

Request to H. E. Yoweri Kaguta Museveni, President of Uganda assent to the East Africa Community Cooperative Societies Bill 2014.

Today, cooperatives continue to play a vital role in the economic empowerment of people all over the world. The model has proved to be successful in many parts of the world including Africa, East Africa and Uganda as a country. We believe that the rich history of cooperatives in Uganda and beyond has been a key factor in your government's renewed interest in supporting the revival and revitalisation the cooperative model in Uganda. We thank you very much for the support and good will shown by your leadership.

As part of efforts to revitalise the movement, we believe that a good enabling legal and regulatory framework is key. In Uganda, the sector is regulated under the Cooperative Societies Act (Cap 112) of 1991 and the regulations of 1992. However, there seems to be some gaps at the regional level that the current bill intends to address. The current bill has been developed with very wide consultation at both national and regional level. It also received overwhelming support by the Uganda Parliament as presented by the chairman of the legal affairs committee Hon. Tashobya during the EALA public hearing in Uganda. This private members bill was spearheaded by our very own Hon. Mike Sebalu and was passed by EALA in 2014. It is motivated by the following;

- i. Co-operatives to exploit the opportunities in the regional integration process: The integration process in the East African Community has made significant advances over the past ten years. The cooperatives need to tap into the over 140 million population market. The Bill presents a framework for the formation of cooperatives at regional level i.e. East African Co-operative Society. Such a society would be formed at different levels, e.g. sector apex or union, and would allow for business integration across the partner states.
- ii. To adopt best practices in co-operative legislative: There are various good practices in co-operative legislation in the region, and around the world that should be adopted and harmonized in the region. These include:
 - a. Simplified co-operative structures(pre-cooperatives) in *Burundi pre-cooperative law 2011*
 - b. Flexible structure (primary and apex) of co-operatives in *Tanzania co-operatives Act 2003*
 - c. Formation of a semi-autonomous agency to promote the co-operative movement at the national level, for example *Rwanda Co-operative Agency, formed under the Rwanda Co-operatives legislation of 2007.*
 - d. Decentralize co-operative functions in *Kenyan Constitution 2011, Rwanda CO-operative Act 2007*
 - e. Access to land benefits in *Ethiopia Co-operative Proclamation 2004*
 - f. Linking financial co-operatives to non-financial co-operatives, for example in the tripartite model in Uganda.
- iii. Provide incentives to co-operative businesses: The co-operative model is a very good model for business development across all sectors. In four EAC states (Kenya, Rwanda, Tanzania and Uganda), the number of registered co-operatives has increased by over 10% since the year 2005. The Bill provides incentives to facilitate sector growth and business development in the co-operative movement. These incentives include:

- a. *Access to land*: Co-operatives that meet certain criteria should be able to access land to expand their businesses
- b. *Tax exemption*: Co-operatives that add value to products should be exempt from VAT up to a certain threshold.

We have been informed that the Kenya, Tanzania and Rwanda Heads of State have signed the bill and it our sincere appeal that you assent to the bill on behalf of the Republic of Uganda.

Together we stand, divided we fall

For God and My Country