

**THE GOVERNMENT OF THE REPUBLIC OF THE GAMBIA
MINISTRY OF AGRICULTURE**

NATIONAL COOPERATIVE POLICY 2021 -2030



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ACRONYMS

AGM	Annual General Meeting
ABS	Agribusiness Services Unit
AEGP	Agriculture for Economic Growth Project
CDDF	Cooperative Demand-Driven Fund
CPC	Cooperative Participatory Committees
CPMS	Cooperative Produce Marketing Society
DoCD	Department of Cooperative Development
DDA	Demand Driven Approach
GCU	Gambia Cooperative Union
GDP	Gross Domestic Product
ICA	International Co-operative Alliance
LCPC	Local Cooperative Participatory Committees
NACCUG	National Association of Cooperative Credit Unions in the Gambia
NaCDA	National Cooperative Development Agency
PMSA	Participatory Market Self-Assessment
PPFP	Preferential Public Food Procurement
PPP	Purchasing Power Parity
RVCTP	Rice Value Chain Transformation Project
SDGs	Sustainable Development Goals
TNA	Training Needs Assessment
CAPS	Cooperative Advisory and Promotion Secretariat
TfRC	Taskforce on Revitalization of Cooperatives

FOREWARD

The Gambia Government in line with its objective of improving the general policy infrastructure and our efforts to revitalize the sector by creating an enabling policy environment, the Ministry formulated the National Cooperative Policy 2021-2030.

The process of developing the first ever Cooperative Policy effectively started in 2019 following the drafting of the “Roadmap for the Revitalization of Cooperatives” which had undergone wide consultations with the grassroots, private sector, NGO Community, development Partners and other Government stakeholders. I note with pleasure that the Policy adequately reflects Gender and Youth issues which the government considers key in our national development efforts. This suggests that the findings and recommendations in the Policy truly reflect the views and aspirations of the stakeholders.

A recent baseline survey carried out by my Ministry points to the need for significant efforts in promoting producer and marketing groups and associations given their weak governance structures and household membership in groups remain low. It is also recognized that coordination of activities between various sectors has proven to be a challenge in our development efforts. The uniqueness of this Policy lies in its diversity to accommodate all sectors of the economy, thereby harnessing the efforts of stakeholders, as well as enabling greater grassroots participation in our national development programs. This creates synergies between our various development interventions, thus paving the way for increased production and productivity, poverty eradication, job creation, increased incomes and reduced illegal migration flows to Europe through the “**BACKWAY**”. I therefore call on our development partners to join us in ensuring that the Policy is implemented accordingly.

Finally, on behalf of The Gambia government, I wish to extend my sincere gratitude to the World Bank through the GCAV project for supporting the roadmap for the revitalization, FAO and EU for the technical and financial support that they provided for the formulation of the policy and the AfDB through the Rice Value Chain Transformation project for providing support towards the upkeep of the Taskforce. I also recognize the invaluable work of the Taskforce and the Technical Committee on the revitalization of Cooperatives for the selfless sacrifice they endured in finalizing the Policy, and by extension the National Association of Cooperative Credit Union (NACCUG) and The Gambia Teachers’ Union Cooperative Credit Union (GTUCCU) for the logistical support provided to the Taskforce and the Technical Committee during their working sessions.



Hon. Amie Faburay
Minister of Agriculture

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- The Local Technical Experts in Cooperatives including two National Assembly Members from the Select Committee on Agriculture (Honorable Alhagie SB Sillah & Honorable Lamin J Sanneh) participated in two Restitution workshops organized during the period. These workshops have enabled share of international and local experience resulting in National Policy document that is not only acceptable by standard but also relevant to The Gambia’s conditions. The presence and contributions of two of the National Assembly members at Workshops was also a show of political will, hence an inspiration for the stakeholders to be even more committed.
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CHAPTER 1 - INTRODUCTION

Policies are mostly designed to change behaviors and encourage stakeholders to do things differently. The purpose of the National Cooperative Policy 2021 - 2030 is to change the past and current prevailing situations wherein cooperatives lacked efficiency and sustainability. The policy aims to move away from an unsatisfactory situation of state-led cooperatives or project-led cooperatives towards the future desired situation of effective, efficient, and sustainable members' led cooperatives.

The development of a National Cooperative Policy is a strong element to improve the functioning of national cooperatives required to contribute to reverse people's economic and social exclusion. Exclusion refers not only to marginalization on markets and economic deprivation (poverty) but also deprivation from social relationships and participation as decision-makers in society, at community and national levels. To this purpose, the National Cooperative Policy proposes an ambitious, but realistic strategy for the Gambia cooperatives:

- Address the current situation of the Gambia cooperatives with its strengths and weaknesses.
- Cover all types of cooperatives. The area of the National Cooperative Policy is not limited to the existing agricultural and financial cooperatives, but also covers the future ones: Industry, Handicraft, Housing, Transport, Consumer, Multi-purpose;
- Suggest a participatory approach.

The policy document presenting the National Cooperative Policy is structured in chapters each of which revolves around a central question:

- Chapter 2: **The rationale:** Why The Gambia needs a National Cooperative Policy?
- Chapter 3: **The global policy objectives:** What will the National Cooperative Policy do for the country?
- Chapter 4: **The implementation strategies:** How will the Policy be translated into Actions?

CHAPTER 2 – THE POLICY RATIONALE

This Chapter presents the rationale for the development of this policy. In other words, why does The Gambia need a National Cooperative Policy? A wide range of available evidence and their analysis informs the rationale for the cooperative policy. Evidence was collected to:

- Understand the policy environment, the Global and national Economic and social trends. In this regard, The Gambian context is marked by profoundly serious development challenges, in particular the eradication of poverty, ending hunger, gender equality and employment creation to reduce migratory flows. These challenges are embedded in an economic environment characterized by low agricultural production and productivity, limited market access for agricultural input and output, weak institutional and organizational setup which together among others continue to keep people stuck in poverty.
- Analyze the past and present situation of the cooperative sector in terms of Strength, Weakness, Opportunities and Threats. It is noted that Cooperatives in The Gambia have registered some achievements in the past and current period, however, are facing challenges that affect their growth and development. Key among the challenges is inadequate control of the cooperatives by their members.

2.1. Background: Global Economic and Social Trends

The Gambia is one of the smallest countries on the African continent with a total land area of about 11,000 square kilometers. Its population is estimated at 2.2 million with a population density of 176 people per square kilometer. The Gross Domestic Product (GDP) is estimated at 1.8 US\$ billion in 2019 whilst GDP per capita in this period is estimated at 777.81 US\$ (GBoS, 2021). The economy is expected to grow at 0% in 2020 and bounce back to 6.6% according to IMF projections. With a Human Development Index (HDI) in 2018 of 0.40, the country ranks 130th out of 157 countries of the UN, thus indicating that it is one of the poorest countries in the world.

The economy is mainly based on Agriculture and Tourism. Tourism services represent the largest contributor to economic activity with more than 50% of GDP. The agricultural sector is the second-largest sector in the Gambian economy; GBOS, 2017 Integrated Household Survey. It is of great strategic importance as it provides employment, income, and food security. The sector accounts for about 21% of GDP, employs over 70% of the labor force and generates 40% of total export earnings. Agriculture is mainly smallholder based and characterized by rain-fed subsistence production of food crops (millet, rice, sorghum, maize, and cassava), traditional cash crops (groundnuts, sesame, and cashew), and fruits and vegetables. Groundnut production dominates the sector. Crop production has not increased significantly over the years to satisfy growing domestic demand and available export opportunities. Domestic food production caters for half the national consumption requirements, with the gaps filled by imports. Domestic production of rice, the main staple food, covers only about 30% of the country's needs, and therefore the import of rice represents half of all food imports.

Livestock production is one of the major agricultural activities in The Gambia, and it contributes 7 percent of national GDP and 25-30 percent of agricultural GDP with majority of farmers being smallholder farmers. Livestock comprises cattle, sheep, and goats, pigs, poultry, horses, rabbits, donkeys and others. The livestock production system is typically extensive; with intensive and semi-intensive systems limited to commercial poultry (broilers and eggs) production and sheep fattening. Due to low production and increasing demand for livestock and products, The Gambia continues to import cattle, sheep and goats, milk and milk products, and poultry meat and eggs. The livestock sub-sector faces several specific challenges, including the frequent outbreak of diseases; inadequate feed and water facilities especially during the long dry season; inadequate support services; and limited research and extension services.

The low production and productivity of the agricultural sector are the result of low intensification due to limited access to intensification inputs, declining farm labour supply, institutional bottlenecks such as marketing, research, and extension, and poor rural infrastructure. Erratic rainfall patterns, low soil fertility and post-harvest losses makes the situation even more fragile.

2.2. The Challenges

In September 2015, United Nations Member States adopted the 2030 Agenda for Sustainable Development that comprises 17 Sustainable Development Goals (SDGs). The Agenda is a commitment to achieve sustainable development by 2030 worldwide, ensuring that no one is left behind. This ambitious agenda sets a course to end poverty and ensure prosperity for all by 2030. In 2015, the government of The Gambia endorsed the 2030 Agenda. In January 2018, the government developed an economic development strategy in line with the SDGs. To reach the 2030 SDGs, the Gambia faces significant development challenges, particularly in terms of eradication of poverty, ending hunger, gender equality, and employment to reduce migratory flows. Co-operatives have a critical role to play in contributing to these SDGs for the Gambia. With only ten years left to achieve the Sustainable Development Goals, world Leaders at the SDG Summit in September 2019 called for a decade of action for sustainable development.

Food and Nutrition security

Households in The Gambia experience both acute and chronic food insecurity. Food insecurity is widespread. According to WFP, eight per cent of the population is food insecure and most Gambian households face some form of food insecurity. Estimations suggest that close to 55 per cent of the population cannot meet the daily-required minimum calories of 2400 per day per person. They are especially vulnerable during the pre-harvest lean season from June to September. Food insecurity is characterized by regional and temporal variations with Lower River, Central River and Upper River Regions being the most vulnerable areas, and August and September being the most difficult months. Poor rural households have to bridge a food deficit period between 4 to 6 months in the raining season. Based on the Global Hunger Index's three principal indicators (level of child malnutrition, rate of child mortality and proportion of people who are calorie deficient) reveals that The Gambia has registered consistent improvements from a score of 36.4 in 1990 to 21.5 in 2015.

The main cause of food insecurity is inadequate availability - subsistence farming households do not produce enough in their cropping system to achieve a significant marketable surplus - and the inability of people to access food due to low production. Cooperatives can contribute to improve food security by helping small farmers, fisher folk, livestock keepers, forest holders and other producers to solve the numerous challenges they face in their endeavors to produce enough food to eat as well as sell the surplus in the markets.

Poverty reduction challenge

The poverty incidence measured at the international poverty line - US\$1.9/day Purchasing Power Parity (PPP)- is estimated at 10.1 per cent in 2017. However, it rose to 37.8 % if income poverty rate is measured at lower-middle-income poverty rate, at \$3.2 a day. Poverty incidence is higher in rural than in urban areas, 69.5% and 31.6% respectively in 2015. Poverty remains to a broad extent a rural phenomenon as 64 per cent of the total number of people living below poverty line live in the rural areas.

What could reduce poverty? The agricultural cooperative sector is of great strategic importance as it provides employment and income. However, agriculture in The Gambia is characterized by subsistence production of cereal food crops with small-scale farming households that do not produce enough in their cropping system to achieve a significant marketable surplus. Income from agriculture and other sources is limited due to insufficient output marketing opportunities.

Cooperatives can play a significant role in promoting decent work and providing income security, more so where input and output markets are easily accessible.

Inclusion

There is still a significant gap between women and men in terms of leadership and participation in decision-making at community levels, access to productive resources, job opportunities and quality of employment. Gender inequality deprives the economy of the full productive potential of large shares of its population. Gender equality and women's empowerment are central to sustainable development. Appropriately designed cooperative enterprises are particularly helpful for women. Cooperatives can enable women to reach their full potential by having equal access to resources and economic opportunities and can build women's capacity to influence decision making by eliminating discrimination against women in leadership and public life.

Cooperatives can also provide more quality job opportunities for youth, people with disabilities and other marginalized groups. The ability of cooperatives to integrate women and youth into the workforce is particularly important, as these groups face discrimination and poor opportunities for employment.

2.3. Past and Present Situation of Cooperatives

To understand the critical importance of a cooperative policy for the Gambia, it is necessary to have a precise picture of the past and present situation of the cooperative sector. Despite some achievements, in the past and current period, The Gambia cooperatives have faced and are still facing Challenges that hinder their progress towards uplifting the socio-economic conditions of their members and the local communities at large.

The Cooperative Policy aims to offer opportunities to people so that they can take charge of their own development and avoid economic and social exclusion. To fully play this role, the Gambia cooperatives need to shift from past **top-down** approach to **bottom-top** approach to cooperative development. This section analyses the different obstacles to cooperative development in the past period and in the current period to develop appropriate Policy that would create the enabling environment. Evidence was gathered through a desk-review and field survey data. The policy builds on the analyses of evidence collected from the past and current period experience of cooperatives from pre-independence to date, and current cooperative experiences (section: Current situation: project-led cooperatives) undertaken in The Gambia since its independence.

Past situation - state-led organizations

The cooperative movement in The Gambia has a long history. In the late 1950s, the first cooperatives were established among groundnut producers to facilitate marketing. From independence to the end of the past century, the cooperative sector in The Gambia reached a meaningful development. The government actively promoted the cooperatives to reach the dispersed rural communities as a major element of its development policy. But these cooperatives were confined to the agricultural sector and were mainly formed by groundnut producers. The cooperatives were then effective economic organizations, delivering economic and social services to farmer members with a positive impact on agricultural productivity.

Effectiveness

These cooperatives, called “Cooperative Produce Marketing Society” (CPMS) with the support of their Union, then Gambia Cooperative Union (GCU), were economic organizations delivering a wide range of services to small-scale farmer members including:

- Supply of inputs (seeds, fertilize and agro-chemicals). Through the wide network of GCU through local cooperatives, the CPMS, made inputs accessible to small-scale farmers’ in all parts of the country;
- Provision of Accessible and Affordable Production Credit: The GCU provided short- and medium-term input credit to farmers across the country. Provision of transport services for the movement of goods and services to primary cooperatives. Facilitation of Marketing of Members Produce: Through the GCU network, farmers were guaranteed to sell their products for cash and on time;
- Provision of non-commercial services such as:
 - Member Education: The GCU, in collaboration with partners, supported member education programs such as numeracy and literacy, Radio learning, etc.
 - Training of Staff: GCU provided training for its staff in various domains;
 - Consumer Services: Under the auspices of GCU, Consumer Cooperative Societies; (CCS) were established across remote parts of the country, thereby making the rural population more accessible to affordable basic consumer goods;
 - Advocacy: Through the GCU farmers were able to advocate and influence policy decisions.

The broad range of services provided increased small-scale farmers’ production and productivity for both food and cash crops.

Neither sustainable nor member-led organizations

In spite of the achievements registered as highlighted above, these Cooperatives did not have the basic characteristic of genuine cooperatives as enshrined in the Principles and Values of Cooperatives. As a result, they have over time proven to be unsustainable due to their dependence on the State which promoted and supported their development.

Cooperatives were therefore established and used as tools to implement government's development programs. In this way they served as intermediaries between dispersed smallholder farmers and the only State-owned marketing board, The Gambia Produce Marketing Board (GPMB). Such organizations were not member-owned businesses. Although designated as "cooperatives," they were essentially another form of government organization that served more of State interest than the interest of its members. The monopolistic tendencies of the State marketing board in the marketing of agricultural produce also make these cooperatives less competitive. In serving as instruments of government development policy, and managed by government-appointed officials, these cooperatives were from the outset unable to foster effective member participation and a sense of ownership. All of these have culminated into:

- Heavy **dependence** on the government and other external agencies.
- **No commitments - Lack of members' responsibility.** Over reliance on external funding has resulted to weak member commitment in the conduct of the affairs of their societies since there is little or no incentive for such commitment.

In summary, cooperatives in the past have contributed meaningfully to the socio-economic development of the country, notwithstanding, they were neither autonomous nor sustainable which was due to large scale State funding, eventually leading to political interference.

Current situation of the cooperative organizations

The cooperative movement landscape has changed considerably since the era of privatization which led to dismantling of GPMB and eventual liquidation of GCU. Primary Cooperatives began to face competition amidst growing private participation in the marketing of agricultural produce. The burden of marketing began to increase with limited crop finance to purchase member produce leading to credit purchases of highly extended duration. As a result, new cooperatives in areas outside the traditional cash crop (groundnuts) such as horticulture, sesame, rice etc. (agricultural cooperatives) began to emerge. In spite of the growing number of agricultural cooperatives in various sectors of the economy, there is conspicuous absence of an apex body to make their operation more effective.

Conversely, the emergence of cooperative credit unions (CCU) in The Gambia proves effective and efficient. Unlike the agricultural cooperatives, the CCUs are member-led, demand-driven, autonomous and has an apex body known as National Association of Cooperative Credit Unions The Gambia (NACCUG). NACCUG was established in 1991 to act as the national apex body for credit unions. Currently, at the national level, the Union represents 53 affiliated financial cooperative credit unions. It is fully registered and licensed by the Central Bank as a Non-Bank Financial Institution (NBFI). The apex organization acts as an umbrella organization, a lobbying group, and provides essential training and marketing services; it is the core finance facility for its urban and rural village membership.

A wide network of cooperatives

Following the liquidation of the GCU in 1998, the Federation of Agricultural Cooperative Societies (FACS) was established to fill the void created by the liquidation of the former. Due to lack of proper planning and required resources, FACS only survived for less than four years and eventually went into voluntary liquidation. Notwithstanding, the total number of agricultural cooperatives registered stood at 260, according to cooperative registration database 2018. However, a significant proportion of this number representing approximately one third is inactive.

Nowadays, there are two dominant types of cooperatives: agricultural cooperatives and financial cooperatives (credit and saving).

Agricultural cooperatives are now more numerous than in the previous period and are no longer limited to groundnut producers; they cover a wide range of different commodities: vegetable, rice, cashew nut, livestock, forestry, beekeeping, and other activities such as processing.

The agricultural cooperatives can be found in the whole country, which makes cooperatives one of the most spread-out organizations across the country. This positioned cooperatives where they could deliver relevant services to a wider proportion of the population throughout the country.

Beyond the agricultural cooperatives, the Gambia cooperative movement includes numerous saving and credit cooperatives refer to as Credit Union Cooperatives.

Notwithstanding, its numerical growth and some mixed successes, the cooperative sector is facing a set of issues which must be addressed in a holistic, productive and sustainable manner so that the sector can become viable with genuine cooperative organizations led by their members, in particular:

- Lack of national Policy to guide the public in general and the cooperatives as well as inadequate legal instruments for regulation. Furthermore, the supervisory authority has inadequate capacity to carry-out its mandate of regulation.
- Institutional constraints – Weak cooperative Structures at all levels within agriculture as well as absence of a strong network between the cooperatives of different sectors.
- Governance issues for its efficiency: Weak management structures compounded by inactive member participation in the conduct of the affairs of the cooperatives.
- Financial challenge for sustainability, and
- Market access challenge.

Despite a political will, up to now, there is no National Cooperative Policy nor is there sufficient government support to the sector. The absence of a policy framework in the country - the rules of the game - left the field open to project donors and NGOs approaches. This situation has to a large extent invited the development of a profusion of project-led cooperatives with a culture of dependency.

Effective Organizations, User Responsiveness

The Gambia cooperatives are more or less effective organizations producing outputs for their members. Generally, the members are satisfied with the services provided by their cooperative. They have a clear idea of the mission. But most agricultural cooperatives offer a limited range of services due to the inadequate capacities of board members in designing an efficient and sustainable business model. In many cooperatives, members' expectations go far beyond the services provided. To fully reach organizational effectiveness, the demands of a cooperative's members must be fulfilled. Indeed, the needs, demands and wants have to be integrated into the cooperative mission; the expectations of members should be reflected in the mission of the organization. The high number of dormant agricultural cooperatives, 32 % of the total, suggests the efforts to be undertaken. Financial cooperatives – savings and credit cooperative societies - are remarkably effective organizations; they integrate low-income people to save and provide access to credit for their economic and social advancement.

Not fully members-controlled organizations

Many cooperatives are not fully members-controlled organizations. Many decisions are taken outside the organization. For instance, technical assistance and capacity building programs for cooperatives have commonly been supply-driven by donors and NGOs. These actors are relying too much on external experts and external best practice models, approaches, and tools. This way of operating has led to a lack of ownership among the cooperatives members and a failure to address their genuine needs.

In the recent period, a great number of the new agricultural cooperatives were established, often as a result of a decision taken by promoters: projects and NGOs. The motivations behind establishing cooperatives are more project-driven rather than member-driven. Members do not make many decisions. Strategic decisions such as designing its business strategy, deciding to invest in new capacities of production or processing are made in a consultative way. In the best case, members of cooperatives are involved in defining a change, or in identifying a problem and its solution, determining priorities. But generally, an outsider, a project or an NGO, takes the final decision. In the worst-case scenario, many consultative processes focus solely on obtaining a relatively passive “buy-in” for the already planned activities. Such consultation processes, that primarily seek feedback to a project's predefined objective, are not genuine participatory processes. In these consultative processes, members' opinions are solicited; but outsiders analyze and decide on the course of action. Finally, in the last resort, the responsibility remains with outsiders who direct the process. Often to present results to their founders, donors' projects have to focus on outputs and immediate results; they center on outcomes and long-term sustainability. This situation leads to the promotion of top-down and supply-driven approaches with blueprint solution. In the past, cooperatives were seen as instruments of policies by the government; now they are often used by projects and NGOs as channels for implementing donors' agendas and not a national policy.

When decisions come from outside through a top-down approach, cooperative members fail to develop a sense of ownership. Sustained donors and NGOs support, whether technical or managerial has created a dependency culture. When top-down and supply-driven external support encourages cooperative dependence and slows down the development of members' self-help and self-confidence. Outside support affects the autonomy of the recipient cooperatives reducing members' control on their organization.

External support causes interference in cooperative decision-making. It dilutes the member's responsibilities and commitments. Member-owners' decreased sense of control occurs because the power comes from outside. Project initiatives have failed to bring cooperative autonomy and members' engagement because they do not lead to cooperative member ownership. Cooperative efficiency requires genuine participation and ownership. External support is counterproductive as long as it is not part of a process strengthening internal dynamics of change. This dependency on external actors explains the high number of dormant cooperatives undermining the organization's effectiveness and members' commitments.

2.4. Sustainability

While external intervention is a key success factor by bringing substantial support to cooperatives, it is, at the same time, a source of organizational failure. Too many cooperatives are not sustainable organizations because they rely mainly on external resources, at short and medium terms, to secure the effective functioning of their vital operations and, in the longer terms, for their development. Limited financial resources are one of the major challenges faced by cooperative organizations. Too often, the Gambia agricultural cooperatives have no resources to sustain their activities. Majority of the agricultural cooperatives have a low, in the best cases, a moderate cost-recovery rate from their revenues. They rely heavily on external grants. As cooperatives usually face difficulties raising financial resources, NGOs and projects can cover a great part of the initial high costs involved in the establishment of new cooperatives. They provide funding for running costs, access to services such as covering the costs for training in managerial and technical skills. The support is generally provided as grants without considering how the cooperative will integrate them into its business plan. As a rule, cooperatives depend on projects; they are not generating sufficient incomes that can be used to continue the services through a user-pay approach. As such, cooperative sustainability is not secured; if cooperatives are unable to cover all their costs with income from their business model, they will disappear with the withdrawal of external support.

The savings and credit cooperative societies are a notable exception. They have developed a culture of financial commitments. With no exception, even in very poor communities, each member contributes to equity capital and pays monthly fees and savings (Strong Economic Commitment). User services pay-approach generates sustainability as the approach creates sufficient revenue that can be used to develop financial services, credit, and savings. User-Pay -approach is the only viable solution to cooperatives long-term sustainability. Member contributions are a sign of commitment to the cooperative objectives. They demonstrate, in a tangible way, members' engagement. Within these cooperatives, the members make informed choices, define their priorities, and plan their future: these cooperatives characterize member led organizations with a strong sense of ownership.

Projects and NGOs can cover part of the start-up costs supporting cooperatives during the period necessary for the business model for reaching the break-even point and become profitable. However, many cooperatives are based on poor business strategies with low market integration. Things get even worse when funding is provided as a grant, as cooperative members do not even think of raising and repaying funds as a normal business cost.

The consequence is that these costs are not accounted for in the cooperative's business strategy, and so its business model is based on an unsustainable basis. Cooperatives will never generate sufficient income to cover operating costs because their business model is unsustainable. Genuine cooperatives are business organizations. Their financial viability must be rooted in a sound business model.

Cooperatives face another challenge with the acute shortage of infrastructures (commodities warehouses, offices, etc.) and equipment (processing machinery, transport, and others). And most cooperatives, especially agricultural cooperatives, have weak investment capacity. Managing the cooperative capital is a key issue in the long-term sustainability of the cooperatives as viable enterprises. Very few agricultural cooperatives set up financial provisions for depreciation. This means that the cooperatives do not have the means to invest in new equipment and will be in an unsustainable situation in the long run. Too often, cooperatives members are unaware of the issue of depreciation of equipment and infrastructures, and of the need to establish a provision for amortization. Therefore, cooperatives do not have the resource to ensure their long-term growth. NGOs and project donors overcome this problem by offering grants. However, grants can weaken the cooperative's sense of ownership. With no obligation to repay a loan or interest on the investment, the cooperative may not have the discipline to use the equipment as effectively as necessary. Without the capacity to create a surplus to invest, cooperative development is not guaranteed. All these financial situations undermine cooperatives' sustainability and the members' sense of responsibility and ownership.

Finally, another weakness is related to the fact that most cooperatives are poorly integrated into the market. Generally, they have no business strategies. They face stiff competition in local and domestic markets. Buyers and sellers get a stronger competitive edge because they have the right market information. They can offer instant and sometimes advance payments. Cooperatives have unbalanced market power.

Cooperative development approaches frequently used by projects and NGOs generate misconceptions of the genuine nature of cooperatives:

- Developing a dependency culture. Members are expecting that support is provided for free, they tend to spend their energy chasing free inputs or services rather than using their energy and skills to accomplish things on their own.
- Undermining the members' sense of responsibility, initiative, and sense of ownership. Grants exaggerate the profitability of the cooperative.

Many of cooperatives recently established in the Gambia, especially agricultural cooperatives, are so far not fully member-led organizations. These organizations are to a large extent:

- **Controlled by external actors.** Strategic and operational decisions are mainly taken outside the cooperatives. Cooperatives are not fully member-controlled organizations. That situation creates a culture of dependency on external interventions from NGOs and donor projects creating a state of mind in which members come to believe that the solutions will come from the outside and that external actors will intervene to solve their problems rather than seeking to find solutions on their own.

This explains why a culture of self-reliance has not sufficiently been formed and is blocking members' capacity for initiative as well as their sense of ownership.

- **Financed by external actors.** A member's financial stake is not sufficiently developed. The financial stake or contribution of the membership of the cooperative is small relative to the outsider stake. The major suppliers of capital, external actors, have the biggest say. Therefore, members who use the cooperatives do not feel as the owners. These organizations are accomplishing their mission without consideration of their economic viability. Members do not mobilize their resources.

Despite these mixed results of cooperative development, in the recent period, there are opportunities to be seized. There is a political will to change this situation. The Government recognizes not only the potential of the cooperative movement to contribute to the economic and social development of The Gambia but is also aware also of the critical necessity to coordinate and guide cooperative development through a genuinely participatory and demand-driven approach to generate true members-led cooperatives. Policymakers not only advocate for the formation of cooperatives but are also committed to the creation of a favorable environment for member-driven cooperative development. The Government of the Gambia views cooperatives as a potential vehicle through which the cooperatives could create employment and expand access to income-generating activities, develop their business potential through education and training, increase savings and investment, and improve social well-being with special emphasis on gender equality and community development. However, to reach these objectives the legal cooperative framework, which dates back to the state-led cooperative period, should be updated. The cooperative act was enacted in 1951, before independence and it was revised in 1990.

2.5. SWOT Analysis of the Cooperative Sector

The following box presents a synthesis of the previous point in a SWOT table: cooperative sector assessment. It identifies the strengths, weaknesses, opportunities, and threats of the cooperative sector.

Box 1 : Strengths and weaknesses

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ A long cooperative history in the country and a meaningful development with effective service provision. ▪ User responsiveness: Member satisfaction for services provided by cooperatives. ▪ Strong people demand economic and social integration through co-ops. <p style="text-align: center;">SUSTAINABILITY</p> <p>A strong culture of financial contribution within financial cooperatives. They emphasize saving by mobilizing members.</p>	<p>Misconceptions of the genuine nature of cooperatives: project-led cooperatives. Insufficient Members engagement: Weak sense of ownership due to:</p> <ul style="list-style-type: none"> ▪ The insufficient decision-making power of cooperative members in governance. Many strategic and operational decisions made by external actors. ▪ Low economic members’ participation (Low members’ financial commitments). <p style="text-align: center;">SUSTAINABILITY</p> <ul style="list-style-type: none"> ▪ Low Members financial contribution within agricultural cooperatives. ▪ A culture dependency on projects and NGOs. ▪ Limited sustainability of agricultural cooperative financial resources and financial dependence of cooperative organizations has been revealed as one of the major challenges and constraints for the development of cooperatives. • Insufficient members’ participation in the cooperative governance. • Lack of a robust business model of agricultural coops. • Low capitalization: Insufficient working capital due to the different sources financing: subscription of entrance fees and annual fees, share capital. • Inadequate cooperative education.

Box 2 : Opportunities and Threats

OPPORTUNITIES	THREATS
<p style="text-align: center;">INSTITUTIONAL</p> <ul style="list-style-type: none"> • A strong political will to develop genuine cooperatives. • Presence of donor projects with cooperative components able to support strengthening cooperatives. • Existence of a developed NGO sector able to provide services to incipient cooperatives. <p style="text-align: center;">MARKET</p> <ul style="list-style-type: none"> • Existing local and national market for coop products • High people demand non-satisfied for the creation of new coops for: <ul style="list-style-type: none"> - Raw and processed agricultural products, - Financial services. 	<p style="text-align: center;">INSTITUTIONAL:</p> <ul style="list-style-type: none"> • Absence of a policy for cooperative development and its law framework. • A legal framework that dates back from state-led cooperatives. • A negative legacy from the past: the state-led cooperatives. Organizations were not member-owned businesses. • Lack of synergy and harmonization of the various development projects regarding cooperative development. • Insufficient monitoring and evaluation of the cooperative sector. • Staff at the central level (ABS) without a strong cooperative experience. • Government funding for the promotion of cooperative development is low. <p style="text-align: center;">MARKET</p> <ul style="list-style-type: none"> • Low integration to local and national markets. • The traditional banking system does not finance agricultural cooperatives that undermine input and technology adoption by small-scale producers. • Unbalanced market power between small-scale producers and traders.

In brief, in the recent period, there has seen a meaningful development of new organizations providing real services to their members. However, these cooperatives are not sufficiently controlled by members nor are they sustainable because they are based on biased foundations.

The national cooperative policy needs to transform the existing organizations driven by NGOs and projects into:

- *User-benefited:* Cooperatives designed by their members to provide services to their members-users as their priority.
- *User-controlled:* Members are involved in the day-to-day business operations and decide for all strategic choices; and,
- *User-owned:* Users finance the cooperative through regular contributions and by raising equity capital from members.

These are the conditions required to develop genuine member-led cooperatives. Next chapter dilates on the; What will the National Cooperative Policy do for the country? Thus, expound on the policy vision, mission, guiding principles, and objectives.

CHAPTER 3 - POLICY VISION, MISSION, GUIDING PRINCIPLES & OBJECTIVES

There is widespread consensus among international institutions and the development community that cooperatives hold one of the major keys to patterns of rural prosperity around the world. In a nutshell, cooperative enterprises are one of the most suited organizations to help people become active agents that improve their own lives, and address dimensions of poverty and exclusion. Cooperative development is justified by the idea that the poor can stay trapped in the vicious circle of poverty if left on their own. The poor need to get organized to work together in order to gain from the collective strength that they do not have individually. Cooperative organizations as a member-owned, controlled and operated for their benefit, can boost agricultural productivity growth, and stimulate national development. Cooperative development is the best option for spurring economic inclusion and sustainable growth, thereby overcoming poverty, and enhancing food security.

3.1. Policy Vision

The vision of the National Cooperative Policy is to harness the cooperatives' potential to contribute to sustainable growth in the Gambian economy and reduce food insecurity, malnutrition and migration flows contributing to achieving the Sustainable Development Goals (SDGs). The vision of the National Cooperative Policy, therefore, would serve the needs and aspirations of its members as well as contribute effectively to attainment of the national development goals.

3.2. Policy Mission and Scope

The Mission Statement of the National Cooperative Policy is:

“Create an enabling environment for effective ***‘all-inclusive participation’*** of Stakeholders by guiding and assisting people in their efforts, to build, expand, diversified, innovative and sustainable cooperatives”.

The scope of the national cooperative policy is not limited to the existing agricultural and financial cooperatives but also include other sectors like fisheries, consumer, forestry, handicraft, housing, transport, industrial, etc. like in other countries.

3.3. Guiding Principles

In its support to cooperative development, the Government enshrines and upholds the seven International Cooperative Alliance (ICA) principles upon which cooperative organizations are founded (see below Box 3). The Gambia Comprehensive Cooperative Policy recognizes and integrates these principles as guidelines by which cooperatives put their values into practice.

Box 3: The seven International Cooperative Alliance (ICA) principles

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all people, and who will be able to use their services and are willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations 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 organized democratically.

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 generally 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 organizations controlled by their members. If they enter into agreements with other organizations, 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 cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperatives.

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. Concerns for the Community

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

Source: International Cooperative Alliance

3.4 Overall Objective

The overall objective of the National Cooperative Policy is to develop a vibrant, autonomous, and economically viable cooperative movement to address societal challenges contributing to poverty and food insecurity reduction.

3.5 Specific Objectives

The National Cooperative Policy has three specific objectives which form an integrated system that enhances and nurtures capacities across three interdependent capacity development dimensions in external environment, within the organizations and individuals. They are:

- 1. To establish and enforce the legal and regulatory environment needed for enhancing coordination and collaboration amongst relevant stakeholders.**
 - a. Implementation Strategy 1: Creation of the necessary legal environment to facilitate the cooperative movement to operate and develop.
 - b. Implementation Strategy 2: Establishing supportive bodies for enforcing the cooperative policy and its law and regulations.

- 2. To support cooperatives set up efficient rules, mandates, mechanisms, and procedures that generate motivation and engagement.**
 - a. Implementation Strategy 3: The National Cooperative policy will put in place mechanisms for active members' ownership
 - b. Implementation Strategy 4: The National Cooperative policy shall Promote members' incentives and mechanisms for self-financing of the cooperative organizations and reduce its reliance on government and donor financial support.
 - c. Implementation Strategy 5: The National Cooperative Policy will promote the development of robust cooperative business strategies
 - d. Implementation Strategy 6: The cooperative policy shall promote, in the medium and long term, the conditions necessary for establishing an efficient operational structure for the cooperative movement.

- 3. To support cooperatives, develop their capacities by enhancing the ability and capacity of cooperative leaders and members.**
 - a. Implementation Strategy 7: Establish a broad training program for leaders and members
 - b. Implementation Strategy 8: The National Cooperative Policy will promote capacity development on participatory Basis.

CHAPTER 4 - IMPLEMENTATION STRATEGIES

Setting up a vibrant, autonomous, and economically viable cooperative movement involves going beyond the project’s “business as usual”, beyond providing the individual capacity-building limited to training and other individual skill enhancement. The Cooperative Policy encompasses much broader objectives aiming at setting up an institution-wide development approach for enhancing the effectiveness of all stakeholders acting in the cooperative development arena: cooperatives, government, projects, non-governmental and private profit-oriented organizations.

The National Cooperative Policy therefore employs the follow implementation strategies towards the realization of objectives specified earlier in the preceding chapter (figure 1 below).

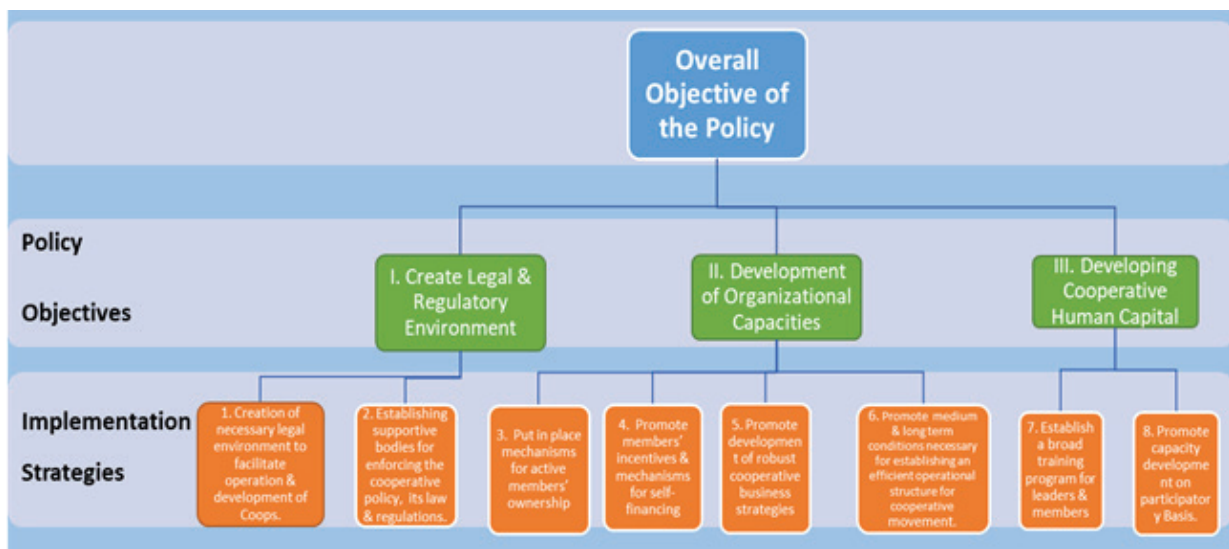


Figure 1 - Illustration of overall policy objectives, specific objectives and Implementation strategies

Moreover, set of activities have also been outlined under each policy recommendation to facilitate their implementation. The policy document will now illuminate the recommended policy, and the intended activities, accompanied by the roles of the government in the realization of the new dawn in the revitalization of cooperatives in the Gambia.

Implementation Strategy 1: Create the necessary legal environment

The Government shall create the necessary legal environment to facilitate the cooperative movement to operate and develop. Regulation, the creation of the “rules of the game” is an important component of a cooperative policy’s success. Rules have to offer the framework with the right incentives for all stakeholders: the government, the promoters of cooperatives: members, NGOs, donors, projects, etc. This enabling environment, enforced by supportive institutions, shall provide each actor the framework to promote the development of effective, efficient, and sustainable cooperatives by recognizing cooperative autonomy and empowering cooperative members in an inclusive decision-making process. The success of cooperative development policy requires a new law to operationalize the National Cooperative Policy. The law will recognize cooperatives as a member-led enterprise with full recognition of the principle of autonomy. The law secures members in their cooperatives to feel safe to work and invest without external stakeholders deciding on their behalf.

To do this the law should affirm and enforce the basic principles for effective legal and regulatory systems that support cooperative businesses. These core principles are a guide for efficient cooperative law and regulations. They include:

- « **Ensuring autonomy and independence:** Cooperatives are private business enterprises. Law must protect the autonomy and independence of cooperatives from government, external actors, or entities other than members of the cooperative.
- « **Protecting member control:** Cooperatives are member-based organizations. Law must protect the democratic character of cooperatives, vesting control of the organization in their members. The participation of all members in the decision making and management of the affairs of their societies is cardinal in promoting the democratic control of the cooperatives.
- « **Rotating system for elected leaders.** The law shall review the delegate system of representation to ensure proportional representation legislation and alternation of delegates to give each member equal opportunity to participate. Such laws shall entrench the delegates system in law and ensure that members retain the overall authority over the management of their societies and have recourse in case delegates or staff act beyond the powers delegated to them.
- « **Ensuring transparency.** Indemnity and wealth declaration. It has been a requirement for cooperative officers to declare their wealth upon election into office. This is necessary to discourage misuse of cooperative resources and hence build trust between members and their leaders. The government shall through the appropriate laws enhance the process of filing of indemnity and wealth declaration by the management of cooperatives.
- « **Ensuring regular leadership renewal.** Law must define the term limits for elected cooperative leaders. The Government will legislate in favor of the introduction of two term limits in line with the provisions of The Gambian Constitution from 2022.

- « **Respecting voluntary membership:** Law must protect the voluntary nature of membership in cooperatives. Membership in cooperatives should be determined by the cooperative, not mandated by law or government order.
- « **Requiring member economic participation:** Law must protect and promote the responsibilities of membership, including the duties to contribute equitably to and democratically control the capital of the cooperative.
- « **Promoting equitable treatment:** Law and regulation should be no less advantageous to cooperatives than to private businesses in the same sector while protecting and being sensitive to the mutuality of cooperatives. Incorporation, law enforcement, dispute resolution and licensing of cooperatives should be handled in the same manner as they are for other businesses.
- « **Ensuring access to markets:** Sector-specific regulations should provide incentives that enable the cooperative business to operate.

Activity 1.1: Review the Cooperative Act (Cap 50.02)

The cooperative development laws (Act 50.02), establishing the “rules of the game” should be reviewed and enforced to provide simple, predictable, and efficient regulatory framework. The cooperative act was enacted in 1951, before Independence and it was revised in 1990. The regulatory framework should be simple, predictable, and efficient. It should minimize bureaucratic delays and obstructions to business operations and avoid conflict and duplication with other laws.

The policy will emphasize ensuring that any donor project or NGO initiatives that concern cooperatives will contain participatory mechanisms ensuring that members’ interests are duly represented and that there is adequate buy-in.

Implementation Strategy 2: Establishment of supportive bodies

Regulations and rules must be written and enforced by instruments. Thus, to achieve the objective of establishing and enforcing cooperative regulation, the Gambian government will have to establish:

- **A new Department of Cooperative Development (DoCD).**
- **Cooperative Participatory Committees (CPC).**
- **Development Demand-driven Cooperative Fund (DDCF).**
- **A Public Food Procurement mechanism (PFP).**

Activity 2.1: Setup effective and efficient cooperative administration

The Government shall set up an effective and efficient cooperative administration. A Department of Cooperative Development (DoCD) shall be a Government Department that at the national level has the mandate to regulate cooperative development through implementation of the Cooperative Societies Act. In this regard, the Department of Cooperative Development shall serve as the Supervisory Authority for cooperatives. The functions of DoCD therefore shall include:

- Policy Development, Promotion and Enforcement
- Determine standards and criteria;
- Inspection of Cooperatives to ensure that they are compliant with the principles and guidelines provided by the Department;
- Audit of all cooperative societies to ensure transparency and accountability of management;
- Registration and de-registration of cooperatives.

Activity 2.2: Establish Policy dialogue

The Government shall engage in policy dialogue with the Cooperative Movement by establishing Cooperative Participatory Platforms (CPP) to:

- Address local cooperative expectations and challenges by supporting the promotion of cooperatives.
- Support the DoCD to promote the development of effective, efficient, and sustainable cooperatives participating in administering the resources of a demand-driven cooperative fund.
- Work closely with the local governments providing a space for regular dialogue with the DoCD at Regional and District levels for regular stakeholder participation in cooperative policy programming and implementation.

These local participatory platforms will be bodies that need to be created to support the promotion of cooperatives. They will work closely with the local governments and integrate representatives of small-scale producers, financial cooperatives, and economic operators. These dialogue platforms will allow to:

- Dialogue with cooperative members to find concrete solutions to their issues.
- Gather and exchange information.
- Achieve coordination among different state agencies and push for changes.
- Support the DoCD to administer the resources of the demand-driven rural funds.
- Incorporate the main stakeholders in the making and implementation of the cooperative policy establishing a process of collaboration.

In a second stage, in the medium or long run, a national platform will be created and will allow farmers, representatives of apex cooperatives (the National Cooperative Development Agency - NaCDA), to meet regularly with representatives of the government, to plan and evaluate the cooperative policy, its strategies, programs and projects under implementation.

Activity 2.3: Set up a Cooperative Development Fund

The Government shall set up a Cooperative Development Fund. To minimize dependency on project grants, the perverse effects of supply-driven approach, develop cooperative sustainability, and members' sense ownership to support the implementation of the policy as well as establishment of a vibrant cooperative movement, Cooperatives with support from government and donors, will set up a Cooperative Development Fund (CDF). The mechanism will address the needs of cooperative societies at all levels and their support institutions as and when necessary.

The CDF will be designed to:

- Meet cooperatives demand to strengthen their capacities and invest in new production capabilities and processing facilities. It will operate with a high degree of participation by a representative of the cooperative movement (the NaCDA), and members of the cooperatives concerned in the identification and implementation of small cooperative projects. DDCF will give the cooperative concerned control over project choice, pace, and implementation. The chosen approach will develop the members' sense of ownership. When cooperatives members choose projects, they contribute to the costs and implement them, and therefore will be much more likely to value and sustain them.

An effective way will be to:

- Use a demand-driven fund with cooperatives selecting activities to be conducted and choose their service providers. The Government will also subsidize the costs of 'self-discovery' (acquiring skills and competencies) for adopting new technologies and accessing new markets. The government needs to let cooperatives discover and experiment in new ways.
- Establish a demand-driven approach. To implement these participatory objectives, the DoCD will carefully devise rules and incentive structures of the financial mechanism (DDCF). The fund will:
 - Design the specific participatory procedures for procurement and disbursement.
 - Define and select the types of projects eligible for financing in close cooperation with the local cooperative participatory platforms (CPP).

Monitor compliance and retain veto power over cooperative choices of projects. In particular, the DoCD with NaCDA and the local CPP will choose economically viable projects. Cooperatives may choose projects that cannot pass the test of viability, i.e., projects with a positive economic rate of return. Requiring viability gives the DoCD the power to veto a cooperative choice.

Activity 2.4: Create a cooperative financing mechanism

The Demand-Driven approach to members' needs will enable cooperatives to access fund to meet their needs gaps. In this regard appropriate mechanisms shall be used to forge partnership with projects for the implementation of project activities as follows:

- Participating in **project selection as Sector Level:** Cooperative members should be involved in choosing projects. The public funds available for cooperative are likely to be limited and insufficient to finance all projects of reasonable scale each year in every cooperative. Thus, the members' choice is critical.
- Contributing to **project finance:** cooperative members will engage to provide a fraction of the capital part in money and/or in-kind: labour, cash, or materials as counterpart requirements. This ensures that the cooperative members truly choose the project and satisfy the counterpart requirements. Because poor communities can rarely contribute much cash or materials, cooperative members could contribute with their labour.
- Participating **in its implementation.** With proper incentive mechanisms such as the right to retain and utilize a proportion of funds budgeted but not spent due to efficient implementation, for instance, cooperative management of construction work, rather than management by contractors or government officials, can promote efficient implementation, funds management, and operation and maintenance.

Partnership with projects shall be defined in an Agreement or Memorandum of Understanding that will clearly spell out the responsibilities of either Party. Future collaborations shall be determined by the level of implementation success by the Cooperatives.

Activity 2.5: Promote market access for cooperatives

The Government shall promote market access for cooperatives. This would involve creation of opportunities for cooperatives to supply public institutions that may be in demand for cooperative goods e.g NDMA, School Feeding Program, NaNA etc.

Activity 2.6: Facilitate organizational capacity development

The Government shall facilitate the development of organizational capacities. Recognizing the importance of cooperatives for the attainment of the sustainable development goals, the Government urges development partners, projects, and NGOs to strengthen cooperative organizational capacities (Figure 3).

A cooperative's ability to achieve its purposes depends not just on whether it gets the adequate legal and regulatory environment, but also on the incentives generated by the way its structure is designed. These capacities cover the strengthening of organization governance structures, systems and processes, management, and leadership. They are based on incentives for fostering leaders' engagement and members' commitments to developing organizational self-reliance and response capacity that will enhance the organizational, team and individual performances. To do this the cooperative design has to align all the elements of internal structure, rules, and systems of decision-making and procedures of management that determine an organization's effectiveness and sustainability.

How to incorporate those elements that promote members' economic participation and managerial autonomy in the design of each cooperative? A different set of issues affects the ultimate full autonomy and sustainability of cooperatives; they include the capacity for:

- i. Building an effective cooperative governance structure for member-control.
- ii. Establishing financial mechanisms- member economic participation- for self-reliance and sustainability.
- iii. Promoting strong cooperative business strategies: cooperatives as enterprises.
- iv. Building a structure for coordinating and supporting the cooperative movement.

Implementation Strategy 3: Establish mechanisms for active members' ownership

The National Cooperative policy will put in place mechanisms for active members' ownership. In that regard the Policy will support the development mechanisms that are participatory and allow members define their priorities, make informed choices, and plan their futures. It will provide the conditions for members to control cooperative strategic and operational choices and their implementation.

Activity 3.1: Support cooperative social mobilization

The Government shall support social mobilization to promote cooperative development. The policy will encourage a demand-led organizational change in which members will identify their needs, preferences and agenda defined in a Vision and Mission statement. To this end, the National Cooperative policy will support and promote informal groups at community level to form themselves into cooperatives. Change is challenging as it creates uncertainty and instability associated with risks. The first step to any successful change process would include creation of trust and confidence among members of the local community which to a large extent exists at the rural communities of The Gambia. However, people may resist change for fear of the unknown, more so if they are not adequately sensitized. Therefore, public sensitization would constitute a major impetus in awareness and confidence building. Projects and NGOs will facilitate such processes by using a problem-solving approach to support people to identify the problems that prevent them from achieving their own goals.

With this approach, the social mobilization will trigger a participatory process with following steps:

- Raising awareness to mobilize community people to form a focus group.
- Identifying people's needs, expectations, and priorities within the focus group.
- Recognizing the obstacles and defining the problem.
- Providing information about opportunities.
- Developing a strategy to fix the problem.
- Figuring out the resources at the people's disposal.
- Evaluating the solution for accuracy.

This process will create the conditions that set-in motion groups by persuading people that change is possible. It will generate the building of a coalition of interest that can overcome the resistance to change. The process ends with two choices:

- Forming a cooperative or not forming a cooperative at the group level and
- Joining or not joining the cooperative at the individual members' level.

This collective action strategy is a voluntary process open to all people of a community interested in using the cooperative services and willing to accept the corresponding responsibilities of membership. In this change process, cooperative development is inherently risky. Therefore, the formative stage will require assistance of projects and NGOs to allay the fears of change. The process will require different forms of promotional campaign strategies including Workshops, personal contacts (door to door visits), village meetings, radio and television and the use of flyers and billboards. All these will facilitate the change process smoothly.

A cooperative is a member-oriented organization pursuing primarily their economic and social interests. At the end of the social mobilization process, the members within a focus group will craft the cooperative vision and mission. The mission will be driven by the needs, expectations and priorities identified by its members. The mission will express the organization's core purpose, which is important with its basic goals and characteristics. The definition of the mission will be completed by the formulation of the vision. A mission is something to be accomplished, whereas a vision is something to be pursued by that accomplishment. In bridging the gap between the current reality and the vision, the vision statement will arouse enthusiasm and motivate members. The cooperative mission and the vision will communicate a sense of its intended direction to all its members.

In brief, through social mobilization process, members will be involved actively in the cooperative design. Members will identify issues and find solutions thereby developing a roadmap that will bridge the gap.

Activity 3.2: Support cooperative good governance development

The Government shall support the development of cooperative good governance. Good governance depends on the capacity of members to craft its strategy; to manage their organization and monitor its performance (Member Controlled Principle). The pace and the pattern of change must be chosen by cooperative members and not by outsiders (government, donors, or NGOs). Once the cooperative is formed, the members need to govern it. It depends on the capacity of the members to manage the business and make day-to-day decisions. The pace and the pattern of change must be chosen by cooperative members and not by outsiders (government, donors, or NGOs).

The formal rules and structure of cooperatives are important as they affect decision-making and participation within the cooperatives. To be fully engaged and committed, members must understand these rules and have the ability and motivation to participate in decision-making. Cooperative Constitution Rules and Bylaws have little effect if they are not understood and applied by the members. Thus, strong member involvement in defining governance rules for the functioning of the organization and for decision-making is critical.

Generally, cooperative governance is at three levels.

- The Annual General Meeting (AGM) – involving the general membership.
- The Board of Directors – the elected cooperative members entrusted with the overall conduct of the affairs of the cooperative and
- Management– Employees and selected board members entrusted with the day-to-day administration of the cooperative.

The first level, the AGM, is made up of all the cooperative's members. It controls cooperative strategic and operational choices and their implementation. In most cooperatives, this general meeting involves all members and occurs at least once a year. It is therefore often called the Annual General Meeting (AGM). Decision-making at the AGM is conducted by vote. At the AGM members elect their leaders, decide, and agree on major strategic issues such as new investment projects, decide on operational issues such as the plan of activities, business plans, etc.

It is often difficult for grassroots members to fully participate at AGM in decision-making and to know whether the cooperative is serving their interests. AGMs can be a bureaucratic process in which members merely approve the proposals put forward by the Board. Good governance and management within cooperatives depend on individual members having the capacity and confidence to participate in decision-making. Therefore, to address this problem the policy will support projects and NGOs to provide grassroots members with the necessary understanding, capacity and confidence in regard to the functioning of the cooperative and its business. They will provide literacy and numeracy training to women and men to increase their confidence and ability to participate in the cooperative's affairs. Special mechanisms will be established for members largely excluded to participate in decision-making such as through leadership training, special committees, and by organization separate meetings for women and youth to increase their participation at all levels of the cooperative.

The second structure of governance is the board of directors. The directors form a management group called the board of directors. Their power lies in the decisions made at the general meeting. It is a representation that manages the cooperative on behalf of the members.

The main purpose of the board is to provide leadership governing the cooperative's affairs, setting the overall operating policies, approving the annual budget, overseeing its operation. To improve the representation of the Board of Directors, the policy will encourage a balanced representation of men and women in its composition. Some seats will be reserved for women. To avoid elite capture, the board will be renewed regularly, and the leaders will be elected for a limited term, such as two years.

This set of measures will create the conditions for member ownership in the governance. The development of cooperative will be driven by the cooperative members' initiative, transparent leadership, and grassroots members' capacity to participate in decision-making. Cooperatives will become successful member-led organizations with members exercising ownership and control over the strategic and operational decisions.

The third level would mostly affect larger cooperatives that require specialized management skills beyond the capacity of the board of directors' alone examples include large credit unions such as Teachers, Police, NAWEC etc.

Activity 3.3: Support the establishment of financially viable cooperatives

The government & stakeholders shall commit to support in the establishment of financially viable & sustainability of cooperatives. Cooperatives are User-Owned organizations. The people who use the cooperative are those who contribute to financing the cooperative, its members, and therefore, they own the cooperative. Members are required to make financial contributions to their cooperative organizations.

Implementation Strategy 4: Promote incentives and mechanisms for self-financing

The National Cooperative policy shall Promote members' incentives and mechanisms for self-financing of the cooperative organizations and reduce its reliance on government and donor financial support. Limited financial resources are one of the major challenges faced by cooperative organizations. To be sustainable, cooperatives must develop self-reliant business models that would enhance their sustainability.

Activity 4.1: Facilitate internal resources mobilization training

A cooperative must generate its resources by conducting a sound business model. Cooperative current revenues and members' contributions need to cover functioning costs instead of relying on external funding from the partners. For this purpose, cooperative sustainability must be premised on a sound business model. From the very start, the NGOs' role will involve facilitating and supporting cooperatives with design of robust and viable business plan. Returns on the services offered by cooperatives to members through a user-pay approach will generate resources for financial viability. They create revenue from the business that which is complemented by membership contributions. Cooperative leaders will have to generate awareness about the importance of members' financial contributions, such as regular cooperatives membership fees. The Gambia financial cooperatives have succeeded to develop a strong culture of savings. Sharing experiences is a way to acquire this culture of member economic participation. The agricultural cooperative organizations may adapt and employ this experience.

Although small-scale members have limited assets, a financial contribution to their cooperatives from members, however small, increases their sense of ownership. It represents a valuable indicator of the members' commitment to their cooperative.

Activity 4.2: Create conditions for cooperatives to invest

The government & NGOs shall generate conditions for cooperatives to invest. Cooperatives face another tough challenge for securing their long-term development. Cooperatives need to find financially sustainable ways of covering their development costs that are not dependent on external grants. This presents a particular challenge for development NGOs supporting cooperatives.

Most cooperatives face difficulties to fund investments that are needed for accessing markets for semi-processed products and high-value products. Accessing affordable finance for investments in processing equipment and infrastructure is a major difficulty for cooperatives.

Cooperatives have a mix of three solutions: to borrow money, attract private investors or access grants to fund investments necessary for bringing them to the market for high-value products and semi-processed products.

Projects and NGOs will play a critical role in helping cooperatives access funds. Firstly, they will play a useful role by helping cooperatives access the necessary expertise to assess viability of the initiative. Secondly, they can help cooperatives access financing through interlinked value chain operators. Thirdly, the use of counterpart funding by projects under the matching grant window could also create window of opportunity for cooperatives to access to finance on a large scale.

Another means of financing to be contemplated by the cooperatives is the use of the Microfinance network, in particular the Cooperative Credit Unions using the principle of “cooperation amongst cooperatives”. In this regard efforts of upgrade, the Central Finance Facility of NACCUG for extension of their credit facility to the agricultural cooperatives could be investigated. This last option would be more appealing to cooperatives given the high rate of interest for commercial bank loans compounded by the need for collateral. Furthermore, the arrangements would be within the cooperative members themselves that have mutual trust on one another.

Activity 4.3: Improve Cooperative access to NGO and project grants

External resources need to be used under well-defined conditions. These resources can legitimately be used as start-up funding for new cooperatives or new risky activities. NGOs and donors’ projects can facilitate the set-up process for cooperative business development by providing cooperatives with partly free support and services through grants. In their early stage of cooperative development, support is essential as start-up funding to create a more level playing field for members. The support can enable cooperatives to make rapid progress in their marketing and processing activities. Grants can also be used to enable a cooperative to carry out a local market assessment, prepare a business plan, experiment marketing of a new product and strengthen skills such as management, bookkeeping; these are effective support.

If incentives are required to give cooperatives’ members a hand-up to begin investing, much caution must be exercised so that hand-outs do not become addictive. Incentives must be pegged at a level that stimulates take-off rather than a culture. The part of financing investment through grants needs to be weighed up carefully with member contributions and other sources of financing. Moreover, external financial support must be linked to cooperative members’ financial commitments. A member contribution, even the smallest one, must always be required. A financial contribution to the business from members, however small, increases their sense of ownership. But members usually have limited assets. To obtain contributions from the most vulnerable members – youth, women, people with disabilities – each cooperative will adapt the amount and its payment over time.

In addition, cooperatives must integrate the cost of external support services in their accounts, even if the NGO or the project covers them, in full or in part. Grants must be identified at market prices in the cooperative accounts. As the cooperative develops, the NGO should begin to charge for a growing share of its support services. The cooperative contribution is a useful indicator of how sound and robust it is.

Agricultural cooperatives must build their financial sustainability in order to grow. The NGOs' ratio of external funds to member funds represents a good indicator of the members' commitment to the cooperative mission. Thus, cooperatives must require a minimum contribution from their members in the form of a share of the equity capital, since its establishment, and regular membership fees. For this reason, grants need to be provided only to complement member contributions and in a progressive way. Furthermore, external financial support to cooperatives needs to have a clear exit strategy.

Activity 4.4: Create a corporate learning culture

The ability of a Corporate enterprise to develop in the long term must be based on its ability to mobilize its internal energy to learn from its successes and failures, and lessons from other organizations. For that reason, the cooperative policy will encourage cooperatives to create a corporate learning culture. This can be reached by establishing special spaces reserved for learning such as working groups and committees that will analyze systematically what works, what does not work and what needs change within their cooperative. It will be also the role of cooperative apex organizations to document experiences, organize workshops to discuss cooperative results and to organize study tours for sharing external experiences.

Implementation Strategy 5: Promote the development of robust business strategies

The National Cooperative Policy will promote the development of robust cooperative business strategies. Cooperatives need assistance to build their business strategies. Donors' projects and NGOs will have an important role in a wide variety of areas:

- Market management
- Market intelligence
- Technical aspects of production-related to quality such as sanitary standards, etc.

In doing so, projects and NGOs will play an important role in facilitating market integration by helping cooperatives develop a realistic business model that includes a marketing strategy. The policy shall encourage the adoption of effective business strategies. To this purpose NGOs and projects will support cooperatives to adopt the best strategy to improve income by increasing the volume of sales or adding value to their produce. Adding value can involve three different options: improving quality, processing, or differentiation. Cooperatives can combine these strategies in their business strategy. Increased bargaining power also enables cooperatives to increase income.

Activity 5.1: Establish an effective business strategy Toolkit

Effective cooperative business strategy toolkit will be built using a Participatory Market Self-Assessment approach (PMSA) by:

- Assessing the existing market system of the cooperative.
- Identifying viable market opportunities.

It will involve close collaboration between cooperatives and buyers.

The approach seeks to empower cooperatives to engage with markets more effectively and strengthen their business linkage with other entrepreneurs. PMSA will focus on stimulating different types of market chain innovations:

- **Market innovations:** the creation of new products and services. They do not need to be entirely new (i.e., something that has never been seen before). Rather, their novelty may be attributed to a new processing idea or simply a novel package design.
- **Technological innovations:** the application of new practices. Existing practices are simply adapted and adopted in a new context.
- **Institutional innovations:** new interacting or collaborating relations. These can be the reinforcement of mutual obligations (e.g. contract).

The cooperatives must coordinate members' supplies by collecting and grouping individual member production to meet the demands of these markets, achieving scale economies and timing; satisfying quality standards; and meeting the specifications demanded by traders, processors, and urban consumers. Coordinating members' production and delivery are lowering their business costs. NGOs may need to support cooperatives to develop the necessary logistical systems to coordinate their products effectively. Here donors' projects and NGOs have an important role to play in supporting the building of effective business strategies.

Implementation Strategy 6: Promote efficient operational structures for cooperatives

The cooperative policy shall promote, in the medium and long term, the conditions necessary for establishing an efficient operational structure for the cooperative movement. An operational structure for the cooperative movement will be set up. It will include various levels:

- The building of primary cooperatives (first level)
- Establishment of Secondary cooperatives (second level)
- Establishment of apex cooperatives. This level may evolve to tertiary cooperative apex or the proposed NaCDA.

Activity 6.1: Building cooperation among cooperatives

Building bridging relations - the creation of unions and federations - among cooperatives will enable cooperatives to build a critical mass for capacity enhancement. The policy will support, inter-organization linkages that will bring primary cooperative societies together to create larger organizations in the form of cooperative secondary societies and, federations. Local cooperatives may have to reach a certain size before the scale of their marketing activities gives them real bargaining power and enables them to compete with large commercial producers.

In unions and federations, individual cooperatives bring together some of their activities, thereby increasing the overall scale of their joint business activities. This increased scale will lower production and business costs.

Furthermore, it will enable cooperatives to supply the quantity, quality and consistency demanded by buyers (security of transactions) and increase their bargaining power to gain higher prices. These secondary and tertiary organizations will use economies of scale to support and provide specialized services that the primary cooperatives cannot access for their members. They will oversee:

- Promoting business entrepreneurship among cooperative organizations within the same value chain.
- Developing partnerships between cooperatives and actors including private business operators, NGOs, and project community-based organizations.

Activity 6.2: Build a National Apex Cooperative Organization

The national apex organization will support and provide specialized services such as:

- « Assisting cooperative organizations in their capacity building development by:
 - Adapting to the Gambian reality different social mobilization, participatory and demand-driven approaches, methods, and their tools for cooperative development.
 - Providing the development of programs for the training of trainers to lead a common approach on the ground.
 - Documenting good practices.
 - Carrying out studies on cooperative organizations matters and ensuring their publication. Organizing study tours in The Gambia and abroad.
- « Promoting business entrepreneurship in the cooperative organizations' sector.
- « Developing partnerships between cooperatives and private businesses operators and NGOs.

- « Dialoguing with the Government on the implementation of the National Cooperative Policy and strategies concerning cooperative organizations (advocacy role).

Before forming new unions, federations and the national Apex, the interest in establishing a new organization will be in-depth studied and assessed. Particular attention will be given to the:

- **Relevance:** The assessment of the needs of the cooperatives members that will form their secondary and tertiary organizations. Each type of organization - the cooperative union, the cooperative federation, the national apex cooperative organization - will be created only after studying what needs that the organization is best positioned to address them.
- **Sustainability of the new organization with its intended business model, action plan, and financial forecast for short and medium terms. Communication and accountability:** the relationships to be established between the member organizations and the union or the federation in terms of accountability and communication.

Implementation Strategy 7: Conduct a comprehensive cooperative training program

Activity 7.1: Undertake a comprehensive cooperative training needs assessment

Training Needs Assessment (TNA) is the first important step for implementing any program of human capital development. TNA will identify individuals' current level of competency, skill or knowledge and will determine if there are training needs. If so, what training is required to fill the gap? The process to assess the needs will consist of collecting and analyzing the needs of cooperatives' leaders, members, and staff. TNA will identify accurately the levels of the current cooperative situation by target surveys, interviews, observation, and workshops. The gap between the present status and desired status will indicate issues that in turn can be translated into a training need. The training options and priorities will be defined in a participatory way.

Activity 7.2: Facilitating partnerships for capacity development

Better partnerships between NGOs and Cooperatives will enable the strengthening of Cooperative managements through capacity building programs. To be effective (delivering real benefits to their members), to be efficient (well governed and members controlled), and to be sustainable (becoming financially viable), cooperative leaders and members need to be trained in using business management tools. Like any enterprise, a cooperative business involves managing members, finances, facilities, operations for input supply, processing, and marketing products. Additionally, it also entails different management activities such as planning, organizing, and monitoring. Developing the capacity to manage these functions effectively requires skills and experience that can be obtained through expertise, that external actors can provide.

Thus, the cooperative policy will encourage NGOs and projects to organize training programs for leaders and staff to develop the skills necessary to start a new cooperative, and to secure the development of cooperative enterprises. The curriculum could include the essentials of the following:

- Effective cooperative business development.
- Cooperative governance and management.
- Tools for collective ownership.

Beyond providing technical capacities, NGOs and donor projects can complete the empowerment of cooperative members by developing their skills in basic critical areas. This includes numeracy and literacy, business, and market literacy, as well as building members' self-confidence, for example, through programs of exchange-visits, benchmarking, and others with existing cooperatives. Effective training should not only "educate" but also motivate members. Trainees must be selected on merit criteria, should include both men and women and be directly relevant to their activities and responsibilities. New trainees' members must also be given the opportunity in the cooperative to apply newly acquired skills.

External support to capacity development is an important key success factor for cooperative development. Nevertheless, cooperative development is not a matter of technical adjustments; it is a process of deep transformation of the relations among members within cooperatives and between cooperatives and external stakeholders. The way capacity building is provided is essential. To be productive, external support has to be part of a process that strengthens an endogenous dynamic of change.

Implementation Strategy 8: Promote capacity development on Participatory Basis

Strengthening the cooperatives capacity is not only a question of what NGOs will provide by bringing the skills necessary for cooperatives to efficiently operate, but also how they will do it. So, cooperative promoters must be responsive rather than directive, to shift from the role of expert advisers and trainers to a facilitator as a development process adviser. In this way, training will allow strengthening cooperative internal dynamics of change.

While the most appropriate type of training depends on the nature of the issue targeted, participatory approaches are more likely to achieve sustainable benefits. Although there is no blueprint approach for the best way to effectively provide support generating a strong sense of ownership, an effective one is to use a demand-driven approach. With this approach, cooperatives select the activities and services to be provided. Capacity development addresses the needs identified and selected by members during a participatory need assessment phase. The path of change needs to be based on an intervention responsive to members' needs (Demand Driven Approach) that ensures members' participation and ownership of the capacity-building programs.

Thus, to be fully effective, capacity development activities will follow the following principles:

- Involving, at the early stage, all cooperative members in the design of capacity development activities that will affect them,
- Participating in formulating the fundamental goals as well as in planning and carrying out activities that will empower members and fosters their sense of ownership,
- Promoting accountability and transparency: Participatory mechanisms will hold projects and NGOs accountable to cooperatives for the results. They will promote on going communication about their activities.

Under this demand-driven approach, rather than being passive recipients of the Government or NGOs' services, the cooperative members will take responsibility of the initiative. The demand driven process will empower the members and make either Party (service-providers and Cooperatives) mutually accountable to one another.

Activity 8.1: Building Contractual Agreements

In a participatory approach, cooperative leaders and members will participate in the selection of training priorities. They will exert control over resources used and program flow. Cooperative involvement will be achieved through an agreement to work together toward common objectives. To clarify their relations with NGOs and projects, cooperatives will negotiate a contractual agreement that will define the terms and conditions of the services to be provided to strengthen human capacity. The agreement will:

- Clarify the purpose of the agreement.
- Define each party's rights and responsibilities.
- Control the path and the pattern of change.

The agreement should be reviewed and, if necessary, re-negotiated by both parties regularly to reflect the changing nature of the partnership and the needs and priorities of both parties. Cooperatives, projects, and NGOs must communicate, and enter in a dialog. Each partner needs to present its aims and clarify the terms of the support from the very start.

To be effective the contractual agreement support needs to establish a timeframe of the basic planning. It must be committed to an exit clause with a clear phasing-out strategy of external support, the uptake of management and financing responsibilities by the stakeholders. This strategy should be further detailed as implementation proceeds. An annual plan of collaboration is an appropriate mechanism to which this activity could be linked. Mid-term reviews should also report on progress and recommend any required changes. The contract must be agreed upon and understood by both parties: cooperatives members and the NGO.

WAY FORWARD

In brief, the National Cooperative Policy document proposes an ambitious, but realistic development strategy for the Gambian cooperatives that successively follows three basic stages of a policy cycle by:

- « Addressing the unsatisfactory prevalent situation of the Gambian cooperatives with its strengths and weaknesses.
- « Providing a policy in forms of a vision and a policy mission for the Gambian cooperative movement.
- « Suggesting three implementation strategies to make the bridge between the unsatisfactory situations.

Within this framework, renewing the relationships between cooperatives and cooperatives promoters (the Government, NGOs, and projects) cooperatives will be in conditions to develop their full autonomy of action, to drive changes within their organizations and build long-term arrangements and partnerships with the government, and economic and civil society actors.

What are the next steps?

The implementation of the National Cooperative Policy has a tremendous potential to develop a vibrant, autonomous, and economically viable cooperative movement. The latter can contribute to a deep transformation of the Gambia economy. To harness this potential, the policy should fulfil two important preconditions:

- « Become operational.
- « Be largely widespread.

To become fully operational, the policy document must be completed by a roadmap with an action plan addressing the implementation of the three strategic objectives into practical measures. Each measure should answer three questions:

- « Who? Defining the respective roles of the different stakeholders concerned by the implementation of the cooperative policy.
- « When? Specifying the timing for the implementation of the three strategies: in the short, medium, and long terms.
- « Which cooperatives to target in priority?

To be implemented with success, the policy should follow a pragmatic implementation with a gradual deployment strategy with two phases:

- In the short run, strengthening a limited number of existing organizations and transforming them into efficient and sustainable cooperatives creating a social dynamic.
- In the medium and long run, it envisions its large-scale deployment only in a second phase. Step two will use evidence produced and documented in step one to select the appropriate mix of instruments tested with success.

Finally, to become successful the policy has yet to be backed jointly by all the stakeholders. Therefore, the different individuals, groups and organizations that are concerned by the cooperative policy need to be informed and the policy should be disseminated and explained. Defining the purpose of dissemination is the first step to decide on:

- « The audience: who the policy should be disseminated to
 - Policymakers need to understand how to promote its adoption.
 - NGOs and project dealing with cooperatives need to become facilitators of the process.
 - People in the communities and members of existing cooperatives need to seize the new opportunities.

- « The different messages:
 - Raise awareness.
 - Inform or educate.
 - Engage.



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