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NO. 1

COOPERATIVE INFORMATION NOTE

DEMOCRATIC REPUBLIC OF THE SUDAN

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COOPERATIVE DEVELOPMENT IN THE DEMOCRATIC REPUBLIC  
OF THE SUDAN

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## I. BACKGROUND

Although cooperatives dominate no sector of the economy they play an important role especially in the distribution of essential consumer commodities. Considerable stress is placed on their development by the Government, but it should be emphasized that cooperatives in the Sudan are very much a people's movement, particularly at the primary level. Civil service involvement in both their promotion and operations has been much smaller than in the majority of developing countries. There has been little spectacular success, but significant failures disenchanting people with cooperatives have also been few. The absence of heavy Government investment in or through cooperatives has contributed to this picture. A sound psychological base now exists for future expansion, but both cooperative infrastructure and management capacity are weak.

The first attempts to introduce cooperatives in the Sudan were made by the Anglo-Egyptian administration in the Tokar Delta in 1921. These were credit cooperatives and quickly failed due to wide-scale default. Irrigation cooperatives were introduced in the same area in 1927. These cooperatives became insolvent as well and ceased to function in the early 1930s. Also during this period and shortly afterwards a number of so-called cooperative companies were established, usually by local entrepreneurs to operate pump schemes on the banks of the Nile in what is now Northern Province. Small farmers could buy shares in these and benefit from the irrigation water.

The First Cooperative Societies Ordinance came into force in 1949 and the cooperative companies were for the most part registered as cooperative societies. A number of privately-owned pump schemes also followed their example and became cooperatives. Following the passage of the Cooperative Societies Ordinance a Department of Cooperatives was established and a Registrar appointed in the Ministry of Social Affairs. Government assistance was provided to cooperatives mainly in the form of short-term credit and the supply of pump-sets. The Department of Cooperatives gradually opened up offices at all Provincial headquarters and cooperative officers were made not only responsible for the registration and regulation of societies, but also their promotion. In 1965, the Department of Cooperation, which was at that time in the Ministry of Commerce and Industry, was raised in status through the creation of a new Ministry, the Ministry of Cooperation and Labour. In 1975 a separate Ministry of Cooperation was established, but in 1979 this was merged with Commerce and Supply to form the Ministry of Cooperation, Commerce and Supply.

A Cooperative Act was passed by the People's Assembly in 1973, which superseded the previous Ordinance. The 1973 Cooperative Act remains in force, but a revised Act was drafted in 1977, which is still pending final ratification.

With the granting of regional autonomy to the Southern Region following the 1972 Addis Ababa agreement, cooperatives in that part of the country, as with nearly all other internal affairs, passed under the supervision of the Southern Regional Government. A Southern Region Cooperative Societies Act came into force in 1976.

There are now estimated to be about 4,000 primary cooperatives in the Sudan with 700,000 members and a turnover of at least S£ 35 <sup>1</sup>/<sub>million</sub> per annum.

## II. COOPERATIVES IN THE NORTHERN PROVINCES

### INTRODUCTION

The most recent statistics available (1977/78) for cooperative societies in the Northern Provinces are summarised in Annex I, Table 1. It can be seen that 65 percent of societies with about 68 percent of the total membership are consumer societies, or multipurpose societies for which the main activity is consumer sales. About 17 percent of societies are in the agricultural sector; 15 percent undertake flour milling and the remainder are concerned with a variety of activities including labour contracting and transport. Although the statistics throughout this note must be treated with extreme caution they do give some basis for comparison of orders of magnitude <sup>2</sup>/<sub>. Cooperatives are combined into local (or district) unions, then in provincial unions and at the apex in the National Cooperative Union. Although all cooperatives must be members of the unions, they basically serve the consumer sector and are discussed in that context below.</sub>

### CONSUMER COOPERATIVES

#### Background

The consumer sector, which includes cooperatives classified as consumer and multipurpose, is not only the largest area of cooperative intervention, it is also the one which has received greatest stress in the higher levels of Government. There is a tendency to look to cooperatives in times of shortage and inflation as an answer to the country's distribution problems. The sector now accounts for retail trade of around S£ 33 million per year which is about five percent of retail trade. Growth continues to be strong. Figures must be treated with caution,

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<sup>1</sup>/ <sub>S£ 1 = US\$ 2: official rate for specified exports and imports.  
S£ 1 = US\$ 1.25: official rate for all transactions except specified exports and imports.</sub>

<sup>2</sup>/ <sub>There are considerable gaps and inconsistencies from year to year in statistics produced by the Cooperative Department. The poor book-keeping and audit situation make the data base rather weak.</sub>

but it appears in the four years 1974/75 to 1977/78 the number of primary societies was increasing at around ten percent per annum, the membership by nine percent per annum and turnover in real terms at around ten percent per annum. This is about twice the estimated rate of growth in the retail sector as a whole. Cooperative expansion has been particularly spectacular in the northerly provinces of Northern, Nile, Red Sea and Kassala. The combined picture for multipurpose and consumer cooperatives is summarised in the table below. It can be seen that coverage varies greatly, but the concentration is in Khartoum, where it is thought more than half the population are covered by them. It is now estimated that coverage for the Northern Provinces as a whole is around 18 percent.

TABLE I Distribution of Consumer and Multipurpose Cooperatives  
in 1977/78

<u>Provinces</u>	<u>Number of Consumer and Multi- purpose cooperatives</u>	<u>Annual Turnover</u>		<u>Membership</u>		<u>Proportion of total families covered %</u>
		<u>Total</u> S£,000	<u>Average</u> S£ 0/0	<u>Total</u>	<u>Average</u>	
Southern Kordofan	98	415	4.2	24,404	249	( 9 )
Northern Kordofan	125	1,056	8.4	19,334	65	
Nile	262	(1,350)	(5.2)	42,581	162	(39 )
Northern	138	1,306	9.5	34,064	246	
Red Sea	58	963	16.6	13,512	233	(12 )
Kassala	(166)	(1,514)	(9.1)	(27,180)	(163)	
Southern Darfur	(100)	(500)	(5.0)	(14,000)	(140)	( 6 )
Northern Darfur	(90)	(472)	(5.2)	(15,731)	(175)	
El Gezira	277	1,860	6.7	52,529	190	(11)1/
Blue Nile	143	860	6.0	21,902	153	
White Nile	(100)	(1,100)	(11.0)	(20,000)	(200)	
Khartoum	731	9,878	13.5	164,459	225	(60)
Total	(2,288)	( 21,274)	(9.3)	(449,696)	(196)	(17)

Figures in brackets are estimates.

1/ Both cooperatives and population are concentrated in El Gezira.

Primary Source: Department of Cooperation, Khartoum.

### Primary Societies

Consumer and multipurpose cooperatives operate small shops, predominantly in the urban and semi-urban areas. The largest and most efficient consumer cooperatives serve government employees. Shops usually sell to both members and non-members. Shares in consumer societies are generally set at S£ 1 each, which is sufficient for membership. Primary societies in remoter areas frequently meet with shortages of basic commodities and as would be expected cooperatives closer to communication centres offer a wider range of goods. A Crown Agents Team 1/ observed that in outlying areas the acquisition and retention of customers by cooperatives was almost entirely dependent on the availability of sugar. Many of the small societies' retail outlets would not be regarded as shops in the normal sense of the word. They may be more a facility for distributing essential commodities among their members when these are available. They thus provide a valuable service although turnover is low, and average purchases per members less than S£ 50 per year. Most shops employ staff although often not on a full-time basis. It is difficult with employed staff to compete with the petty retailers on work motivation, hours of opening, etc.

The average turnover of societies, as can be seen from the table above, is less than S£ 10,000 (1977/78) per annum. There is, however, a considerable divergence from the average and in the majority of provinces turnover is less than S£ 7,000 per year. An analysis of more active cooperatives in Khartoum by the Audit Department of the Department of Cooperation in 1977 showed 12 percent to have a turnover of less than S£ 5,000 per year; 18 percent to have turnovers of between S£ 5,000 and S£ 10,000; 58 percent turnovers between S£ 10,000 and S£ 30,000; 11 percent S£ 30,000 to S£ 100,000 and one percent turnovers over S£ 100,000.

Essential commodities are obtained by primary societies through the district and provincial unions to which they are affiliated. In times of shortage Provincial Commissioners may allocate primary cooperatives essential commodities on a priority basis. Cooperatives have been designated by the Government as the principal distribution agents for a number of essential commodities, but it is not clear what proportion of these they do in fact handle and it varies with the attitude of the individual local authorities. Essential commodities allocated to cooperatives include rice, beans, tea, coffee, soap, matches, powdered milk, lentils and kerosene. Items additional to these are bought principally from local merchants. It is only possible for cooperatives to offer prices lower than private traders on centrally distributed essential

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1/ The National Cooperative Union - The Cooperative Sector in the Democratic Republic of the Sudan, Volume VII, Proposals for National Warehousing and Distribution System, Crown Agents, London, June 1978.

commodities. Cooperatives' higher overheads make it difficult for them to competitively price goods obtained on the local market.

Societies are generally very short of working capital which also reduces their capacity to maintain continuity of supply and stock a range of goods. Current legislation lays down that cooperatives may charge no more than a 20 percent margin on locally produced items with five percent of this going to the local and regional unions and 15 percent to the retail societies. A few large consumer societies obtain loans from commercial banks on commercial terms, but most societies do not even have bank accounts.

Levels of management are generally low, storage, stock rotation and prediction of future needs are particularly weak. Standard documentation recommended to societies by the Department of Cooperation is principally for accounting purposes and is not suitable for use by the semi-literate. No standard procedures, index cards, etc. are available for stock control.

Multipurpose societies may under their bye-laws undertake activities additional to their consumer operations such as savings and credit. Few societies actually do this, but quite a number have milling machines and some make loans for social functions, for which they receive no external finance.

#### Cooperative Unions

Provincial and local cooperative unions are being established in all areas. In some cases this entails amalgamation of existing unions. Forty-eight local unions are working in Northern Sudan as follows: Khartoum 3, Nile 4, Northern Province 5, El Gezira 5, Blue Nile 6, Southern Kordofan 4, Northern Kordofan 3, Southern Darfur 2, Northern Darfur 3, Kassala 4 and Red Sea 4. Several recently-formed provincial unions and some of the local unions at present exist only on paper and the turnover of the unions, due to economic failures, has if anything declined, while that of the primary societies has risen. The main activity of provincial unions is distribution of essential commodities to their members. These may be obtained from the National Cooperative Trading Corporation (see below) or allocations by Provincial Commissioners. Warehouse space is a problem for most unions. Provincial and local unions are intended to undertake bulk purchasing and provide transport and warehousing capacity, primarily for consumer cooperatives, although membership of cooperative unions and payment of dues by all cooperatives in their area is compulsory. Eventually unions should process loan applications, undertake education and establish small industries, but none have as yet reached this stage. The Department of Cooperation has seconded some 40 staff to the unions as they do not all have full-time staff of their own (a few staff have also been seconded to large consumer societies).

### Credit for Consumer Cooperative Activities

Total credit for consumer cooperative operations in 1975 from the banking system was S£ 2 million, of which S£ 1.6 million was from the People's Cooperative Bank. Most of this went to the cooperative unions. This was equivalent to 25 percent of retail turnover.

### FLOUR MILLING COOPERATIVES

There are approximately 500 flour milling cooperatives with an average membership of 180. These are distributed throughout the country with some concentration in the Gezira and none in Khartoum. They mill their members' durra (sorghum) for home use and most societies operate one diesel/petrol powered stone grinder. It is estimated they and the multipurpose cooperatives mill around five percent of the durra ground in the rural areas. Coverage of milling cooperatives is also expanding. Their number and membership and thus the number of mills increased at the rate of seven percent per annum in the four year period 1974/75 - 1977/78.

### COOPERATIVES IN AGRICULTURE

#### The Traditional Rainfed Sector

About 60 percent of the population of the Northern Provinces are engaged in or dependent upon some form of traditional agriculture, although many may have family members working elsewhere, particularly on a seasonal basis. Most traditional farming is found in the West and Centre of the country, especially in North and South Darfur and North and South Kordofan in the low rainfall savannah belt. The majority of the traditional farming population keep some livestock and are linked by family to the semi-nomadic pastoralists. Livestock herdsmen follow the grazing, but most family members cultivate and traditional cultivation now covers over ten million acres.

Despite its importance for the bulk of the population, the emphasis of Government technical and financial inputs continues to be on the modern irrigated and mechanized farming sectors. Agricultural marketing, supply and credit cooperatives which could possibly play a significant role in servicing traditional agriculture are not found in any number in the northern provinces and their development receives little stress. A USAID-financed agricultural development project in Blue Nile Province will develop service cooperatives for 6,000 farm families (see External Development Assistance, p. 25). Where the Government is making efforts to service traditional farming it is for the most

part through the setting up of Government Corporations which carry out comprehensive production servicing functions. Examples include the newly established West Savannah Development Corporation in South Darfur and the Nuba Mountains Agricultural Production Corporation which encourages cotton growing.

Input supply is not an important factor in traditional agriculture and institutional credit has only been recently provided in a few places on an experimental basis. Non-institutional credit, which is provided against crop sales by traders is more or less entirely for consumption purposes. Outside areas covered by the corporations, farm gate marketing is entirely in the hands of the private sector.

Farmers often sell their crops under the so-called "sheil" system to small traders, prior to harvest in return for cash or consumer goods at high effective rates of interest. The primary assembly points are the rural markets registered by the Rural Councils. Markets operate for 5-6 months a year during and after harvest. Crops are bought by merchants' agents and independent middlemen. Consumer goods are also available and many markets handle livestock as well. Much of the crop passes from the rural markets to the District and Provincial auction markets found in major centres. Several crops remain entirely in the hands of the private trade, especially for internal consumption, but others are in the hands of state and semi-state corporations. The Cotton Public Corporation exports all cotton including the short staple produced in the traditional sector. The Sudan Oil Seeds company, in which the Government has a 58 percent stake, handles exports of groundnuts, simsim and castor beans. It also licences crushing mills and handles exports of oil. The Gum Arabic Company, which is thirty percent Government-owned, has a monopoly on exports of that crop. Price determination presents a somewhat confused and fragmented picture. Cotton prices are largely determined by the world market. Internal grains prices are effectively established by local market conditions. The Ministry of Finance on the basis of advice from the Sudan Oil Seeds Company and the Gum Arabic Company sets auction market floor prices and maximum purchase prices for merchants, for the crops handled by the two corporations. Prices paid to the producer at rural markets reflect the prices fixed, but the presence of the "sheil" system, the long marketing chain and various taxes lead to very high marketing margins.

#### Livestock Production

Livestock are owned by more than half the families of the Northern Provinces, although a relatively small proportion of the population (perhaps 15 percent) now depend upon them for their major source

of livelihood. The traditional herds are found in the Western Savannah, where they, for the most part, follow the grazing on an annual nomadic cycle. Increasing numbers of animals are being found in association with the irrigation schemes on the Nile, although they are not for the most part formally integrated into them. Cooperatives have virtually no involvement in this sector. Range management is only now being taken up by such agencies as the Western Savannah Development Corporation. Marketing is entirely in private hands. Herders and bush traders (who act on a commission basis, or who are financed by merchants) bring livestock to primary markets, from thence livestock pass in lots to the secondary markets also in the producing areas and are trekked from there on the hoof to the terminal markets of Omdurman and of less importance, Wad Medani. A few big cattle dealers in Omdurman finance and control much of the trade. They also operate rudimentary feedlots for finishing cattle.

Milk production is a by-product of the livestock industry and there is an unsatisfied demand in many of the urban centres, particularly Khartoum. Milk is for the most part sold house to house by the producers themselves, or petty traders. The milk producers' cooperatives are registered in White Nile with over 1,000 members, but they are virtually inactive. The Government-sponsored Kuka cooperative dairy, near Khartoum, is one of the only two commercial milk production schemes in the Sudan. It groups 150 producers with 1,500 cows producing 9,000 to 10,000 litres of milk a day. All feed, except concentrates, is grown on 1,900 irrigated acres, of which each producer operates a block.

The Wad El Kereil Cooperative Society was registered in 1976 50 kilometres from Khartoum. It produces eggs from 15,500 birds which are divided into 34 units with seven acres each. There is also some milk production from the members' own cows and a fodder and feed plant and 12 stores have been built to service the egg and milk production. Water is provided from seven bore holes. A veterinary surgeon seconded from the Ministry of Agriculture advises the cooperative full time. Returns after deduction of production costs are split 50 percent to the members and 50 percent to the cooperative.

Possibilities do appear to exist for cooperative effort in support of urban milk production, possibly in livestock marketing and finishing and in egg production including servicing of small-scale urban producers.

#### Irrigated Agriculture

There are about 4.2 million acres of irrigated land in the Sudan and some 350,000 families or 1.7 million people are permanently employed

in irrigated agriculture while seasonal employment is much higher. Out of the total only about 310,000 acres (7.4 percent) are under private schemes and small-scale irrigation is receiving negligible Government support. Private schemes cover 63,000 acres on the Blue Nile, 235,000 acres on the main Nile and 15,000 acres of tubewell irrigation. Cooperatives have a limited role in the Gezira and Managil schemes which make up 49 percent of the irrigated area (see below p. 9). They do not play any significant role in the agricultural operations of other Government schemes.

Some 200 cooperatives provide pump irrigation and about nine-bore hole irrigation in Southern Kordofan. Some societies also market their members' crops and provide fertilizer. In Khartoum Province a few societies work collectively. It has been estimated cooperatives cover around 70,000 acres, i.e. 20 percent of the area under private irrigation and 1.5 percent of the total. This sector is not at present expanding. Societies are found in most provinces, but predominantly on the main Nile in the Northern Province, where as can be seen from the "Introduction" they have a long history. The major crop produced is sorghum for subsistence. Wheat, a little maize and millet are also grown together with legumes. Societies are also found in the Khartoum area, where, including Wad Ramli (see below) in 1975/76 they covered 4,100 acres much of it under vegetables together with 545 acres under citrus and 185 acres of bananas. Irrigation societies have an average membership of 210, but vary greatly in size. Members normally have between five and 15 acres under irrigation. Levels of participation vary. Some societies are more or less one man private enterprises, while others are true cooperatives. Members pay for the irrigation either a proportion of their crop, or a water rate based on the irrigated area.

The Wad Ramli Cooperative Society, some 110 kms. North-East of Khartoum on the Nile, was formed in 1946 since which time it has had a chequered history and had to be completely revived through Government assistance in 1969/70. In 1977 the Society had under irrigated production 900 acres of bananas, 350 acres of citrus, 125 acres of tomatoes with two crops a year, 65 acres of green peppers and 50 acres of beans. This gave it a turnover of more than S£ 500,000 and a net profit for 1977 of S£ 40,000. Cold storage space has been rented in Khartoum to assist with marketing. The Society is assisted by agricultural technicians seconded from the Ministry of Agriculture.

Mechanized harvesting societies exist only on the Gezira/Managil schemes (96,000 tenants), where they were first established in 1969. There are 31 with an average membership of 700 combined in two unions, one of which is largely defunct. Financial assistance was originally provided by the Gezira Board for the purchase of combine harvesters.

Each society owns a combine harvester which is managed by the union on their behalf and is used for harvesting durra and rice. They provide a third of the scheme's wheat harvesting capacity. There are also six small societies on the Gezira with tractors, which undertake cultivation work.

Cooperatives were established on the Gezira to market groundnuts through the Agricultural Bank. The Gezira Board then took this over, but their negative experience may lead the societies to be reactivated and this task returned to them. Credit was provided to their members by these societies through Agricultural Bank loans guaranteed by the Gezira Board.

#### Mechanized Rainfed Agriculture

Expansion of mechanized rainfed agriculture continues to receive Government support and about 4.5 million acres are now under cultivation in any one season, of which some 3 million acres is private. More than half of this is in Kassala and Blue Nile. The Mechanized Farming Corporation, an autonomous corporation within the Ministry of Agriculture, is responsible for most mechanization activities. In its own areas it provides farmers credit for machinery purchase, carries out or supervises land clearance, gives technical advice to farmers and assists with crop marketing. For most other mechanized production schemes it demarcates suitable land, distributes it to farmers and collects rental fees.

Farms are now allocated in 1,500 acre blocks. They are mostly situated on the cracking clays. It is recommended that at any one time a third should be left fallow, but on average only about one fifth is. About 75 percent of the cropped area is under sorghum. Land clearance is usually performed manually. Medium power tractors (50 - 75 hp) with wide level disc ploughs undertake two cultivations, the second combined with weeding. All other operations are manual and seasonal labour is hired.

Department of Cooperation statistics indicate there were about 166 mechanized farming cooperatives in 1977/78, covering perhaps ten percent of the area under private mechanized farming. Their number has grown rapidly from 116 in 1974/75, but there have also been many failures due to tractors completely breaking down. Distribution reflects the coverage of private sector mechanized farming with 114 societies in Blue Nile, where there were only 66 in 1974/75 and 27 in White Nile. There is now a general consensus among the concerned authorities that mechanized farming cooperatives should be promoted and receive some preference in treatment over privately-owned mechanized farms.

The Agricultural Mechanization Corporation provides loans under World Bank financed schemes for land clearance (repaid over 25 years) and purchase of a tractor, combined disc plough and seed drill and trailer repaid over five years for 1,500 feddan farms. In 1977 twelve cooperatives had received loans under this scheme, about five percent of the total loans given in Kassala and Southern Kordofan. Cooperatives which obtain tractors from other sources including the Agricultural Bank receive services from the Corporation.

Cooperatives have an average of sixty members. Basic share capital per member is 10 to 20 shares of S£ one each. These are sometimes contributed as labour. Nearly all societies own a tractor and plough. Usually they have some other basic equipment such as a trailer. A few societies run trucks. Cultivation is undertaken by the society and the members care for their own plots. Member participation in the agricultural activities of these societies is for the most part very low. One man may virtually run the farm while the members act purely as investors in a mechanized farm, which employs migrant labour particularly at harvest. However, in Southern and Northern Kordofan there are said to be a few societies which undertake all activities collectively.

#### Fisheries

There has been discussion within the Sudan itself of the need for fisheries cooperatives and a recent study <sup>1/</sup> confirms that fishermen's cooperatives could play a valuable role in improving both productivity and marketing. Sudan has 20,000 square kilometres of inland waters and 700 kilometres of Red Sea Coastline which is universally underexploited. Fish is at present imported into the Sudan, although there are potential export markets. Fishermen are amongst the poorest sections of the rural community and their boats could be considerably improved particularly by the addition of small engines. Middle-men do not cater for all areas with equal intensity and fishermen in some of the more isolated areas have great difficulty in selling their product at all.

Fisheries cooperatives are found only in White Nile Province where seven were formed in 1978 with 1,000 members and federated in the White Nile Fishermen's Union. These cooperatives are not all active although some have trucks for marketing.

#### COOPERATIVES IN INDUSTRY

There is very little cooperative activity in the industrial sector, which in total accounts for less than ten percent of employment. It is felt that cooperatives could have a considerable role in servi-

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<sup>1/</sup> E.B. Hamly, Updating Feasibility Study -- Fish Production and Marketing Cooperative Projects in the Khartoum, White Nile, Blue Nile and Wadi Halfa Regions, International Cooperative Alliance, London 1979.

cing small artisans. A carpenter's cooperative union was established in 1969 in the Khartoum area and has 825 members. It provides materials to its members and in 1977/78 had a turnover of S£ 25,000, a considerable decline on its previous performance. There are also some 11 bakers' cooperatives in White Nile Province with 645 members and a turnover of S£ 74,000 in 1977/78. ILO, Rabobank and the EEC (see p. 25) are supporting the development of a pilot women's rug making cooperative in Sodiri, Northern Kordofan.

There are two large-scale cooperative wheat flour mills, one in New Halfa and one in El Gezira. They process 80 and 126 tons of wheat flour per day respectively (20 percent of the country's wheat milling capacity). The societies are very large, that in El Gezira, for example, has all the 96,000 Gezira and Managil tenants as members. Management is thus far removed from the members, but there are active elected committees and the elected President becomes a full time official of the society for his period of office. Wheat for milling is in limited supply and the cooperatives act in effect as milling contractors for a state corporation.

In July 1977, the President announced that eight small state-owned companies were to be transferred to the cooperative sector. Three of these were industrial, one in oil pressing, one manufacturing washing blue, and one ice and lemonade factory. There are doubts concerning the viability of the ice and lemonade factory and the washing blue plant. Seventy percent of the capital assets of these companies are being provided to the cooperative movement as a loan. The remaining 30 percent is retained by the State. They have been combined in a Cooperative Industrial Corporation, but are in no way cooperatives. In reality it appears they will continue to be run by the state, with some possible participation from the cooperative movement and any surplus they make being used for the benefit of cooperatives.

Labour cooperatives are contracted to provide all the dock labour at Port Sudan, the country's only major port, and services at a cotton ginnery. The dockers' cooperative has over 7,000 members. In addition to organising their work, it has established health and recreation facilities.

#### TRANSPORT COOPERATIVES

There are five transport cooperatives operating. The largest of these are concerned with goods transport from and in Port Sudan. The first of these societies was formed in 1969 of lorry owners and lorry drivers, transporting goods from Port Sudan to Khartoum. It now has

a membership of around 300 of whom about 60 are owner/drivers and the remainder drivers and assistants. The society itself owns 35 trucks, while the individual members own 68 truck and trailer units. The society operates a store, maintenance workshop and rest house in Khartoum and small workshops in Port Sudan. A second society formed of owner/drivers concerned mostly with transport in the Port area can call upon the services of 230 trucks. This society has now also entered into transport between Port Sudan and Khartoum. It is estimated these two societies transport nearly ten percent of the goods between Port Sudan and Khartoum, around 25,000 tons per year.

#### COOPERATIVE HOUSING

There is at present no cooperative housing, but it has a high priority in the Government's thinking, especially for the Khartoum area and external assistance is likely to be provided for this as described below (p. 26).

#### COOPERATIVE LEADERSHIP

Leadership in consumer and agricultural cooperatives reflects that in Sudanese society. Older people with above average incomes tend to be elected to positions in primary societies. Civil servants, teachers, etc. are also frequently chosen. Education plays a part in the election of secretaries and treasurers, but proven honesty is probably a greater factor. Patronage by influential local leaders plays a part in election to positions in the cooperative unions. Women have a very limited role in cooperatives in most cases, but efforts are being made to increase their participation not least by the creation of cooperatives amongst the women themselves. The Department of Cooperation does not exert a great deal of influence on the running of primary societies or small unions and the main stream of the movement can truly be said to be democratic.

#### NATIONAL COOPERATIVE BODIES

##### National Cooperative Union (NCU)

Following the collapse of the Central Cooperative Union, the National Cooperative Union (NCU), which also serves the Southern Region, was established on 23 December 1976 after a National Cooperative Conference. It provides a forum for discussion of cooperative policy and represents the cooperative movement nationally and internationally. It is also intended to undertake some educational activities including the publication of a magazine.

Each provincial cooperative union makes a once and for all purchase of five shares of S£ 1,000 in the NCU and pays an entrance fee of S£ 100. This should yield a total of S£ 91,800 but the weak financial position of the unions has led to only some S£ 20,000 being received to date. A total of S£ 75,000 in interest bearing loans has been contributed by the Department of Cooperation. A grant of S£ 7,000 has also been received from the Sudanese Socialist Union. Other assistance has also been provided in the form of a temporary headquarters building and vehicles. The Union receives a one percent margin on the import purchasing and distribution activities of the Cooperative Trading Corporation. This cess together with any business activities it may itself undertake are intended to provide a financial base for the NCU. This is quite inadequate to the Union playing an active role in the promotion of the cooperative movement.

The NCU is intended to have a central committee of 27 members, 21 of which are elected by the Cooperative Congress and six appointed by the Minister responsible for Cooperation. The Central Committee then elects an executive committee of seven who are seconded on full pay from their former organizations (assuming they are Government employees) and supervise the day-to-day running of the NCU. The First Committee failed to hold elections as scheduled and undertook a number of unsuccessful business ventures. This committee was suspended in the summer of 1979 and new elections scheduled.

#### The Cooperative Trading Corporation

As noted above, the President announced in July 1977 that five trading companies were to be handed over to the cooperative sector. These have been reorganized into a Cooperative Trading Corporation. They include three drug importing companies, a trading and importing company and a company importing cotton thread and string. The companies were relatively efficient and viable. Seventy percent of the capital assets of these companies are being provided to the cooperative movement as a loan. The remaining 30 percent has been retained by the State. In reality it would appear that this Corporation will continue to be run by the State. In addition to continuing the activities of the constituent companies the Trading Corporation is now taking up the distribution of commodities to the Cooperative Unions. A major handicap in this is that the Corporation has no regional branch warehouses. In fact the only warehouse facility of any size is in Port Sudan.

#### The Cooperative Bank

The Cooperative Bank is beginning operations. The law establishing the bank states it to have the following objectives: "The Bank shall support, promote and develop the cooperative sector by providing necessary financing facilities to all kinds of cooperatives and

cooperative unions in the country by extending credit facilities and other loans and advances in the form of cash, commodities or services. The Bank shall encourage savings amongst all the people of the Sudan in general and cooperative members in particular".

The share capital of the Bank has been set at S£2 million. It will be subscribed on a voluntary basis by all types of cooperatives and the public corporations dealing with cooperatives, such as the Cooperative Trading Corporation. The Government will make an interest free loan for 20 years of S£ 3 million for working capital. Part of this has now been advanced. The Bank will provide a full range of banking facilities and have the capacity to borrow from the Bank of Sudan to extend its lending capacity. A scheme for offering social insurance through cooperatives to rural people is also expected to start soon (see below) and investment funds from this may be handled through the Cooperative Development Bank. The Bank will operate initially from a head office in Khartoum and in the provinces through the existing Commercial Bank network. It will liaise closely with other sources of credit for the cooperative movement supplementing their efforts. Initial emphasis will be on short-term lending, and wherever possible loans will be made in partnership with other lending institutions.

The Bank has a Board of Directors with 13 members, three of whom will be representatives of the National Cooperative Union and the remainder are appointed by the Minister. The Bank intends to establish local loan committees to assess and supervise loans. Staff are being recruited from other banks, but there is a shortage of adequately trained personnel, particularly skilled in credit to small producers. There is an urgent need for both technical and financial assistance if the Bank is to operate successfully.

#### Cooperative Insurance for Farmers

A Cooperative Insurance Institution is in the final stages of establishment which will provide cover to farmers against old age, disability and death. Although this scheme is referred to as cooperative it has few of the expected characteristics of a cooperative. When the institution commences operations farmers on the Gezira scheme will be automatically enrolled and deductions of premiums made by the Gezira Board from their crop payments. The programme will gradually be expanded to other parts of the country. It is anticipated that a proportion of the resources of the institution will be invested through the Cooperative Bank.

### GOVERNMENT AND PARTY SUPPORT TO COOPERATIVES

#### National Constitution and Policy

Article 22 of the Permanent Constitution of the Sudan states that the Sudanese economy is based on: the Public Sector, the Cooperative

Sector - based on the ownership of all its registered members, under the patronage of the Government - the Private Sector and the Mixed Sector. Article three of the National Charter emphasizes that the cooperative Sector has a major role in implementing the revolutionary development plans. Resolution 17 of the Sudanese Socialist Union Central Committee appealed to working people throughout the country to establish cooperative unions.

Prior to April 1975 the Department of Cooperation was in the Ministry of Cooperatives and Rural Development. Presidential Decree 218 established the Ministry of Cooperation, which was merged in early 1979 with Commerce and Supply to form the Ministry of Cooperation, Commerce and Supply. Also in 1975 as the Chairman of the Sudanese Socialist Union (SSU) the President established a Cooperative Committee as one of the six basic working committees of the SSU. The Committee which meets at least once every three months is chaired by the Vice-President and Prime Minister. The Committee has a secretariat of three professionals. The President also decided that 25 seats should be allocated to the cooperative movement in the SSU 1,500 member National Congress which meets every three years. The representatives are elected through the National Cooperative Union with due attention to the preservation of a regional balance. In addition three seats on the 180 member SSU Central Committee which meets once a year have been allocated to the cooperative movement, and cooperatives have seats in the People's Assembly (Parliament).

The importance attached to cooperatives by Government is genuine. There is, however, only limited appreciation in several quarters at the highest levels of cooperatives' potentials and weaknesses. In particular, it does not seem to have been fully understood that cooperatives' advantages over other forms of institutional structure are that they can reap benefits from people's involvement and they provide a framework for the management of small service and joint production enterprises. In Government statements the greatest weight is placed on cooperatives in solving distribution problems and overcoming inflation in the prices of basic goods.

The 1970/71 - 1974/75 Five Year Development Plan sets out the following goals for the cooperative movement:

- i. to promote rural development throughout the country;
- ii. to reduce the cost of essential commodities to the mass of the people;
- iii. to contribute to the solution of settlement problems for nomads.

In the event two changes of Ministry in the Plan period made it difficult to pursue a consistent promotion policy and the number of cooperative projects implemented particularly in agriculture was limited.

The 1976/77-1982/83 Development Plan was indicative only and has largely been overtaken by events and a shortage of resources. It emphasized the importance of cooperatives servicing traditional farmers in the Sudan, particularly in the most depressed provinces of the Southern Region, Northern and Southern Darfur and Northern and Southern Kordofan, and in providing a rational framework for small irrigation, mechanized agricultural and fisheries schemes.

Cooperatives were also regarded as potentially important in providing low-cost housing, in establishing small rural based industries and in encouraging artisanal production. The consumer cooperative sector received relatively low priority.

#### The Department of Cooperation

The Department of Cooperation has the objective of developing cooperatives as a major sector of the economy and spreading cooperative culture amongst the mass of the population through:

- the introduction of cooperative planning at regional and national level;
- the promotion of production cooperatives in agriculture; handicrafts and industry;
- the promotion of service cooperatives in the fields of transport, communications, insurance, warehousing, credit and savings;
- encouraging research to improve the ideology and practices of the cooperative movement.

Responsibility for cooperative promotion in the Southern Region of Sudan lies with the Regional Ministry for Cooperatives, Commerce and Supply (see p. 30).

The Department has some 700 staff of which about 600 are officials, of these 310 are graduates and the remainder secondary school leavers. Six hundred and twenty of the staff are concerned directly with cooperatives. About 100 employees are based at the headquarters in Khartoum. The Department of Cooperation is one of the decentralized departments. Staff in the provinces are directly responsible to the Provincial Commissioner who is in turn answerable to a Regional Governor (there are five regions). The extent of centralized decision-making is intended to be gradually reduced so that budget approvals should eventually be handled on a regional/provincial level. The number of staff per province is very variable but averages around 60. Most of these are posted at the District level. The provincial staff are all generalists except for four women's cooperative organizers. Severe limitations are placed on the work of staff in the provinces by a shortage of vehicles. Given the very great distances the frustration caused by this lack of transport contributes to low motivation.

The Central Department is headed by an Under-Secretary. It is divided up as follows:

The General Administration for Planning and Programmes is divided into two main Departments: Planning and Feasibility Study and Research and Statistics. In addition there are training and finance sections. The Planning and Feasibility Study Department is broken down into services for: National Planning; Regional Planning; and Follow-up. The Research and Statistics Department is divided into a Research Service and a Statistics Service. The Administration has 42 established posts all at headquarters of which 20 are filled. The collection and analysis of statistics requires to be strengthened but a prerequisite of accurate statistics is an improvement in the audit situation.

The General Administration for Follow-up and Field Work is headed by the Registrar of Cooperatives. At headquarters where it has approximately 50 staff the Administration is divided into Departments for: services (e.g. labour contracting, marketing and credit); consumers; production and registration. This Administration is responsible for the technical supervision through the Provincial Assistant Commissioner of field staff except auditors.

The General Administration for Auditing and Accounting is divided at headquarters into Inspection and Auditing Departments. There is one cooperative auditor per Province who oversees the auditing work carried out by the generalist Department of Cooperation staff. Among the most important priorities is the improvement of the audit capacity of the Department of Cooperation.

The General Administration for Personnel and Financial Affairs is broken down into Personnel and Financial sections. It deals only with headquarters staff and programmes. A small unit is providing insurance brokerage services for cooperatives.

A Legal Department is very small.

The Principal of the Cooperative Development and Training Centre is directly responsible to the Under-Secretary, Department of Cooperation.

#### Support by other Ministries and Authorities

Inter-ministerial cooperation in support of the cooperative sector is growing and is facilitated by the decentralized structure at provincial level. The Ministry of Agriculture, Food and Natural Resources' Administration dealing with agricultural affairs for the provinces has a section handling technical advice to cooperatives, and in a few areas where agricultural cooperatives are important they may have an agricultural inspector working exclusively with cooperatives. Two agricultural cooperatives have technical managers provided by the Ministry of Agriculture.

It should be appreciated, however, that even agricultural extension is very limited and unevenly distributed throughout the country. The resources of the Ministry to back up cooperative development are thus meagre. Other Ministries are less involved with cooperative affairs, but an experiment in cooperative planning for the depressed Province of Northern Kordofan, brought together in one team for a 40 day tour of the area representatives of the Ministries of Cooperation, Agriculture, Culture and Information and the local administration. Where staff of any Ministry are elected to an office in a large cooperative, they are frequently seconded on full pay to the cooperative. The role of other authorities such as the Gezira Board and Agricultural Bank are discussed in their respective sections.

### Cooperative Legislation

The first Cooperative Law in the Sudan came into force under the Colonial Regime in 1949. The present law was passed in 1973 (Cooperatives in the Southern Region function under a Regional Act passed in October 1976). A revised law was approved by the Council of Ministers in 1976, but has not been enacted. It now requires further revision to take account of the Ministry of Cooperation having been combined with Commerce and Supply. Although the revised law is not officially in force it appears that cooperatives are in actual fact functioning under the provisions of the new law rather than that of 1973.

Under the 1976 draft law cooperatives must have a minimum of 50 members. Membership is open to any adult having a legitimate interest in the activities of the society. Supervision by the Registrar is intended only to ensure cooperatives' operations are in conformity with the law and the societies own bye-laws. The Registrar may refuse registration to a society if its bye-laws do not conform to the cooperative principles, or if it is not potentially economically viable. Societies' bye-laws must be approved by the Registrar. Cooperatives accounts must be finalized and audited once a year. Twenty-five percent of a society's surplus must be contributed to a reserve fund until it becomes equal to half of the capital. A society may not mortgage any of its property without the approval of the Registrar. The Registrar may suspend the committee of a society and appoint an administrator for up to one year if he is convinced there is malpractice or economic mismanagement. Three fifths of the members of a society or a majority of the committee may request intervention by the Registrar. In practice it is unusual for the Registrar to appoint an Administrator. Societies may be liquidated upon a vote of three quarters of the members, or by the Registrar, if they are shown to be economically non-viable. The Registrar has no control over the appointment of staff by cooperatives. Cooperatives' accounts must conform to the system prescribed by the Registrar.

The 1976 draft removes certain privileges which cooperatives had under the 1973 law, including exemption from taxes on profits and payment of import duties and reductions of ten percent on tariffs for State-

operated transport and five percent discounts on fertilizers, seeds, etc. The 1973 law also gave societies a contractual claim on members' produce if they had agreed to sell it to the society. This was removed in the 1976 draft. In the 1976 draft societies may be exempted from taxes by the Prime Minister on the recommendation of the Minister responsible for cooperation. They may also be granted priority in obtaining land for their activities, the awarding of government contracts and in the distribution of essential goods.

The 1973 law provided for a National Cooperative Union with representative and business functions of which the Minister was ex-officio chairman and a proportion of the Board was appointed by the Minister. The 1976 draft states that the Board of the National Cooperative Union shall be elected by the membership only. This is in fact the practice followed. A National Cooperative Council with a general promotional and advisory role is also provided for in the 1976 draft. This Council would be chaired by the Minister and half the members would be elected by the cooperatives and the remaining half appointed by the Minister.

#### COOPERATIVE TRAINING

##### National Cooperative Training Centre

Although a number of Cooperative Department staff have been awarded scholarships for study in Egypt and elsewhere, courses in economics and agriculture at the University of Khartoum have a small cooperative component and various ad-hoc courses were organized, it was not until 1976 that cooperative training was institutionalized with the start of operations by a National Cooperative Development and Training Centre assisted by UNDP/ILO. The Centre provides facilities for training both Government staff and officials of the cooperative movement. It currently has residential accommodation for 50 students, in two classes. Residential accommodation is now being expanded to 100. UNDP/ILO is expanding its assistance to the Centre and is expected to provide some 264 m/m of expert services, 96 m/m of associate experts and 168 m/m of UN volunteers in the period to the end of 1984.

Structure of the Cooperative Development and Training Centre. The Centre, which is headed by a Principal, is divided into sections:

- training, which has responsibility for organizing and programming courses. The section will have two staff;
- audio-visual, which prepares audio-visual materials for use throughout the cooperative movement. The section will have two staff;
- education, which issues training materials for use in the movement, schools, universities, etc. The section will have two staff;

- the library, which will be staffed by two librarians;
- field studies and research; this section works closely with the National Research Council;
- the External Relations Section coordinates training with other institutions including the universities and international arab cooperative training centres. The section has two posts;
- the administration section has a staff of three accounts' clerks, three clerks and three typists. A Registrar is also to be appointed and a student affairs and hostel officer.

The teaching staff of the centre consists of seven lecturers with post graduate diplomas, or master's degrees, and seven assistant lecturers. Through collaboration with the Ministry of Cooperation and other Ministries and para-statal organizations, such as the Agricultural Bank, the effective teaching capacity of the Centre is increased.

Courses: The Centre is intended to provide advanced training and medium length courses to cooperative managers, cooperative department supervisors and educators. It is currently organising short courses of two weeks to two months for Ministry staff, cooperative staff and elected officers of cooperatives. Longer-term training will be undertaken when regional training centres become established, and can take up the training of cooperative officials and members. The Centre has been operating well below full capacity.

#### The Expansion of Cooperative Training

The most urgent need is to train primary cooperative society officials and staff in basic bookkeeping and management and officials and staff from the unions in improved accounting, stock control, etc. It is desired to establish three branch cooperative training centres, serving different parts of the Northern Provinces, i.e. the West, East and North. Each local centre will have a maximum capacity of 100 students in two classes and will have a hostel. The staff will consist of a director and four lecturers. The United Nations Capital Development Fund is considering a grant for construction of the branch centres.

At the National Centre new construction, some of which is already underway, will include two hostels for 50 people each, two more classrooms each accommodating 50 people, four or five group discussion rooms and an administration block.

#### Other Education Activities

The Department of Cooperation staff carry out limited extension and promotional activities. The Ministry issues a cooperative magazine every two weeks.

FINANCING OF THE COOPERATIVE MOVEMENT

Background

Cooperatives obtain funds from a number of sources. Grants have been made by the Department of Cooperation for certain development projects. The President has also urged local administrations to give a high priority to the needs of the cooperative movement. The local administrations were investing overall S£8 million a year (1975), of which some 20 percent was for agriculture, but the total may be increasing with the present emphasis on decentralization. Loans will shortly be available to cooperatives and cooperative members for productive purposes from the newly established Cooperative Bank (see p. 14). Present sources for credit include the commercial banks, the Agricultural Bank, various agricultural agencies and the Industrial Bank. The Industrial Bank has made few loans to cooperatives. In the past the Department of Cooperation itself made some loans to cooperatives.

Commercial Banks

Amongst the commercial banks, the People's Cooperative Bank was at the time of nationalization of all commercial banks given a particular mandate to finance cooperatives. The Bank has outstanding loans of S£ 42 million (1978) of which less than ten percent is generally on loan to cooperatives. Loans are usually given as unsecured overdrafts of indefinite period. Most loans are to the consumer and labour contracting cooperatives for working capital. The Bank obtains funds at 8.5 percent interest from the Bank of Sudan. Loans are made to the public and private sectors at 14 percent interest and to cooperatives at 11 percent. Loans in 1975 to cooperatives are summarized below.

Loans Advanced by the People's Cooperative Bank to Cooperatives

Types of Cooperatives Financed	1975		Outstanding Loans	Open Loans
	Loans with Guarantees	Loans without Guarantees		
Production including Labour Contracting Cooperatives	1,156,494	844,646	987,819	165,114
Consumers' Cooperatives	940,624	662,039	1,988,861	1,335,160
Other Cooperatives	519,218	154,271	213,367	59,096
Total	2,616,336	1,660,956	3,190,047	1,559,370

Source: Report of the National Committee on Cooperative Financing, Khartoum, 1976 - p. 39.

### The Agricultural Bank

The Agricultural Bank was established in 1959. It has an authorized fully paid up capital of S£ 7 million (1977), which will shortly be increased to S£ 15 million. The Agricultural Bank's bye-laws state preference for loans should be given to small and medium farmers and cooperatives, and the establishment of a cooperative section in the Bank has been discussed, however the emphasis has always been placed on commercial mechanized rainfed agriculture. The Bank advances:

- short-term or seasonal loans for a period not exceeding 15 months to meet the production and marketing costs of a crop;
- medium-term loans for a period normally not exceeding five years for the purchase of farm equipment, livestock, irrigation and land improvement, repair of farm buildings, etc.;
- long-term loans for a period not exceeding ten years for the development of new schemes, making major improvements on existing farms.

Short-term loans are offered against the security of the crop. However, for medium and long-term loans the bank requires the mortgage of immovable property, or the deposit of securities to the value of at least 130 percent of the loan. Small farmers in the Sudan do not normally have land titles and in most of the country there is no market in land. Farmers are expected to contribute at least 30 percent of the required capital for investments. Loans are disbursed both in kind and in cash. Repayments for seasonal loans may be made by depositing the crop with the Bank which will sell it on behalf of the borrower. Medium and long-term loans are repaid in instalments. All loans to cooperatives are made at seven percent per annum. Loans to other borrowers are made at seven percent per annum for short-term loans and nine percent per annum, of the outstanding balance, for medium and long-term loans. In case of delayed repayment an interest surcharge of one percent is levied.

All loan applications are handled individually. Branch managers may approve applications of up to S£ 2,500 for seasonal loans and S£ 1,500 for medium-term loans. The Ministry of Cooperation will support specific applications it considers worthwhile with a recommendation for approval to the bank.

The bank has at present 22 branches with 450 staff, all in the Northern Provinces. Two branches at present accept deposits and offer full commercial banking facilities. It is intended to extend this practice to all branches.

In 1976, the Bank advanced S£ 4,287 million in short-term loans, S£ 602,000 in medium-term loans and S£ 2,000 in long-term loans. Total outstanding bank loans on 1st December 1975 were S£ 8,387,921. In 1975 loans were made to 115 cooperatives. At the end of 1975 the bank had made loans since its establishment in 1959 totalling S£ 3.7 million to 191 cooperatives.

Loans Advanced by the Agricultural Bank to Cooperatives  
(1959 - 1975)

Branches	No. of Coops Granted	Loans Loans	Loans Given S£	Repayments S£	Outstanding S£
Dangola and Marvi	12		31,838	15,135	16,803
Shendi	7		56,882	10,386	46,497
Khartoum	9		145,348	50,198	95,150
Atbara	6		128,823	32,899	95,924
Sennar and Rebak	22		72,722	52,298	20,424
Kosti and El Rebak	42		237,875	75,754	112,121
Gedaref	2		80,617	39,163	31,404
Dilling	13		24,108	12,253	11,855
New Halfa	18		66,824	37,856	28,968
Wad Medani	60		2,970,210	2,275,844	694,366
Total	191		3,715,247	2,601,786	1,153,512

Source: Report of the National Committee on Cooperative Financing, Khartoum, 1976, p. 31.

Other Parastatal Corporations

A number of independent parastatal corporations obtain credit directly from the Bank of Sudan (Central Bank). These include the Sudan Gezira Board which onloans some S£ 10 million a year, the Agricultural Reform Corporation (S£ 15 million a year); the General Corporation for Agricultural Production (S£ 3 million a year) and the Agricultural Mechanization Corporation. Of these only the Agricultural Mechanization Corporation and to a lesser extent the Gezira Board are important to cooperatives (see above).

EXTERNAL DEVELOPMENT ASSISTANCE

ILO/UNDP Support to the National Cooperative Training Centre - Khartoum

The ongoing ILO/UNDP project "SUD/79/006/A/01/11" Development of Cooperative Training Centres, Phase II" is planned to run until the end of 1984. A wide range of expertise is being provided. The revised project has not yet been completely finalized, but assistance is expected to include 264 m.m. of expert services, 96 m.m of associate expertise

and 168 m.m. of UN volunteers. In addition to the National Cooperative Centre, the project is supporting development of pilot projects which will be used for on-the-job training and will assist with the development of the regional training centres when these are constructed.

Rabobank/EDF/UNDP/ILO Support to Model Women's Rug Making Cooperative Northern Kordofan

UNDP/ILO has provided a volunteer and Rabobank of the Netherlands US\$ 40,000 and the European Development Fund financial assistance for the establishment of a pilot women's rug making cooperatives in the small town of Sodiri Northern Kordofan. The project will also be supported by the ILO/UNDP team at the National Cooperative Training Centre. The cooperative will provide a source of income for rural women including nomads and will collect wool which would otherwise be unused from the local semi-nomadic grassiers. It will also serve as a training demonstration for other similar cooperatives.

IDA Support to Mechanized Farming

Two IDA-financed projects are currently underway in this sector. The first of these, which began in 1973, is more or less completed. It provided a loan of US\$ 11.25 million principally to provide credit for tractors and equipment through the Mechanized Farming Corporation (MFC). Two hundred and eighty mechanized farms were established in the Umm Seinat and Habila areas of Kassala and Southern Kordofan respectively. Cooperatives received some loans as a consequence of this project.

A new project for implementation over four years provides for an IDA loan of US\$ 16 million. It is principally concerned with upgrading the cultivation practices of existing mechanized farms. A small pilot project is included at a cost of \$ 315,000 (IDA \$ 154,000) to develop village machinery units with a tractor and implements for hire to small holders. Four pilot villages in the Gedaref of Kassala Province will be selected. Although these village units will initially be operated by the MFC it is intended that they should eventually become the property of and be managed by the villages themselves.

USAID Support to Blue Nile Agricultural Development

USAID is providing US\$ 3 million in assistance, including expertise for a project started in 1979 which is designed to benefit 6,000 traditional farm and herder families in Blue Nile Province. The project is at present forecast for completion in 1985. The project is intended to develop a replicable framework for integration of traditional farmers into the modern agricultural sector. Cooperative systems are being established to provide agricultural production services including tractors

and equipment, credit and market information and farm inputs. During 1980 nine long-term personnel will be provided for a total of 216 m.m. and in 1981 seven long-term personnel for 84 m.m. and seven short-term personnel for 20 m.m. In addition to the provision of services through cooperatives, improved agronomic practices are being experimented with and new extension approaches tried.

#### UNCDF Assistance for Cooperative Housing

The United Nations Capital Development Fund has approved a grant of US\$ 1.5 million to provide finance for the development of cooperative housing in the Khartoum area.

#### UNCDF Support for Mobile Workshops to Service Agricultural Cooperative Machinery

The United Nations Capital Development Fund has approved a proposal to provide finance of US\$ 831,500 for the purchase of mobile workshops to service machinery operated by agricultural cooperatives.

#### Possible Finnish Support to Dairy Cooperative Development in White Nile

Finland is currently preparing proposals for a dairy development project serving tenant farmers in irrigated areas of White Nile Province. It is envisaged milk collection, processing and sale would be carried out cooperatively.

#### Possible Rehabilitation of Pump Schemes

Both ODA (U.K.) and IDA are considering proposals for the rehabilitation of existing private pump schemes. This assistance would also include cooperatives. ODA finance would cover pump schemes in Northern Province and US\$ 20 million from IDA would be used for schemes in the Wad Salman area on the Blue Nile River.

#### Possible UNCDF Assistance for Regional Cooperative Training Centres

The United Nations Capital Development Fund is considering a US\$ 1,957,000 grant to assist construction of Regional Cooperative Training Centres.

### III. COOPERATIVES IN THE SOUTHERN REGION

#### INTRODUCTION

The autonomous Southern Region of the Sudan consists of six provinces and has a population of over three million. The area always remote and underdeveloped was further devastated by 17 years of civil war which came to an end with the Addis Ababa agreement of 1972 and the establishment of a local administration. There is no significant economic activity except small holder rainfed agriculture and cattle herding. Although the first cooperative society in the Southern Region was set up in 1950 in Bahr El Ghazal to grow foodcrops and simsim, the only cooperative development to take place during the 1955/56-1972 period of hostilities was in the very extremity of the region, in Upper Nile. There a large expansion occurred around 1968/69 in the mechanized farming cooperatives of the Renk area. Following the Addis Ababa agreement cooperative development in the rest of the Region recommenced to some extent spontaneously.

#### THE COOPERATIVE DEVELOPMENT SITUATION

The number of recorded primary cooperatives in the Southern Region in September 1979 was 338, of which 248 were registered. The number of registered societies had risen to 336 by 1980 (see Table 2, Annex I). There are an unspecified number of societies which have applied for registration at provincial offices, but have not yet had their applications forwarded to the Cooperative Department Headquarters. This is particularly so around Rank in Upper Nile Province where there were said in 1979 to be over 100 societies falling into this category. The number of completely dormant societies is unknown, but is probably around 25 percent.

The figures do not represent a full picture of cooperatives in the Southern Region. On the one hand their potential economic and social importance is greatly understated, on the other weaknesses they share with nearly all institutions in the Southern Region are not fully apparent. During the 17 years of civil disturbances, trade effectively ceased in the rural areas. Roads for the most part no longer existed. Thus economic activity restarted from a near zero base.

Cooperative societies which have emerged since 1972 have for the most part two essential aims:

- distribution of essential commodities such as sugar, salt and darra (sorghum) to their members. This is particularly important in view of the unacceptability of the former traders who were predominantly Northern Sudanese and the widespread and genuine shortages which necessitate an effective distribution and

rationing system for the common man. In the three towns of any size, Juba, Malakal and Wau, where just less than half the cooperatives are found, this is the major cooperative activity;

- marketing of crops and provision of essential inputs such as tools and improved seeds for agriculture. The present minimal production of marketed surpluses and lack of use of inputs such as fertiliser means activities are of necessity on a low level.

Cooperatives are presently concentrated in:

- (i) Eastern Equatoria, where outside Juba they originated to obtain basic farm tools for small farmers, such as hoes, and to market crops. They now also distribute essential commodities;
- (ii) Wau and Aweil in Bahr El Ghazal, where they are largely concerned with the sale of basic commodities;
- (iii) around Renk in Upper Nile, where they operate mechanized farms and own some 600 tractors, 19 of which have been obtained with loans from the Agricultural Bank.

Sixty-three percent of registered societies are general purpose (of these some are dealing purely or predominantly in basic commodities); 18 percent of societies are purely consumer, 15 percent agricultural (particularly mechanized farming) and 2 percent milling cooperatives operating small diesel powered grinders. Statistics for 1977 which are more detailed than those for 1980 indicate membership was very variable, but averaged 290 for cooperatives dealing in basic commodities; 191 for general purpose societies; 70 for agricultural societies (this figure is dominated by the mechanized farming societies around Renk) and 64 for milling societies. It was officially estimated that 15 percent of the population were covered by cooperatives in 1977/78.

In addition to the four major types of cooperatives, i.e. agricultural marketing and input supply, consumer, milling and mechanized farming; handicraft and fisheries cooperatives are being encouraged.

There is considerable potential for tanning and leathercrafts in the Southern Region, which produces some 75,000 hides and skins a year. These are usually transported to Khartoum for curing with heavy losses and deterioration in storage and transport. With support from the ILO/UNDP project "Strengthening of the Cooperative Department", 24 young men and women from Juba were trained on a ten month course in tanning and leathercrafts by the UNDP/ILO-assisted Multi-service Training Centre. They have now been formed into a cooperative society and there is a good demand, in Khartoum and Nairobi, for the bags, etc. which they produce. The young people's willingness to settle down and make their cooperative work has increased now that they appreciate they are not

going to be given jobs by the Government. A group from Wau is being trained in tanning and development of a cooperative there is being assisted by an expatriate volunteer.

Another small ILO/UNDP project is assisting the development of a cooperative fishing boat yard, employing 50 carpenters and a fishing cooperative serving 60 fishermen in Malakal. Despite difficulties in obtaining timber and materials there is a heavy demand for the boats produced by the yard. An FAO/UNDP/UNCDF project has just begun which will support the establishment of fisheries cooperatives including marketing unions in the Sudd (see page 36), where most fishermen operate their own small boats. Some dried and smoked fish is exported to Zaire and Uganda by traders who come across the borders.

Cooperatives with very few exceptions do not have paid staff of any kind. They are run by elected officials on a voluntary basis. Despite the high levels of illiteracy, there are in most communities a few individuals who can read and write English and do basic arithmetic. Members select secretaries and treasurers from amongst these. Standard books or recording procedures are not available for cooperatives. Simple English language account books are being introduced, but many societies have books with headings in Arabic. The great majority have no storage facilities or shops. Women are involved in cooperatives to a greater extent than might be expected and sometimes hold office particularly as treasurers. A number of women's cooperatives for sewing, handicrafts and sale of basic commodities are now established.

Cooperatives are serving an essential function. In their absence many members would go entirely without basic commodities, others would pay extortionate prices for them and crops would go unmarketed. In the context of the Southern Region concepts of dormant and active societies become difficult to define. Societies are active when they have a specific task to fulfill such as a bag of sugar to split up and distribute between their members, or arranging a truck to take members' coffee to the market. The cooperative movement is expanding steadily throughout the Southern Region. The highest rates of growth are being encountered in areas of project activity (see below), i.e. Eastern Equatoria and Upper Nile. More spontaneous growth is being recorded in Bahr El Ghazal, particularly in Wau and Aweil Districts.

A pyramidal structure of primary societies multipurpose district and provincial unions with specialist regional unions at the apex is now beginning to emerge, but is at a very rudimentary stage of development. District and provincial unions with the exception of Renk have only come into being during the last two years and they also, in the majority, of cases, have no paid staff. Many also lack stores. A Regional Cooperative Bank which is designed to provide a credit and savings service for the cooperative movement, particularly for agriculture, has been registered and is just beginning operations. At the moment its resources

are very limited indeed. It is intended that Province Executive Councils become members of the Bank. Provincial Commissioners have agreed to invest S£ 100,000 per Province but by September 1980 contributions totalled only S£ 70,000. The Bank has no full time staff and is operated basically as a fund of the Cooperative Department.

### GOVERNMENT SUPPORT TO COOPERATIVE DEVELOPMENT

#### Policy

Cooperatives in the Southern Region are represented in national institutions in the same way as those from the Northern Provinces. They also have seats in the Southern Regional Parliament.

The Southern Regional Government places a high priority on the development of cooperatives to service agriculture and ensure the equitable distribution of basic commodities such as sugar, salt, durra and kerosene. It has been decided that cooperatives shall have priority in the allocation of all basic commodities in the Southern Region, although, as in the Northern Provinces, this does not always work out in practice. The cooperative movement has also been designated as the rural credit channel, particularly for agricultural production and a Regional Cooperative Bank has been established. The fact that small holder agriculture forms the backbone of the Southern Region economy, the absence of large-scale schemes to distract Government attention from small holders and the absence of even traders from many of the rural areas have all contributed to a very considerable emphasis by Government on cooperative development.

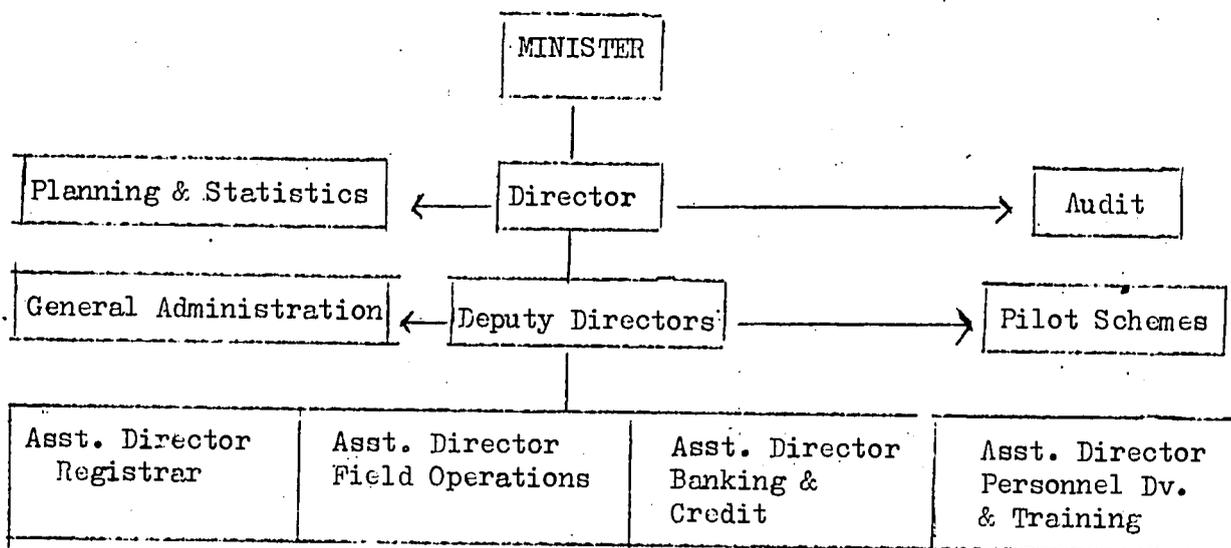
The 1979/80 Development Budget (excludes staff and services) for the Southern Region is S£ 17.5 million of which S£ 430,000, i.e. 2.5 percent was earmarked for cooperative development. In the 1980/81 budget S£ 599,000 is allocated for cooperatives (see table 4). The budget figures do not represent the full picture. Firstly, in 1978/79 only 17.1 percent of the Development Budget was actually made available by the Central Government, but cooperatives received 41.7 percent of their allocation which compares favourably with, for example, only 21.2 percent to agriculture. Thus cooperatives received nearly six percent of actual development expenditure. In addition, certain expenditures under other headings, for example agriculture, go in fact to support cooperatives.

#### The Cooperative Department

The Cooperative Department is one of three departments of the Regional Ministry of Cooperatives and Rural Development. It was established

in 1972 and is under the authority of the Regional High Executive Council. The Cooperative Department's role under the provisions of the Southern Region Cooperative Societies Act is to promote, guide and protect the cooperative movement. Specific functions include registration, supervision, audit, arbitration in disputes and also liquidation of societies.

The Director of Cooperatives is assisted by two Deputy Directors. At headquarters level there are four assistant directors responsible for respectively Registration, Field Operations, Banking and Credit, and Personnel Development and Training. The headquarters structure may be summarised as follows:



There is an Assistant Commissioner for Cooperatives in each province who holds Senior Inspector rank. The Department currently employs some 200 technical staff of which 45 are in headquarters and the remainder stationed in provincial and district offices. Staffing is summarised in Table 5, Annex I. Two or three cooperative staff headed by a cooperative officer or inspector are generally outposted to each District. Their operations have been severely hampered by lack of transport. There is no public transport system in the Southern Region and few roads making visits to societies difficult, except by bicycle. The Cooperative Department is now equipped with 17 four wheel drive vehicles and a further two trucks and two four wheel drive vehicles are on order.

Cooperative Department staff are recruited at supervisor and assistant supervisor level with, in about seventy percent of the cases, senior secondary school leaving certificates. The remainder have junior

secondary school leaving certificates. These correspond to nine and twelve years of general education respectively. There is at present no institutionalized programme of courses for Cooperative Department staff in the Southern Region. Courses for in-service training of about one month each have, however, been organized by the Department with assistance from the ILO/UNDP project SUD/77/010 (see p. 33). Plans exist for the establishment of a Regional Cooperative Training Centre which it is hoped will receive technical assistance from ILO/DAVIDA and finance for construction from UNCDF (see p. 37).

#### The Department of Agriculture and Fisheries

The Department of Agriculture concentrates its efforts in areas of project activity, particularly the areas covered by the Project Development Unit (PDU) and Norwegian Church Aid Programme (see p. 35). In these areas the Department of Agriculture works closely with the Cooperative Department in cooperative promotion.

Collaboration with the Fisheries Department will increase with the start of the FAO/UNDP Fisheries Development Project (see p. 35).

#### Cooperative Legislation

Under the Southern Region Cooperative Societies Act, 1976, the minimum membership of a society is 20, but the Registrar may with the approval of the Minister lower the number to ten, or increase it up to 50. Membership is limited to people over eighteen with residence, or interests in the area in which the society carries out its operations. Members may be expelled upon a two-thirds majority vote at a general meeting. Membership of cooperative unions is also open to Government Corporations and Public Agencies. The Act makes provision for probationary registration. Societies must have a management committee of at least five. Members who are in default with the society or who have conflicting business interests cannot serve on the management committee. Members of the committee may be remunerated. Cooperatives are not exempt from taxes except following a decision of the High Executive Council. Societies must pay at least 25 percent of annual net profits into a reserve fund, until the fund is equal to half of the share capital, when the transfer may be reduced to five percent. Societies require the permission of the Registrar to mortgage their assets. The Registrar may carry out an investigation of the affairs of a society on his own initiative, or in response to a request by the majority of the committee, or two fifths of the members. The

Registrar may as a result of the investigation dismiss the committee and appoint a temporary committee pending election of a new one. The Registrar may liquidate a society following an investigation, or if a society fails to have the minimum number of members and if it is shown to be non-viable. Appeal is only to the Minister. Societies must keep accounts in the manner determined by the Registrar and the Department is responsible for cooperative audit. The Minister has extensive powers to issue regulations concerning the conduct of societies' affairs, these may cover amongst other things the appointment of staff by co-operatives.

### COOPERATIVE TRAINING

There is no institutionalized programme of courses for cooperatives or the Cooperative Department in the Southern Region. The Department of Cooperatives has organized some member education and training activities assisted by the ILO/UNDP project SUD/77/010 (see p. 34). A cooperative education campaign was carried out in 1976. To execute this programme some 34 Cooperative Department staff were trained starting with a week's orientation for 20 staff in Juba. The campaign consisted basically of an initial visit to alert each cooperative followed by two one day training sessions for members, a session for committee members and a session for secretary treasurers. The campaign was backed up with materials and posters. It was estimated at the time that 33 percent of members, 35 percent of committee members and 43 percent of secretary/treasurers were covered by this exercise, which served more to build awareness than impart specific management skills. The Department staff in the Provinces do not carry out any organized member education activities as they have no training in education and no curricula and materials with which to work.

In 1976 the University of Juba Extramural Studies Department provided a course for 15 cooperative officials. Most of these were from Juba and consumer societies predominated. In 1979 a one week bookkeeping course was provided for 25 treasurers from consumer societies in Juba and it is planned to repeat this course, completing a further eleven courses by the end of 1980.

The first priority is to train cooperative society treasurers in basic bookkeeping and secretaries in recording meetings and decisions. In view of the widespread lack of understanding of cooperatives' purpose and structure, training in this must also form a component of every course. Cooperative Union officials require a knowledge of more advanced bookkeeping and training in basic principles of inventory control, storage and transport management.

There is no institutionalized programme of courses for Cooperative Department staff in the Southern Region. Courses for in-service training have, however, been organized by the Department with assistance from the ILO/UNDP project SUD/77/010. In 1976 two seminars of four weeks each emphasizing cooperative orientation and bookkeeping were held for 25 staff members from the Cooperative Department. In 1977, 26 junior Cooperative Department staff were trained on similar course in Juba followed by a four week course at the National Cooperative Training Centre in Khartoum. In early 1979 a course was organized for 24 cooperative officers which emphasized bookkeeping and accounts. Six weeks were spent in Juba and six weeks in the National Cooperative Training Centre in Khartoum. These courses proved valuable, but their effectiveness was reduced by the lack of experienced cooperative trainers and the absence of fully developed curricula and training materials. Courses in Khartoum's training value is limited as the trainers in the North are unused and in some cases unable to work in English (the language of the South) and materials are in Arabic.

A number of staff have been given scholarships to attend courses at the Cooperative College in Kenya and others have attended courses in Cairo. A few senior staff have participated in courses in Europe.

#### EXTERNAL ASSISTANCE

ILO/UNDP Project "Strengthening of the Cooperative Department (Planning and Personnel Development) - Phase Two" (Also supported by the EEC, IVS and CUSO).

This project SUD/77/010/A/01/11 runs until December 1982. It provides for 138 m.m. of expert services covering (i) planning, formulation of pilot schemes and personnel development (ii) cooperative supply, marketing and finance and (iii) accounts and statistics. Three associate experts are also provided for in accounts and statistics supply and finance for 96 m.m. and United Nations Volunteers to assist with planning, consumers' cooperatives, rural cooperatives and handicrafts cooperatives. A number of volunteers have been provided to the project by the Canadian University Service Overseas (CUSO) and the International Volunteer Service (IVS). IVS has also provided eight cooperatives with grinding mills. In addition to providing assistance to the Cooperative Department in all aspects of its work, the project will promote a number of pilot schemes for model cooperatives. It is intended that the model cooperative projects will demonstrate not only cooperatives' economic effects, but will serve as focal points for adult education and social improvement and will be examples and training grounds for Cooperative Department staff. Pilot schemes are as follows:

- (i) Integrated Rural Cooperative Development in coffee growing areas of Yei Rural Council area - Eastern Equatoria Province. This programme which is being carried out in collaboration with the Project Development Unit (PDU) of the Ministry of Agriculture will establish a model marketing union. Two CUSO volunteers, one specifically concerned with women's integration in cooperatives, are working with the project in Yei. Financial assistance for small scale construction and for processing equipment has been given by the European Development Fund;
- (ii) Consumer Cooperative Development in Juba town, Eastern Equatoria Province;
- (iii) Handicrafts Cooperative Development in Juba and Wau. This project is concentrating on developing cooperative leather crafts. An expatriate volunteer is being assigned to Wau;
- (iv) Fisheries Cooperative Development in Malakal. ILO/UNDP/SUD/77/009 provided seed capital for a cooperative fishing boat yard which employs 15 carpenters and a fishing cooperative, serving 60 fishermen. Two UN volunteers are currently advising the project which obtains technical support from SUD/77/010.

#### Norwegian Church Aid Sudan Programme

This project, which is due to run until 1982, provides a wide range of assistance on the east bank of the White Nile, in Eastern Equatoria Province. Work with cooperatives was started in 1976 and there are now some 60 cooperatives and a union in the project area. Forty of these are registered. Farm tools, seeds and essential supplies are sold through the cooperatives and free materials are given to the cooperatives to construct their own stores. Six Rural Development Centres (RDC's) are being established. Each one is supervised by an expatriate who is usually an agriculturist. Agricultural and cooperative extension work is carried out in the area of each centre. Two expatriate cooperative specialists are employed and six cooperative officers are based on the RDC's with motor bikes. They each supervise a team of two or three assistants with bicycles. Each assistance is responsible for a number of cooperative societies. The three Cooperative Department staff based in Torit come under the supervision of the Programme and are integrated into it. Each Rural Development Centre has residential training facilities for 30 students and these will be made use of for cooperative field training. The project has already provided a two week pre-service

training course and a two weeks in-service course for cooperative assistants making use of these facilities. One officer has been sent for training at the Kenya Cooperative College. One and two day courses are also being organized at RDC's for cooperative officials.

Sudan Southern Region Agriculture Project - IDA/ODA/F.R. Germany/IFAD

This project supports through the Project Development Unit (PDU) of the Ministry of Agriculture, agricultural development in: Eastern Equatoria - Torit and Yei Districts; Western Equatoria - Maridi District; El Buheyrit - Rumbek and later Tonj Districts; and Bahr El Ghazal - Wau and later Gogrial Districts.

Extension in the PDU areas has been organized since January 1979 on the basis of groups which are intended to evolve into cooperatives. There are 131 of these at present, but they are very much at an infant stage. Group size presently usually ranges from 5 to 30 people but one group has 67. One hundred women's nutrition and child care groups have also been formed. An agreement has now been reached and has started to be implemented whereby agricultural extension agents and Cooperative Department officials in PDU areas attend joint training sessions to be exposed to each others' needs and facilitate programme integration.

Under Phase II of this project which is just starting, a commercial services branch is being established within the rural service division of PDU. The branch, which will be supervised by an expatriate, will handle crop marketing, cooperatives, credit and farm input supply. Five cooperative marketing and development teams are to be established over the next few years to operate in the districts covered by the PDU's extension services. Each team will consist of a diploma level technical assistant, two extension agents, a clerk/bookkeeper, a driver and ten labourers. A central trade centre and ten stores of 40 tons capacity are to be established in each district. These will eventually be entirely handed over to cooperatives. The project will provide medium term credit through the cooperatives for such things as coffee hullers, maize shellers and ox drawn equipment.

FAO/UNDP/UNCDF/SUD/79/001 Sudd Fisheries Development Programme

This project which is due to commence full operations in 1980 is designed to promote fisheries in the Sudd particularly through the improvement of fisheries marketing facilities. Large marketing cooperatives will be established at Malakal in Upper Nile, and Adok, Bor and Shambe in Junglei. These cooperatives will transport and store fish and provide requisites. A fish wholesaling cooperative is to be established in Juba. Loans for these activities are provided for under the

project. The large-scale marketing cooperatives will obtain fish from fishermen's groups and perhaps should be better regarded as cooperative unions. The project will support ILO/UNDP/SUD/77/009 for development of boat building and fisheries cooperatives in Malakal.

#### Support for a Regional Cooperative Training Centre

The United Nations Capital Development Fund (UNCDF) may provide support for the construction of a regional cooperative training centre, which would receive technical assistance from ILO/DANIDA for training of Cooperative Department staff and educating cooperative leaders.

#### Lutheran World Federation Sudan Project

In the context of its rural development project in Upper Nile Province in the Sobat river basin and more recently near Zaraf in Junglei, six mechanized farming cooperatives have been promoted growing predominantly sorghum. Ploughing is performed against a charge by the project. Cooperatives are assisted by an expatriate adviser.

#### Sudan Council of Churches Yirol Project

In the context of its rural development project in Yirol District, El Buheyra, the Sudan Council of Churches is promoting cooperatives.

## ANNEX I

TABLE 1 - SUMMARY OF COOPERATIVES IN THE NORTHERN PROVINCES OF THE SUDAN - 1977/78

Types of Cooperatives	Regions													TOTAL
	Southern Kordofan	Northern Kordofan	El Gezira	Nile	Red Sea	Southern Darfur	Northern Darfur	Kassala	Blue Nile	White Nile	Northern	Khartoum		
<b>Multipurpose - Predominantly Consumer Activity</b>														
Number	86	78	277	234	-	(45)	-	(64)	143	(47)	117	731	(1,822)	
Membership (OO)	228	125	525	376	-	(57)	-	(100)	219	(99)	306	1,645	(3,680)	
Turnover S£ (000)	273	200	1,860	(1,080)	-	(167)	-	(164)	860	(516)	827	9,878	(15,825)	
<b>Consumers</b>														
Number	12	47	-	28	58	55	90	102	-	53	21	-	466	
Membership (OO)	16	68	-	50	135	83	157	171	-	101	35	-	816	
Turnover S£ (000)	142	856	-	268	963	333	472	1,350	-	584	479	-	5,447	
<b>Mechanized Agriculture</b>														
Number	7	8	6	-	-	-	2	2	114	27	-	-	166	
Membership (OO)	9	13	1	-	-	-	2	1	42	36	-	-	104	
Turnover S£ (000)	13	98	-	-	-	-	2	-	121	24	-	-	258	
<b>Mechanized Harvesting</b>														
Number	-	-	31	-	-	-	-	-	-	-	-	-	31	
Membership (OO)	-	-	218	-	-	-	-	-	-	-	-	-	218	
Turnover S£ (000)	-	-	19	-	-	-	-	-	-	-	-	-	19	
<b>Marketing and Credit</b>														
Number	-	15	51	-	-	-	-	-	-	-	-	-	66	
Membership (OO)	-	48	19	-	-	-	-	-	-	-	-	-	67	
Turnover S£ (000)	-	1	0	-	-	-	-	-	-	-	-	-	1	
<b>Agricultural (Irrigation)</b>														
Number	-	(9)	8	9	6	-	-	28	3	17	96	28	(204)	
Membership (OO)	-	(14)	13	38	6	-	-	56	2	3	514	20	(476)	
Turnover S£ (000)	-	(70)	9	146	-	-	-	116	1	-	626	89	(1,057)	
<b>Flour Milling</b>														
Number	21	106	100	(23)	-	36	44	33	38	97	24	-	(522)	
Membership (OO)	63	208	200	(30)	-	37	120	42	56	140	63	-	(959)	
Turnover S£ (000)	55	101	197	(18)	-	88	125	75	1,953	128	11	-	(1,851)	
<b>Other</b>														
Number	-	7	2	16	6	-	-	2	7	35	-	21	96	
Membership (OO)	-	5	22	21	79	-	-	6	13	31	-	2	179	
Turnover S£ (000)	-	-	-	2,620	541	-	-	-	198	279	-	269	3,913	
<b>Total</b>	426	(270)	475	(310)	70	(136)	136	(231)	305	(276)	258	780	(3,373)	
<b>Primary Societies</b>	316	(481)	998	(515)	220	(177)	279	(376)	332	(410)	728	1,667	(6,499)	
	483	(1,326)	2,085	(4,132)	1,510	(588)	599	(1,705)	2,233	(1,531)	1,943	10,236	(28,371)	

Cont. next page

**ANNEX I**

**TABLE 1 (Cont'd)**

Types of cooperatives														TOTAL
Primary Societies	Southern Kordofan	Northern Kordofan	El Gazira	Nile	Red Sea	Southern Darfur	Northern Darfur	Kassala	Blue Nile	White Nile	Northern	Khartoum		
<u>Local Unions</u>														
Number	4	3	5	4	4	2	3	4	6	5	5	3	48	
Turnover S£ (000)	110	(148)	177	836	-	163	114	1,497	419	349	?	125	(3,938)	
<u>Provincial Unions</u>														
Turnover S£ (000)	-	678	256	-	(100)	-	358	-	21	81	?	19	(1,513)	
<u>National Union</u>														
Turnover S£ (000)													18	

Primary source: Department of Cooperation, Khartoum

Figures in brackets are estimates.

ANNEX ITABLE 2

- SUMMARY OF REGISTERED COOPERATIVES IN SOUTHERN  
REGION OF SUDAN, SEPTEMBER 1980

=====

Province	Primary Societies	District Unions	Provincial and Regional
Easter Equatoria	112	3	1
Western Equatoria	11	2	1
Bahr El Ghazal	71	3	1
El Buheytrat	27	2	1
Upper Nile	100	2	1
Jonglei	15	-	1
Regional	-	-	1
TOTAL	336	12	7

ANNEX ITABLE 3

- SUMMARY OF REGISTERED PRIMARY COOPERATIVES BY FUNCTION  
IN THE SOUTHERN REGION OF THE SUDAN, SEPTEMBER 1980

=====

General Purpose	213
Consumer	60
Agricultural	51
Grinding Mills	8
Tailoring	2
Fisheries	1
Wholesale	1
Total	336

ANNEX ITABLE 4 - SUDAN SOUTHERN REGIONAL DEVELOPMENT BUDGET FOR COOPERATIVES 1980/81

<u>Purpose</u>	<u>Amount S£</u>
Contribution to share capital of Regional Cooperative Bank	256,500
Construction of Regional Cooperative Training Centre	50,000
Purchase of two trucks for marketing	48,200
Purchase of 2 landrovers	32,000
Construction of offices	36,600
Construction of consumer shop	5,000
Support to Cooperative Department Activities	103,000
Support to Cooperative Fisheries and Boat Building	67,730
<b>Total</b>	<b>599,030</b>

ANNEX ITABLE 5 - DISTRIBUTION OF TECHNICAL AND PROFESSIONAL POSTS IN THE SOUTHERN REGION COOPERATIVE DEPARTMENT - 1979/80

	HQ	East Eq.	West Eq.	Bahr el Chazal	El Buhey- rat	Upper Nile	Jonglei	TOTAL
Directors	6	-	-	-	-	-	-	6
Senior Inspectors	9	1	1	1	1	1	1	15
Inspectors	13	4	2	3	3	3	3	31
Asst. Inspectors	4	4	1	4	4	4	4	25
Senior first Coop Officers	5	1	-	1	1	1	1	10
Coop Officers	4	3	3	3	3	5	3	24
Coop Supervisors	2	2	5	7	12	9	7	44
Asst. Coop Supervisors	-	10	5	6	-	2	-	23
	43	25	17	25	24	25	19	178

22 Professional posts were added to those above in September 1979 as follows:

Senior Inspectors	5	Cooperative Officers	2
Asst. Inspectors	7	Cooperative Supervisors	5
Senior and first Coop Officers	3		

COMMITTEE FOR THE PROMOTION OF AID TO COOPERATIVES (COPAC)

COPAC was established in 1971 in response to the emphasis of the Second United Nations Development Decade on the mobilization of the people, particularly the poor, for their own development through their own organizations. United Nations agencies and international non-governmental organizations come together in COPAC to exchange information on, and harmonise, their activities for the promotion of cooperatives in the developing countries. Close relations are also maintained with many non-member agencies active in this field. COPAC's present members are:

- Food and Agriculture Organization of the United Nations (FAO);
- International Cooperative Alliance (ICA);
- International Federation of Agricultural Producers (IFAP);
- International Federation of Plantation, Agricultural and Allied Workers (IFPAAW);
- International Labour Office (ILO);
- United Nations Secretariat (UN);
- World Council of Credit Unions (WOCCU).

The essential function of COPAC is to promote assistance to cooperatives in developing countries. COPAC itself does not provide capital or technical assistance although most of its individual member organizations do so. Resources permitting, COPAC (members and secretariat) assists in putting projects in a suitable form for submission to funding agencies.

COPAC publishes three times a year a Bulletin giving latest information on cooperative projects newly approved or under consideration, recent missions, etc. by development agencies of all kinds. In addition to the regular six-monthly COPAC committee meetings, occasional symposia and consultations are organized on themes relating to cooperative assistance. Participants - cooperative leaders, officials of development agencies, civil servants, researchers - come from both developed and developing countries, thus ensuring a fruitful two-way exchange.

COPAC also promotes action-oriented research on the role of cooperatives in economic and social development. The secretariat may be called upon to draft documents or engage in research in circumstances where a variety of cooperative interests and viewpoints must be taken into account impartially. Thus the UN Secretary-General calls upon COPAC from time to time for assistance in the preparation of reports on cooperative development, for submission to ECOSOC and the General Assembly. Assistance has also been given to UNDP in the drafting of a Technical Advisory Note on Cooperatives and Similar Institutions and in evaluating its rural cooperative development programme.

COPAC welcomes contacts with all bodies concerned with cooperative development. COPAC's address is:

c/o FAO  
Via delle Terme di Caracalla  
00100 Rome (Italy)

Telephone: 57973442  
Cables: FOODAGRI ROME FOR COPAC  
Telex: 610181 FOR COPAC