



The Co-operative.

THE VOICE OF THE CO-OPERATIVE MOVEMENT

**MERU CENTRAL DAIRY
CO-OPERATIVE UNION
HOLDS SUCCESSFUL
FARMERS FIELD DAY**

**AGRICULTURE
SOCIETIES GROW
IN NUMBER AMID
REFORMS**

**GLOBAL COMMUNITIES:
OPENING DOORS
FOR WORKER
COOPERATIVES**



Kenya Co-operative Coffee Exporters Limited



A TASTE OF
KENYA'S FINEST

KENYA CO-OPERATIVE COFFEE EXPORTERS LIMITED

Kenya Cooperative Coffee Exporters Limited (KCCE) is a Company that is 100% owned by small scale coffee farmers from all coffee growing regions in Kenya through their co-operative societies and unions. KCCE was founded in June 2009, registered as a Co-operative Society under the Co-operative Societies Act of 2004 and licensed as a Coffee Marketing Agent by Coffee Board of Kenya thereafter. KCCE was formed to address the various challenges that were facing the coffee sector related to production, quality, marketing and value addition of coffee.

KCCE has two subsidiaries;

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OUR PRODUCTS



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CONTENTS

GLOBAL COMMUNITIES: COOPERATIVES OPENING DOORS FOR WOMEN ENTREPRENEURS

Patriarchal norms have for long denied many women the right of enjoying asset ownership -land, homes and leadership positions in various economic setups, among them...

PG 24



AN INTERVIEW WITH THE CS FOR CO-OPERATIVES

I have made it (Cooperative Bill) a legacy item. This Cooperative Bill has been canvassed for over 15 years, and for seven years there have been collection and collation of public views. It has been passed by Senate, but when we went to Parliament, the Council of Governors (COG) raised issues with registration, inspection and regulation. We have agreed on the issues, and have written a joint ...

PG 26

COOPERATIVE CEOs URGED TO LEAD THEIR SACCO'S WITH RESILIENCE

Patriarchal norms have for long denied many women the right of enjoying asset ownership -land, homes and leadership positions in various economic setups, among them...

PG 36



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QUOTE FROM THE CEO



As we welcome 2024/2025 financial year, we are thrilled at the continued success of the Cooperative Movement and look ahead to an even more successful year ahead. The Cooperative Alliance of Kenya, will continue with its advocacy and training to improve the performance of the sector. More specifically, our eyes are trained on the Cooperative Bill that has reached the crucial stage in Parliament, and now going through amendments at the House Committee stage. We are particularly thankful to the government through the Ministry of Cooperative and SMEs for their dedication in having this Bill enacted into an Act, effectively ushering in a new dawn in the Cooperative Movement and unleashing the full potential of the sector by enabling it to take advantage of the fast changing business environment in industry, manufacturing, financial, hospitality, transport, among many others.

The government policies of setting up Aggregation and Industrial Parks is a leg up to the Cooperatives as this could be the plank on which the entities anchor their future growth with improved storage, processing and marketing of produce. We are encouraged by the reforms being undertaken in the coffee, tea, sugar, and other agriculture related sectors and hope that Cooperatives will play a great role in expanding industrial base in the country, to increase national wealth and create more job opportunities for the burgeoning youthful population.

Furthermore, the rapid digitization in the country, with the government

program of expanding connectivity across the country is yet another opportunity for the Cooperatives to expand their business and bid for the better prices for their produce.

We, as the apex body of the Cooperatives will continue to encourage the sector to keep pace with the fast changing digital transformation, and encourage more Cooperatives to hook up to the CoopTech, a shared platform that offers a versatile platform for transactions cheaply and effectively.

As we await the enactment of the Cooperative Act, that will open up our sector into world of possibilities including hooking up to the National Payment Systems, we encourage more Cooperatives to be upto date with more secure, efficient and adaptable ICT systems.

Due to the rapid urbanization, and increasing need for houses, the Cooperative continues to play a role at various levels, and we encourage the youth to form Worker Cooperatives to tap into increasing job opportunities created by the ongoing national housing project. Cooperative Alliance of Kenya assures the Movement that we will continue to anchor the transformative journey as enunciated by this year's Ushirika Day theme 'Cooperatives Build a Better Future for All'

Mr. Daniel Marube, MBS
CAK CEO

MANAGING EDITORS' NOTE



In this issue of The Cooperative Magazine, we dig deeper into the transformation that is going on in the Cooperative movement through an in-depth interview with the Cabinet Secretary Simon Chelugui. The interview sheds light on the Cooperatives Bill, the governance issues at KUSCCO which has been at the centre of controversy over financial impropriety. It's particularly encouraging that the new Board has been mandated to track and recover any lost money.

We also have the messages for this year's International Day of Cooperatives locally known as Ushirika Day that happened on July 6, 2024 but which unfortunately wasn't celebrated locally in the traditional way of gathering the members of Cooperatives due to the ongoing political happenings in the country.

The theme 'Cooperatives Build a Better Future for All' was expounded by the Cabinet Secretary, Permanent Secretary, Commissioner of Cooperatives, the Chairman of the National Council for Ushirika Day Celebrations and the Chief Executive Officer of the Cooperative Alliance of Kenya. The Cooperative members and the public will be able to understand better the role of the movement, particularly now that 2025 has been declared the International Year for Cooperatives by the United Nations in recognition of the role of the movement in advancing the community development, particularly achievement of the Millennium Development Goals. This fortifies the place of the Cooperative movement in the world as this is the second time the Cooperative Movement is being celebrated by UN in less than ten years. In Kenya, the Cooperative movement, with 30 per cent of national savings and employment of thousands continues to be a key anchor for community development, and is credited for enhancing equity, solidarity, and democracy

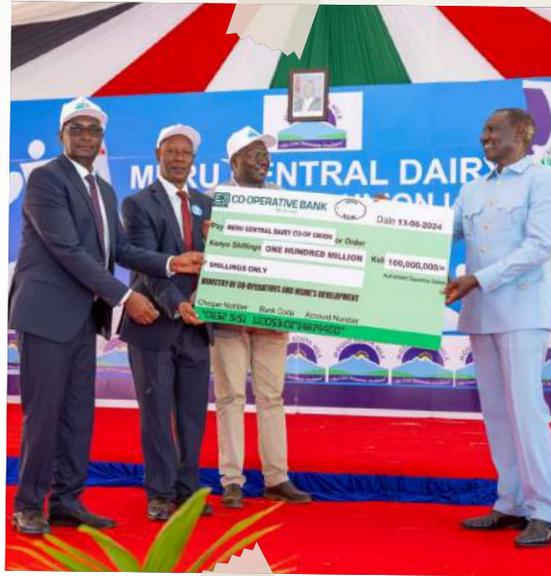
Release of the Economic Survey 2024 shed light on the performance of the Cooperative Movement,

with successes and draw backs clearly showed in figures. For example, the agriculture-based Cooperatives increased during the period under review, while the numbers in Sacco membership reduced. These are some of the stories in this issue, and they are important for showing the trends that would be important to the various stakeholders.

The increasing empowerment of women through Cooperatives, dampening the domineering role of the men is another matter in this issue. The study by Global Communities and USAID shows women are increasingly becoming asset and property owners as capital becomes available to them. The Cooperative movement emerges as key driver in this women empowerment. The various trends and performance of specific Cooperatives is also well captured in this issue.

Mwaniki Wahome
MANAGING EDITOR

MERU CENTRAL DAIRY CO-OPERATIVE UNION HOLDS SUCCESSFUL FARMERS FIELD DAY





Meru Central Dairy Cooperative Union (MCDCU) held its ninth farmers field day, on 13th June 2024, in Meru County to celebrate achievements for the past one year and put up strategies that will take the sub-sector a notch higher in the coming years.

The MCDCU, one of the most prolific dairy unions in the country, has been doing well in recent years, and it is expected to be even better following interventions from the national government through the Ministry of Agriculture and Livestock as well as the Ministry of Cooperatives and Micro-Small and Medium Enterprises.

The event was presided by H.E. the President William Ruto, PhD, CGH and H.E. the Deputy President Rigathi Gachagua, EGH, Cabinet Secretaries for Cooperatives and MSMEs, Interior, Agriculture and Livestock, also in attendance were Principal Secretaries for Cooperatives, Livestock, Diaspora Affairs and Blue Economy among other dignitaries. The event drew over 30,000 farmers from the Union.

The Union has also launched a feed mill, Maziwa Feed Mills Limited, in Mitunguu, 30 kilometers from Meru town, that will enable the union to manufacture animal feeds for farmers at a subsidized cost compared to market prices. This is aimed at increasing the production of milk by the farmers in the union and to ensure that the farmers receive high quality feeds for their animals. The feed mill was officially launched by H.E the President Dr. William Ruto, who committed the National Government's support to the Dairy Sub-sector and has gone ahead to designate Kshs 100 million for the construction of the feed mill. The mill is expected to be completed by early 2025.

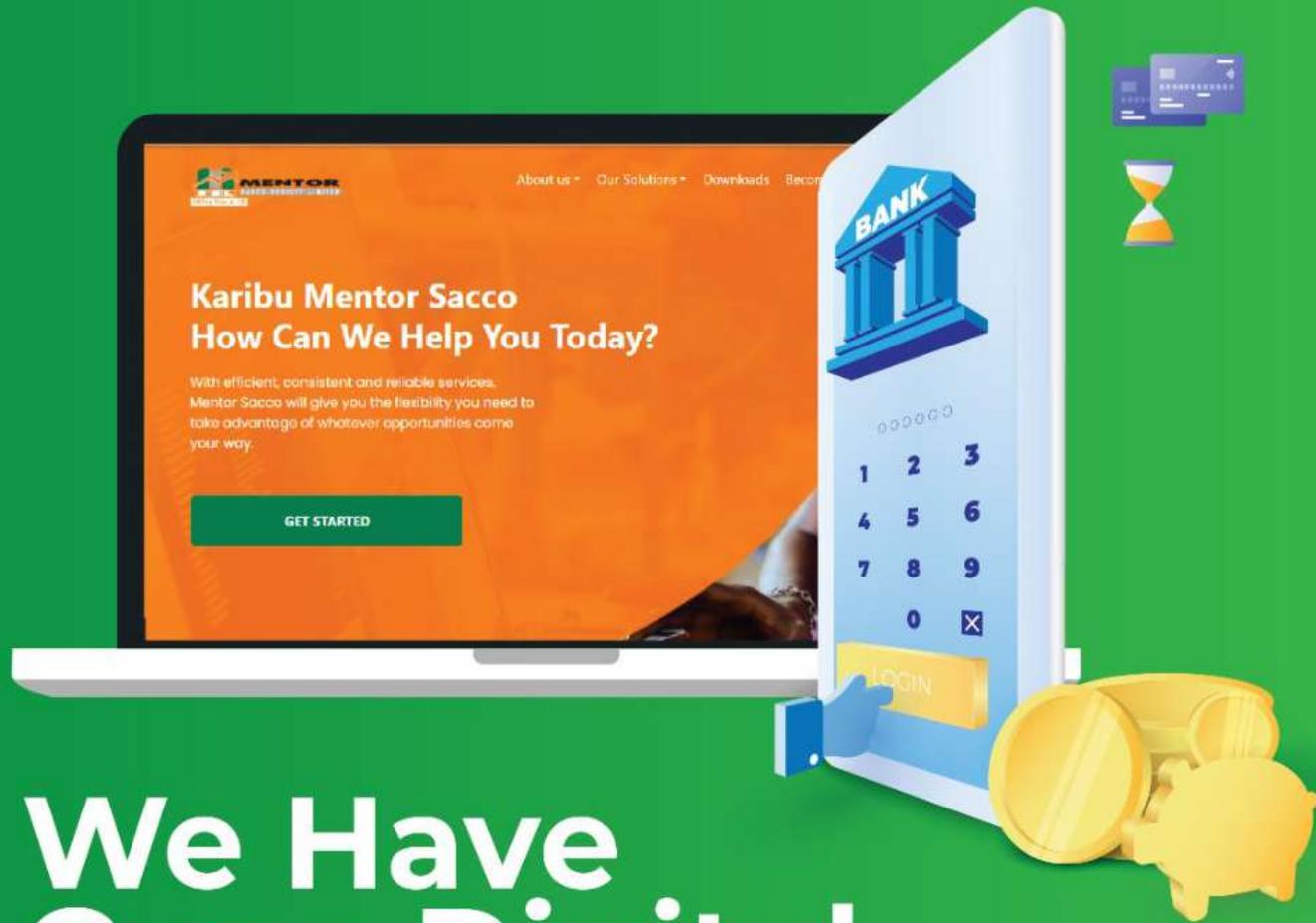


The President also went to the ASK Gitoro showground to officiate the Farmer's Day that had over 30,000 farmers in attendance.

In increasing productivity, the Union through the Chief Executive Officer, Mr. Kenneth Gitonga noted that through government interventions they seek to increase milk production. Last year, the daily production of milk was 406,000 litres, but at the moment, the union is producing 560,000 litres on a daily basis. The next target is to produce one million litres daily.

The Chairman, Mr. Simon Kiruja also noted the price of milk containers and cooling equipment was and requested that through the Ministry of Agriculture, the issue be looked at through partnerships with the Ministry and other stakeholders. The cost of sexed semen was also addressed where the price was reviewed downwards from Kshs. 7,000 to Kshs. 2,000. This will enable farmers to obtain higher quality breeds at an affordable cost. The price of milk has been a topic of discussion for quite some time and the government has been urged to review the price of milk per litre upwards from the current Kshs 53 to Kshs 60 to ensure that the farmer receives more to cater for production of milk.

The farmer societies have been urged by the President to ensure that they do not take up loans without consultations with farmers through an AGM. Further, if the societies must take up loans, they should take up cheaper loans, for instance from the Agricultural Finance Corporation, currently at 9 per cent interest.



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AGRICULTURE SOCIETIES GROW IN NUMBER AMID REFORMS

BY THE COOPERATIVE WRITER



The Cooperative sector registered phenomenon growth according to the figures contained in Economic Survey, 2024 and released by the government. The agriculture societies grew in all the sectors including coffee, sugar, cotton, fisheries and dairy sectors. Other related societies in the value chain in these sectors also saw a leap in growth, specifically in farm purchase and multi-purpose firms. Other agricultural oriented societies grew from 2975 in 2022 to 3280 in 2023, according to these figures that are used to measure the national wealth and make projections of growth.

The registered Coffee societies across the country increased from 688 to 718 between 2022 and 2023 as the government initiated reforms in the sector with the objective of increasing production, value addition and prudent marketing to fetch the best incomes for the farmers. The government has set a production target of 200,000 metric tonnes by 2027, from the current average of 50,000 metric tonnes. Sugar societies increased by 8 from 223 to 231 in 2023. The sector is primed for reforms following the debt waiver of Sh117 billion by government as first step towards leasing out the firms for better management.

The societies in the cotton sector also increased from 67 to 70 as the government trains its eyes on increasing production to expand the textile industry in the country in a bid to create more jobs and increase exports.

The dairy sector continued on its growth trajectory with the societies increasing from 689 to 770 in 2023. The dairy sector has witnessed phenomenon growth in the country for several years.

Similarly, the societies in the fisheries sector increased from 123 in 2022 to 218 in 2023 indicating a renewed interest in the multi-billion business. Other agriculture societies increased from 2975 to 3280 while the societies in farm purchase remained 126 in 2023.

The Savings and Credit societies (Saccos) increased from 12291 in 2022 to 13511 in 2023. The growth of savings and credit societies has been given impetus by more people seeking to have loans that are cheaper, easily available, and with manageable payment terms. Other non-agriculture societies increased from 6358 in 2022 to 6604 in 2023 while the number of agriculture unions remained 104 in 2023, similar number to that of the previous year. Overall, the number of the societies increased by 1731 from 26844 in 2022 to 28575 in 2023.

SACCOS' BUSINESS LEAPFROG DESPITE REDUCED MEMBERSHIP

BY THE COOPERATIVE WRITER

Savings and Credit Cooperative Societies registered phenomenon growth in 2023 continuing the trajectory that has defined the entities in the last two decades. According to figures contained in the 2024 Economic Survey released recently by the government, the Saccos show growth in all fronts that include asset base, capital reserve, incomes from investments, among others.

"We have registered over 10 per cent in almost all aspects of the Sacco business including assets, capital and loan book which is not a mean achievement," says Cabinet Secretary of Cooperative and SMEs, Mr Simon Chelugui.

The total assets in Saccos grew by 10.2 per cent to Sh981.5 billion, underlining the increasing wealth and financial health of the sector. The total capital reserves grew from Sh157.2 billion in 2022 to Sh196.6 billion in 2023 further cementing the financial stability of the Saccos in expanding its business, and being able to cope with the heightened competition in the financial sector that include micro-finance institutions and conventional banks.

Loans and advances grew by 11.6 per cent from Sh680.4 billion in 2022 to Sh759 billion in 2023 as the members sought to fulfill their myriad financial obligations that include financing education, medical and even setting up and expanding their businesses.

Incomes from loans increased during the period under review by 8.2 per cent while income from investments grew significantly by 46.9 per cent from Sh 8.2 billion to Sh 12 billion.

The operating income nearly doubled from Sh8.3 billion to Sh 16 billion in the period under review. Total deposits in BOSA and FOSA increased to Sh677.8 billion from Sh 620 billion in the period under review.

Membership of the Deposit Taking Saccos however declined by 59,049 members to 6.4 million, something that key players that include the Sacco management and other apex bodies should interrogate to arrest further reduction in their membership. According to some insiders in the Sacco sub-sector, part of the reason might be the

closure of businesses and loss of formal employment since most of the Sacco members are the salaried cadre. The Saccos might have to review the products that they offer to retain their members who might lose their jobs and might be interested in continuing being Sacco members.

The number of Saccos regulated by Sacco Societies Regulatory Authority remained the same in 2023 at 359 unlike agriculture related entities that registered growth in numbers in almost all its sub-sectors. The number of Sacco branches decreased in 2023 from 620 in 2022 to 603 in 2023 perhaps underlining the impact of mobile money transactions that is increasingly rendering physical mortal and brick branches redundant.



COSMOPOLITAN SACCO SHINES IN 2023: IMPRESSIVE FINANCIAL PERFORMANCE REFLECTED STRONG GROWTH

BY THE COOPERATIVE WRITER



Cosmopolitan Sacco has emerged as a beacon of financial stability and growth in the cooperative sector with its stellar performance in the financial year ending 31st December 2023. The Sacco, known for its commitment to member satisfaction and prudent financial management, once again delivered outstanding results, setting new benchmarks for excellence.

During the 44th Annual General Meeting held this year, the Sacco announced remarkable achievements that underscore its robust financial health and unwavering dedication to its members' prosperity. One of the most notable highlights of the year was the substantial increase in annual returns, with the Sacco paying out a record Ksh780 million to its members, reflecting a commitment to delivering value and fulfilling financial aspirations.

A key indicator of Cosmopolitan Sacco's strength is its impressive growth in its asset base, which

soared by 12.7% to reach Ksh10.3 billion. This significant expansion underscores Sacco's effective management strategies and prudent investment decisions, further cementing its position as a trusted financial partner for its members.

Sacco's total revenue witnessed a remarkable surge, reaching Ksh1.35 billion, a testament to its robust business model and diversified income streams. This growth was fueled by increased interest income, driven by prudent lending practices and strategic investment portfolios. Additionally, Sacco demonstrated commendable financial discipline by effectively managing expenditures, further enhancing its profitability and sustainability.

Behind Sacco's phenomenal success lies the vision and leadership of its Board of Directors, whose strategic guidance has been instrumental in steering the organization toward greater heights. The Board's commitment to sound governance practices

and member-centric policies has been pivotal in fostering stakeholder trust and confidence, laying the foundation for sustained growth and prosperity.

In recognition of Sacco's exceptional performance, the Board of Directors recommended a generous dividend of 16% and an attractive interest rate of 12.03% on members' deposits, reflecting its commitment to sharing the benefits of success with its members. This gesture rewards members for their loyalty and support and reinforces Sacco's ethos of putting members' interests first.

The financial reports for the year ending 31st December 2023 show strength and resilience, with every critical metric signaling positive growth and stability. Total assets witnessed a robust expansion, growing by 12.7% to reach Ksh10.3 billion, underscoring Sacco's sound financial footing and capacity for sustained progress.

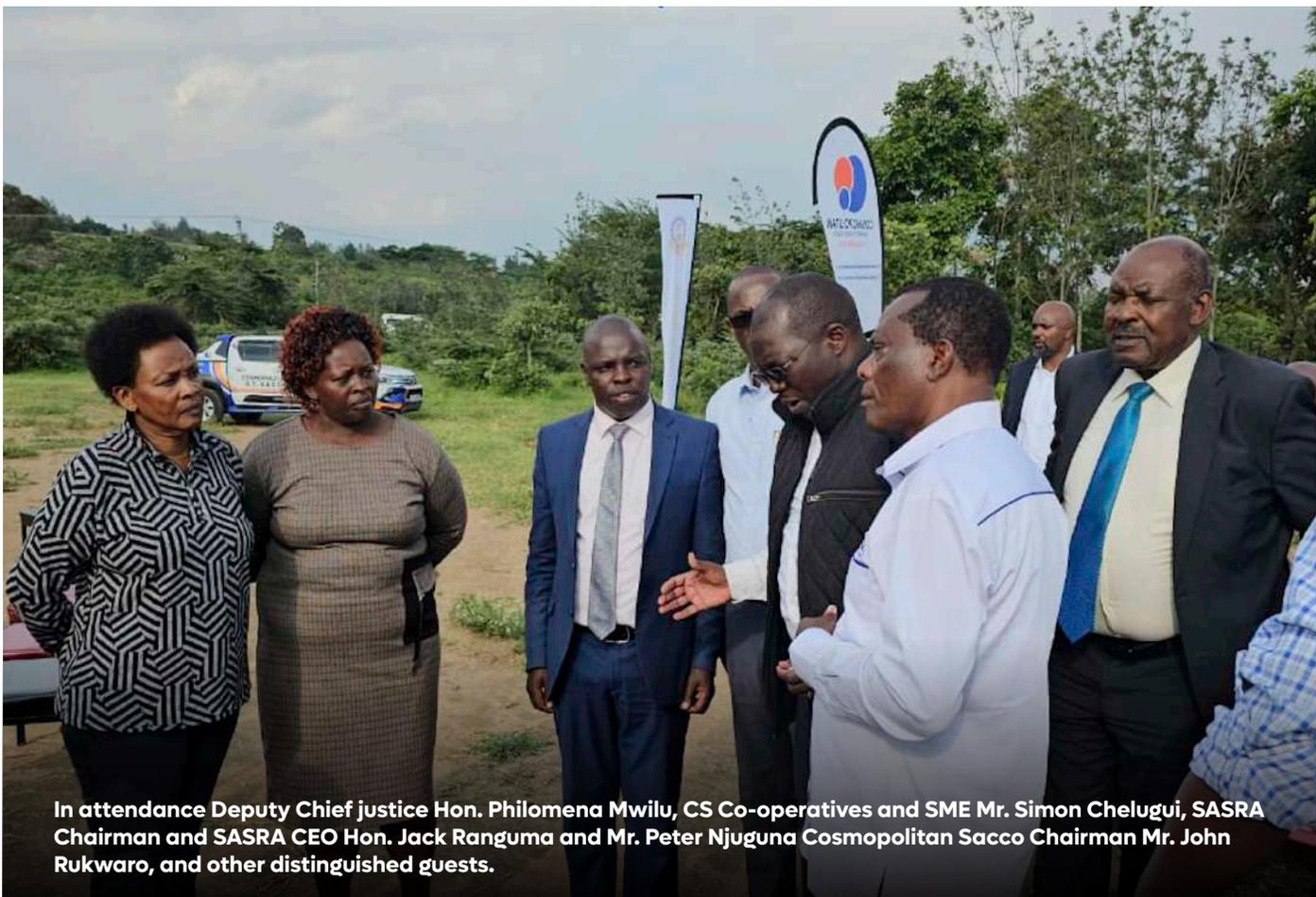
Looking ahead, Cosmopolitan Sacco remains steadfast in its commitment to excellence and innovation as it continues to explore new avenues for growth and expansion. With a strong focus on member satisfaction, financial inclusion, and community development, Sacco is poised to chart a path of sustained success, further solidifying its position as a leading player in the cooperative sector.

In line with this commitment to growth and member welfare, Cosmopolitan Sacco launched its Strategic Plan 2024-2028. The primary aims of the strategic plan

revolve around uplifting livelihoods and empowering its members. The management is committed to enhancing employee capabilities, fostering innovation, ensuring employee contentment, reinforcing governance structures, and improving operational effectiveness. Moreover, the Board aspires to expand the asset base beyond Ksh22 billion.

In addition to its financial achievements, Cosmopolitan Sacco also demonstrated its commitment to environmental sustainability and community welfare. This year, the Sacco collaborated with the Sacco Societies Regulatory Authority (SASRA) to plant trees in Naivasha. The tree planting activity, graced by the presence of the Cabinet Secretary (CS) and the Deputy Chief Justice (DCJ) along with other dignitaries, highlighted the Sacco's dedication to promoting environmental conservation and enhancing the quality of life in the communities it serves. This initiative reflects Sacco's holistic approach to development, where financial success goes hand in hand with social and environmental responsibility.

In conclusion, the financial year that ended 31st December 2023 was a resounding success for Cosmopolitan Sacco, marked by impressive growth, prudent financial management, and unwavering commitment to member welfare. As it celebrates its achievements and embarks on its journey outlined in the Strategic Plan 2024-2028, Sacco remains dedicated to its core values, driving positive change and creating lasting impact in the lives of its members and the communities it serves.



In attendance Deputy Chief justice Hon. Philomena Mwilu, CS Co-operatives and SME Mr. Simon Chelugui, SASRA Chairman and SASRA CEO Hon. Jack Ranguma and Mr. Peter Njuguna Cosmopolitan Sacco Chairman Mr. John Rukwaro, and other distinguished guests.

NEW KPCU REVITALIZING COFFEE SECTOR THROUGH THE CHERRY FUND

BY THE COOPERATIVE WRITER

As coffee farmers across Kenya prepare to celebrate Ushirika Day on July 6th, 2024, the achievements of New KPCU (Kenya Planters Cooperative Union) stand as a beacon of hope and progress for the cooperative movement and the agriculture sector.

Established as a state corporation, New KPCU has rapidly become a cornerstone of support for Kenyan coffee farmers, driving substantial improvements in the industry through innovative programs, state-of-the-art facilities, and a steadfast commitment to farmer empowerment and sustainable growth.

New KPCU was formed in November 2019 as a public limited company with a shareholding of the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the National Treasury.

KPCU was placed under receivership by KCB in 2015 due to a non-performing loan of Sh85 million. This was in addition to other debtors who delivered coffee to KPCU and were owed Sh50 million.

In a bid to save the coffee sector, the government settled the debts and appointed the liquidator to compile, collate and develop a scheme of liquidation that would ensure asset optimisation and revival of New KPCU. New KPCU started its operations in June 2020 after the liquidator took over from KCB receivers.

The structure of New KPCU as one of the key outstanding issues in the reforms.

Recent interventions include the refurbishment of its milling plant, cupping lab, and warehouses are part of initiatives and investments meant to revive the coffee sub-sector.

This development can only happen if farmers go back to their coffee farms to increase productivity and also register for the Coffee Cherry Advance Revolving Fund to boost their performance.



The Coffee Cherry Advance Revolving Fund (CCARF) _____。

One of New KPCU's most impactful initiatives is the Coffee Cherry Advance Revolving Fund (CCARF), designed to provide financial support to smallholder coffee farmers. Established by the National Government, CCARF ensures that farmers receive timely advances while awaiting the sale of their coffee. This fund has been a lifeline for many, particularly in the challenging economic landscape exacerbated by the COVID-19 pandemic.

As of December 2023, the fund's disbursement rates have been notably enhanced. The first disbursement offers Ksh. 40 per kilogram of cherry at the factory level, and the second disbursement, based on parchment level, provides additional advances: Ksh. 40 for P1, Ksh. 20 for P2, and Ksh. 10 for P3. This financial injection has significantly eased the cash flow constraints faced by farmers, enabling them to sustain their livelihoods and invest in the maintenance and growth of their coffee crops.

Modernizing Milling and Warehousing _____。

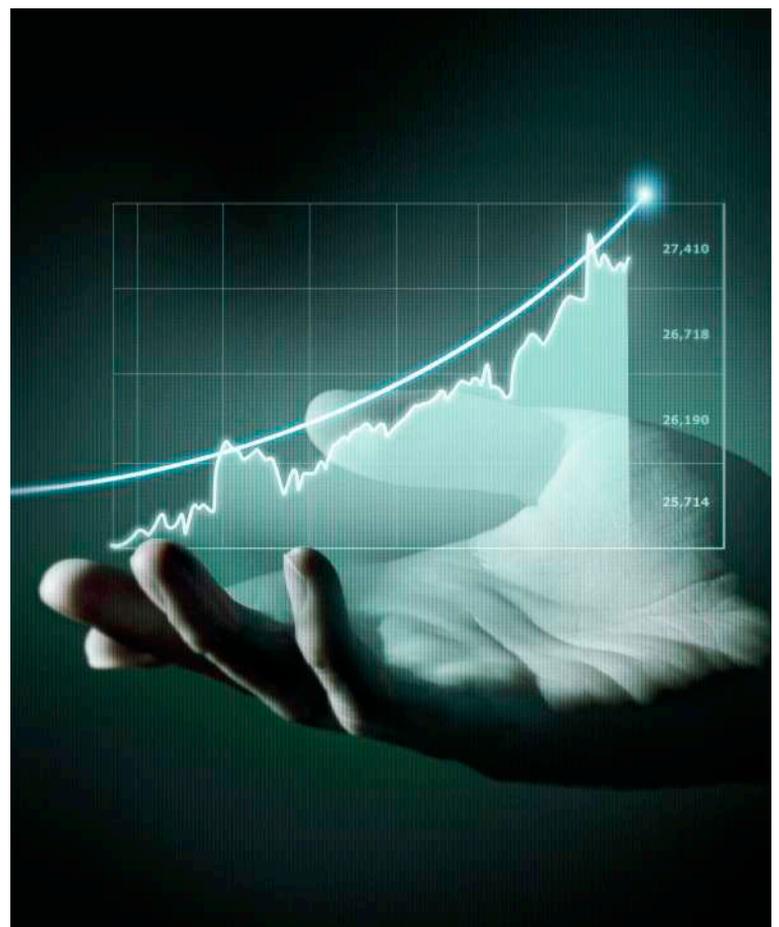
New KPCU has made strategic investments in its milling and warehousing facilities, crucial elements in the coffee production process. The corporation operates four licensed coffee milling branches located in Dandora, Meru, Tala, and Sagana, with a combined milling capacity of 18.5 tons per hour. These modern, high-capacity mills ensure that farmers' coffee is processed efficiently and to the highest standards, maintaining the quality and value of their produce.

In addition to milling, New KPCU has developed an extensive network of warehouses in coffee-growing counties. With a total storage capacity of 946,045 square feet, these warehouses provide secure and accessible storage solutions for farmers, preserving the quality of their coffee while awaiting market opportunities. This robust infrastructure supports the entire supply chain, from farm to market, enhancing the overall competitiveness of Kenyan coffee.

Maximizing Market Returns _____。

In its role as a coffee broker and agent, New KPCU is licensed under the Capital Market (Coffee Exchange) Regulations 2020 and the Crop Act 2013 (Coffee General) Regulations 2019. The corporation leverages its market expertise to secure the best prices for farmers' clean coffee, whether through the Nairobi Coffee Exchange or direct sales.

This strategic market positioning ensures that farmers receive fair and competitive returns, maximizing



their earnings and contributing to the economic sustainability of the coffee farming community.

Engaging and Empowering Farmers _____。

Central to New KPCU's mission is its commitment to engaging with and building the capacity of coffee farmers. The corporation has deployed field officers across all coffee-growing counties to provide direct support and guidance to farmers. These officers play a critical role in advising on best agricultural practices, agronomy, and access to subsidized farm inputs provided by the National Government.

New KPCU also emphasizes transparency and accountability in its operations. Farmers are actively involved in the milling and grading process, ensuring they are well-informed and confident in the handling of their produce. This approach fosters a strong relationship of trust between the corporation and the farming community, essential for sustained collaboration and mutual success.

Corporate Social Responsibility (CSR) and Youth Engagement —○

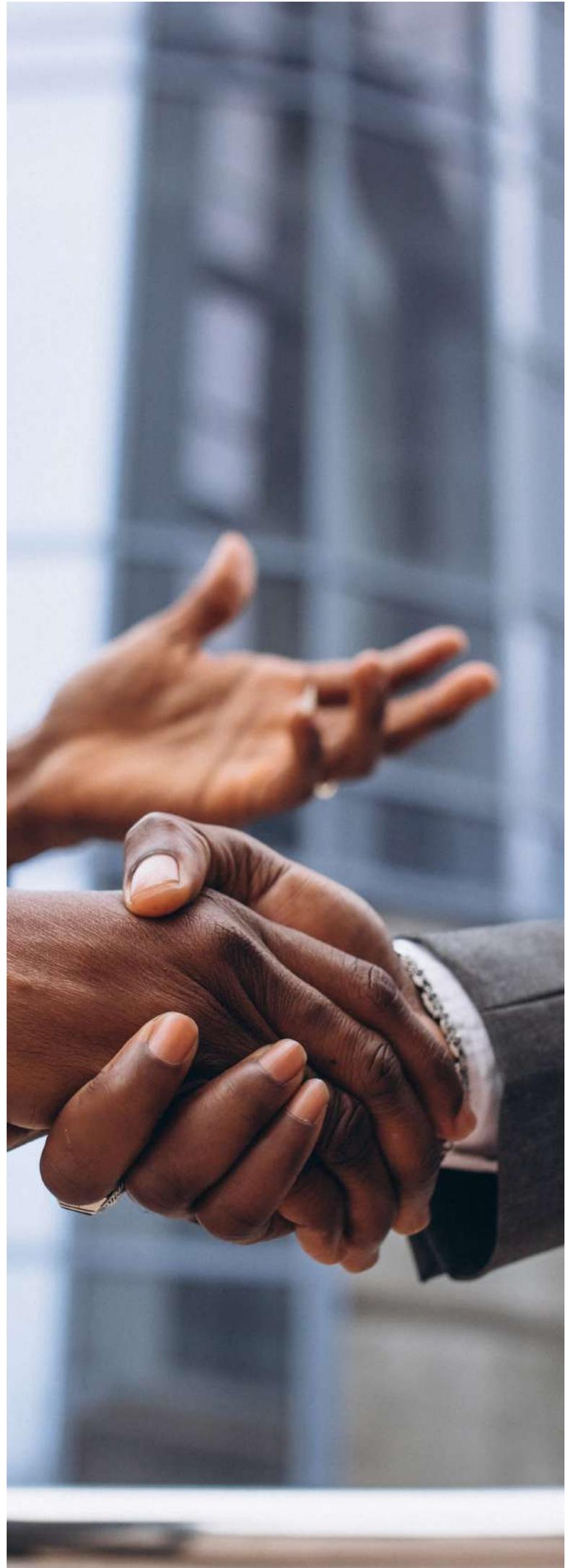
New KPCU's commitment to the coffee farming community extends beyond its business operations through various Corporate Social Responsibility (CSR) activities. These initiatives aim to improve the quality of life in coffee-growing regions, addressing social and economic needs and supporting community development.

Recognizing the critical role of the youth in the future of the coffee industry, New KPCU actively engages young people through mentorship programs and entrepreneurial guidance. By encouraging youth involvement in coffee farming and entrepreneurship, the corporation is cultivating the next generation of coffee growers and ensuring the long-term sustainability and vitality of the sector.

Vision for the future —————○

As New KPCU continues to evolve and adapt to the changing needs of farmers, its achievements highlight the power of collaboration, innovation, and a farmer-centric approach. The corporation's initiatives, from the Coffee Cherry Advance Revolving Fund to its modern milling facilities and market strategies, reflect a deep commitment to driving sustainable development and prosperity for all stakeholders in the coffee value chain.

As coffee farmers celebrate Ushirika Day, New KPCU's successes stand as a testament to the transformative impact of dedicated support and strategic investment in the agricultural sector. With a clear vision and unwavering dedication, New KPCU is not only revitalizing the coffee industry but also empowering farmers and fostering a brighter, more sustainable future for Kenya's coffee industry.

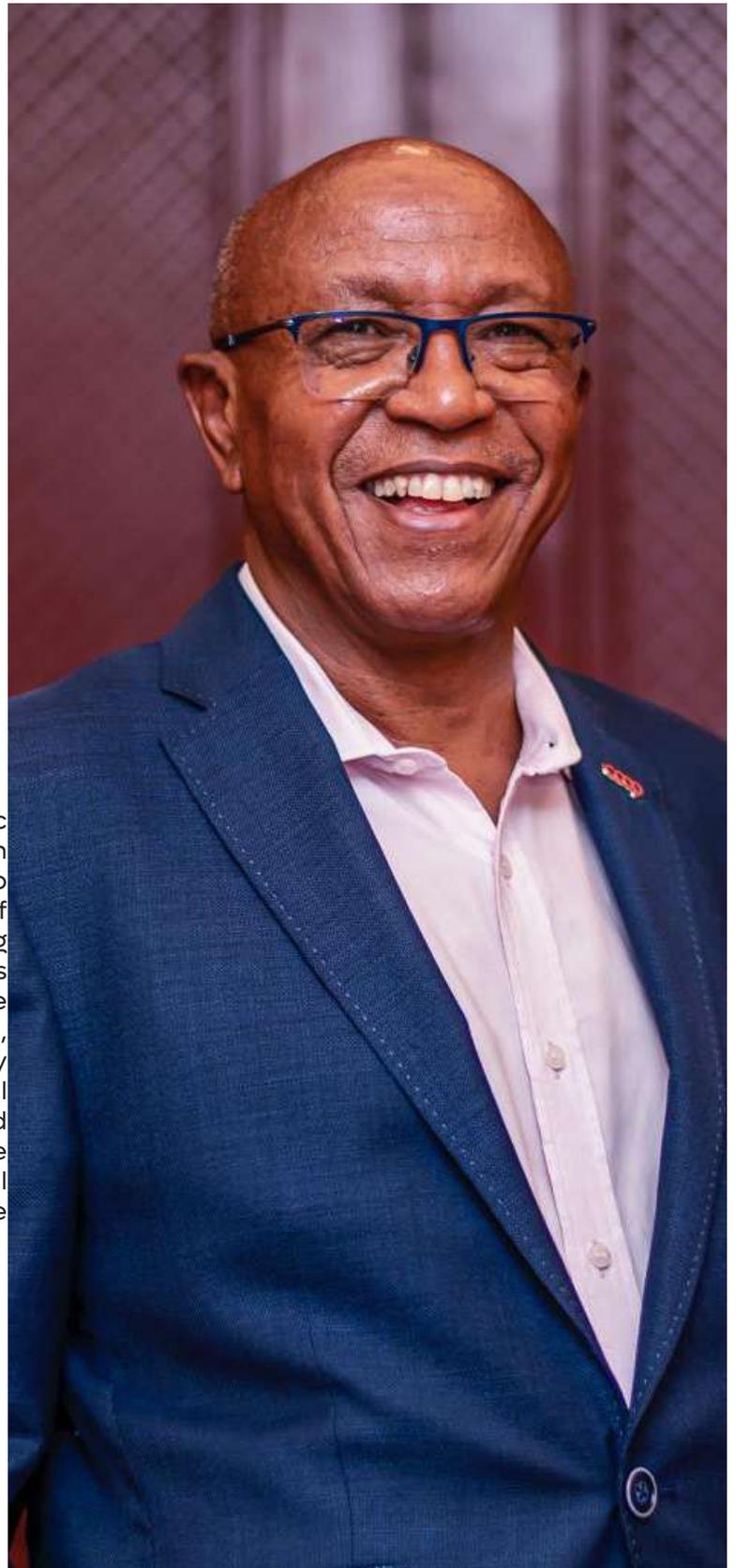


BUILDING TRUST FOR A PROSPEROUS FUTURE: HOW ETHICAL LEADERSHIP AND GOOD GOVERNANCE CAN ENHANCE SUSTAINABILITY OF KENYAN COOPERATIVES

BY DR (H.C) NELSON C. KURIA, MBS, OGW, F.IOD (K)
CHAIRMAN - CIC GROUP PLC

Abstract

Cooperatives play a vital role in Kenya's socio-economic development. However, their effectiveness has been hampered by weak governance and unethical leadership practices. This article explores the importance of ethical leadership and good governance in fostering the sustainability of cooperatives in Kenya. It highlights key challenges and proposed interventions. The article emphasizes the need for a multi-pronged approach, encompassing legal and regulatory reforms, capacity building initiatives, and a commitment to ethical principles. By strengthening governance structures and fostering ethical leadership, cooperatives can enhance their resilience, contribute more effectively to national development goals, and create a more sustainable future for their members and communities.



Introduction _____○

Cooperatives, based on the values of self-help, democracy, equality, and solidarity, are member-owned and controlled businesses that promote economic and social well-being. Their governance has to meet the cooperative's objectives, protect member interests and maintain member control. Co-operatives are values-based enterprises whose governance and management principles and practices should reflect and safeguard their values. The ultimate goal of cooperative governance is to effectively fulfill a cooperative's goals in a way consistent with the cooperative's purpose.

In Kenya, cooperatives play a significant role in various sectors, including agriculture, finance, housing, and consumer goods. They provide essential services to millions of Kenyans, particularly in rural areas where access to traditional financial institutions and markets may be limited.

However, the cooperative movement in Kenya faces significant challenges, including a legal framework that has not kept pace with the changes in the environment, weak governance structures, and unethical leadership and management practices. These issues have eroded trust among members and hindered the cooperatives' ability to achieve their full potential. Strengthening ethical leadership and good governance is crucial for ensuring the long-term sustainability of cooperatives in Kenya.

The government has endeavoured to promote good governance practices in the cooperative movement through various legal interventions. However, incidences of weak governance are still experienced in some cooperative organizations, which have led to misapplication and mismanagement of resources, and cases of collapse of cooperatives. Ineffective leadership, micro-management of the societies by the boards, unethical business practices, inadequate application of good financial management, and lack of effective member participation characterize weak governance. Some of the past efforts to address the weak governance in the cooperative movement include the establishment of the Ethics Commission for Cooperative Societies (ECCOS) and the Co-operative Tribunal, which have been ineffective.

These challenges have had a cascading effect, hindering the cooperatives' ability to:

- Attract and retain members
- Mobilize higher savings to meet the increasing demand for loans by members
- Operate efficiently
- Compete effectively in the marketplace
- Achieve their social and economic objectives

The Importance of Ethical Leadership _____○

Ethical leadership is critical for building trust, fostering a sense of ownership among members, and promoting cooperative values. Ethical leaders exhibit the following characteristics:

- **Integrity:** They are honest, transparent, and act in the best interests of the cooperative and its members.
- **Accountability:** They are held responsible for their actions and decisions.
- **Competence:** They possess the necessary skills and knowledge to lead effectively.
- **Fairness:** They treat all members with respect and ensure equitable participation.
- **Vision:** They have a clear vision for the cooperative's future and are able to inspire members and employees to achieve it.

Leaders who embody these qualities can create a positive and ethical culture within the cooperative. This culture, in turn, attracts and retains talented individuals, promotes innovation, and encourages members to actively participate in the cooperative's governance.

Enhancing Good Governance for Cooperative Sustainability _____○

The National Cooperative Policy of 2019 outlines a comprehensive framework for strengthening good governance within Kenya's cooperative movement. Key interventions include:

- **Legal and Regulatory Reforms:** Reviewing and updating the legal framework to align with the 2010 Constitution and address current challenges. This includes streamlining the structure of the cooperative movement, developing clear regulations for different types of cooperatives, and establishing mechanisms for enforcing ethical conduct.
- **Capacity Building:** Providing training and education programs for cooperative leaders, board members, and staff on topics such as cooperative principles, governance best practices, financial management, and ethical decision-making.

Promoting Member Participation _____○

Encouraging active member involvement is crucial for good governance. This can be achieved through several strategies:

- **Educational programs:** Develop workshops, seminars, and educational materials (in multiple languages) to empower members with knowledge about their rights and responsibilities under cooperative principles and good governance practices.
- **Communication and collaboration:** Utilize online forums and communication tools to facilitate inclusive participation and decision-making processes within cooperatives
- **E-voting platforms:** Streamlining voting processes and increasing member participation in decision-making. This can be particularly beneficial for geographically dispersed members.

The International Labour Organization (ILO) emphasizes the importance of promoting cooperatives through member education which equips members with the knowledge and skills necessary to participate effectively in the governance of their cooperatives.

Strengthening Accountability —○

Whistleblower protection mechanisms and a strengthened Ethics Commission for Cooperative Societies (ECCOS) are crucial for deterring unethical conduct and ensuring accountability within the movement. This can be achieved through:

- **Whistleblower hotlines:** Establishing clear and confidential channels for members and staff to report unethical behavior without fear of retaliation.
- **Empowered ECCOS:** Providing ECCOS with the resources and authority to investigate complaints effectively and deliver timely resolutions.

The Role of Technology —○

Information and Communication Technologies (ICT) can play a vital role in promoting good governance and ethical conduct within cooperatives. For example, cooperatives can utilize online platforms to:

- **Enhance transparency:** Make financial statements and other relevant information readily accessible to members. This can help to address concerns about financial mismanagement and build trust among members.
- **Facilitate communication and collaboration:** Online forums and communication tools can enable more inclusive participation and decision-making processes within cooperatives.
- **Develop e-learning modules:** Offer flexible and cost-effective ways to equip cooperative leaders, board members, and staff with the knowledge and skills necessary for ethical decision-making.

However, it is crucial to address cybersecurity risks associated with ICT adoption. Cooperatives need to invest in robust cybersecurity measures to protect sensitive data and ensure the integrity of online platforms. Additionally, they must bridge the digital divide by ensuring equitable access to technology for all members, including those in rural areas or with limited technological literacy

Risk Governance —○

Risk governance is the supervision and oversight by the board of the implementation of sound risk management in an institution. Risk oversight is an obligation and responsibility placed upon boards by numerous codes of corporate governance. It is also integral to their duty of trust and critical to their legal duty of care and due diligence.

Saccos are especially vulnerable to risk because of the highly risky environment in which they operate and the prudential regulations to which they are subject.

The need for Sacco boards to undertake capacity building on the governance of risk has become an important response to bridging this knowledge gap, meeting member's expectations as well as regulatory requirements.

The role of the board in risk governance in cooperatives is to ensure that the nature and scope of all significant risks are understood across the organization and that there is a supporting culture and mechanisms to manage the risks.

Ethical Leadership and Stewardship —○

Ethical leadership raises good governance to the highest level of stewardship. Ethical leaders go beyond simply adhering to rules and procedures; they act as stewards, taking responsibility for the well-being of the cooperative and its members, as well as the broader community. Here's how ethical leadership embodies stewardship principles:

- **Stewards of Human Lives and Welfare:** Ethical leaders understand that their decisions have a profound impact on the lives of the cooperative's members, employees, and stakeholders. They are committed to promoting the well-being of these individuals and fostering a positive and inclusive work environment.
- **Stewards of Time and Opportunity:** Ethical leaders recognize the value of time and resources. They set a strategic direction for the cooperative, prioritizing opportunities that align with the cooperative's mission and long-term goals. They understand that overlooking a critical opportunity can hinder the cooperative's success.

- **Stewards of Assets and Resources:** Ethical leaders manage the cooperative's assets and resources responsibly. They ensure these resources are used efficiently and effectively to achieve the cooperative's objectives. They invest in the cooperative's growth and sustainability, ensuring the wealth of the organization benefits all members.
- **Stewards of Reputation and Legacy:** The reputation and legacy of a cooperative are significantly shaped by its leadership. Ethical leaders prioritize building and maintaining a strong reputation based on trust, transparency, and ethical conduct. They understand that a positive reputation attracts members, strengthens partnerships, and fosters long-term success.
- **Stewards of values and Culture:** Ethical leaders embody the cooperative's core values and principles. They act with integrity and conviction, setting a strong ethical tone within the organization. They actively promote a culture of transparency, accountability, and ethical decision-making. Additionally, they play a crucial role in teaching and reinforcing these values to members, staff, and future leaders, ensuring their continued relevance and application.

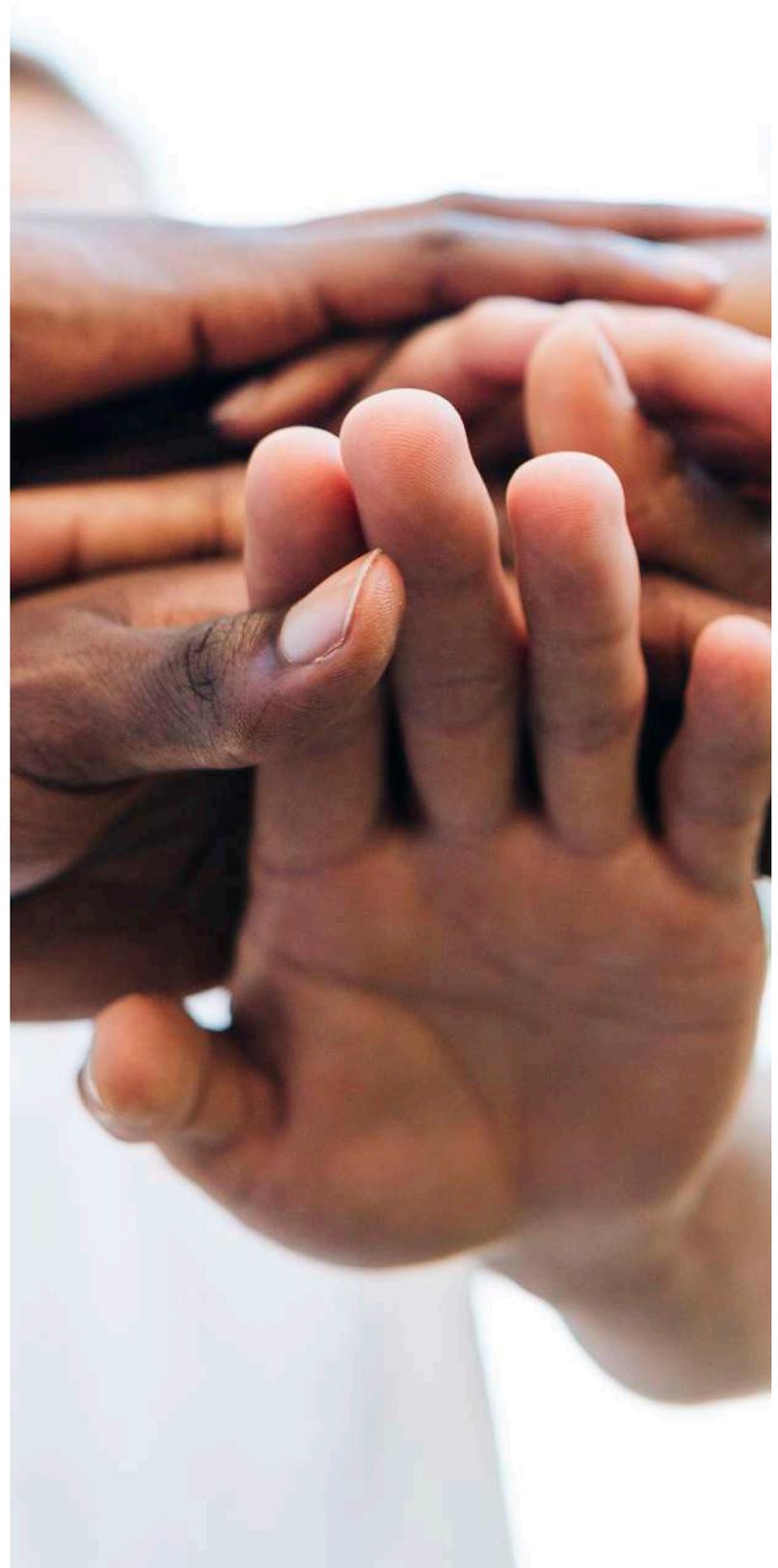
By embracing these principles of stewardship, ethical leaders can create a strong foundation for cooperatives' self-regulation and sustainability. They foster a sense of trust, shared purpose, and commitment to the cooperative's mission among members. This, in turn, contributes to a more resilient and successful cooperative that can deliver positive social and economic outcomes for its members and the wider community.

Conclusion ○

As cooperative leaders and managers, the cooperative values and principles should always remain our "True North." We need leaders who understand the cooperative DNA and can ensure its continuity.

The 5th Principle of Education, Training, and Information is vitally important and is the first step in building cooperative knowledge about the nature of cooperatives and how, as values- and principles-based enterprises, they differ fundamentally from other types of business enterprises. Furthermore, this knowledge leads to "cooperative consciousness" which ensures that there is no mission drift and hence the purpose of the cooperative does not change. Ethical leadership and good governance are essential pillars for a sustainable and thriving cooperative movement in Kenya. By addressing the challenges of weak governance and unethical leadership, cooperatives can build trust, attract and retain members, and achieve their social and economic goals.

By fostering ethical leadership, good governance, and a culture of transparency, cooperatives in Kenya can unlock their full potential and become engines of inclusive economic growth and social progress.





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- Best Managed Sacco Deposit Taking (2nd Position)
- Best in Credit Management Deposit Taking Saccos. (1st Position)
- Best in Credit Management Countrywide (2nd Position)
- Best in Risk Management Deposit Taking Saccos (3rd Position)

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- Mega (72 Months)
- Super (60 Months)
- Normal (48 Months)
- Refinancing (48 Months)
- Asset financing (24 Months)
- School fees (12 Months)
- Emergency (12 Months)
- Muslim (48 Months)
- Muslim emergency (12 Months)
- Wezesha/Biashara loan
- Bima loan (NEW)

SAVINGS PRODUCTS

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- Junior Account
- Holiday Account
- Business account
- Fixed Deposit Account
- Group/Corporate Account

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...Empowering members for quality life

COOPTECH SHARED SERVICES BRINGS EVOLUTION OF CORE BANKING SERVICES FOR COOPERATIVES

BY THE COOPERATIVE WRITER



With the rapid growth of the Cooperatives and Sacco Sector, the need to manage services more efficiently has become paramount. The advent of digital and more tech-savvy customers has added pressure to Cooperatives and Saccos to innovate more user-friendly, convenient and higher quality products and services. The next generation of Cooperatives and Saccos have realized they must digitize, automate and seek efficiencies to propel their businesses forward.

Robust IT systems play a pivotal role in that automation. Cooperatives and Saccos are seeking to have better financial transparency and risk management tools. Providing seamless digital payments and funds transfer solutions has proven to contribute to greater success and growth in transactions. Similarly, management of loans and collateral efficiently means improving the bottom-line exponentially.

To better manage end-to-end customer experience,

Cooperatives and Saccos have ambitious goals to reduce transaction costs, increase security, provide real-time payment processing and eliminate delays that plague traditional banking systems. Fortunately, CoopTECH Shared Services Limited through its Financial Technology Services has answered the call to provide technology-enabled solutions that will allow big and small Cooperatives to face the stiff competition from banks, fintechs and digital lenders.

CoopTECH Shared Services Limited (CoopTECH) is a company aimed at providing technology services to Cooperatives. Launched in March 2023, CoopTECH is a provider of cutting-edge technology leveraging staff with years of experience in the financial technology industry. We understand the unique challenges faced by Cooperatives/Saccos and are committed to supporting the automation of the entire Cooperative and Sacco Sector



ABOUT US

CoopTech is a technology Co-operative Society registered in 2021, with the primary objective of providing a shared information technology platform to its members and qualifying entities.



COOPTECH PLATFORM SERVICES



Core Sacco System



Small Saccos Systems



Enterprise Resource Planning



Payment Hub



Cyber Security

Other Technology Services

- Data Centre Hosting
- CLIF (Central Liquidity Fund)
- PSP Services
- PRSP Services
- Integration Services

WHY COOPTECH?

- Reduced cost of operations
- Improved financial management
- Promote compliance with Sacco Regulations
- Increase operations efficiency
- Improve member service quality
- Increase & retain members longer

Other Operational Excellence Services

- Policies & Processes, Procedures Controls
- PCI DSS & PCI PIN
- ISO 27001
- ISO 9001

Your One-Stop Shared Services Centre for Technology & Operational Excellence Services

CoopTech Shared Services Limited
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✉ info@cooptech.coop

Walimu Solidarity Sacco embraces CoopTECH Services

An interview with the Walimu Solidarity Sacco CEO.

What were the pain points you experienced that made you seek a change in how you managed your financial operations?

Walimu Solidarity Sacco wanted to onboard more members and increase their monthly contributions, but we had manual systems that would make it difficult for us to manage the increased transactions volume. We also wanted to serve members from all corners of the country, but we didn't have distribution outlets and human resources that would allow us to expand and cater to members in our target towns. We wanted to be efficient and maintain a lean structure even as we implemented ambitious growth strategies, but our legacy systems would not allow. We wanted a system that could minimize the complexity of managing multiple payment systems.

What were the benefits that made CoopTECH services ideal for your Sacco?

We wanted a simple, user-friendly system. The CoopTECH Core Sacco platform interface was well-designed with easy-to-use menus and allowed us to choose the visuals we wanted.

We wanted a system that would allow us to export reports and analyze our financial performance and loan status. We can now access user-friendly

automated reports

We wanted a reliable, secure system with cyber security and enhanced authentication to minimize the risks of fraudulent activities which we have achieved with the CoopTech system.

We wanted to ease registration, loan application, loan approvals, disbursement, management and dividend payments. We can now automate routine tasks and free our time for other things.

How will the implementation of new systems affect your members?

Members will enjoy the convenience they need to access services anywhere 24/7. Serving digital-savvy members means you need to provide mobile banking and online member portal access for their convenience. CoopTECH allows integration with multiple payment gateways for seamless transactions. We will attract new members and keep existing ones satisfied with new technology and services that reflect current trends.

How friendly is the pricing of the CoopTECH Services?

The service is fairly priced as the processing fees are competitive. Saccos have options to own shares in CoopTECH as a way of giving back to the company.

How can a Cooperative enroll the services of CoopTECH?

XXXX (Business Model Narrative)

CoopTECH Financial Services provides increased efficiency and opportunities for growth



Reduce cost of operations



Improve financial management



Promote compliance with SACCO regulations



Increase operations efficiency



Improve Member Service quality



Increase and retain members longer

COOPERATIVES OPENING DOORS FOR WOMEN ENTREPRENEURS

BY THE COOPERATIVE WRITER



Patriarchal norms have for long denied many women the right of enjoying asset ownership -land, homes and leadership positions in various economic setups, among them the multi-billion Co-operative Movement. This is blamed on high levels of poverty, insecurity, illiteracy, economic exclusion among other hindrances.

But a new study carried out between the 2018-2023 by -United States Agency for International Development's (USAID) Cooperative Development Program called Cooperative Leadership Engagement Advocacy and Research (CLEAR), reveals a changing trend with women increasingly joining the list of asset owners.

Generational, educational and economic growth has disrupted the domineering male rule system leading to opening of opportunities to women and they have become new money owners and leading entrepreneurs. Leading in this fight for space of women are the Cooperatives that have created job opportunities for them, altering the masculine rule system and converting women into capital owners and controllers of the economy.

Today, women are owners of huge capital, big assets such as land, homes, offices, transport companies, technology firms, house management, roads constructions and livestock. Further, the changes have created prospects for women to be key drivers in the market largely of agricultural produce.

In Kenya women have the right to own property, but strong male-controlled norms have largely denied them the chance to inherit or purchase land and homes.

Cooperative Leadership Engagement Advocacy and Research being implemented by Global Communities supported more than 4,000 cooperative members in Kenya, out of which 19 are worker cooperatives through formation and registration, and nearly 2,000 women cooperators. CLEAR trains Cooperatives on successful and sustainable business models.

"Cooperatives are also a proven avenue for women's economic advancement, because they provide them with opportunities to become business owners and share in the risks and rewards of entrepreneurship.

Through cooperatives women have improved access to training, resources and financial products to grow their businesses and improve their economic wellbeing," states Ashley Holst one of the authors of the study. She adds, women through cooperatives have been exposed to leadership and education opportunities.

The CLEAR+ project (2023 to 2028), seeks to expand its reach and scale up the worker cooperative model." Our goal is to continue growing economic opportunities for women and youth within the cooperative sectors in Kenya and Guatemala." She says.

The report says Cooperatives are good agents of change, protecting women from rigidities related to masculine rules that give men more powers in the society. Equally, the concept of cooperatives has contributed to a lot of change and reduction of economic shocks such as poverty, insecurity and low businesses.

"One example of this comes from the Vision 4 Housing Cooperative Society in Kenya. While women in Kenya have the right to own property, strong patriarchal norms mean it is still uncommon for women to inherit or purchase land. However, through membership in the housing cooperative, single and widowed women have greater ability to own land and homes," Holst who is also Chief of Party from Global Communities says.

"Lucia, for example, who is a widowed and a member of the Vision 4 Housing cooperative society, has been able to reach her savings goal, purchase a plot of land and build a house for herself and her children. On her plot, she grows vegetables and raises chickens; she also manages a small business out of her home. With a combination of earnings from her business ventures and money that would have been spent on rent, she has purchased another house to use as a rental property," Holst adds.

Through cooperatives women have improved access to training, resources and financial products to grow their businesses and improve their economic wellbeing.

"Initially, I didn't see self-employment as a viable option for women," said Judy Boyani, Vision 4 Housing Cooperative secretary. "However, through the business training offered by the Vision 4 Housing Cooperative, I've not only started my own business but also become a trainer. I train other women and girls on essential entrepreneurial skills, from soap making to financial literacy, believing in their potential to greatly contribute to our community."

Pamela Kaburu, Monitoring and Evaluation Specialist opines that cooperatives are opening doors for women entrepreneurs by creating safe and inclusive educational opportunities in traditionally male-dominated industries, such as the energy sector.

For example, Kaburu notes the Women in Sustainable Energy and Entrepreneurship (WISEe) worker cooperative in Kenya, which has also received support from Global Communities, trains women in solar panel engineering and panel installation. After the training, members are certified through the cooperative, which leads to more employment opportunities than their uncertified peers receive.

The Cooperative continues supporting members through sourcing installation materials, marketing the products and assigning teams of member engineers to complete installation projects. The WISEe cooperative has created more jobs for women in science, technology, engineering, and math (STEM), and increased job opportunities for their members. WISEe training and solar panel services are marketed through social media and mass text messaging campaigns.

"Eighty -two per cent of Cooperative members in Kenya report directly benefitting from cooperative membership. Women in cooperatives also report having stronger support systems in place when emergencies occur, since cooperative members tend to turn to each other in times of need," says Kaburu.

Entrepreneurship, especially for women, can be daunting with many barriers to entry, including limited access to capital and education, and cultural beliefs around women's work. The cooperative model has supported many women to develop and grow their businesses in new and emerging markets through improved access to finance and solid social and economic safety nets. In many ways, cooperatives are helping women break through cultural barriers and grow as leaders, all while advancing their businesses and securing stronger economic future. CLEAR advises that donors and implementing organizations looking to improve women's economic opportunities through entrepreneurship should consider the cooperative model as a more inclusive and risk sharing alternative to single entrepreneur-owned businesses

"Cooperatives are also a proven avenue for women's economic advancement, because they provide them with opportunities to become business owners and share in the risks and rewards of entrepreneurship. Through cooperatives women have improved access to training, resources and financial products to grow their businesses and improve their economic wellbeing,"

AN INTERVIEW WITH THE CS FOR CO-OPERATIVES

BY MWANIKI WAHOME

BIG INTERVIEW

Cabinet Secretary for Cooperatives and SMEs Mr Simon Chelugui has been in office for now one-and-half years. He assumed office after more than ten year's hiatus -when Cooperatives -had a stand-alone ministry, and found a tray full of unfinished business. The transformative agenda of the Cooperatives following the devolution of functions to the 47 Counties in 2010 has been slow, and labored with the Cooperatives Bill in limbo. Mwaniki Wahome sat down with the CS in an interview that turned out enlightening. Here are the excerpts:

Q. In the nearly two years you have held this position, what would you say is your overall experience about Cooperatives in the country?

A. Before I became the CS I didn't know the power of this Cooperative movement. It's a way of life. It is in all spectrum of our society. Some are in Agriculture, Transport, Finance and Investment, and Housing. It has huge social economic impact, but has also suffered challenges of low capital injection. We also have issues of governance as sometime politics override principles of governance. We also have runaway debts in some of them.

Q. Where has the Cooperative Bill reached?

A. I have made it (Cooperative Bill) a legacy item. This Cooperative Bill has been canvassed for over 15 years, and for seven years there have been collection and collation of public views. It has been passed by Senate, but when we went to Parliament, the Council of Governors (COG) raised issues with registration, inspection and regulation. We have agreed on the issues, and have written a joint letter and the National Assembly Committee on Trade and Cooperatives' is now seized of the matter. We have given ourselves a target that by Ushirika Day in July we will have it ready.



Q. And what do you think will fundamentally change after the Bill becomes an Act?

A. This Bill will delineate roles between the National and County governments. We will have an Intergovernmental Technical Coordination office chaired by the Commissioner of Cooperatives which will bring all directors of Cooperatives to share experience, exchange information and also align the entire sector. There are also going to be four levels of the sector- primary cooperatives which are made of individual members, then tertiary cooperatives largely at national level, then Apex bodies like Cooperative Alliance of Kenya, Cooperative Bank and CIC Insurance. We seek to establish Federations to consolidate production of milk, coffee, cotton, fish, meat to have common markets. Finally, we seek to expand the Cooperative Tribunal that is doing a good job as an alternative Dispute Resolution Mechanism.

Q. The government has initiated several reforms in coffee and tea sectors. How successful have they been, so far?

A. This is the third time since independence we are rolling out reforms. We have a national target of 200,000 metric tonnes of coffee by the year 2027 and this will have a great impact on rural income, rural employment and import substitutions and forex income. An executive order was issued on coffee and we met in Meru in June 2023 to look at production, marketing, financing, extension services and institutional reforms. We are giving farmers cheery advance, and reduced the waiting (for payment) and are providing them with subsidized fertilizer. This has seen us grow our production from 51,000 metric tonnes to 65,000 metric tonnes (expected). We have re-established and operationalized Nairobi Coffee Exchange and brought in Direct Sales Settlement (DSS) which ensures the farmers are paid at the same time with others like millers, warehouses, parkers. Farmers are expected to be paid within 5 days of their sales. We have begun sensitization on the DSS and ultimately we expect the farmers to be paid same

time as others. We have licensed 14 coffee unions to participate in the market. It is the first time the farmer is participating in marketing their crop. They have a choice to sell or withhold until they get better prices. We have looked at the export market where there are five controlling firms and we think it's time to open up the export market through the NCE and the DSS. DSS will be under Agriculture and Food Authority (AFA) so that we can know where our coffee is going and what price it is fetching.

In tea we haven't quite started on reforms but basically the way the sector is structured it is quite advanced. Some primary Cooperatives have their own farms like Kipsigis Highlands Cooperative who even have their own factory. The way the tea sector is established and organized is advanced and we have not made any interventions so far.

"I have made it (Cooperative Bill) a legacy item. This Cooperative Bill has been canvassed for over 15 years,..."

Q. There is talk of debt waivers in the coffee sector. There have been such waivers over the years. Why does it seem like the coffee sector is not self-sustaining.

A. Our coffee societies have suffered bad governance and this led to unlimited borrowing. Some funds were borrowed and misapplied. We are waking up to a reality of value chain saddled with evidence of this mismanagement. For a fresh start, the government has to shoulder the burden to motivate the farmers and create new hope. In the proposed Bill, it will limit the borrowing powers of the coffee society officials which was largely misused and led us to where we are. Our coffee is profitable and viable. If you interrogate the debts, some ended up in the pockets of individuals. This happened over many years and we cannot waste time chasing them. We would rather start afresh. I am writing a Cabinet memo to waive all debts for the coffee societies. Farmers are discouraged when they deliver their produce because these debts are the first charge when payment is made. For example, you find where a farmer would get Sh100 per kilo of cherry, Sh60 is charge on debts. To create new optimism and expectation, we are retiring such debts. We are also recovering assets of New KPCU that were put under receivership (and are held by auctioneers and lawyers).

Q. What reforms does the ministry think will have immediate effect on the farmer's incomes?

A. The fact that we can aggregate our farmers into primary processing units reduces cost of production, inputs and marketing. They are able to bargain for better prices, provided employment and improved quality of products. This can be scaled up in macadamia, avocado, blue berries, beef and fishing industries. For the identified value chains like coffee, we have to address pertinent issues like debts, so that

we can have new start.

Q. There are governance issues that have emerged in KUSCCO. What is the ministry doing about it?

A. First, as a ministry our job is to protect the public resources. KUSCCO is a Sacco of Saccos- an apex body, initially formed for capacity building and training. It then branched out to getting deposits and lending, then housing and insurance. For 15 years it has faced a problem of governance and the board and management colluded to take away members funds. We have a total deposit of Sh18 billion and all this money cannot be traced. We have a loan book of Sh3.5billion but what can be traced as active (payments being made) is only Sh902million. The other amount was either given out casually, without documentation and wasn't secured. Most of it went to Members, Directors and Staff without the requisite security as required. That is why the first step I took was to dissolve the Board, and then change the management. We have now challenged them to trace the assets of the organization because the number of petitions and complaints I have received are overwhelming as some savings have matured- and maybe, these are the only savings they (Saccos) have. The challenge I have given the new Board and management is to locate and recover these funds.



I have also asked them to come up with a business plan, and I am hopeful that we will turn it around. The old Board members and management will have individual and corrective responsibility in law where there is criminal or civil culpability in the loss of funds.

Q. In the budget ending June, the Cooperative movement was offered incentive to form shared ICT transaction platforms and set up a common fund that would cushion members when their entities face financial problems. How far has the implementation of this gone? How successful has this been?

A. We are changing the Sacco Societies Act to allow for shared services and generate shared liquidity for members. We are looking at the amendment Bill that will be going to Sacco Societies Regulatory Authority, and in this Bill we will allow 30 Saccos to have a shared services facility. The advantage is that it will reduce cost of services by spreading the cost and the risks. This will prepare the Saccos to join the National Payment System. I am waiting for the final technical amendment of that Bill to circulate among the members then submit it to the Cabinet.

Q. How is the cooperative ministry encouraging participation of the youth in the Cooperative movement?

A. The challenge we have had in the Cooperative movement is that of aging membership. Most of the members who joined (earlier) were used to mobilise resources, and are now retiring and their average age is over 40 years. The young men and women have not been actively involved so now is the time we are asking them (Cooperatives) as democratic institutions to have an affirmative plan to include the youth in their Boards. Two, the use of ICT is more attractive to youth. If they are doing bulk and processing payments to digital services and receipts of goods and services, then we will have more youth joining the movement. There are also youth leasing land in parts of the country like in Meru where some have leased land and planted coffee on several hundreds of acres. Then there is the breaking of the value chain where the youth can open stalls and shops down the street, package own brands and export. That is how we intend to encourage our youth to join the Cooperative movement.

Q. What is the position of cooperatives in providing solutions to climate change in the country?

A. Using our numbers and structures we are mobilising the public to undertake measures to mitigate on climate change and this includes planting of trees, and management of riparian land near rivers. We have been given two counties Uasin Gishu and Murang'a (as plan of National Government to plant 15 billion trees by 2030), and we will be there every last Thursday of the month. We are the largest movement able to plant the highest number of trees and will be complementing the efforts of the government by planting trees to increase the forest cover.

Q. What is your general overview of the growth of the cooperative movement in the next three years/ and

into the future?

A. Our country is aggressively looking for external markets. We recently signed Economic Partnership Agreement (EPA) with the European Union which has 27 countries with a population of 700 million people. If we aggregate our farmers, train them on the standards of European Market we can easily penetrate European Union markets. We can also take advantage of East African Community that is second to EU and is well integrated with common language, education levels, and with 300 million people. Basically, the Cooperative movement activities can be scaled up to penetrate these markets. In future, I see the Cooperatives getting involved in the changing the transport sector, with Cooperatives owning bigger buses, even concession of wagons and operating railways, even running airlines like in Colombia. In housing, we can partner to develop houses on the large tracks of land that Cooperatives have.

Q. The UN has declared 2025 the year of cooperatives. Are there local plans on how the country will showcase and highlight the role of cooperatives?

A. First I want to that the UN for declaring 2025 the year of Cooperatives because many communities in the world cannot stand alone, they have to come together. By declaring 2025 the Cooperative year, there will be a refocus of resources, mobilization of resources and creation of more partnerships. We shall showcase our strength as first in Africa, and seventh in the world. We shall rally (the Cooperatives) and show our achievements and projected actions in the movement.

Thank You!

"the use of ICT is more attractive to youth. If they are doing bulk and processing payments to digital services and receipts of goods and services, then we will have more youth joining the movement."

***Note: This interview was conducted for the then CS for Cooperatives and MSME.**



CLEAR Cooperative Resilience Research

Executive Summary

Global Communities through the [USAID Cooperative Development Program-Cooperative Leadership Engagement Advocacy and Research \(CLEAR\)](#) program, partnered with the United States International University – Africa (USIU-A) to conduct a 5-year longitudinal research study on the dynamics of social capital within the context of agricultural cooperatives in Kenya. Cooperatives are a force for self-determination, and they contribute to creating communities where all people, including women, youth and the most vulnerable, have an opportunity to improve their livelihoods. Cooperatives go where for-profit businesses will not and they provide economic opportunities and services in places that others find unprofitable or too risky. For many poor and isolated people, joining a cooperative is the best option to help them escape poverty.

A potent resource known as social capital stood at the focal point of this study. Researchers attempted to unravel its role in strengthening communities and building resilience against various external shocks.

The study takes a detailed look at various aspects including the types and effects of external shocks faced by cooperatives, the relationship between active cooperative membership and personal resilience, the psychological and financial benefits of cooperative membership, and the effectiveness of trust in regulating cooperative activities and resilience. Our investigation offers crucial insights into the significant role cooperatives play in providing stability and resilience to their members in the face of adversities.

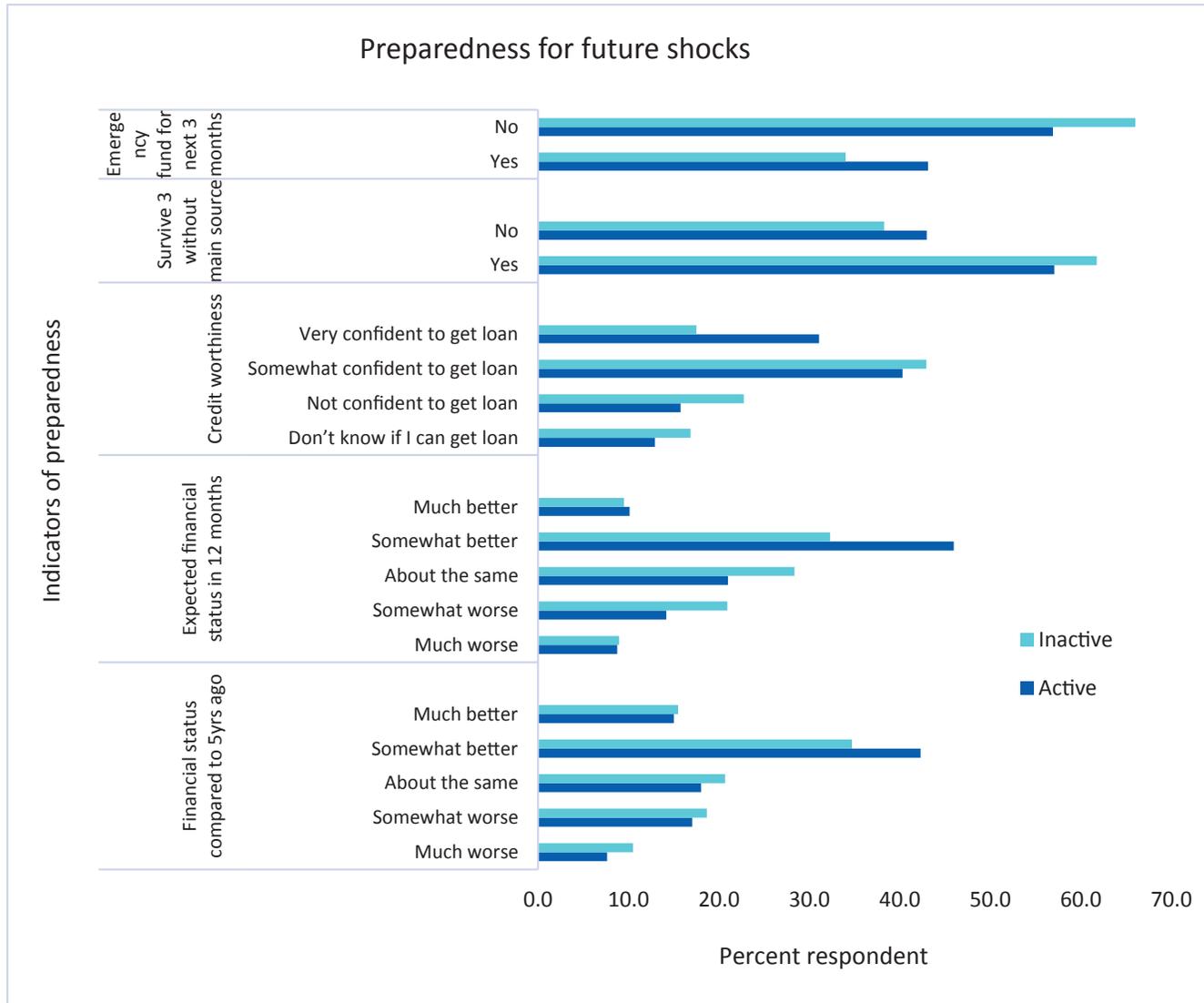
Overall, the findings underscore the pivotal role of cooperatives in fostering community resilience. Cooperatives were critical in supporting members during some shocks, especially drought, livestock illnesses, and pests. In comparing active and non-active cooperative members, active

Study Highlights

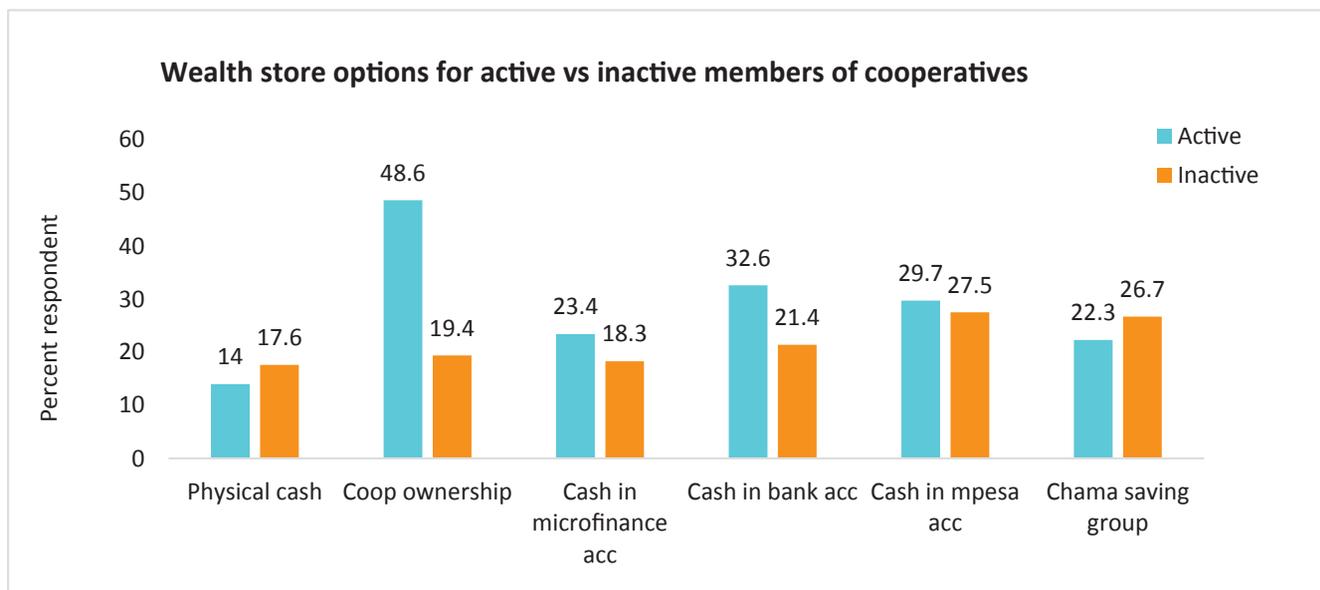
- Cooperative member optimism pre-pandemic waned as cooperative members faced more concerns about their future, particularly in getting enough food to eat and their own health.
- Active cooperative members showed higher probability of being resilient with high confidence in their abilities and preparedness to overcome a shock in the face of one.
- About 82% of cooperative members expressed certainty that if they faced a crisis, their cooperative would swiftly come to their aid.
- Members more active in their cooperatives are more likely to hold stronger positive expectations for their life, more hopeful for the future, much higher cohesion within their own families, higher self-efficacy, and satisfaction in their lives, and much more self-esteem.

cooperative members showed higher probability of being resilient with high confidence in their abilities and preparedness to overcome a shock or in the face of one. Throughout the five-year journey, the CLEAR study centered on rigorous data collection and analysis, yielding valuable insights into the socio-economic landscapes navigated by cooperative members.

Examining the impact of external shocks, the study revealed the indispensable role of cooperatives in providing support to their members. Across all categories of external shocks, from security-related to natural shocks, cooperatives showed significant and consistent support to members facing these adversities. About 82% of cooperative members expressed certainty that if they faced a crisis, their cooperative would swiftly come to their aid. In terms of direct assistance, cooperative members who were less active in their membership were less likely to receive support from their cooperative following an interruption in their lives. The research study also assessed the resilience of cooperative members and their response in the face of external shocks. In addition to the powerful protective social capital and networking built through cooperative membership, the study found that, members more active in their cooperatives are more likely to hold stronger positive expectations for their life, more hopeful for the future, much higher cohesion within their own families, higher self-efficacy, and satisfaction in their lives, and much more self-esteem.



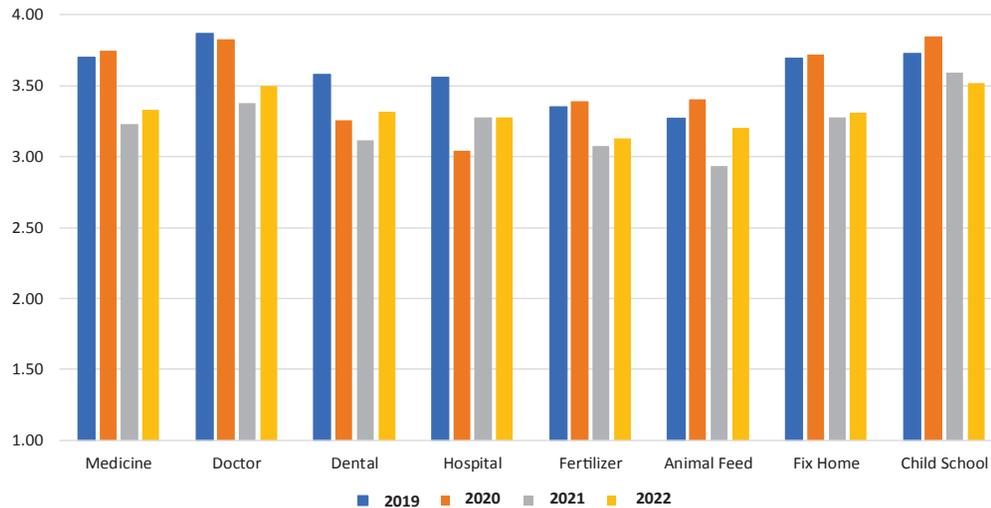
Psychological benefits of cooperative membership were sweeping. Respondents are overall quite optimistic, more than 50% say they are better off now than 5 years ago and 60% expect to be even better off a year from now. Comparatively, optimism is higher among active members than inactive members. Less than half of the respondents had set aside some emergency fund. However, the proportion was comparatively lower among inactive members (34%) than active members (43.1%). Additionally, active members are more confident of getting a loan if they applied, with 31.1% of them being very confident compared to only 17.5% of the inactive members. These psychological benefits are building blocks of adaptive and resilient rebound aftershocks, with far reach positive consequences for communities. Comparatively, active members were more optimistic and believed in their stronger likelihood to thrive than inactive members. They also indicated that cooperatives are more useful to the community.



54% of cooperative members relied heavily on their cooperative ownership as a store of wealth. The cooperative as a store of wealth even exceeded banks and other traditional investment types as alternative places to store cooperative members’ wealth. Comparatively, more active members (48.6%) keep their wealth in the cooperatives than inactive members (19.4%), as well as in the bank and microfinance accounts. Less active members tend to keep most of their wealth in the Chama groups and hold physical cash.

Members of agricultural cooperatives in Kenya faced a pivotal year in 2022. After the economic hardships brought on by the COVID-19 pandemic, the year showed signs of a rebound. Mirroring this recovery, cooperative members demonstrated increased ability to afford essential medical services such as doctor and dental visits. Nonetheless, the affordability of these services had not fully returned to pre-pandemic levels, suggesting continued economic strain. Amidst the shifting economic landscape, cooperative members found themselves in a stronger position to afford key business inputs, including fertilizer and animal feed. This improvement pointed towards a broader post-election economic recovery in Kenya, signifying a positive trend for agricultural cooperatives.

Affordability of Essential Services



The findings of this five-year study underscore the pivotal role of cooperatives in fostering community resilience. The role of cooperatives in socio-economic recovery and resilience building is evident in the trends. Their part in navigating external shocks and supporting their members suggests an essential direction for future policy and interventions, emphasizing the need for continued economic support, flexibility in responding to changing shocks, incorporation of climate resilience strategies, capacity building, and the promotion of active cooperative participation. This study provides a robust foundation for future research and the development of stronger, more resilient ecosystem for agriculture-based cooperatives in Kenya. It also offers important insights for the government, development partners, Non-Government Organizations (NGOs), cooperatives, and citizens in rural communities, helping them align their efforts more effectively with the needs and potential of cooperative members. Additionally, the findings provide an evidence-base for the existing gaps where members need more help to build more robust, resilient, and empowered agricultural cooperative ecosystems in Kenya.

This executive summary is authored by Pamela Kaburu, Monitoring and Evaluation Specialist and Ashley Holst, Chief of Party from Global Communities. The summary is drawn from “CLEAR Research Final Report” authored by Dr. Scott Bellows; the Lead Researcher from USIU-A for the 5-year longitudinal study.

This report was made possible with support from the American people, through the United States Agency for International Development. It was prepared by Global Communities as part of the Cooperative Leadership Engagement Advocacy and Research Project under USAID’s Cooperative Development Program.

Disclaimer: The authors’ views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



A PEEK AT CIC INSURANCE GROUP'S ROLE IN THE COOPERATIVE MOVEMENT

BY VANESSA SANDRA

The fierce competition in Kenya's insurance market, with 47 licensed companies vying for business, has shaped CIC Insurance Group's strategic approach, fostering resilience and adaptability.

From its inception as a cooperative-focused agency to its current status as a regional leader, CIC's journey reflects a steadfast commitment to cooperative principles and relentless innovation.

This approach has allowed CIC to embrace challenges and seek opportunities within the financial sector, carving out a unique niche through deep-rooted relationships with the cooperative movement. These relationships, according to Richard Nyakenogo, Director of Cooperatives at CIC Insurance Group, are more than business arrangements; they are partnerships built on mutual trust and shared values.

Targeting the cooperative movement has provided a stable foundation for CIC, even as SACCOs (Savings and Credit Cooperative Organizations) evolve and expand their member base beyond traditional boundaries, bringing on board new opportunities and challenges. The cooperative movement's growth has been remarkable. "I think we are at an asset base of about 1.53 percent for the entire cooperative movement, with deposits around Sh1.2 trillion. The future is very bright for cooperatives. Loans are also at about Sh1 trillion," Nyakenogo notes.

In the crowded and competitive financial sector, CIC has distinguished itself by focusing on its cooperative

roots. "We are making sure that we entrench our relationships with cooperatives through partnerships," Nyakenogo says. This deep-seated engagement is not just a strategy; it's a philosophy that permeates CIC's operations. By nurturing strong relationships with cooperatives, CIC has built a loyal customer base. Regular interactions through mass training sessions and the deployment of relationship officers who engage with customers daily ensure that CIC remains a trusted partner. The company's presence at annual general meetings and cooperative board meetings further cements these bonds, making CIC more than just an insurance provider—it is an integral part of the cooperative community.

The cyclical nature of cooperative leadership, with annual elections bringing new faces into roles, presents another challenge. CIC must constantly rebuild relationships. "You must quickly move in and ensure that the new leaders understand the value of partnering with us as did their predecessors," explains Nyakenogo. This proactive approach ensures continuity and stability in partnerships. Additionally, the dormancy or closure of some cooperatives requires CIC to adapt swiftly. Working closely with county leadership, CIC employs revival strategies to support these cooperatives, demonstrating its commitment to the sector's sustainability.

Undercutting in the insurance industry is a pervasive issue, even under the regulation of the Insurance Regulatory Authority (IRA). CIC's response focuses on the quality of service and the strength of its relationships. "Those who have experienced our services for instance during a claim continue to

support us,” Nyakenogo notes. CIC’s reputation for reliable claim settlements and customer support often outweighs the lure of lower prices offered by competitors.

As the world moves towards a digital future, CIC is not left behind. The company has embraced technology to enhance its services and operational efficiency. From cashless transactions to digital motor certificates, CIC’s technological initiatives meet the evolving needs of its customers. This digital transformation is not just about keeping up with trends but about leading towards a more accessible and efficient insurance experience.

CIC’s vision extends beyond Kenya’s borders. With successful expansions into Uganda, Malawi, and South Sudan, CIC has leveraged partnerships with local cooperative organizations to establish a strong presence. These regional ventures are grounded in the same cooperative principles that have guided CIC in Kenya, ensuring a seamless integration into new markets.

In terms of product innovation, CIC continues to evolve. The introduction of Easy Bima, a digitally enabled motor insurance product allowing payments in instalments, and the launch of CIC CoopCare, a medical insurance product for cooperative members, reflects CIC’s commitment to meeting its customers’ diverse needs. These innovations are not just responses to market demands but proactive steps to shape the future of insurance.

Looking ahead, Nyakenogo envisions a vibrant future for the cooperative movement. With a growing capital base and significant contributions to infrastructure and community development, cooperatives are poised to play an even greater role in Kenya’s economic landscape. “The future of the cooperative movement looks bright,” he asserts, citing the government’s support and the cooperative sector’s adherence to good governance and innovative practices.

The path forward for cooperatives is clear: investing in their people, embracing change, and committing to excellence will ensure they not only survive but also flourish, securing their place as pivotal players in the economic and social fabric of their communities. Central to this is the need for robust succession planning. Current board leaderships should blend youthful energy and seasoned experience, ensuring continuity and dynamic governance. This mix is

essential, as it guarantees that cooperatives remain adaptable and resilient amid evolving challenges.

“By fostering a culture of learning, cooperatives can ensure their members are well-equipped to contribute meaningfully to the organization’s growth. This ongoing education not only builds capacity but also aligns members with the cooperative’s strategic objectives, promoting a unified vision for the future,” says Nyakenogo.

Innovation and research must be at the heart of the cooperative movement’s strategy. Organizations need to continuously assess their members’ needs and anticipate future trends. This proactive stance allows cooperatives to stay ahead of the curve, developing products and services that meet emerging demands. Cooperatives must strive to enhance their turnaround times for services such as loans, aiming to reduce waiting periods from days to hours or even to instantaneous approvals. This agility in service provision will be key to maintaining and expanding their member base.

Market intelligence is another cornerstone of a successful future. Cooperatives must be attuned to the strategies and offerings of other market players. By understanding what others are doing, cooperatives can adopt best practices and avoid potential pitfalls. This kind of strategic benchmarking ensures they remain relevant and competitive, not only within their immediate locality but also across different regions.

For Generation Z, Nyakenogo has a clear message: embrace cooperative principles and values. “Start small cooperatives, save, and borrow among yourselves,” he advises. CIC’s outreach programs in universities encourages young people to understand and participate in the cooperative movement, fostering a culture of saving and mutual support.

CIC’s future plans include continuing to enhance its digital capabilities, deepening its engagement with cooperative leaders, and remaining agile to adapt to the ever-changing needs of its customers. As it moves forward, CIC Group aims not just to maintain its position but to redefine the insurance sector through innovation, resilience, and a steadfast commitment to the cooperative spirit.

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RESILIENCE

COOPERATIVE CEOs URGED TO LEAD THEIR SACCO'S WITH RESILIENCE

Kenya cooperative movement is leading in Africa both in terms of deposit, asset and membership enjoying position one in the Continent and 7th in the world.

There is therefore a need for transformation leaders who are ready to maintain the same as well as progress by exploiting various openings like the latest technology, product development and also enhancing capital build up.

Simon Chelugui, Cabinet Secretary for Cooperative and Micro, Small and Medium Enterprises (MSMEs) Development said that this will ensure that the cooperatives are well-prepared to face future disruptions, maintain member trust and continue contributing to the socio-economic development of their communities.

The CS who was speaking in Mombasa during a workshop organized every year for all the Chief Executive Officers (CEOs) of the Co-operative societies by Cooperative Bank of Kenya called upon the cooperative leaders to develop and harness resilience that will enable them to navigate through setbacks, uncertainties, and evolving market conditions with confidence and foresight.

"Focusing on resilience will empower CEOs with the skills and strategies necessary to not only withstand adversity but to transform challenges into opportunities for growth and innovation", he said adding that through resilient leadership, cooperatives can become beacons of stability and progress in an ever-changing world.

The Government, he said, is unwavering in its commitment to providing an enabling legal and policy framework for cooperatives thrive and thus the development of the Cooperatives Bill No. 7 of 2024 that is at its second reading in parliament marks a significant milestone in the legislative efforts.

This bill has overcome the last hurdle having been there for the last 15 years and not seeing the light

of day, he said adding that following an amicable agreement between the Ministry and the Council of Governors contentious and emerging issues have been resolved.

"The new legislation provides a comprehensive framework for the regulation of cooperatives by both levels of government, while also promoting self-regulation within the cooperative structure and enhancing governance tools. The bill is expected to elevate the cooperative sector to new heights of good governance, increased efficiency, and effectiveness in service delivery, leading to high performance across the board", the CS affirmed

Chelugui hoped that the new Cooperatives Act will be officially launched by the President in July during this year's Ushirika Day celebrations.

In addition to the legislative agenda, the CS said that the government is implementing institutional reforms targeting various cooperative production value chains including coffee, dairy, and cotton.

He explained that the Government is committed to safeguarding the wealth of cooperative members and ensuring that those entrusted with management and leadership roles are held to the highest standards of accountability.

"Protecting the interests of our cooperative members remains our top priority, and we are determined to create an environment where their investments are secure and their trust is upheld", he added.

The CS gave an example of Kenya Union of Savings & Credit Cooperatives (KUSCCO), the umbrella body of savings and credit cooperatives (SACCOs) in Kenya which has been found to have improperly mismanaged the union funds,

"The government will not hesitate to take firm action against any individuals found to have embezzled the union funds", he firmly warned

The CS however commended the Cooperative CEOs for the work they are doing saying that their efforts are central in driving the cooperative movement forward and contributing to the socio-economic development of the nation.

“As we move forward, let us embrace the principles of resilience and strong leadership. Let us work together to build a cooperative sector that is robust, dynamic, and capable of withstanding future challenges’ Chelugui said

In the wake of the COVID-19 pandemic and subsequent global economic recession, cooperatives and other businesses have been pushed to their limits, facing unprecedented challenges that have tested their stability and adaptability.

The theme of this year’s workshop, “Leading with Resilience,”

Cooperative Bank group Managing Director Gideon Muriuki said the technical people who are leading Saccos and other societies should adopt innovative business models in order to register impressive results.

“Building a resilience of cooperative societies is not a one day achievement but requires CEOs to lead from the front. The managers should therefore work on transformation policies and at the same time sustain the same “, he added

Dr. Muriuki noted that Cooperative Bank has maintained a tremendous growth for more than two decades due to regulatory compliance and strict adherence to all prudential guidelines.

“Cooperative societies need to have a strong governance structure, united board of directors and implementing sound strategic plans and I want to call on society managers and directors to establish a fully functional transformation division with a key mandate to track and monitor all the transformation initiative and enablers.

Commissioner for cooperative David Obonyo emphasized on the need for leaders to adhere to chapter six of the constitution on integrity saying that in the past there have had a few institutions struggling with liquidity and governance issues due to the managers and directors not adhering to prudential guidelines.

“Institutions have lost money and others shut down their businesses, the Government essence is that any leader or CEO accused or implicated on funds embezzlement will be subjected to the full force of the law,” said Obonyo.

During the workshop, the CEOs were taken through topics on promoting leadership and development culture, Ethical leadership and Social Responsibility and also Economic leadership for enterprise development.



Cooperative and MSME development Cabinet Secretary Simon Chelugui with some of the cooperative movement leadership during the CEOs workshop.

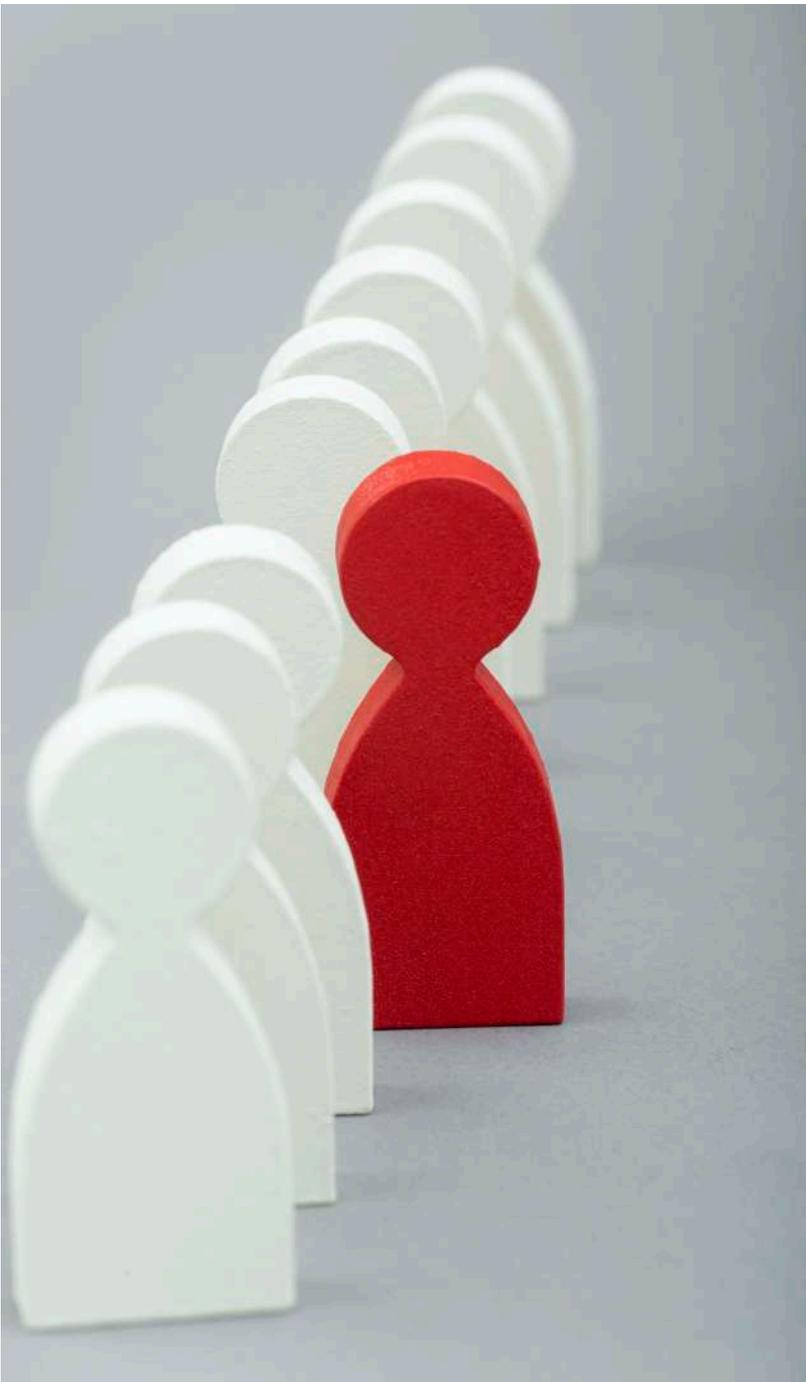


Dr. Gideon Muriuki, Group Managing Director and CEO Co-operative Bank

LEADERSHIP

COOPERATIVES NEED TO MOVE A NOTCH HIGHER IN GOOD LEADERSHIP AND ETHICS

BY THE COOPERATIVE WRITER



Cooperative societies need to seek joint ventures and strategic alliances to inspire more growth, a national cooperative leadership forum was told.

During a national cooperative leadership forum to discuss leadership, ethics and governance the cooperative leadership heard that the cooperative movement in Kenya has registered impressive growth over the years owing to implementation of an integrated and fast tracking of business opportunities. Cooperative Insurance Company (CIC) chairman Nelson Kuria argued that leadership in the movement has contributed to the remarkable development of the movement and observance of good governance practices.

“Since the laying of the foundation of the movement in early sixties by our forefathers, the cooperative societies have registered notable development both in terms of deposits, membership and influencing growth in other sectors”, he said .

He however noted that despite the movement being the key to help unlock the great opportunities that exist within nation, counties and at individual level, they need to move a notch higher in terms of good leadership and ethics.

“Everything rises and falls on leadership since they are stewards and pioneers who build the coop movement to become one that is renowned globally at number 7 globally and number 1 in Africa”, he noted .

Kuria continued to say “Cooperatives have demonstrated their capacity to unleash the potential that lies underneath, when people put their act together and work together, they get is better”.

He stated that there are still challenges despite the strides and inspiring growth made saying that it is time to speak the truth, bite the bullet and speak candidly on matters leadership which has to involve integrity.

The movement, Kuria pointed out, is grappling with numerous challenges and thus frustrating the

desire to realize high potential. For example, bad governance coupled with malpractices of members' resources is still a big challenge to the cooperative movement leadership.

Other challenges include cyber security, low uptake of technology, low participation of youth and women, demographics of membership and debt accumulation. There is high demand of transparency, equity and fairness and regulation, Kuria said.

"Majority of the movement is good but there are a few individuals that we are not calling out even as they continue to make our brand dirty . It is time to call them out", Kuria said.

The CIC chairman emphasized on the need for leaders to call out others who are not towing to the line saying " it is not us. It is about the greater majority of the people. And when we do not do it, we fail the greater majority of the people and therefore equally culpable of the mistakes of those few as long as we don't speak".

Daniel Marube, CEO Cooperative Alliance of Kenya (CAK) said they want to put a foundation on future cooperative saying that although the movement has done well in the past it is not sufficient.

He mentioned that in spite of the rising cost of living in this country, there has been growth in savings, which means that cooperators have continued to sacrifice and deny themselves of some luxuries within their lifestyle to continue maintaining the savings.

Looking forward, he added and considering 65 percent of our cooperative members is maturing and another very youth population is below 35 percent , leaders are thinking ahead to be able to bring the youth on board on leadership and also to participate in wealth creation within cooperative business model.

"Leadership has been accused on old people. we want the young people to come in , and as leaders we want to create and initiate a mentorship programme for every Sacco to within cooperative movement that will bring in new young people to have a continuous flow of leadership not only for today but 50 years to come", Marube said.

David Mategwa, Chairman of Kenya Police Sacco said that tapping the youth to be on board will require Sacco's to go digital .

"Sacco's need to digitalize their services. We need to make sure that our services and business is driven by technology", he said noting that as police Sacco , they continue to invest through providing a budget for technology as it keeps on changing .

Tindi Sitati, representing Worker Cooperative that is comprised mostly of the youth called upon cooperative leaders movement to engage the worker

cooperative model, get to learn about it , understand how it does their work and open doors for them as they are sourcing for work in their sacco's.

Worker cooperative are businesses that are owned, controlled, managed by the members who are also workers. Most of them are notably in the jua kali sectors namely technicians, messengers, carpenters, electricians, plumbers, painters, steel fixers among others.

"We want to call upon you leaders in the cooperative movement to engage with the worker cooperative model, we are going to be able to provide this work or employment opportunities for these groups of people who are the youth ", she added.

According to the International Labour Organization, the global youth unemployment rate stands at 13 percent, and this is three times the unemployment rate for adults. In Kenya, according to the Federation of Kenya Employers, 67 percent of youth in Kenya are unemployed, and this is 35 percent of the total population that we have in Kenya and these statistics should essentially be very worrying to the cooperatives movement because we would wish to provide a solution to the youth with regards to employment. Sitati said.

George Okari from FundiTech a member of the worker cooperative gave an example of about 2.4 million young people in the building and construction space who are looking at how to put a whole team, be able to start from the foundation to the end and make sure they are engaged in the construction industry in a more organized way , be given the jobs and be able to form Saccos

"Majority of the movement is good but there are a few individuals that we are not calling out even as they continue to make our brand dirty . It is time to call them out"...



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BANDARI DT SACCO RANKED AS THE MOST INNOVATIVE SACCO !!

BY THE COOPERATIVE WRITER

In line with the principle of Cooperation amongst Cooperators, Bandari Sacco joined other members of the Sacco fraternity at the Mkomani show grounds in this year's International Day of Cooperatives(ICD). In a show of might, the Sacco received two coveted awards: The Most Innovative Sacco award & the Best Insured Sacco in the region.

In an increasingly digital world, Bandari Deposit Taking (DT) SACCO, a juggernaut in Coast and North Eastern regions is leveraging on technology and innovation to enhance its competitiveness in the market.

Bandari SACCO continues to bank on digital technology to expand its dominance and gain a competitive edge in the country and diaspora and boost financial inclusion.

The buoyant premier SACCO formed in 1975 boasts an asset base of KSh 13 billion and is embracing innovation as a strategic imperative.

The SACCO's Chairman Ken Sungu says in line with this year's International Co-operative Day theme: "Co-operatives build a better future for all" Bandari SACCO has upped its game to make sure members are transformed socio-economically..

"Bandari SACCO has come a long way, right now we give mortgages, we build houses for members, we also have asset financing which members," said Sungu, adding that members' expectations continue to rise.

Mr. Sungu says adoption of new technologies by SACCOs will in the long run lead to greater operational efficiency and accountability of most credit unions.

"We also embrace Corporate Social Responsibility (CSR) programs which has come a long way in supporting the community around," revealed Sungu, adding that they also support members to advance in education.

The CSR programs have been able to empower the institutions.



Bandari Sacco Chairman receives the Most Innovative Sacco & Best insured sacco awards.

The SACCO is also augmenting the government's national tree planting initiative to realize 15 billion trees by 2032 through the growing of mangrove propagules in dilapidated areas along the expansive Tudor Creek.

"We have supported the planting of mangrove forests and we have also cleaned up the sea area front so that we can be able to control pollution. Bandari SACCO is doing quite a lot to ensure that the community is growing with the SACCO together," said Sungu.

In partnership with other players in the sector, Bandari is supporting sporting activities in orphanages and special schools

"Recently, we went to Portreitz School for the handicapped where we supported and promised to support the school situated near Portreitz Hospital. The cooperative sector in Mombasa County conglomerated there so that we could do the same and we played a leading role," stated the Chairman.

He promised that the SACCO would continue unabated in its dutiful mission to uplift people’s lives. The SACCO will soon launch a foundation to upscale its CSR programs to impact the communities.

Bandari SACCO has over 28 loan products ranging loans, mortgage loans and Biashara loans to help people build their businesses.

“Bandari SACCO is continuing to do things that the community would like to have so that they can go hand in hand with the development of the people”

Patrick Mbakaya Acting Chief Executive Officer (ag. CEO) of Bandari DT SACCO affirmed that they have made strides since it opened its doors to the public and are now leveraging technology to accelerate its expansion.

Members can now access products and loans at the comfort of their homes using their mobile phones and internet banking to actively promote inclusive economic growth.

“We have also ensured that our systems are secure against any cyber threats in order to safeguard members’ funds,” said the Ag. CEO.

“We are ranked amongst best SACCOs in the country technologically and in terms of asset base said the Ag. CEO.

To tap into the lucrative diaspora market the SACCO has specific products tailor-made for Kenyans working abroad.

“We have several members within the diaspora in Africa and across the globe. We have products that are appealing to them. We have been able to have a system that enables them to save and to take loans,” revealed Mbakaya.

“We have many members in the diaspora that are banking with our Sacco and we are humbled that we have contributed to their socio-economic transformation,” he added.

The Sacco has also made inroads in developing products for the Youth.

“Most of the youths would want to access loans or facilities even without savings. The Sacco invests in financial education and mentorship programs to encourage the youth to save” said the Ag. CEO.

Bandari has also improved its systems to satisfy the lucrative youth market.



It was entertainment galore as Bandari DT Sacco members arrived for the International Co-operative Day celebrations in Mombasa.

Bandari is in the process of acquiring a new system which will be robust and impregnable in the wake of cyber-attacks.

The system, the Ag. CEO noted will also ensure that services are readily available and members can embrace technology and be able to be served online and through other models that will be easier, quicker and safer for members.



Bandari DT Sacco Chairman Ken Sungu briefing the media on the achievements of the Sacco during the International Co-operative Day celebrations in Mombasa.



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1. Co-operative Leadership and Training.	Co-operative Board and CEOs.	5 Days (Online).	15,000/Participant.
2. Co-operative Leadership and Training.	Co-operative Board and CEOs.	5 Days (Physical).	30,000/Participant.
3. Financial Inclusion and Management.	<ul style="list-style-type: none"> • Co-operative Officer. • Co-operative Leaders. • Leaders of Pre-Cooperatives. 	3 Days (Physical).	18,000/Participant.

The Vice Chancellor
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The Co-operative University of Kenya

Empowering Communities

COURSE	TARGET GROUP	DURATION	COST
4. Worker Co-operative Business Model.	<ul style="list-style-type: none"> Co-operative Government Officers. Staff in NGOs. Worker Co-operatives. Co-operative Leaders. MSMEs Operators/Workers. 	5 Days (Physical).	30,000/Participant.
5. Digital Technologies for Co-operative Operations and Management.	<ul style="list-style-type: none"> SACCO Management Boards. Supervisory Committee Members. Management Staff in Co-operative Societies. 	3 Days (Physical).	18,000/Participant.
6. Sustainable Entrepreneurship for Livelihoods.	<ul style="list-style-type: none"> MSMEs Operations. 	3 Days (Physical).	18,000/Participant.
7. The Co-operative Advantage.	<ul style="list-style-type: none"> Open to All. 	3 Days (Physical).	18,000/Participant.
8. Co-operatives Internal Control Systems.	<ul style="list-style-type: none"> Co-operative Auditors. General Purpose & Supervisory Committees. 	3 Days (Physical).	18,000/Participant.
9. Co-operative Management Information Systems (MIS) & Cyber Security.	<ul style="list-style-type: none"> Board Committee Members in charge of MIS. 	3 Days (Physical).	18,000/Participant.
10. Training for Trainers (ToT).	<ul style="list-style-type: none"> Board Committee Members in charge of Education and Training. 	3 Days (Physical).	18,000/Participant.
11. Co-operative Policy and Legislation.	<ul style="list-style-type: none"> County Co-operative Officers. 	3 Days (Physical).	18,000/Participant
12. Customer Care Service.	<ul style="list-style-type: none"> Customer Experience/Service Staff. 	3 Days (Physical).	18,000/Participant
13. Co-operative Competitive Marketing Strategy.	<ul style="list-style-type: none"> Co-operative Executive Officers. Co-operative Marketing Officers. 	3 Days (Physical).	18,000/Participant.
14. Financial Management in Co-operatives.	<ul style="list-style-type: none"> External Co-operative Auditors. Co-operative Finance Committee Members. 	3 Days (Physical).	18,000/Participant.
15. Co-operative Entrepreneurship.	<ul style="list-style-type: none"> Open to All. 	3 Days (Physical).	18,000/Participant.
16. Co-operative Records Management.	<ul style="list-style-type: none"> Co-operative Registry/Information Managers. 	3 Days (Physical).	18,000/Participant.
17. Risk Management.	<ul style="list-style-type: none"> Management Board Members. Supervisory Committee Members. 	3 Days (Physical).	18,000/Participant.
18. Co-operative Budgeting and Budgetary Control.	<ul style="list-style-type: none"> Management Board Members. Supervisory Committee Members. 	3 Days (Physical).	18,000/Participant.

NOTES:

1. Requests for the courses can be by individual organizations or groups seeking to train staff/members or individuals seeking to advance themselves.
2. The short courses will be offered within The Co-operative University of Kenya premises, the organization's premises requesting training or a hotel identified for the purpose.
3. A minimum of 10 participants is required for a course to be offered.
4. Organizations can request tailor-made courses one (1) month before the training's commencement date.
5. The fee indicated for each course covers the cost of instruction, training materials, and certificates.

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AGRI CO-OPERATIVE TRAINING AND CONSULTANCY (ATC) SERVICES LIMITED: RAISING THE BAR FOR THE COOPERATIVE MOVEMENT

BY THE COOPERATIVE WRITER



The cooperative movement and the agriculture sectors are significantly better thanks to Agri Co-operative Training and Consultancy (ATC) Services Limited, which has been serving the movement for over 18 years by empowering Kenyans for development.

The capacity development and consultancy service provider is an active player in the private sector development in agriculture in Kenya and the region through the provision of quality training and consultancy services in the economic sector.

ATC deals with training, consultancy and research, strategic and business plan development, in-house training, policy formulation, among others. It is also the consultancy arm for the Co-operative University of Kenya.

Established in July 2004 as the agribusiness training center by the Co-operative University of Kenya,

in collaboration with five other organizations, the consultancy has empowered many leaders in the cooperative movement with the knowledge to drive growth in the sector.

According to Dr. Moses Ngweyi, the Chief Executive Officer of ATC, the firm has made significant strides over the years, including certifying more than 1,500 Sacco directors and is raring to go and expand services so that future generations will be served better in the cooperative movement.

"One of the core principles of the university is training and capacity building. The academic side of the university felt the need to provide capacity building to more Saccos, and that's where ATC comes in, to help in training, capacity building, and empowering the staff and directors of the Saccos," he said.

Speaking on the most significant milestone of the company, Dr. Ngweyi said that one of ATC's strongholds

is Sacco governance training, a programme that deals with training and certifying Sacco directors. This programme was a collaboration with the Sacco Societies Regulatory Authority (SASRA) that emerged after a 2012 study found a gap in Saccos, many of which were collapsing due to mismanagement by rogue directors.

“Research through SASRA identified governance as a key issue affecting the cooperative sector in Kenya. Often, the board was trying to perform management’s jobs,” Ngweyi explained.

Consequently, SASRA assigned the university the mandate to help in governance training. As part of a university institution, ATC was tasked with training senior management staff of Saccos and certifying them, since directors are required by law to be certified before joining the board.

Dr. Ngweyi emphasized that empowering the board with knowledge is crucial because it makes them aware of their roles. If governance issues are not properly addressed, it can lead to significant mistakes affecting the movement.

“This programme started in 2012, and so far, we have trained over 1,500 directors from both deposit-taking and non-deposit-taking Saccos,” he shared.

In line with ATC’s service provision, the company has introduced a value chain programme and is also engaged in agribusiness consultancy. Upon request from organizations seeking to build farmers’ capacity, they conduct research, formulate a team to handle the assignment, and provide training on agribusiness and value addition among other services.

Discussing the agribusiness programme, Dr. Ngweyi explained that they assist small cooperatives and farmers in marginalized regions by helping them obtain mandatory documents they might not know how to acquire. “ATC supports them because they are small and may not have the financial capacity to engage ATC fully, but as a Support for Community Response (SCR), we help these small cooperatives organize their books and obtain essential documents,” he added.

Besides governance issues, ATC has identified opportunities and seeks to address challenges such as risk management, credit management, and board evaluation among other services.

Dr. Ngweyi says that because Saccos operate like microfinance institutions and banks these days, and are opening their doors to everyone, this expanded mandate and service delivery have introduced new challenges which must be dealt with.

“We are addressing the credit management problem, particularly with microcredit loans to business people who are not regular employees. With the current economy, their businesses may fail, and they might not be able to repay the loans, putting these Saccos at risk,” Dr. Ngweyi said.

The company is also exploring offering board evaluations services, as many evaluations in the market are not tailored to Saccos. SASRA regulations require regular board evaluations.

“Since the beginning of the year, we have conducted seven board evaluations, and very few Saccos had ever undergone a board evaluation before. The area is vast, and we cannot exhaust the whole market. Each society may have its own gaps to address. There are many areas where ATC and Saccos can collaborate to improve,” Dr. Ngweyi stated.

ATC stands out as the only consultancy that can certify Sacco directors and is owned by an academic institution, making it unique among other companies. “This is our niche because it makes us outstanding. Also, the fact that ATC is owned by a university means most of our programs are well designed, quality-wise, and we follow up after the programs to ensure the assignments were well executed,” Dr. Nweyi explained.

“Our competitors include Kenya Union of Savings & Credit Cooperatives (KUSCCO) and Co-operative Bank of Kenya Consultancy. However, we have a collaboration with KUSCCO, where they mobilize clients and we train them because they cannot certify them. We assist in the certification of Sacco directors.”

The rise of briefcase consultancies is a problem in the market, with their consultants charging extremely low fees for services. ATC lacks the resources to be as vibrant and visible as other companies and tries to counter this challenge by maintaining personal contact with Saccos.

“Another challenge we face is technology. During the coronavirus outbreak, we attempted online training, but board members prefer physical training. We have not fully embraced technology in training and capacity building,” he said.

In the next five years, ATC plans to grow significantly. According to the company’s strategic plan, ATC aims to become a major player in the market.

“We offer niche, direct, and quality training that cuts across all Saccos. We welcome Saccos to partner with us and help provide capacity building for them. We also welcome agribusiness partners, including NGOs involved in research and funding programs. ATC is the right place,” Ngweyi said.

“One of the core principles of the university is training and capacity building. The academic side of the university...”

What Government is doing to improve vibrancy in the co-operative sector



MESSAGE BY SIMON CHELUGUI, EGH, CABINET SECRETARY, MINISTRY OF CO-OPERATIVES AND MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT

It gives me great pleasure to join co-operators locally and globally in celebrating the 102nd International Day of Co-operatives, popularly known in Kenya as Ushirika Day.

The theme of this year's event is "Co-operatives Build a Better future for all". This theme provides us with an opportunity to showcase to the world how the co-operative business model is vital in building a better world for all.

Kenya has made great strides in economic progression, courtesy of co-operatives. Their contribution towards economic growth and em-

ployment creation cannot be overstated.

They offer services in all sectors of our economy, cutting across financial services, housing, insurance, transport, hospitality and agriculture, among others.

As a sustainable business model, co-operatives have been fostering social inclusion, giving a voice to the disadvantaged groups and mobilising them to pursue their socio-economic interests.

In Kenya, government development policies have always taken cognizance of this crucial role of co-operatives. The Ministry is committed to enabling continued growth and development of co-operatives. This includes undertaking legal and regulatory reforms, the following of which are currently being pursued:

- (i) The Co-operative Bill that is now in Parliament aims to strengthen governance in co-operatives;
- (ii) Support to coffee farmers

through New Kenya Planters Co-operative Union;

(iii) Support to cotton, macadamia, beef, and avocado industries;

(iv) Implementation of prudential guidelines and regulation of Saccos with deposits of over Ksh100 million, as well as diaspora and digital Saccos, through SASRA;

(v) Operationalisation of Sacco Central and Shared Services; and

(vi) Support of dairy farmers through designation of New KCC as a buyer of last resort and Strategic Food Reserve.

Fellow co-operators, as we celebrate this year's Ushirika Day, let me assure you of the Government's commitment to continuously put into place conducive strategies to ensure a prosperous, competitive, and dynamic co-operative sector in the country.

Long live the Co-operative Movement

Urging co-operatives to initiate deeper collaborations and push harder towards SDGs



MESSAGE BY MACLOUD MALONZA, HSC, CHAIRMAN, NATIONAL COUNCIL FOR USHIRIKA DAY CELEBRATIONS

Kenya joins other countries in the world today to celebrate the International Day of Co-operatives with the theme, "Co-operatives Build a Better Future for All".

According to the International Co-operative Alliance (ICA), the celebration gives opportunity for co-operatives to showcase their contributions to building a sustainable future and accelerating efforts to implementing the Sustainable Development Goals (SDG) by 2030. Furthermore, the activities today will build the momentum towards the 2025 International Year of Co-operatives, which was declared by the UN last year.

To quote Jereen Douglas, the ICA Director General: "As we celebrate the significant and often quiet contributions of co-operatives, it is also time for us to reflect on what we have accomplished to build a better future, and what we can do better together. Let's use this day to initiate deeper collaborations and examine all the possibilities to reach the SDG goals, and take action to achieve them."

In Kenya, the co-operative movement remains a key driver of development, holding 30 percent of the national savings and offering both direct and indirect jobs to thousands. This year's theme, according to ICA, aligns well with the objectives of the upcoming UN Summit of the Future, whose theme is, "Multilateral Solutions for a Better Tomorrow".

The co-operative identity, values, and principles set a strong system for achieving democracy, shared prosperity, equity, and empowerment of those down the pyramid. The 2024 Co-operatives Day, according to ICA, is time to showcase the high standards for inclusive and sustainable growth, and how co-operatives serve as stewards of environmental protection and the fight against climate change.

Through Saccos, there has been inclusive and sustainable growth, as the members have access to funds for education, health, construction of houses, and setting up of businesses. It has enabled those who would otherwise be marginalised by the conventional banking system to access funds for self-development.

It's inspiring that the benefits of co-operatives have also spread to communities through environmental conservation like the ongoing national tree planting programme and national blood donation.

CONTINUED NEXT PAGE

Proud of social and economic achievements co-operatives are registering

MESSAGE FROM PETER KIBURI, PRINCIPAL SECRETARY, STATE DEPARTMENT FOR CO-OPERATIVES

The State Department for Co-operatives is delighted to join the co-operative fraternity world over in celebrating the United Nations' (UN) International Day of Co-operatives, which is locally referred as Ushirika Day. This international annual event, observed on the first Saturday of July each year, serves as a forum to increase awareness on the role of co-operatives in socio-economic development and partnership between the international co-operative movement and other supporting organisations,



including governments. This year's celebration, themed

"Co-operatives Build a Better Future for All", marks the 102nd International Day of Co-operatives.

The co-operative business model operates all over the world, and is manifested in almost all sectors of the economy. This human-centred business model, inspired by the co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, and the ethical values of honesty, openness, social responsibility and caring for others, is at the forefront of building a better world. It fosters economic participation, fights against environmental degradation and climate change, promotes generation of jobs, contributes to food security, enhances financial inclusion of local communities, and builds ethical value chains.

As Kenya's co-operative fraternity joins the rest of the world in marking the 102nd International Day of Co-operatives, the occasion is a joy for the majority of Kenyans, considering how co-operatives have positively impacted their lives. As the State Department for Co-operatives, we congratulate the co-operative fraternity for achieving this milestone through sheer hard work, determination, sacrifice and dedication. We are proud of this achievement.

I take this opportunity to wish all co-operators a happy International Day of Co-operatives, and reiterate the government's commitment to ensuring the growth and development of a sustainable co-operative movement.

Long live Cooperators

Upholding co-operative principles will help us attain a better world

MESSAGE BY DAVID OBONYO, COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT, STATE DEPARTMENT FOR CO-OPERATIVES

The co-operative fraternity today celebrates Ushirika Day, whose theme is "Co-operatives Build a Better future for all". The theme focuses on the contributions made by co-operatives in transforming the lives of people and communities.

Co-operatives traverse agriculture, financial services, transport, insurance, housing, handcraft, and other man-



ufacturing activities. Their resilience has withstood the challenges posed by the Covid-19 pandemic and the global economic crises.

Co-operatives in Kenya command an asset base of over Ksh1.7 trillion and a loan portfolio of more than Ksh1 trillion. They have mobilised savings and deposits totalling over Ksh1.1 trillion, thereby contributing about 30 percent of the national savings.

It is therefore important to note that co-operatives are key institutions that will support the Government's development agenda. Enhanced participation of co-operatives in agriculture, business, and manufacturing sectors

will be an impetus to accelerating economic growth and promotion of equity and sustainable development across the country.

Ushirika Day reminds us of self-help and concern for others. As a co-operative family, we celebrate this international event by continuing to embrace co-operative principles towards building a better world.

The State Department for Co-operatives will continue to support and facilitate co-operatives to realise their full potential.

I take this opportunity to wish all co-operators a happy Ushirika Day.

Hongera Washiriki



USHIRIKA DAY 2024

Theme: Co-operatives Build a Better Future for All

CONTINUED FROM THE PREVIOUS PAGE

Furthermore, through dialogue, democratic governance, and shared ownership, co-operatives have set an example for peace and stability, bringing people from diverse backgrounds together on equal terms and fostering mutual understanding and respect. This has been actualised through regular elections of officials and holding of Annual General Meetings, during which issues of mutual interest are discussed and decisions made through consensus or balloting.

In the co-operative movement, the youth are empowered to lead the way by giving them opportunities, transferring knowledge, and ensuring diversity, equity and equality for all. We are encouraging adoption of affirmative action to incorporate the youth and gender balance in the Boards of Directors, while seeking to leverage on the growing use of ICT platforms for transactions, and breaking of value chains of products for the youth to fit in them and earn a living across the various sectors.

The UN Summit on Co-operatives in Social Development acknowledge that co-operatives have a track record of promoting economic and social development. Even more encouraging, co-operatives have consistently showed their resilience in times of social and economic crises. Indeed, the UN recognises the co-operative movement as a key partner in accelerating sustainable development, and calls on its member states to strengthen co-operatives' entrepreneurial ecosystems and increase their capacity to create more social, economic, and environmental impact in society. Thank you!



MESSAGE BY DANIEL MARUBE, CHIEF EXECUTIVE OFFICER, COOPERATIVE ALLIANCE OF KENYA

This year's Ushirika Day celebrations theme, "Co-operatives Build a Better Future for All", aligns well with the role that co-operatives have been playing in the country. The emphasis of this celebration is on contributions to building a sustainable future and accelerating efforts towards attaining the Sustainable Development Goals (SDG) by 2030.

Co-operatives have a footprint in all sectors of our economy. Their contribution to social and economic growth is immense, cutting across many sectors. That is the reason we embrace with pride the invitation by International Co-operative Alliance

My take on improvements co-operatives should make to boost sustainability

to showcase our activities while setting ground for 2025 International Year of Co-operatives.

We celebrate the Co-operative Principles of democracy, voluntary membership, equity, and solidarity in the society that have ensured the movement remains resilient in a fast changing environment, while transforming the social and economic wellbeing of the people.

For a sustainable future, co-operatives have to adapt and innovate new service delivery systems and processes, to cope with changes happening globally and in the country, but still keeping faith in the principles of inclusive growth and equity.

The technological changes that are changing traditional ways of doing business, the rapid urbanisation, and the disruptive environmental shifts and climate change, have introduced challenges but have also opened new horizons of growth, making the principle of sustainability key in the planning of projects.

The Cooperative Alliance of Kenya has been advocating for digital transformation among co-operatives to

increase availability, efficiency, and safety of services. We are grateful for the government's intention to provide a framework on Shared Services Platforms, which will further boost these efforts to enhance service delivery and enable financial institutions to access versatile ICT systems conveniently and in a cost-effective way.

The planned establishment of a common fund to cushion financially weak Saccos from collapse will be another boost to the sustainability of the financial institutions in the sector.

We are thankful to the government for its support through the Ministry of Co-operatives and MSMEs Development, which has enabled us to make strides in streamlining the reforms in coffee, dairy and tea sectors, laying ground for better and sustainable returns to farmers. We are also grateful for the oversight on financial institutions in the sector to ensure that members' savings are prudently managed.

The co-operative movement, through its pervasive and extensive structure, is a major vehicle for serving those at the bottom of the

pyramid. Savings and Credit Co-operative Societies have ensured financial inclusivity with Sacco mobile money further entrenching the principle of equity in the society.

Furthermore, the expanding knowledge-based employment opportunities, mostly dominated by youth working in remote locations but lacking in worker solidarity, is an area that remains a challenge. There is a need to put more effort in attracting the youth into the orbit of the co-operative movement for sustainability and growth.

Going forward, the co-operative movement envisages that the government efforts in reforming various industries like dairy, coffee, tea, pyrethrum, and others, will bear fruit and form a base upon which rapid industrialisation in the country will be realised. It is expected that the aggregation and industrial parks will enable farmers to add value to their produce, have proper storage and be able to negotiate for better prices.

Through the co-operative movement, sustainable development is assured, now and in the future.



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