



Republic of Mauritius

Annual Report 2019 - 2020

Ministry of Industrial Development, SMEs and Cooperatives (*Cooperatives Division*)



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PART I: THE COOPERATIVES DIVISION OF THE MINISTRY OF INDUSTRIAL DEVELOPMENT, SMEs AND COOPERATIVES

Vision, Mission, Value Statement and ISO Certification

Vision

A conducive legal and institutional framework for a rejuvenated, engendered and inclusive cooperative movement for the sustainability of a sound economic and social environment facilitating business development.

Mission

To facilitate the promotion of diversified, emerging and innovative cooperatives and involve more young persons and women in the development, consolidation and advancement of the cooperative movement.

Value Statement

We are committed to provide quality services to both our internal and external customers by continuously improving our systems and procedures and creating the necessary climate for sustainable development.

The Cooperatives Division aims at imparting quality and timely services with a high standard of professionalism, integrity, independence, objectiveness, trust and confidentiality.

ISO Certification

The Cooperatives Division is MS ISO 9001:2015 certified, ensuring a quality culture embodying customer focus, leadership, engagement of people, process approach, improvement, evidence-based decision making and relationship management.

Supervising Officer's Statement

I have the pleasure to present the Annual Report 2019/2020 of the Cooperatives Division of the Ministry of Industrial Development, SMEs and Cooperatives.

For the Financial Year 2019/2020, the Cooperatives Division has implemented various praiseworthy projects and programmes for the benefit of cooperatives and their members.

Emphasis was laid on provision of access to market for cooperatives. Thirty-seven cooperative market fairs were organized with a view to providing cooperators with a platform to market their produce; creating public awareness on the various products and economic activities in which cooperative societies are involved; assisting cooperators in widening their customer base; and encouraging networking.

Further, financial assistance was provided to fourteen cooperatives under the Cooperative Development Fund Schemes for upgrading their activities and acquisition of IT facilities. Also, the tertiary cooperative and three cooperative federations benefited from grants. These financial supports have assisted to consolidate, modernize and empower the cooperatives.

To be line with the policy of Government to have a paradigm shift to renewable sources of energy, the Cooperatives Division and the CEB (Green Energy) Company Ltd provided financial and technical assistance to some 20 cooperatives for installing roof-mounted grid tie solar photovoltaic kits.

To encourage cooperatives to embark in emerging sectors, the Cooperatives Division through its training arm, the National Co-operative College, conducted various training programmes such as training in bio-farming, eco-bag etc. The National Co-operative College also organised a series of training and workshops to assist in the capacity building of cooperators, in general as well as specific fields.

Besides various other support services provided to cooperatives, the Cooperatives Division continued its Special Support Programme for women cooperatives to assist in the engendering of the cooperative movement.

In spite of the negative impact of COVID 19 and in view of sustaining the momentum, the Cooperatives Division continues to pursue its objective of empowering cooperatives through the provision of fiscal incentives, various financial schemes, financial and technical assistance, training, infrastructural facilities and implementation of cooperative development projects.

I would like to express my sincere gratitude to all our stakeholders and especially the staff of the Cooperatives Division for working for the enhancement of the Cooperative Movement.

R. Bhugwant
Permanent Secretary

Roles and Functions Cooperatives Division of the Ministry of Industrial Development, SMEs and Cooperatives

The Cooperatives Division has the responsibility to devise and implement policies that would ensure the development of a modern, viable and sustainable cooperative sector. Further, it has the statutory duty to enforce the Co-operatives Act 2016. It also assists in the capacity building of cooperatives by providing incentives and support services.

The key functions of the Cooperatives Division include the following:

- Provision of legal and institutional framework for cooperatives and cooperative development
- Formation and registration of cooperative societies
- Supervision, monitoring and evaluation of the activities of cooperative societies
- Audit of financial statements of cooperative societies
- Support to cooperative organisations for the implementation of their plans and projects
- Implementation of projects for the development of the cooperative sector
- Operating incentive schemes for the benefit of cooperative societies
- Seeking financial and technical assistance from foreign and local donor agencies for the implementation of cooperative projects
- Provision of infrastructural facilities to cooperative societies
- Provision of free marketing outlets to cooperative societies
- Provision of education and training to the cooperative movement

The Cooperatives Division consists of the following sections:

- a) The Administration Unit;
- b) The Human Resources Section;
- c) The Finance Section;
- d) The Procurement and Supply Section;
- e) The Cooperative Societies Section;
- f) The Cooperative Development Unit; and
- g) The Cooperative Audit Unit.

<i>SECTIONS</i>	<i>FUNCTIONS</i>
<i>Administration</i>	<ul style="list-style-type: none"> • Provide the necessary resources to meet the goals and objectives of the Cooperatives Division. • Ensure that customer requirements are met. • Provide the overall administrative support for the smooth running of the organisation.
<i>Human Resources</i>	<ul style="list-style-type: none"> • Advise management on policies and issues pertaining to human resources. • Ensure that rules, regulations and other practices relating to human resources are correctly interpreted and implemented. • Ensure that reforms in Human Resource Management Information System and Performance Management System are carried out effectively. • Ensure that Human Resource matters and problems are dealt, processed and approved within one (1) week except for cases which involve consultation with other Ministries/Departments.
<i>Finance</i>	<ul style="list-style-type: none"> • Ensure that bills/claims for services rendered to the Cooperatives Division are transmitted within one week to the Accountant-General's Department for payment, provided all relevant receipts/invoices are submitted.
<i>Procurement and Supply</i>	<ul style="list-style-type: none"> • Ensure that planning and procurement of goods and services are effected in accordance with the Public Procurement Act and Regulations. • Manage the warehouse for store items. • Ensure that tenders and quotations are prepared, examined and awarded within time schedule.
<i>Cooperatives Societies Section</i>	<ul style="list-style-type: none"> • Ensure that cooperative societies operate in strict conformity with the Cooperatives Act 2016 and other relevant subsidiary legislation. • Advise on legal and policy matters concerning cooperative societies.

	<ul style="list-style-type: none"> • Ensure that records regarding list of societies and their categories (active, dormant and de-registered/liquidated) are updated every year. • Sensitize and raise awareness among the population at large on the benefit of cooperatives and act as a facilitator to the formation and regulator of cooperatives.
<i>Cooperative Development Unit</i>	<ul style="list-style-type: none"> • Assist in the formulation of policies and preparation of programmes for the development of the cooperative sector. • Formulate, implement and monitor national cooperative development projects. • Provide guidance and support to cooperatives for the implementation of their plans and projects. • Coordinate cooperatives activities with other Ministries and institutions. • Assist cooperatives in their applications/project write-ups requests for assistance from aid/donor agencies, requests for state land and loans from financial institutions. • Seek financial and technical assistance from foreign and local donor agencies for implementation of cooperative projects and coordinating such assistance. • Provide inputs and coordination of activities in connection with programmes under bilateral commissions.
<i>Cooperative Audit Unit</i>	<ul style="list-style-type: none"> • Carry out audit of cooperative societies and submit relevant reports. • Review and update the audit approach and procedures and ensure that quality and sufficiency of audit evidence are maintained in accordance with cooperative legislation.

Key Legislation under the responsibility of the Cooperatives Division

The Cooperatives Division has the statutory duty to enforce by the Co-operatives Act 2016.

The statutory bodies under the aegis of the Cooperatives Division are:

- ***National Co-operative College***

The National Co-operative College established under Section 103 of the Co-operatives Act 2016 is a body corporate and its objects are to:

- a) provide facilities and engage in research and training for the promotion and development of cooperative entrepreneurship, philosophy, principles and values;
- b) act as a centre for the consolidation and development of the cooperative movement through education and training and for the exchange of information in the field of co-operatives; and
- c) promote and develop capacity building through entrepreneurship and business leadership.

- ***Cooperative Development Advisory Board***

The Cooperative Development Advisory Board is established under Section 102 of the Co-operatives Act 2016. The objects and functions of the Advisory Board are to:

- a) promote development and sustainability of the cooperative sector;
- b) promote business entrepreneurship in cooperatives;
- c) encourage the cooperative movement to take advantage of investment opportunities at national and regional levels;
- d) ensure coordination and cooperation with organisations concerned with cooperative activities;
- e) carry out research and commission studies on cooperative business sectors and related fields;
- f) promote the clustering of cooperative activities through the creation and development of Cooperative Business Service Centres;
- g) formulate national policies and strategies; and
- h) advise the Minister generally on any matter relating to cooperative development.

- ***Co-operative Development Fund***

The Co-operative Development Fund (CDF) is established under Section 116 of the Co-operatives Act 2016. The CDF comprises money payable, under the Co-operatives Act 2016, including any fees, charges and surcharges, any surplus arising on the liquidation of a society, grants and donations. As per Section 116 of the Co-operatives Act 2016, the CDF may use money from the fund for:

- a) the promotion and development of cooperatives;
- b) the implementation of projects namely education, training, research, consultancy and other related activities aiming at the development of the cooperative sector;
- c) financial assistance, in such amount as may be prescribed, to a secondary society and tertiary society; and
- d) the payment of fees incurred in the application of the Co-operatives Act.

- ***St. Antoine Planters Co-operative Trust***

Following the closure of the St. Antoine Sugar Factory, the St. Antoine Planters Co-operative Trust (SAPCT) was set up by an Act of Parliament in the year 1994 with the objective of assisting sugarcane planters cultivating not more than 6.5 hectares of land falling within the Factory Area of the former St. Antoine Sugar Factory. The SAPCT operates various Loan and Grant Schemes for planters/cooperative societies cultivating sugar cane within the Factory Area of the former St. Antoine Sugar Factory.

The objectives of the SAPCT are *inter-alia*, to:

- a) receive and manage funds obtained from the Société Usinière de St. Antoine and from any other organisations including the Government;
- b) provide loans to planters for derocking, mechanisation and any other allied agricultural activities;
- c) finance schemes for providing assistance to the planters for cutting, loading and transport of sugarcane;
- d) assist planters in the acquisition of light farm equipment, implements and tools;
- e) provide support services to Agricultural Cooperative Societies in which the planters are members; and
- f) finance any other activities and schemes aimed at assisting planters to improve their level of production and efficiency generally.

- ***Cooperative Law Advisory Committee***

The Cooperative Law Advisory Committee advises the Ministry regarding reforms which need to be brought to the cooperative legislation and other regulations, codes, guidelines and circulars that may be necessary for the effective functioning of the Cooperative Sector.

Government and Cooperatives

The Government is encouraging the cooperative movement to be a partner in the socio-economic development of the country by providing the appropriate financial, infrastructural, fiscal and policy support. The Cooperatives Division of the Ministry of Industrial Development, SMEs and Cooperatives is facilitating the promotion and development of cooperatives through the creation and provision of a favourable and conducive legal and institutional environment, along with adequate support and incentives.

Further, the Cooperatives Division is implementing a Strategic Action Plan 2018-2020 with the theme “Propelling Cooperatives towards Excellence”. The Plan is aligned with Government objectives and also captures the targets of the United Nations Sustainable Development Goals which are in the Agenda 2030, achieving sustainable production, food security, poverty alleviation, sustainable development and empowering women, amongst others.

Cooperatives, as democratic, member-run and member-financed self-help enterprises are contributing in the improvement of the economic and social conditions of the population. There are 653 cooperatives in Mauritius and 64 cooperatives in Rodrigues respectively (as at 30 June 2018). The presence of cooperatives is mostly dominant in many sectors of the economy such as sugar, agriculture, finance-credit union, public transport, livestock, fishing, tea.

To give a boost to co-operatives especially in the post COVID-19 era, Budget 2020/2021 has provided for the Development Bank of Mauritius(DBM) Ltd to earmark Rs10 billion to support distressed SMEs and Cooperatives. This measure will also facilitate access to finance for cooperatives.

Also, a Boost to Local Production Scheme for Cooperatives Societies, which is a budgetary measure 2020/2021 has been devised and will be operational in July 2020. The Scheme finances equipment, machineries and other related accessories to a maximum of Rs150,000 per cooperative related to local production of agricultural produce and food items. Cooperatives are being encouraged through this scheme to embark in or increase the local production of agricultural produce and food items with a view to giving a boost to our economy and also assisting the country in attaining food security.

Further, cooperatives are playing a key role as they are able to respond to both practical and strategic needs of women by providing access to income-generating activities. To further empower women in cooperatives, a Garment Making/Tailoring Project will be implemented. Women cooperators will be provided training in garment making and a package of incentives to enable them to start a tailoring business. The project aims at empowering women and assisting them to become financially independent.

Gender Statement

Cooperatives provide a supportive environment to women cooperators and create work opportunities for them. They help the women cooperators in strengthening their economic capacity, establishing commercial networks and gaining greater power.

The Cooperatives Division is providing various support services for the promotion and development of women cooperatives. These include *inter alia*:

- Education and training to women cooperators
 - Capacity building projects for women cooperatives
 - Assistance in the organisation of fairs for women cooperatives to market their products
 - Stalls allocated to women cooperatives at national and regional fairs organised by the Ministry
 - Technical and financial assistance to the Mauritius Women Entrepreneurs Cooperative Federation Ltd to implement development projects for women cooperators such as operation of a Tailor Shop, a Craft shop and a shop to sell products of women cooperators
- Further, one of the Programmes of the Strategic Action Plan of the Ministry aims at Gender Equality and Empowerment of Women in Cooperatives.

At present, there are about 60 active women cooperative societies and a women cooperative federation namely the Mauritius Women Entrepreneurs Co-operative Federation Ltd.

About Our People

The Permanent Secretary is the administrative head of the Ministry and is responsible for its overall administration and general supervision. He is assisted in his functions and duties by the Deputy Permanent Secretary, the Registrar, Cooperative Societies, the Ag. Secretary for Cooperative Development and the Ag. Principal Cooperative Auditor as well as officers from various cadres and classes.

The technical arm of the Ministry consists of the Cooperative Societies Section, the Cooperative Development Unit and the Cooperative Audit Unit. The Registrar, Cooperative Societies is the head of the Cooperative Societies Section and is assisted by the Deputy Registrar of Cooperatives Societies. Moreover, the Divisional Cooperative Officers, who work under the direct supervision of the Deputy Registrar of Cooperative Societies, are supported by Principal Cooperative Officers, Senior Cooperative Officers and Cooperative Officers.

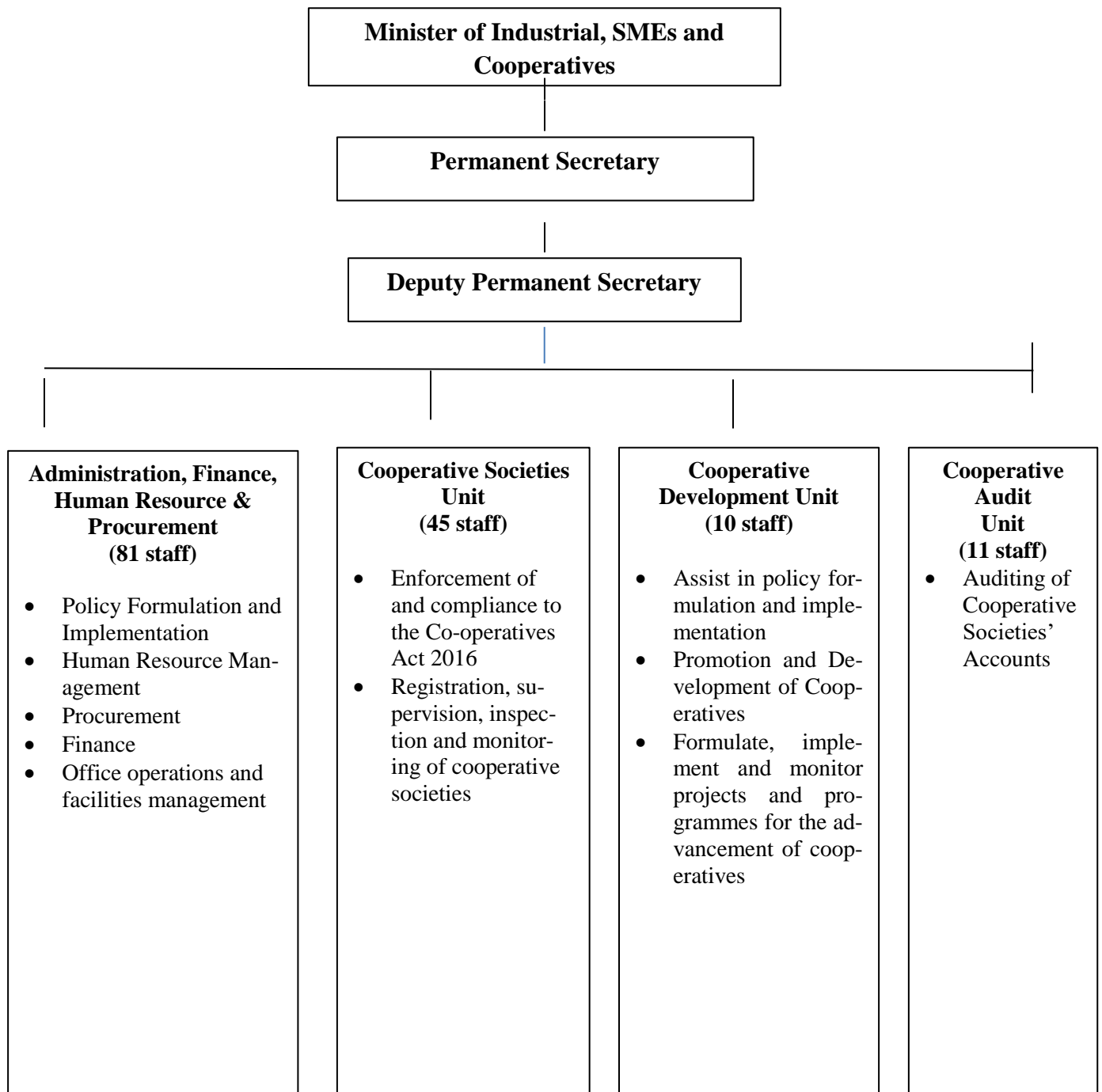
The Cooperative Development Unit is headed by the Ag. Secretary for Cooperative Development and is assisted by Senior Cooperative Development Officers. The team is supported by Cooperative Development Officers.

The Cooperative Audit Unit is headed by the Ag. Principal Cooperative Auditor and is assisted by Senior Cooperative Auditors and Cooperative Auditors.

Senior Management Team

Title	Contact Details
Permanent Secretary:	Mr. BHUGWANT Roodradeo Tel: 405 0761 Fax No:211 1625 Email: rbhugwant@govmu.org
Deputy Permanent Secretary:	Mr. BUNJUN Raj Kishore Tel: 405 0773 Email: rbunjun@govmu.org
Registrar, Cooperative Societies:	Mr. MONVOISIN Louis Mario Tel: 208 5318 Email: lmonvoisin@govmu.org
Ag. Secretary for Cooperative Development:	Mr. SOBNATH Devanand Tel: 211 1312 Fax: 211 1312 Email: dsobnath@govmu.org
Ag. Principal Cooperative Auditor	Mr. YEAROO Sheik Reaze Tel: 405 0770 Email: sryearoo@govmu.org

Organisational Structure of the Cooperatives Division



PART II: ACHIEVEMENTS AND CHALLENGES

Major Achievements

The Cooperatives Division of the Ministry of Industrial Development, SMEs and Cooperatives has implemented the following activities, projects and programmes aimed at promoting the development of cooperatives in financial year 2019/2020:

Registration of Cooperative Societies

65 new cooperative societies were registered in the Financial Year 2019/2020.

Access to Market to Cooperatives

Thirty-seven Cooperative Market Fairs, Women Cooperative Market Fairs, Regional and National Cooperative Market Fairs were organised to provide free marketing outlets to cooperators for sale of their produce.

Cooperative Development Fund's Schemes

Financial assistance to the tune of Rs315,887.50 was provided to 14 cooperative societies as hereunder:

Schemes	Number of Beneficiaries	Amount Disbursed (Rs)
1) Scheme for Upgrading of Cooperative Societies	3	134,860
2) Scheme for Acquisition of IT Facilities for Cooperative Societies	11	181,027.50
Total	14	315,887.50

Land and Infrastructure to Cooperative Societies

Land to an extent of 60 perches was provided to the Mauritius Cooperative Agricultural Federation Ltd (federation grouping the cooperative credit societies) in April 2019 for the setting up of Seedling Production Unit.

The Seedling Production Unit was set up by the Mauritius Cooperative Agricultural Federation Ltd and launched in February 2020.

Ornamental Fish Farm Scheme

There are nine Cooperative Societies which are beneficiaries of the Ornamental Fish Farm Scheme. They are being provided with equipment and fishes to start ornamental fish farming as a business activity.

Brainstorming session on ‘Revamping of the Cooperative Sector’

A brainstorming session was held with secondary and tertiary cooperatives on Tuesday 26 May 2020 to discuss on the strategies to be adopted for cooperatives for the post-COVID era.

Training course on Bio Organic Farming

A Training Course on Bio Organic Farming was held by the National Cooperative College and the Falcon Bio Organic Cooperative Society Ltd in collaboration with the Ministry. The course started on 05 February 2020 and was attended by 46 participants. The course comprises both theoretical and practical aspects as this is a hands on approach to better equip cooperators.

Production of Green Energy by Cooperatives

The Ministry in collaboration with the CEB (Green Energy) Company Ltd worked out a project on production of green energy by cooperatives using photovoltaic panels. The CEB (Green Energy) Company Ltd is installing roof-mounted grid tie PV kits of 2 kilowatt peak (kWp) capacity for some 20 cooperatives and the cooperatives would not incur any investment. This project is being financed jointly by the Ministry and the CEB (Green Energy) Company Ltd.

Financial Assistance to Secondary and Tertiary Cooperatives

The following cooperative organisations benefit from annual grants from the Ministry to carry out their activities:

- Mauritius Cooperative Alliance Ltd
- Mauritius Agricultural Marketing Cooperative Federation Ltd
- Mauritius Livestock Marketing Cooperative Federation Ltd
- Mauritius Women Entrepreneurs Cooperative Federation Ltd

Awards for Cooperatives

The National Awards for Cooperatives was organised in October 2019. The Award aimed at gearing cooperatives to business excellence while adhering to cooperative principles and values. There has been a continual improvement in the emergence of sustainable cooperative organisations.

ISO Certification of the Cooperatives Division

The Cooperatives Division has been certified MS ISO 9001:2008 since 2010 and went for recertification in 2016 for the MS ISO 9001:2015. The Cooperatives Division has been MS ISO 9001:2015 certified since November 2017. The Cooperatives Division has aligned itself to the new standard and upgraded its quality system.

Engendering the Cooperative Movement - Special Support to Women Cooperatives

Special support is provided to women cooperatives in terms of financial and technical assistance, training, access to markets and development projects. Today, there are many active Women Cooperatives and a Women Cooperative Federation namely the Mauritius Women Entrepreneurs Cooperative Federation Ltd, set up with the main objective of providing necessary assistance/support to women grouped in cooperatives, undertaking various activities for enhancing the economic and social welfare of women and promoting the development of women cooperatives. Also, financial assistance is provided on a yearly basis to the Mauritius Women Entrepreneurs Co-operative Federation Ltd for operating a Cooperative Shop – the Elle Co-op Shop and a tailor shop at Port Louis and a shop in the Craft Market at Flacq to provide a permanent place for women cooperators to sell their products.

Complaints under the Citizen Support Portal

The number of complaints attended to during the Financial Year 2019/2020 was 19 and the number of complaints which has been resolved is 16.

Status on Implementation of Budget Measures

Paragraph in Budget Speech including Annex	Budget Measure	Status
149	Grant of Rs25,000 to twenty cooperative societies for setting up ornamental fish breeding farms.	No of beneficiaries: 9 Equipment and other items worth Rs25,000 would be distributed to each of the beneficiaries in Financial Year 2019/2020 as there was a delay in the procurement of the equipment and other items due to the lockdown.
74	Grant to fishermen co-operatives to purchase outboard engines and fishing nets increased by Rs60,000 to Rs80,000	Number of applications received as at 30 June 2020: 3

Status on Implementation of Key Actions

Key Action	Key Performance Indicator	Target	Status
Promoting the culture of cooperative entrepreneurship	Number of persons trained in MQA Approved courses by the National Cooperative College	300	354

Risk Management, Citizen Oriented Initiatives & Good Governance

The Permanent Secretary is responsible for the exercising care, skill and diligence in identifying, assessing and monitoring risks.

The system of internal audit of Cooperatives Division is designed to provide reasonable assurance regarding:

- (a) The effectiveness and efficiency of operations in the Department;
- (b) Safeguard of assets and data of the Department;
- (c) Reliability of financial and non-financial reporting;
- (d) Prevention of fraud and irregularities; and
- (e) Compliance with applicable laws, regulations and instructions as well as policies and established procedures.

Further, there is an Audit Committee which has the responsibilities of assisting and advising the Accounting officer/Supervising Officer in the following:

- (a) Monitoring and reviewing both the risk control and governance processes in the organization;
- (b) Supervision of the entire audit and reporting process;
- (c) Ensuring auditor independence;
- (d) Ensuring that proper and timely attention is paid to control issues and compliance weaknesses; and
- (e) Ensuring that Audit recommendations and other corrective actions are implemented.

Implementation Plan- Director of Audit Comments

Implementation Plan – Director of Audit Comments

The Report of the director of Audit highlighted the following:

Issues	DOA Comments	Proposed Measures
Cooperatives Division e-Registration Project	Optimal use of the software had not been made by targeted users	To embark on aggressive sensitization to increase the level of readiness of the end-users

PART III: FINANCIAL PERFORMANCE

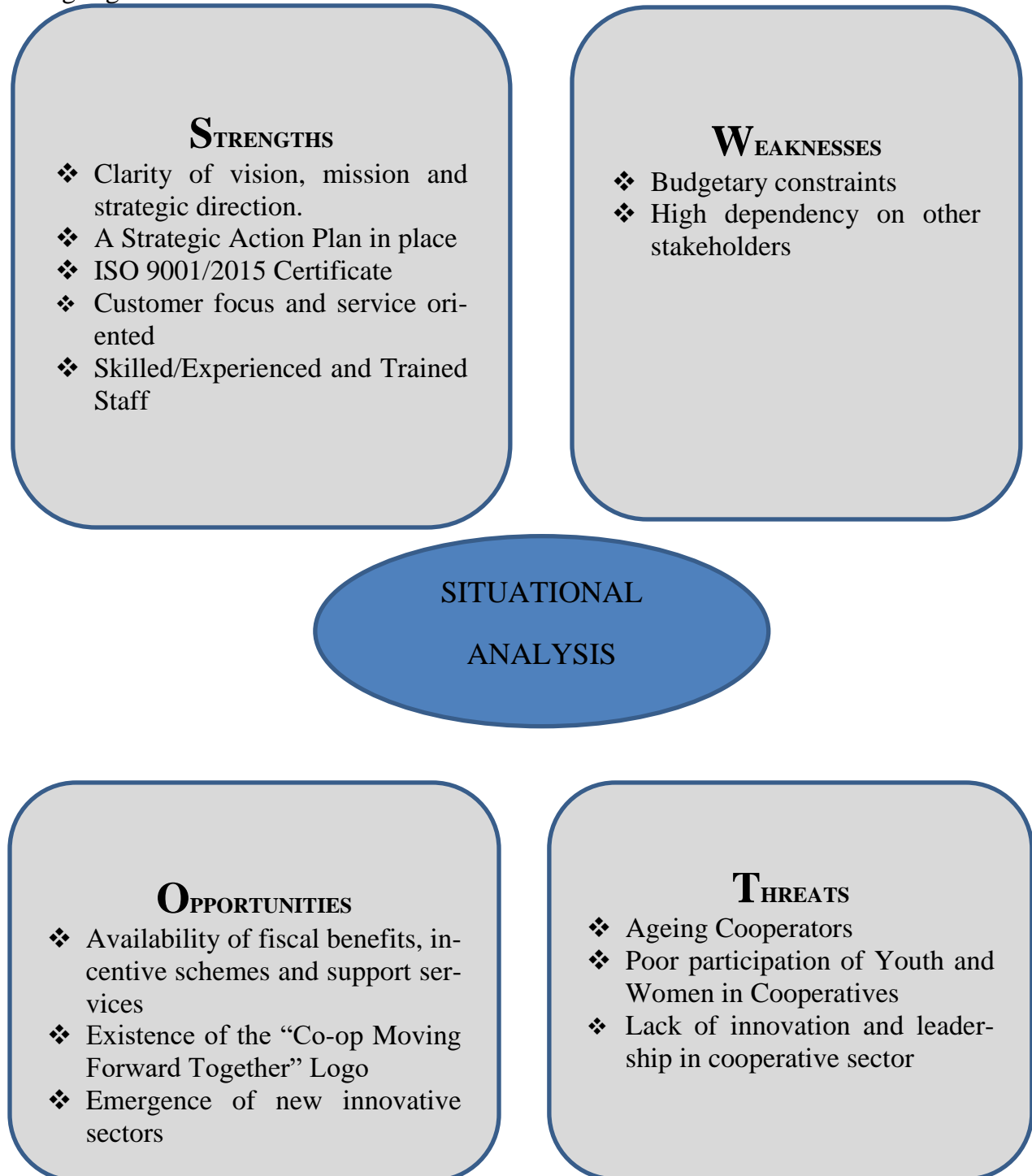
Financial Highlights, Analysis of Major Changes and Statement of Expenditure

Head/Sub-Head of Expenditure	2018-2019 Actual (Rs)	2019-2020 Estimates (Rs)	2019-2020 Actual (Rs)	Analysis of Major Changes
18-103	Cooperatives Development			
Compensation of Employees	72,084,633	80,090,000	71,209,598	Vacant posts not filled/ Officers on leave without pay
Goods and Services	18,726,448	18,465,000	16,432,458	Reduction due to Covid 19 pandemic. Many activities have been cancelled.
Grants	8,862,911	7,735,000	7,704,500	Training cost at the National Cooperative College reduced due to Covid 19
Other Expense	5,737,500	4,410,000	4,410,000	
Acquisition of Non-Financial Assets	8,169,813	10,200,000	1,070,385	Project for the Maison des Pecheurs at Tamarin cancelled due to considerable increase above Project cost.
TOTAL	113,581,305	120,900,000	100,826,941	

PART IV: WAY FORWARD

Trends and Challenges

A situational analysis highlighting the SWOT model, has been carried out to explore both the internal and external factors influencing the operations of the Cooperatives Division, as highlighted below:



Strategic Direction

The strategic direction of the Ministry is to further consolidate and develop the cooperative movement as well as empower cooperatives and cooperators through the following strategies:

- Ensuring a legal framework conducive to the development of the cooperative sector
- Adherence to the cooperative legislation
- Empowerment of cooperatives through capacity building project and programmes, incentive schemes and support services
- Human Resource Development Programmes for cooperatives
- Promotion of the concept of ‘cooperatives’ and the use of cooperative form of business
- Providing cooperators and cooperatives with access to market
- Formation of cooperatives in non-traditional, emerging and green sectors
- Engendering the cooperative movement
- Attracting young blood in the cooperative movement
- Promoting cooperative as a vehicle to combat poverty
- Encouraging cooperatives to use information technology in their operation
- Setting up of cooperatives in professional and vocational fields

Further, the following post COVID-19 strategies were put in place:

- Support to cooperatives to engage in local production of agricultural produce and food items to assist in attaining food security
- Capacity-building of cooperatives by providing financial and technical assistance