coordinated manner.

I wish to emphasise that the success of this Policy will depend on our collaboration with various stakeholders. Therefore, I call upon all the stakeholders such as the private sector, development partners and civil society organisations to support Government in exploiting the numerous opportunities available to cooperatives translating into tangible outputs for the growth of the cooperative movement in the country.



Eng. Elias Mubanga, MP
MINISTER OF SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

ACKNOWLEDGEMENT

The Revised National Cooperatives Development Policy is the product of extensive discussions and consultations with various stakeholders held in all the ten (10) provinces of Zambia. Submissions were received from the cooperative movement, private sector actors, civil society, co-operating partners, academia and various Government ministries and institutions. The interest of stakeholders in the future of Zambia's cooperative development is critical in the development of a focused and responsive policy document.

I wish to extend my gratitude to all who participated in the preparation of this important national document.

Subeta K. Mutelo (Mrs)
Permanent Secretary
MINISTRY OF SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

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WORKING DEFINITIONS

Collaborating Partners	Bilateral and Multilateral Partners that provide external development assistance to the Government of Zambia through Ministries, Provinces and Spending Agencies.
Cooperative	An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly and democratically-controlled enterprise.
Cooperative Ethics	The expected standards of behaviour cooperative members must display which include honesty, openness, social responsibility and caring for others.
Cooperative Identity	Ethical behaviour or conduct of cooperative members as outlined in cooperative ethics, values and principles.
Cooperative Principles	Guidelines adopted by International Cooperative Alliance by which cooperatives put their values into practice.
Cooperative Society	A registered organisation/ institution that is formed by a group of persons whose primary objective is the promotion of the economic interests of its members.
Cooperative Values	Expected standards of behaviour for all cooperative organisations and members which include self-help, self-responsibility, democracy, equality, equity and solidarity.
CDF	A Government budget allocation mechanism that channels a specific portion of the national budget to the constituencies to finance development projects such as school facilities, health facilities and water supply systems
FISP	A Government programme that focuses on offering agricultural support by providing input subsidies to small-scale farmers from public resources.
Value Addition	Any step in the production process that improves the product or service for the customer and results in a higher net worth.
Value Chain	The full range of business or economic activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), and commercialization, delivery to final customers and final product disposal after use.

ACRONYMS

AfCFTA	-	African Continental Free Trade Area
AIDS	-	Acquired Immune Deficiency Syndrome
CDF	-	Constituency Development Fund
CEEC	-	Citizens Economic Empowerment Commission
COMESA	-	Common Market for Eastern and Southern Africa
DCED	-	Department of Cooperatives and Entrepreneurship Development
DCU	-	District Cooperative Union
DRR	-	Department of Registration and Regulations
FISP	-	Farmer Input Support Programme
HIV	-	Human Immuno-Deficiency Virus
ICA	-	International Cooperative Alliance
ICT	-	Information and Communication Technology
ILO	-	International Labour Organization
MOA	-	Ministry of Agriculture
MOFNP	-	Ministry of Finance and National Planning
MOFL	-	Ministry of Fisheries and Livestock
MGEE	-	Ministry of Green Economy and Environment
MIHUD	-	Ministry of Infrastructure Housing and Urban Development
MLGRD	-	Ministry of Local Government and Rural Development
MSMED	-	Ministry of Small and Medium Enterprise Development
NASCU	-	National Association of Savings and Credit Unions
NCDP	-	National Cooperatives Development Policy
OPPAZ	-	Organic Producers and Processers Association of Zambia
PCU	-	Provincial Cooperative Union
SACCO	-	Savings and Credit Cooperatives
SADC	-	Southern Africa Development Community
SDG	-	Sustainable Development Goals
ZAMPHIA	-	Zambia Population-Based HIV Impact Assessment
ZCF	-	Zambia Cooperative Federation

1.0. INTRODUCTION

The long-term vision of the Government of Zambia is to ensure that development touches all segments of the country's population. Government is committed to bring about citizens' economic empowerment and wealth creation. Citizens' empowerment calls for all citizens irrespective of their gender, race, disability and economic status to be accorded an opportunity to lead a decent life.

Cooperatives play a pivotal role in national economic and social development. A viable, dynamic, autonomous, self-reliant and self-sustaining cooperative movement can play an important role in socio-economic development through effective and efficient services extended by cooperative enterprises to their members. Whereas the development potential of cooperatives is in principle not different from one of the other types of enterprises, the dual nature of cooperatives where members are at the same time owners and beneficiaries of services provided by cooperatives makes them appropriate for spurring socio-economic development. This is because ccooperatives can be an effective vehicle for people to exert control over their economic livelihoods.

The Government of the Republic of Zambia recognizes the crucial role Cooperatives play as business models for inclusive economic growth, job and wealth creation. Government also takes cognizance of the role cooperatives have played in fostering industrialisation as well as employment creation in countries which have successfully used the cooperative business model.

Government, therefore, developed the first ever National Cooperative Development Policy (NCDP) which was launched in February 2012 to guide the development of cooperatives in Zambia. The NCDP was formulated in order to provide a framework for cooperative promotion and development in Zambia so that they become conduits for socio-economic development.

The intent of the 2012 Policy was to promote the diversification of cooperative activities and to facilitate the promotion of demand-driven, member-led, autonomous, viable and sustainable cooperatives. Based on these indicators, the performance of the 2012 Policy was not very satisfactory. For example, most of the cooperatives are still in primary agricultural related activities with little value addition. Further, about 70 percent of the cooperatives are not operationally viable.

The 2012 Policy has, therefore, been revised in order to address the gaps and inadequacies identified. Further, the revision of the 2012 Policy has been necessitated by the changing socio-economic and political environment, innovations, global and domestic emerging trends and national development priorities and challenges. The revised Policy has been aligned to the national aspirations and global development agenda, among them, the Vision 2030 and the Eighth National Development Plan, Sustainable Development Goals and the Africa Agenda 2063.

This Policy will promote the development of cooperatives to enable citizens to actively participate in economic development. The revised NCDP will provide a framework for promoting cooperatives in all sectors of the economy in order to guide the development efforts of all relevant stakeholders. It will outline the relationship among the various players in the cooperative sector namely, the Government, the cooperatives tier system and other stakeholders.

It will also spell out the role of other stakeholders such as cooperating partners and Non-Governmental Organizations (NGOs) in cooperative development.

The Policy is divided into six (6) sections namely, introduction, situation analysis, vision, rationale and guiding principles, objectives and measures and implementation framework.

2.0. SITUATION ANALYSIS

2.1. Significance of Cooperatives

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly and democratically controlled enterprise. On the other hand, and for the purpose of this Policy, a cooperative society is a registered organization/institution that is formed by a group of people whose primary objective is the promotion of the economic interests of its members. This is achieved by a cooperative sharing its profits amongst its members, in proportion to their contribution to the cooperative's business, from which its overall profits are derived.

Cooperatives offer benefits to their members through the principle of strength in numbers and pooled resources, including increased bargaining power; reduced costs through economies of scale and overall increased incomes. By pooling resources together and keeping strong links to their local environments, people stand to benefit significantly from joining a cooperative. Cooperatives are business entities whose operations are guided by principles, ethics and values of self-help, democracy, equality, equity, and solidarity. Thus, cooperatives have great potential to accelerate socio-economic development of a country.

The seven (7) principles of cooperatives as espoused in the International Cooperative Alliance (ICA) are;

1. Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

2.2. Cooperative Movement in Zambia

The first cooperative in modern day Zambia was formed in 1914 by settler farmers as a means for marketing their agricultural produce to the copper mines in Katanga Region of the present-day Democratic Republic of Congo and the Copperbelt in Zambia. The Zambian Government embarked on the promotion of cooperatives throughout the country immediately after independence catering for mainly agricultural and financial sectors

The cooperative movement continued to grow in numbers which saw the advent of savings and credit cooperatives in Zambia around the 1950s. Among the first financial cooperatives to be registered in Zambia were; the Ridgeway Thrift and Loan Society Limited registered in 1948, Zambia Police Thrift and Credit Cooperative Society which was registered in 1954, Chikuni Savings and Credit Union registered in 1966 in Monze district of Southern Province. The National Association of Savings and Credit Unions formerly known as the Credit Union and Savings Association of (CUSA) Zambia was then established on 26th October, 1970 as a federation of Credit Unions mainly to serve the urban salaried persons.

The Cooperative Societies Act of 1970 consolidated this position by giving extensive powers to the Registrar of Cooperatives and emphasizing on the social role of cooperatives.

On 13th April 1973, the Zambia Cooperative Federation (ZCF) Limited was registered with the main aim of performing functions of an apex organization for the cooperative movement. The major objective for the formation of ZCF was to coordinate the function of cooperative development. From 1973 to 1991, the cooperative movement controlled over 90% of the management of agricultural inputs and marketing through a network of Primary Cooperative Societies, District Cooperative Unions and Provincial Cooperative Unions. The cooperatives serviced all parts of the country, supplying consumer goods, agriculture inputs and buying produce from farmers through its network of storage sheds. The cooperative movement was also contracted by the Government of the Republic of Zambia to manage national strategic food reserves. This made the cooperative movement the third biggest employer after the civil service and mining sectors and contributed greatly to the country's Gross Domestic Product (GDP).

However, following the liberalisation of the economy in 1992, the operations and activities of cooperatives declined due to the loss of the crop marketing monopoly and to some extent input supply and distribution. Consequently, the operations of CUSA also declined as their business was directly linked to the operations of agricultural cooperatives.

The First National Development Policy was launched in 2012, this was intended to augment the different pieces of legislation that regulated the operation of cooperative societies.

2.3. The nature of cooperatives in Zambia

In Zambia, the cooperative movement is characterised by both registered and unregistered cooperatives.

The number of cooperative societies increased from 11,228 in 2012 to 94,114 in 2022. Despite this astronomical increase, only 30 percent of the cooperative societies are operating as viable businesses, thus their impact on job and wealth creation remains insignificant as evidenced by high levels of unemployment and their low contribution to GDP. This is because most of the cooperative societies' registration is motivated by the desire to access various Government empowerment initiatives/interventions namely Farmer Input Support Programme (FISP), Constituency Development Fund (CDF), Youth Empowerment, Women Empowerment, Presidential Empowerment, Church Empowerment and Citizens' Economic Empowerment, among others. In view of the foregoing, the majority of the cooperative societies in Zambia do not pass the litmus test of a true cooperative society. For instance, the registration target for the year 2022 was 3,000 cooperative societies. However, during the same period the number of registered cooperative societies was 23,801, which was way higher than the total number of cooperative societies registered in some other countries in the region. Further, most of these cooperative societies once registered remain inactive.

For comparison purposes, in Kenya, there are 25,050 registered cooperative societies with the membership of fourteen (14) million giving an average of 500 members per cooperative society according to the International Cooperative Alliance report of 2020. The population of the cooperative societies in that country is roughly a quarter of the country's population. In contrast, in Zambia, as at end of 2022, there were 94,114 cooperative societies with a membership of 1,869,005 giving an average of 20 members per cooperative society. In 2022 alone, 23,801 cooperative societies were registered in Zambia.

In Kenya, a country of about 55 million people, there were only 25,050 cooperative societies in 2020 and yet in Zambia, a country of 19 million people, they were 45,451 in the same year which number jumped to 103,808 cooperative societies by mid-2023. Despite the high per capita number of cooperative societies in Zambia, the socio-economic impact remains insignificant thus not justifying the big numbers.

This state of affairs goes to demonstrate that at policy level, there is need to do more to promote the productivity of each unit if cooperative societies are to be an effective vehicle for fostering socio-economic development.

2.4. Distribution of cooperatives by sector.

From Table 1 below, it is evident that cooperatives in the agriculture sector constitute the majority of registered cooperatives. The motivation to form cooperatives in the agriculture sector is mainly on account of accessing government subsidized farmer inputs. Among the successful cooperative societies within the agriculture sector are those in dairy due to a well-developed value chain. The other well performing cooperative societies are those in the edible-oil value chains. However, most of the agriculture cooperative societies are involved in primary production with minimal value addition.

Table 1: Distribution of Cooperatives by Sector

SN	SECTOR	2020	2021	2022
1.	Agricultural	96.50%	98.07%	97.90%
2.	Savings and Credit	1.20%	0.65%	0.57%
3.	Mining	0.30%	0.61%	0.64%
4.	Consumer	0.10%	0.02%	0.02%
5.	Transport	0.10%	0.06%	0.01%
6.	Marketing	0.20%	0.12%	0.15%
7.	Artisans	0.60%	0.10%	0.23%
8.	Tourism	-	0.01%	0.01%
9.	Housing	-	0.01%	-
10.	Construction	-	0.01%	0.07%
11.	Other Cooperatives	1.00%	0.36%	0.39%

Source: Ministry of Small and Medium Enterprise Development

Apart from the agriculture sector, the financial cooperative societies (Savings and Credit Cooperatives-SACCOs) rank second and has shown potential for growth. The number of cooperative societies registered in the sector grew from 1,165 to 1,407 representing 21% increase in 2019 and from 1,407 to 1,534 representing 9% in 2020 and from 1,534 to 1,628 representing 6% in 2021. The other sector where cooperative societies have grown is mining. The number of cooperative societies in this sector grew by 21 in 2019 and further grew by 31 in 2020 representing 148% increase and from 31 in 2020 to 88 in 2021 representing 248% increase. This growth can be attributed to Government Policy requiring artisanal miners to first form cooperative societies before they are issued with a mining license. In addition, Government's programmes on promoting diversification in the cooperative movement contributed to this diversification. This growth, though marginal, signifies the potential for diversification of the cooperative movement.

Despite the poor performance exhibited by majority cooperative societies around the country, there is evidence to show that the cooperative business model works. For instance, there were 740 in 2020, 629 in 2021 and 947 in 2022 successful cooperative societies. These successful cooperative societies in the period mentioned were mainly from the financial and dairy sectors, as well as the from those edible oils and agro-forestry value chains. The success shows that if cooperatives uphold the values and principles that govern them, they would remain a plausible model that would lead to them contributing to improvement of the lives of their members, communities and country. This shows that if managed in accordance with the cooperative ethos, cooperatives in Zambia would be productive, thrive and contribute to the country's socio-economic development.

2.5. Factors Inhibiting the Development of Cooperatives

The factors inhibiting the development of cooperatives are discussed under the following thematic areas:

1. Non-Adherence to principles of establishing cooperatives societies

Cooperatives are self-help organisations formed by members with a common bond to meet a felt need using resources contributed by members as start-up capital. Self-help entails that cooperatives have to look more towards members to finance their operations and growth. However, experience in Zambia's situation has shown that, generally, most cooperatives are formed with a wrong motive to access government empowerment programmes. Further, the requirement by government to only provide empowerment facilities through cooperatives only has contributed to this state of affairs. The formation of cooperatives therefore should not be tied to empowerment funds but according to the ethos of a cooperative.

2. Poor/Inadequate entrepreneurial skills

In Zambia, the culture of entrepreneurship and business practice is not well entrenched among cooperative societies. This is exhibited by only one (1) percent of cooperatives reported as successful during the period 2020-2022. This could be related to the way the cooperative societies are formed and has perpetuated a mindset of dependency, low propensity for risk taking and pursuing different business opportunities. This has adversely affected the growth of entrepreneur culture and business management competences among cooperative societies. Consequently, this has limited the growth of most societies beyond the establishment phase.

3. Poor credit profile among cooperatives

Business finance is a critical input in the creation, development and expansion of any cooperative. In line with the values of self-help in cooperatives, most cooperatives face challenges in mobilizing additional capital for expansion. Cooperatives face difficulties in accessing appropriate external business finance to suit their growth requirements due to being perceived as high risk and lacking collateral. Further, cooperative societies lack information on available financing opportunities.

4. Limited access to markets

Cooperatives have limited knowledge and skills on how to identify and access local and export markets. Poor road and marketing infrastructure have also contributed to limited access to markets especially in rural areas. Further, most Cooperatives fail to access certain markets due to non-adherence to set standards, failure to meet market requirements and non-tariff barriers in international markets.

5. High cost of doing business

Cooperatives are faced with a challenge of multiplicity of licenses. For instance, as at publication of this Policy, cooperatives in the tourism and construction sectors in Zambia are required to obtain thirty-six (36) and eleven (11) different types of licenses, respectively. Obtaining these licenses takes a lot of time and each license attracts a licensing fee. The other challenge cooperatives face is the high council levies which are charged along different jurisdictions without regard for the origin of the goods. Further, poor road and marketing infrastructure have also contributed to the high cost of doing business.

6. Poor management skills among cooperatives

Most cooperatives face governance and management challenges due to poor compliance to cooperative by-laws and the Cooperatives Act No. 20 of 1998. These challenges are overstaying terms of office by board members, misapplication of cooperative funds, not holding annual general meetings (AGMs), inability to operate profitably, failure to submit annual returns and have financial reports audited. The Cooperatives Act does not adequately provide for corrective measures to address certain governance challenges.

On the cooperative structure, the cooperative movement has a four-tier system. The tier system involves the primary cooperatives affiliating to District Cooperative Unions (DCUs) which in turn are affiliated to the Provincial Cooperative Unions (PCUs). The PCUs affiliate to form the national cooperative apex body which is the ZCF. However, this tier system has proved to neglect the aspirations of the affiliates in the lower structures such as marketing and audit services as well as capacity building. This has resulted in cooperatives operating in various economic sectors or lines of business being motivated to form sector-specific apex bodies.

7. Innovation and Technological capacity for Cooperative Societies/ low adoption and use of technology

Innovation and research are essential for maintaining competitiveness of an enterprise and/or its products and services. Most cooperatives, however, have limited access to research findings, information on new innovative production machinery and Information and Communication Technology (ICT) equipment to improve efficiency and product quality.

8. Cross Cutting Issues

Gender, youth and environmental issues shall continue to be mainstreamed in all focus areas of the Policy. In order to enhance equal participation of women and men, equal access to education, training and leadership in cooperatives is encouraged. Similarly, youth participation and the differently-abled are encouraged in cooperative activities to ensure that their needs are adequately addressed to provide sustainability in all cooperative development activities.

According to the 2016 Zambia Population Based HIV Impact Assessment (ZAMPHIA), the HIV and AIDS pandemic is one of the major development challenges currently facing Zambia. According to official statistics, the provincial HIV prevalence rate ranges from 5.7 % to 15.9%. Despite Government undertaking awareness programmes in the communities, HIV/AIDS still has potential to seriously derail co-operative development due to the negative impact HIV it can have on the cooperatives.

3.0. VISION, RATIONALE AND GUIDING PRINCIPLES

3.1. Vision

"Sustainable and business-oriented cooperatives"

3.2. Rationale

Cooperatives offer benefits to their members through the principle of strength in numbers and pooled resources, including increased bargaining power; reduced costs through economies of scale and overall increased incomes. By pooling resources together and keeping strong links to their local environments, people stand to benefit significantly from joining a cooperative. Cooperatives are business entities whose operations are guided by principles, ethics and values of self-help, democracy, equality, equity, and solidarity. Thus, cooperatives offer great potential for job and wealth creation, contribution to government revenue generation, improved livelihoods and ultimately inclusive growth and prosperity. Therefore, cooperatives offer great potential to accelerate national development of a country.

In the case of Zambia, there have been efforts by the government and development partners to promote the development and growth of cooperatives. These include strengthening the institutional and governance structure for cooperatives, capacity building of cooperatives to increase their production and productivity and linking them to markets and affordable finance. Despite these efforts, most cooperatives are not viable as they are faced with high levels of indebtedness and are concentrated in the agricultural sector. Further, products and services produced by most cooperatives cannot meet standards prescribed on the domestic and international markets.

This Policy, therefore, aims at providing a framework that addresses the challenges through a collective and coordinated effort by key players in the cooperative ecosystem.

3.3. Guiding Principles

The principles which will guide the implementation of this Policy are:

(a) Voluntary and Open Membership

Membership to cooperative societies is voluntary and open to all persons able to use their services and willing to accept the responsibilities of membership.

(b) Democratic Member Control

Cooperatives are controlled by their members, who actively participate in the decision-making process. Members have equal voting rights (one member, one vote).

(c) Good Governance

Cooperative operations are undertaken in a transparent and accountable manner.

(d) Inclusiveness

Involving all stakeholders in the development of cooperatives regardless of gender, race, religion, political affiliation as well as those that are differently abled.

(e) Equity

Recognises the status of different cooperatives based on their skill, technology, financial status, location and socio-economic conditions;

(f) Equality

Members within a given cooperative society enjoy the same rights and access to opportunities.

(g) Productivity

Members will seek to make continuous improvements to their systems of operation to guarantee that the cooperative is sustainable, business oriented and active throughout the year.

4.0. OBJECTIVES AND MEASURES

4.1. Objectives

The overall objective of this Policy is to attain a prosperous cooperative movement that contributes to economic transformation and job creation.

4.2. Specific Objectives

The specific objectives of the NCDP are:

1. To develop sustainable and viable cooperative societies;
2. To inculcate a culture of entrepreneurship among members of cooperative societies;
3. To reduce the cost of doing business for cooperative societies;
4. To attain a diversified cooperative movement;
5. To attain innovative cooperatives;
6. To embrace productivity systems, and approaches among the cooperatives and businesses;
7. To mainstream cross-cutting issues of marginalized groupings, HIV/AIDS, environment and climate change in cooperative societies.

4.3. Measures

In order to achieve the objectives of the NCDP, the following measures shall be pursued:

Objective 1: To develop sustainable and viable cooperative societies

Measures:

i) Improve access to business finance for cooperative societies;
ii) Enhance access to local and international markets;
iii) Improve cooperative governance;
iv) Ensure that the legal framework supports sustainable and viable cooperative societies;
v) Ensure cooperative compliance to regulations;
vi) Strengthen the institutional framework for the cooperative movement;
vii) Facilitate compliance to standards for produce and products;
viii) Facilitate the provision of appropriate market infrastructure for both urban and rural cooperatives and
ix) Promote collaboration with trade organisations.

Objective 2: To inculcate a culture of entrepreneurship among members of cooperative societies

Measures:

i) Promote education, training and sensitisation programmes in entrepreneurship;
ii) Enhance provision of business development services among cooperatives; and
iii) Promote market research.

Objective 3: To reduce the cost of doing business for cooperative societies

Measures:

i) Coordinate linkages among cooperatives to enhance economies of scale;
ii) Advocate for streamlining/harmonising of the licensing system; and
iii) Decentralize the issuance of cooperative certificates to provincial level.

Objective 4: To attain a diversified cooperative movement

Measures:

i) Promote diversification into various enterprises or business ventures;
ii) Promote a multi-sectoral cooperative movement from agriculture to other sectors of the economy; and
iii) Promote a sector specific cooperative tier system.

Objective 5: To attain innovative cooperatives

Measures:

i) To promote research, development and innovation for cooperative societies;
ii) Facilitate collaboration on innovation between cooperative apex bodies and learning/research institutions;
iii) Promote the development of new products; and
iv) Promote adoption of modern production and processing technologies.

Objective 6: To embrace productivity systems, and approaches among the cooperatives and businesses.

Measures:

i) Promote inclusive cooperative productivity among membership;
ii) Promote continuous improvement as a lifestyle among cooperatives.

Objective 7: To mainstream cross-cutting issues of marginalized groupings, HIV/AIDS, environment and climate change in cooperative societies

Measures:

i) Promote inclusive cooperative membership;
ii) Promote sustainable and environmentally friendly cooperative activities

5.0. IMPLEMENTATION FRAMEWORK

5.1. Institutional Arrangement

The ministry responsible for cooperative development will coordinate the implementation of the Policy. The Ministry will:

(a) promote and develop cooperatives in order to create jobs and increase citizens' participation in economic activities;

(b) register and regulate cooperatives and enterprises in order to ensure formalisation and compliance with statutory provisions; and

(c) Promote economic empowerment programmes through CEEC.

Ministry responsible for agriculture will provide technical support to cooperatives whose activities fall in the agriculture sector.

Ministry responsible for fisheries and livestock will offer fisheries and livestock related support to cooperatives.

Ministry responsible for youth, sport and art will offer related support to youth, sport and art cooperatives.

Ministry responsible for mines and mineral development will offer related support to cooperatives in mining and value addition specific to this sector.

Ministry responsible for local government and rural development will offer related support to cooperatives.

Ministry responsible for labour, productivity development and social security will offer related support to the cooperatives.

Ministry responsible for finance will:

(a) mobilize financial resources for implementation of the policy; and
(b) offer financial and regulatory support to Savings and Credit Cooperatives (SACCOs)

Ministry responsible for tourism will offer related support to cooperatives involved in tourism products and services.

Ministry responsible for commerce will offer trade related support to cooperatives.

Ministry responsible for infrastructure development will offer market infrastructure support to cooperatives.

Ministry responsible for environment will support climate change mitigation and adaptation interventions.

Ministry responsible for science and technology will support business incubation.

The other line ministries will offer relevant services as required in line with their mandates.

The Cooperative Movement will through:

(a) national apex bodies coordinate the activities and provide services to their affiliate members throughout the country;
(b) secondary cooperatives will provide services to their affiliates; and
(c) primary cooperatives will provide services to their members and the community.

Other Stakeholders and collaborating partners will provide technical, financial and other relevant support in the implementation, monitoring and evaluation of the Policy.

5.2. The Legal Framework

The Government will facilitate cooperative registration, development and regulation through the review of legal framework governing cooperatives from time to time to adapt to emerging challenges in the environment. The implementation of the Policy will be complimented but not limited by the following pieces of legislation:

a) The Cooperative Societies Act No. 20 of 1998;
b) Statutory Instrument No. 26 of 1999;
c) Statutory Instrument No. 85 of 2022;
d) CEEC Act No. 9 of 2006;
e) Constituency Development Act No. 11 of 2018;
f) Mines and Minerals Development Act No. 11 of 2015;
g) Market and Bus Stations Act No. 7 of 2007;
h) Control of Goods Act, 1954;
i) The Plant Pests and Diseases Act;
j) Banking and Financial Services Act No. 7 of 2017;
k) Zambia Revenue Act Chapter 321of the Laws of Zambia;
l) Prohibition and Prevention of Money Laundering (Amendment) Act No. 44 of 2010;
m) Financial Intelligence Centre Act No. 46 of 2010;
n) Companies Act No 12 of 2020;
o) Investment, Trade and Business Development No. 18 of 2022;
p) Persons with Disabilities Act No. 6 of 2012; and
q) The Small Enterprises Development Act, Chapter 425 of the Laws of Zambia.

5.3. Resource Mobilization and Financing

The Government is committed to funding the implementation of the National Cooperative Development Policy to ensure its success. Additional resources will also be secured through Government from other stakeholders and cooperating partners.

5.4. Monitoring and Evaluation

This Policy shall be operationalised through a comprehensive Implementation Plan which is an attachment to this Policy document. The MSMED will be the principal institution responsible for the monitoring and evaluation of the Policy on behalf of the Government of the Republic of Zambia. This Policy will be subjected to periodic mid and end term reviews. This is to ensure that implementation of the Policy remains focused to attain the intended results, keep track of key performance indicators, deliver on the specific objectives, and provide evidence-based research and knowledge needed for more effective performance management.

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