

SACCO REVIEW

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Saccos to receive Ksh5.7 billion dividend windfall as Co-op Bank pre-tax profit hits Ksh32.4 billion

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Ukulima Sacco rebrands to Apstar Sacco



Cabinet Secretary, Ministry of Co-operatives, Micro, Small and Medium-size Enterprises (MSMEs) Hon. Simon Chelugui, EGH (3rd right) graces Ukulima Sacco launch of new brand name and identity which will be known as Apstar DT Sacco in a ceremony held at Serena Hotel; accompanied by the Chairman Dr. Philip Cheroni (4th right) and CEO CPA Richard Nyaanga (4th back row) and other Board of Directors. Photo|Obegi Malack **Story Page 46, 47 & 48**

How Saccos paid dividends, rebates to members in 2024

STORY PAGE 15

Kenya National Police DT SACCO assets hit a high of Ksh54.2B



Cooperatives and MSMEs CS Simon Chelugui awards one of the top savers during Kenya National Police DT SACCO Annual Delegates Meeting in Nairobi recently. Looking on are Sacco National Chairman David Mategwa (left) and Cooperatives PS Patrick Kilemi. Photo|Felix Wanderi

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Ufanisi DT Sacco declares better dividends to members

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Sacco inter-lending takes shape in Coop Bill - Back Page

Push to have Co-op studies in school curriculum -Page 2

Personalized services attract more members to Afya Sacco - Pages 38 & 39

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Inaugurated SASRA Board has full in-tray



SASRA Chairman Jack Ranguma

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Good news for farmers as new server is launched to curb cartels

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Motivating story of Sacco CEO who started as a clerk



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The Ins & Outs in the Industry

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SACCO ADMs & AGMs ROUND-UP

Ministry seeks to incorporate cooperative movement studies in school curriculum

By Benedict Ngetich

The government is planning to incorporate cooperative movement studies in the education curriculum, which will be taught in both primary and secondary schools.

The State Department of Cooperative Development has already started the process that when it is completed, cooperative movement and management will now be taught under the new Competency-Based Curriculum (CBC).

The Principal Secretary (PS) concerned Patrick Kilemi has said consultations are ongoing with the Kenya Institute of Curriculum Development (KICD) to make it a reality that students are taught about cooperatives as early as possible.

Speaking during the 35th Annual General Meeting (AGM) of Imarisha Sacco in Kericho, Kilemi, who was representing the Cabinet Secretary (CS) Simon Chelugui, noted that the move shows the level of seriousness the government has accorded the multi-billion sector under its Bottom-up Economic Transformation Agenda, BETA.

He said the ministry was developing the Kenya Cooperative Transformation Strategy (KCTS), which will provide a roadmap for the development of the sector for the next ten years.

“The government recognizes the important role of Saccos as partners in fostering financial inclusion, promoting savings culture, and providing affordable credit to members, especially in the MSME sector. In order to ensure that cooperatives deliver as expected, the Ministry of Cooperatives and MSME is at advanced stages of developing a transformation strategy,” said Kilemi.

He told delegates gathered that the government is committed to revitalizing



Cooperative Development PS Patrick Kilemi with Imarisha Sacco directors during the society's ADM in Kericho. Photo|Benedict Ng'etich

the country's productive value chains by supporting initiatives geared towards increased production, aggregation and market access.

“This will enhance food security,

improve earnings as well as achieve favourable balance of payments through import substitution, increased exports and thereby strengthening our local currency,” said Kilemi.

“The implementation of the priority value chains will provide huge opportunities for the cooperative movement whereby members can invest in agro-processing facilities with financing being sourced from within the financial cooperative societies. For this dream to be achieved, we require support from every leader in the cooperative movement. Remember together we can do a lot more,” he added.

The PS said the ministry wished to see the Sacco sector investing in areas such as food processing, telecommunications, radio & television, and air transport, amongst other investments of national importance, and in the process bestowing the ownership of major investments on citizenry through cooperatives.

According to Kilemi, the government continues to carry out reforms in the

cooperative sector with a view to strengthening the policy.

“The reforms aims to improve governance in the management of cooperatives, redefine the national structure for cooperatives to ensure better collaboration for high level capital investments, and to define a framework within which cooperatives will be regulated,” he said.

The transformation includes the Cooperative Bill that is now in Parliament, which aims, among other things to strengthen governance in cooperatives, define functions between counties and national government, and support coffee farmers through New Kenya Planters Cooperative Union (New KPCU).

Others are implementation of prudential guidelines and regulation of Saccos with deposits of over Ksh100 million, operationalization of Sacco Central and Shared Services, and support of dairy farmers through designation of New KCC as a buyer of last resort and Strategic Food Reserve.

“This will enhance food security, improve earnings as well as achieve favourable balance of payments through import substitution, increased exports and thereby strengthening our local currency.”

- PS Patrick Kilemi

Saccos advised to use technology to increase their visibility

By Collins Akong'o

Saccos have been advised to embrace innovation and technology to help them increase their accessibility and visibility.

Addressing the 9th Annual Sacco Leaders Convention in Mombasa, Cooperatives Cabinet Secretary (CS) Simon Chelugui said cooperatives must adopt and embrace Information and Communication Technology (ICT) in order to improve their working systems for proper management and service delivery.

Chelugui praised Sacco leaders for their commitment to fostering development and inclusive economic growth, adding that the sector is

empowering people from the poorest segments of the population who possess the requisite skills but have no capital to participate in the economy.

“Cooperatives play an important role in primary processing, transport, marketing, savings mobilization and financial inclusion, and also a shilling saved in a Sacco is as safe as one saved in a bank,” he stated.

The meeting brought together over 900 chief executives (CEOs) and chairmen of different Saccos across the country.

He also encouraged Sacco members to actively contribute their share capital and monthly deposits to build a strong foundation for cooperative societies and equip them to provide

loans to members.

He noted that the past year has been one of the strongest in the movement's history as member deposits went over Ksh1 trillion for the first time.

On his part, acting Managing Director of Kenya Union of Savings and Credit Cooperatives (KUSCCO) Arnold Munene called upon Saccos to adopt a data-driven approach to achieve diversity, equity and inclusion.

KUSSCO National Chairman David Lang'at asked leaders in the Sacco fraternity to remain united and uphold the collaborative spirit for the mutual benefit of the sector.

He challenged members to pull

together and support the Saccos' umbrella body and its new leadership, and policymakers to stand strong with the cooperative movement that will continue cementing its place as one of the foundational pillars of this country's economy.

The key reforms in the Sacco sub-sector include bringing all the cooperatives undertaking withdrawal and deposit business under SASRA's regulatory framework.

The government has also instituted several legal amendments to streamline the cooperative sector, including the Sacco Societies Act, which aims at increasing short term liquidity through inter-borrowing and increasing access to central systems.



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By harnessing the potential of technology and innovation, cooperatives can unlock new opportunities, streamline operations, and fortify their value proposition.

- Simon Chelugui

Saccos asked to adopt strategic innovations for consistent output

By Felix Wanderi

Saccos have been called upon to embrace strategic innovations that will propel them towards continued excellence and consistency in performance.

Speaking during the Kenya National Police DT Sacco's 51st Annual Delegates Meeting (ADM) held in Serena Hotel in Nairobi, Cooperatives Cabinet Secretary Simon Chelugui said that technology stands as a powerful catalyst for transformation that offers avenues for enhanced efficiency, reduced operational costs, and expanded service delivery.

"By harnessing the potential of technology and innovation, cooperatives can unlock new opportunities, streamline operations, and fortify their value proposition," Chelugui said.

The CS said that embracing ICT solutions, prioritizing technological innovation and fostering research and collaboration are essential steps in the journey towards sustainable growth and development.

"Let us reaffirm our commitment to innovation, collaboration and excellence. By embracing technological advancements and cultivating new cooperative ecosystems, we can pave the way for a brighter, more inclusive future," he said.

He said that the State cannot overlook the challenges that confront cooperatives today, which include the costliness of agricultural inputs and cybercrimes, and from the dearth of accessible working capital to the imperative need for investments in human capital.

"These hurdles demand our attention, yet, amidst these challenges, lie immense opportunities. The government is steadfast in its commitment to leveraging cooperatives and micro, small, and medium-sized enterprises (MSMEs) as catalysts for economic growth," he said.

He said that the cooperative business model is an ideal vehicle to use to reduce the cost of living, eradicate hunger, foster job creation, broaden the tax base, and enhance foreign exchange reserves.

"My ministry has been unwavering in its efforts to cultivate an enabling environment. Through the formulation of progressive policies, enactment of supportive legislation, and implementation of instructive frameworks, we endeavour to empower cooperatives to thrive," he said.

He added that the pending Cooperatives Bill 2023 contains a raft of interventions that will enhance the growth and development of the cooperative sector, suggesting it heralds

a new era of possibilities and reforms that will delineate roles between the national and county governments to ensure a coordinated approach to promotion, regulation and development.

"The reforms provide for the registration of Cooperative Federations for each value chain to foster self-regulation and cohesion within the sector," the CS said.

According to Chelugui, enhanced governance standards, including the segregation of roles between Boards of Directors and management, alongside rigorous vetting mechanisms, underscore ministry's commitment to integrity and accountability.

He further revealed that his ministry has proposed amendments to the Sacco Societies Act to facilitate the operationalization of the Deposit Guarantee Fund and the establishment of Central Liquidity and Shared Services, which will fortify confidence in financial cooperatives.

He also told participants that the ministry reforms extend across various productive value chains, including coffee, dairy, cotton, artisanal mining, artisanal fishing, construction, and housing. It also caters for leather and leather products, edible oils, avocado, and macadamia.

"These efforts are a testament to our dedication to driving holistic and sustainable growth," he said.

KUSCCO Warns Saccos against declaring high dividends

By Tsozungu Kombe

The country's Sacco umbrella body, Kenya Union of Savings and Credit Co-operative (KUSCCO), has warned the entities against declaring unrealistic dividend payouts in a bid to retain membership.

Speaking during Imarika Sacco's Annual Delegates Meeting (ADM) in early March at Travellers Beach Hotel in Mombasa, KUSCCO Acting Managing Director Arnold Munene noted that it is unsuitable for Saccos to pay out huge returns to members while struggling to meet their overhead costs.

Munene urged Saccos to embrace good leadership and good governance for effective operations, urging top officials to exercise a high degree of transparency, accountability, integrity and honesty while discharging their daily duties to enable them to operate in a more efficient and effective way, hence win trust from the people they serve.

He urged Saccos in the country to develop a high sense of focus towards achieving their dreams.

The same was echoed by Kenya Teachers Sacco Association (KETSA) National Chairman Robert Njue, who also urged Saccos to embrace good leadership and good governance for smooth operations.

Njue urged Kenyans to develop a saving culture for better returns at the end of the transaction period.

Separately, Commissioner for Co-operative Development David Obonyo challenged Sacco members to focus on getting affordable loans from their Saccos rather than high dividends.

Speaking during a recent Hazina DT Sacco's ADM in Nairobi, Obonyo asked

members to have long term investments through the Saccos since cooperative societies work in the best interest of members. "Make use of your Saccos by taking loans and starting businesses. You should not be giving too much pressure on getting dividends every year," he advised.

The commissioner also asked Saccos to start mortgage products for members to acquire properties at affordable prices.

He also challenged participants in all Saccos to interrogate figures presented to them during the ongoing ADMs around the country and should elect people of high integrity and good character to take care of their resources.

He said governance is a big issue in most cooperative societies and added that most Saccos become bankrupt because of delegates' decisions; some demanding extremely high dividends that make the institutions struggle financially.

Cooperative Insurance Company (CIC) Manager in charge of Coast and North Eastern regions Samiri Luvusia urged Saccos in the two regions to insure their properties for safety purposes.

This will enable them to operate without any fear of theft and burglary, he said. Cooperative Bank's Coast Regional Public Relations Officer Collins Kai asked Saccos in the region to adopt Information and Communication Technology (ICT) to enhance service delivery to members.

Kilifi County's Cooperative Development Chief Officer George Katana Mwangiri told Saccos in the county to embrace member education and training to enable members to be conversant with their Sacco affairs.

Kilifi County Cooperative Deputy director Mary Mkare said the county government will continue to offer technical advice to Saccos in the county.

Defaulters on Sacco loans accused of denying others chance to borrow

By Benedict Ng'etich

Kericho County Commissioner of Cooperatives Dr Leonard Oti (pictured) has said defaulters on loans and those who delay repayments are denying other members a chance to use the same facility.

Speaking during Simba Chai Sacco's Annual Delegates Meeting (ADM), Oti was concerned about the high rates of delinquency witnessed in some societies, which he cautioned the delegates to curb in its early stages before it cripples the operations of their Sacco.

"I want to emphatically call on you delegates to go round your areas of operation and educate your members on the need to honour their financial obligations and repay their loans on a time," said Oti.

The chairman of the society Dr Joseph Mitei told the delegates that the Board of Management will do its best to avoid borrowing expensive external loans.

He said the priority of the board is to build the members' saving culture, which in the long run reduces the dependency on external loans.

"This is the surest route to enabling us to be self-reliant and be able to repay our loans on time," said Mitei, telling delegates the board will not shy away from making unpopular decisions, but



which are beneficial to them in future.

"We all have heard of societies that made very popular decisions, like increasing dividends to unrealistic percentages, which did not reflect real growth. They are no longer in existence; they collapsed," he observed.

On his part, the Chief Executive Officer Wesley Ng'eno said the society was diversifying on its membership, citing welcoming of members from sugarcane and coffee marketing societies.

He thanked delegates for their aggressive recruitment drives and the growth of the society in all parameters, observing that the Sacco has met all prudential requirements by the regulator, the Sacco Societies Regulatory Authority (SASRA.)

During the meeting, delegates voted out their external auditor on grounds of not meeting timelines.



Saccos to receive Ksh5.7 billion dividend windfall as Co-op Bank pre-tax Profit hits Ksh32.4 billion

By Our Reporter

Savings and Credit Co-operatives (Saccos) will this year receive Ksh5.7 billion in dividend after Co-operative Bank of Kenya announced profit before tax of Ksh32.4 billion for Full Year 2023 as it prepare to have its virtual Annual General Meeting (AGM) on May 17, 2024. This will be the same level of dividend paid to Saccos for the year 2022 and comes as a most timely cash injection to the movement in light of depressed economic activity, even as large listed companies such as Kenya Commercial Bank (KCB) have even voided paying dividend this year.

The 2023 profit before tax is a commendable 10 per cent growth from Ksh29.4 billion in Full Year 2022. It represents a Profit after Tax of Ksh23.2 billion compared to Ksh22.0 billion reported in 2022.

The Group Managing Director and Chief Executive Officer (CEO) Dr Gideon Muriuki stated that the strong performance by the bank is in line with the Group's strategic focus on sustainable growth, resilience and agility.

In a statement signed by Dr Muriuki dated March 20, 2024, the strong performance has led to a sustained increase in shareholder value as reflected in the competitive Return on Equity of 21.0 per cent, with the Board of Directors (BoD) recommending a dividend payment of Ksh1.50 per share subject to approval by the regulators and shareholders.

In the statement, the financial position of the Group shows that the total assets grew by 10.5 per cent to Ksh671.1 billion from Ksh607.2 billion in the same period last year. Net loans and advances grew to Ksh374.2 billion (10.3 per cent) from Ksh339.4 billion in 2022, while customer deposits grew to Ksh451.6 billion, a 6.6 per cent increase from Ksh423.8 billion.

External funds from development partners stood at Ksh67.3 billion from Ksh48.1 billion in 2022, as shareholder funds grew by 5.5 per cent from Ksh107.7 billion in 2022 to Ksh113.6 billion.

On Comprehensive Income, the total operating income grew by 0.6 per cent from Ksh71.3 billion to Ksh71.7 billion, total non-interest income grew by 2.8 per cent from Ksh25.7 billion to Ksh26.5 billion, net interest income remained stable at Ksh45.2 billion as compared to Ksh45.5 billion in 2022, and total operating expenses reduced by 6.1 per cent from Ksh42.2 billion to Ksh39.7 billion.

The Group reported excellent efficiency gains from the various initiatives to record a Cost-to-Income Ratio of 47.0 per cent in FY2023 from 59 per cent in FY2014 when it began its Growth and Efficiency journey.

"The Co-operative Bank Group

continues to pursue strategic initiatives that focus on resilience and growth in the various economic sectors. This is anchored on a successful universal banking model supported by an innovative digital presence, a wide physical footprint, and the unique synergies in the over 15-million-member co-operative movement that is the largest in Africa," said Dr Muriuki in the statement released to the media.

Strong digital presence

The bank, in June 2023, successfully upgraded the core banking system to the latest version of Finacle by Infosys, one of the best-rated platforms globally, marking a critical milestone in the bank's digitization journey to enhance service excellence and provide the most innovative and advanced banking solutions.

In addition, the Co-operative Bank of South Sudan successfully went live on the new Finacle system on March 17, 2024, concluding the full migration of the Group to the new system, thereby enabling its digital synergy.

Through its digital channel strategy, the bank has successfully moved over 91 per cent of all customer transactions to alternative delivery channels, including a 24-hour contact centre, 599 ATMs and Cash Deposit Machines (CDMs), mobile and internet banking, and over 17,000 Co-op kwa Jirani agents.

Its omni-channel platform continues to offer users accessibility and enhanced experience, with the platform interfacing online banking through personal computers, mobile phones and USSD codes to avail services to all customers through their preferred channels.

MCo-op Cash Mobile Wallet continues to drive substantial non-funded income streams, registering 5 million customers and transacting Ksh75.3 billion in loans in 2023, which is an average of Ksh6.3 billion per month.

Over 208,000 customers have taken up the Micro, Small and Medium-size Enterprises (MSME) packages rolled out in 2018. A total of 58,850 have been trained on business management skills.

In 2023, the Group disbursed Ksh18.6 billion to MSMEs through its Mobile E-Credit solution. MSMEs make up 15.8 per cent of the Total Loan Book.

"Our unique model of retail banking services avails access to cash for FOSA operations, enabling 484 FOSA outlets to support over 15 million Sacco members to access banking services even in rural/remote

areas," added Dr Muriuki.

More outlets

The branch network has expanded to a total of 194 outlets, including four in South Sudan, as it plans to add 15 more this year. Two in Imaara Mall on Mombasa Road, Nairobi, and Ugunja in Siaya, have already been opened.

Eight new branches - Bahati Road in Nakuru, Kimana, Matuu, Thika, Meru (Greenwood Mall), Kenol (Makuyu), Lamu (Hindi), and Mombasa (Bamburi) - were opened in 2023.



The bank was named Overall Winner of the just concluded Banking Industry Customer Satisfaction Survey conducted by the Kenya Bankers' Association (KBA), which also declared it the winner in the Tier One Bank Category.

This is the second consecutive win, having also won the overall title for year 2022.

The survey was conducted by interviewing over 30,000 banking customers across

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The Co-operative Bank Group continues to pursue strategic initiatives that focus on resilience and growth in the various economic sectors.

- Group MD & CEO
Dr. Gideon Muriuki

The bank continues to invest in a competitive team to tap new growth opportunities across all areas of the business. Therefore, staff numbers have increased from 4,864 at the close of 2022 to 5,400 as 2023 ended, creating job opportunities for over 530 young people.

Subsidiaries

Co-op Consultancy and Bancassurance Intermediary Ltd, riding on strong penetration of Bancassurance business, posted a Profit Before Tax of Ksh877.1 million in FY2023.

Co-operative Bank of South Sudan, a unique joint venture (JV) with the Government of South Sudan, (Co-op Bank 51 per cent), made a Profit Before Tax of Ksh291.3 million in FY2023 compared to Ksh132.7 million in 2022, a 119.5 per cent growth.

Co-op Trust Investment Services Ltd contributed Ksh226.0 million Profit Before Tax in FY2023, an 8.6 per cent growth. The subsidiary has Funds Under Management of Ksh218.4 billion.

Kingdom Bank Limited, a niche MSME bank, contributed a Profit Before Tax of Ksh1.08 billion in FY2023, a remarkable growth of 36.4 per cent from Ksh792.6 million in FY2022.

Recognitions and awards

the country.

Other key awards in 2023 include: CIO of the Year in Africa went to Chief Information Officer Charles Washika in the CIO 100 Awards, Banking Sector Award; while at the IFC Global SME Awards held in Mumbai India, the bank won the SME Financier of The Year in Africa - Gold Award.

In 2022, the bank embarked on an enhanced Environmental, Social and Governance (ESG) roadmap to integrate ESG considerations into its operations, which achieved several key milestones as it affirmed its commitment to sustainability.

The bank's commitment to ESG excellence was celebrated at the 2023 Kenya Bankers' Sustainable Finance Catalyst Awards where the bank emerged the Overall Award Winner. This was the fourth win since the inception of the award six years ago.

Co-op Bank Foundation, the Group's social investment vehicle, continues to provide scholarships to gifted needy students from all regions of Kenya.

The sponsorship includes fully paid secondary education, full fees for university education, and internships and career openings for beneficiaries. The foundation is fully funded by the bank and has supported 10,264 students since inception.



Co-op Bank named “Overall Winner” in 2023 KBA Customer Satisfaction Survey

BY OUR REPORTER

The Co-operative Bank of Kenya has emerged as the *overall winner* of the banking industry’s Customer Satisfaction Survey conducted by the Kenya Bankers’ Association (KBA), and also the winner in the Tier One Bank Category.

This is the second consecutive time Co-op Bank wins the award, having also won the overall title for year 2022.

To get to this conclusion, 30,000 customers of various Kenyan banks were interviewed across the country. With its high response rate, the 2023 survey provides invaluable insights that will undoubtedly inform policies towards enhancing financial inclusion for the country’s highly dynamic and diverse banking public through fact-based innovations.

Commenting on the award, Co-op Bank Group Managing



The Chief Executive Officer of the Kenya Bankers Association (KBA) Dr. Habil Olaka (second right) presents the certificate for Overall Winner in Customer Satisfaction Survey to Co-operative Bank team (from left) Phoebe Mureithi, Rosemary Nyamweya and Steve Kirui.

Director and Chief Executive Officer (CEO) Dr Gideon Muriuki said: “Co-op Bank will continue to invest substantial resources in building the teams, the tools and the technologies to deliver a fulfilling customer experience across all our service channels.”

The results of this survey were released on March 5, 2024 during a media briefing hosted by KBA at the Radisson Blue, Upperhill, Nairobi, where Co-op Bank was presented with a certificate of recognition for excelling in customer service based on the survey’s findings.

The annual Banking Industry Customer Satisfaction

Survey was initiated in 2018 as part of efforts being spearheaded by KBA to enhance customer experience in the banking industry.

The survey is an annual evaluation conducted online using SurveyMonkey, an online platform that collects feedback with pinpoint accuracy. Applied in this case, it is aimed at obtaining some particular information from the banking public.

The survey is based on a simple random sampling technique that reduces the possibility of systemic errors and minimizes sampling biases, thus producing a representative sample that ensures that the generalization of inferences

drawn is according to the need that has been identified.

In the 2023 survey, 30,608 responses were received, 12.25 per cent of whom were persons with special needs that were using braille, ramp, screen reader and voice aid.

Last year, Co-op Bank was named the overall winner of the KBA 2022 Sustainable Finance Catalyst Awards, an award created to recognize institutions that practise sustainable finance, which has a direct positive impact on the financial sector, the economy, the environment, and the society at large.

Sustainable Finance principles require financial institutions to balance their quest for financial returns with the

2018
 Year the annual Customer Satisfaction survey was launched by the Kenya Bankers’ Association

economy’s future priorities and socio-environmental concerns.

In addition to scooping the overall title last year, Co-op Bank also won in specific award categories, including being named The Most Innovative Bank in Sustainable Finance and The Best Bank in Financing Commercial Clients.

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 Co-op Bank will continue to invest substantial resources in building the teams, the tools and the technologies to deliver a fulfilling customer experience across all our service channels.

- Group MD & CEO
 Dr. Gideon Muriuki

High returns for coffee farmers as NCE prices soar

The weekly trade saw the volume of coffee traded jump 35 per cent to 30,272 bags on a value of \$9 million (Ksh1.3 billion), which is a 35 per cent rise, compared to the previous week that raked in \$6.68 million (approximately Ksh958.58 million).

By Our Reporter

The ongoing coffee reforms are bearing fruit as prices at the Nairobi Coffee Exchange (NCE) shoot up to all-time highs, the last week of February auction has given the solid proof.

During the week's auction on February 27, 2024, the prices rose to \$9 million (approximately Ksh717.5 million), with action volume increasing to Ksh1.3 billion where Nyeri coffee posted top prices even as overall prices remained firm.

The highest price achieved was \$499 (approximately Ksh71,606.50) per 50kg bag for Ndaroini Coffee Society in Nyeri. This high price is equivalent to Ksh224 per kilogram of cherry at factory gate.

The weekly trade saw the volume of coffee traded jump 35 per cent to 30,272 bags on a value of \$9 million (Ksh1.3 billion), which is a 35 per cent rise, compared to the previous week that raked in \$6.68 million (approximately Ksh958.58 million).

The average price also increased by 19 per cent to \$290 (approximately Ksh41,615) from the previous \$244 (Ksh35,014) per 50kg bag. The average price is equivalent to Ksh130 per kilo of cherry.

The top 10 prices went to coffee societies in Nyeri and Kirinyaga counties, namely: Ndaroini, Kangocho, Muthaka and Gathaithi in Nyeri, and Kii, Karimikui, Mugaya, and Kiangoi, all part of Rung'eto Farmers' Cooperative Society, and Kaguyu of Inoi Farmers' Cooperative Society from Kirinyaga.

This year has seen a sustained rise in coffee prices, with the number of bags receiving more than \$400 (approximately Ksh57,400) per bag increasing. Notably, 20,716 bags, or 68 per cent of the volumes traded, were premium grades AA and AB.

The sustained rise in prices may be a resounding vindication

of the coffee sub-sector reforms that the government has been pushing since 2016 when the Coffee Sector Reform Taskforce led by Prof Joseph Kieyah was appointed. It is remarkable that the newly-licensed coffee brokers that are wholly owned by farmer societies are dominating trade at the auction, Kirinyaga Slopes Company leading the way.

In addition, the clearing and settlement of trades through the Co-op Bank's Direct Settlement System (DSS) has ushered in unprecedented levels of price transparency that has greatly rebuilt the trust that farmers have in the coffee auction and the NCE.

During the week, nine brokers or agents presented their clients' or farmers' coffee for trading at the auction. Kirinyaga Slopes achieved the highest average price of \$289 (approximately Ksh41,471), followed by Alliance Berries, KCCE Marketing Agency, New KPCU, Kiambu Coffee Marketing Limited, and Kipkelion and Kinya coffee that traded the commodity largely from the Kisii region.

A total of 24 buyers participated in the auction. The top five buyers, led by C.Dormans, purchased 75 per cent of the coffee presented. Others included Ibero Kenya, Kenyacof, Louis Drefus Company, and Taylor Winch.

In a different weekly auction, still in February, a premium \$533 (approximately Ksh76,485) sale for a 50kg bag and a weekly turnover valued at \$8.2 million (approximately Ksh1.2 billion) were recorded, being the highest price and trade turnover respectively ever since the new regulatory regime kicked in. This high price is equivalent to Ksh246 per Kilogram of cherry at factory gate.

Coffee from KII Factory, which is part of Rung'eto Farmers' Cooperative Society in Kirinyaga County, earned the top price. KII factory had 268 bags receiving over \$500 (approximately 76,485) per bag. Rung'eto Farmers' coffee also

fetched the highest prices.

Of particular note is that the coffee was offered for sale by Kirinyaga Slopes Brokerage Company Ltd, which is wholly owned by Kirinyaga farmers, and one of the newly licensed coffee traders following the coffee reforms.

A total of 27,046, bags (50kgs) of coffee were traded, signifying a 64 per cent increase from the 16,468 bags traded in Sale Number 1 previously.

Eight brokers and agents participated, with Kirinyaga Slopes trading the highest volume of 7,809 bags, of which 5,335 bags or 68 per cent of their coffee were top grades AA and AB.

An upward price trend is emerging in the market, with the number of bags receiving more than \$400 (approximately Ksh57,400) per bag increasing to 7 per cent from the constant 2 per cent that the market used

to report before. Much of the coffee sold was largely from Kirinyaga, Nyeri and Embu counties.

In addition, 17,522 bags, constituting 65 per cent of the volumes traded, were top grades AA and AB. Likewise, a total of 23 buyers led by C. Dormans, Kenyacof, Ibero Kenya, Louis Dreyfus Company, and Sasini, participated in the auction.

NAIROBI COFFEE EXCHANGE						
MARKET TOTAL						
Sale 16 of Tuesday, February 13, 2024						
MARKET TOTAL						
GRADE	Bags offered	Weight offered	Min price	Max price	Value (USD)	Average price
AA	6,016	367,348	87.00	533.00	2,413,157.86	328.46
AB	11,506	693,549	108.00	515.00	3,571,711.86	257.50
C	4,155	255,764	94.00	241.00	990,528.28	193.64
E	177	11,023	166.00	247.00	42,504.22	192.80
HE	128	8,167	121.00	176.00	24,866.56	152.24
MH	221	13,938	109.00	170.00	39,323.08	141.06
ML	126	8,338	104.00	116.00	18,279.74	109.62
NH	118	7,344	135.00	178.00	23,259.02	158.35
NL	8	521	102.00	102.00	1,062.84	102.00
PB	1,301	82,699	109.00	494.00	416,333.20	251.72
RH	3	180	109.00	109.00	392.40	109.00
RL	1	66	81.00	81.00	106.92	81.00
SB	8	581	108.00	113.00	1,286.76	110.74
T	1,111	69,462	101.00	191.00	203,431.86	146.43
TT	696	44,073	109.00	235.00	163,568.62	185.57
UG	4	260	106.00	106.00	551.20	106.00
UG1	1,079	66,650	80.00	191.00	225,789.82	169.38
UG2	385	24,503	59.00	173.00	60,345.78	123.14
TOTAL:	27,043	1,654,466	59.00	533.00	8,196,500.02	247.71

Note Prices are in USD per 50 Kg

Vision Afrika Sacco ends share drive with great giveaways



The Grand Prize: Brand new Toyota Passo



Benjamin Thoithi, Sacco Chairman



Vision Afrika Sacco CEO Hiram Macharia, Chairman Benjamin Thoithi, branch managers and other officials pose for a photo with the winner of the Toyota Passo.

By Peter Otuoro

Vision Afrika Sacco recently held a grand draw to give out prizes in the Vision Afrika Plaza Share Drive that was aimed at raising funds for the construction of a 6-storey premise, the top award being a brand new Toyota Passo.

The building will serve as the Sacco headquarters as well as an extra income source through renting out the extra space.

The draw was a culmination of months of a share campaign in all four Sacco branches, in a competitive mode that would see one branch topping the rest in terms of the total amount of contribution made.

As it were, it turned out that the Naivasha branch emerged the overall winner as most of the prizes went there, including the grand prize of a new car.

Patrick Wanjau of the branch is now the owner of a Toyota Passo put up for grabs by the management of the share drive.

The winner thanked the Sacco

management for coming up with the innovative share campaign, which literally put him on the driving seat in the journey towards a better tomorrow.

"I thank the management of the Sacco for organizing this share drive



Hiram Macharia, Sacco CEO



Members celebrating the winner of one of the water tanks.

which has given me this car. I will continue to be a loyal member of the Sacco," said Wanjau.

All other lucky winners from Naivasha, Molo, Nakuru and Gilgil branches were a happy lot as they stepped forward to get their rewards for dutifully and faithfully doing their part. Some of the other items paraded were 10,000 and 5,000-litre water tanks,

phones, and an assortment of various gifts of varied value.

The two water tanks also went to Naivasha Branch, even as the phones were won randomly across all the four branches.

The event was graced by Sacco's

top management, including the Chief Executive Officer (CEO) Hiram Macharia, Chairperson Benjamin Thoithi, and the branch managers.

Also present in their numbers were delegates, members and staff, all of whom combined as a collective witness to the fair draw.

In his speech, Thoithi thanked the members who participated and congratulated those who won, making sure to encourage everyone to continue supporting the Sacco for the benefit of all.

"Congratulations to all members who participated in the share drive. We will reap the fruits when we have our Vision Afrika Plaza, whose ground breaking ceremony will be in March 2024," he said.

On his part, Macharia (CEO) said as management of the Sacco consisting of delegates, branch managers and staff, they are singularly focused on continuing to establish a robust foundation for better service delivery.

"We are focused on improving the conducive environment we have created over the years and giving quality services to all our members. Our 6-storey VAS Plaza will give us a better opportunity," said the CEO.

Vision Afrika Sacco is one of the fast growing Saccos in Nakuru County.





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OTHER BRANCHES
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Naivasha Tel:0716291550

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Imarika DT Sacco assets base hits all time high of Ksh13B



By Tsozungu Kombe

Imarika Deposit Taking Sacco has recorded remarkable growth in total assets amounting to Ksh13.1 billion.

Its impressive performance has seen the SASRA annual report of 2022 rank the Sacco number 16 nationally in terms of assets base and number 11 in terms of profitability.

Speaking during their Annual Delegates Meeting held at Travellers Beach Hotel in Mombasa county recently, Sacco Board of Directors chairman Mr. John Ziro revealed that the Sacco is among the top 15 best performing Saccos in the country.

The Sacco's total earnings improved in 2023 to Ksh1,961,821,426 from Ksh1,804,819,531 in 2022, being an increase of 8.7 percent.

The bulk of the earnings were derived from loan interest which increased from Ksh 1,518,639,420 in 2022 to Ksh1,624,819,562 in 2023, an increase of 7 percent.

Non- Loan interest income, including operating income and service fee income, stood at Ksh283,092,233 in 2023 compared to Ksh252,637,255 in 2022, thus indicating an increase of 12 percent.

Operating and administrative expenditure rose from Ksh665,562,366 in 2022 to Ksh731,300,064 in 2023, an increase of 10 percent.

Interest expense, the bulk of which comprises payment of returns to members, increased from Ksh567,822,949 in 2022 to Ksh688,934,610 in 2023, an increase of 21 percent.

Loans and advances portfolio and members' deposits also increased by 8 percent and 11 percent respectively.

He attributed the society's good performance to team work between the Board of Directors, Management Team, members and staff.

The chairman revealed that despite great challenges, the society has been progressing very well in terms of service delivery to members and the general public.

He urged the Sacco's delegates to aggressively recruit more new members in their respective clusters and to ensure the recruited members are active.

"Recruiting new members will increase the Sacco's capital base, hence boost its daily undertakings more efficiently and effectively", he explained.

Mr. Ziro urged the Board of

Despite great challenges, the society has been progressing very well in terms of service delivery to members and the general public.

Imarika Sacco Chairman John Ziro

Directors to raise Ksh100,000 each on capitalization of their shares to enable them to have self sufficient funds to boost their personal development projects in future without necessarily borrowing from the Sacco.

"I



Imarika CEO George Yongo addressing delegates

would also like to urge delegates to raise Ksh50,000 each as capitalization on their shares," he said, even as he urged members to increase their monthly deposits to enable them qualify for higher loan limits.

He further urged the board of directors and delegates to ensure the steady growth of the Sacco by remaining focused on the

fulfillment of the Sacco's Vision and Mission in accordance with the Sacco's 2022-2026 Strategic Plan.

"Be transparent, accountable and honest while discharging your daily duties to enable you to win trust from the people you serve," he urged the officials.

He revealed that the Sacco has opened nine branches in Coast region: Malindi, Mtwapa, Mariakani and Bamba branches in Kilifi county, Ukunda branch in Kwale county, Garsen in Tana River county, Kengeleni in Mombasa county, Mpeketoni Site office in Lamu county and the Sacco's Headquarters in Kilifi.

The Sacco also takes pride in having completed the construction of Imarika Plaza building in Kilifi town.

The Sacco has also achieved growth in membership which currently stands at over 150,000.

Mr Ziro asked Coast region residents to come forward and join Imarika Sacco in large numbers to uplift their living standards.

He noted that many people in the country have managed to implement their personal development projects through taking loans from their

respective Saccos since daily wages and monthly salaries are not enough to implement development projects.

"Borrow loans wisely and repay promptly to enable other members to benefit from the same loan products," he advised.

Mr. Ziro warned members against defaulting, noting that those who do so will be blacklisted and their names forwarded to the Credit Reference Bureau (CRB).

He revealed that the Sacco will continue to conduct Members Education and Training Days to enable members to know exactly what is happening in their Sacco.

The chairman revealed that this year, the Sacco will focus on leveraging on the available technology to improve service delivery especially in the product delivery channels.

"Given the rapid changes in environment, our focus is still on leveraging technology through the digital platform (particularly Sacco agency, mobile platforms and loyalty programmes) available and Strategic partnerships to increase membership, mobilise more deposits and increase revenue streams particularly on the non- loan interest income", adds Mr. Ziro.

The Sacco has already automated deposits and withdrawal transactions through its electronic channels (e-channels).

"We have already implemented the dividend advance in the mobile services for ease of access and we are looking forward to add more mobile loans in the mobile space this year (2024)," he noted.

He revealed that this year, the Sacco will organize a bench marking tour for its delegates and continue to support Imarika Foundation to enable it operate more efficiently and effectively.

Sacco Chief Executive Officer George Yongo Ngala revealed that the Sacco's total assets in 2023 grew to Ksh13.1 billion against an expected target of Ksh13.2 billion.

Members' deposits grew to Ksh8.3 billion against a target of Ksh8.4 billion.



Imarika Sacco delegates follow proceedings.

Continued next page...

Imarika DT Sacco registers impressive growth

...Continued from prev. page

“We are seeing a lot of resilience in our members saving despite the hard economic times,” he stated, even as he urged members to embrace entrepreneurship to boost their incomes for posterity.

Mr. Ngala disclosed that loans and advances granted to members also grew to Ksh10.9 billion in 2023 against the anticipated target of Ksh11.2 billion.

The PAR rate on loans stood at 7.7 percent in 2023 against the permissible maximum rate of 5 percent.

“Efforts are currently underway to cover that gap by restructuring of loans where necessary,” he stated.

The CEO also stated that the Sacco’s turnover grew in 2023 to Ksh1.9 billion, attributable mainly to interest from loans and advances.

During the year under review, members share capital grew to



Kilifi Deputy Governor and Chief Guest Flora Chibule receiving a gift from Imarika Sacco Board of Directors.

noted that Imarika Sacco has been making strides in financial stability and growth, reaching significant milestones in its performance.

Kilifi County Executive Committee Member for Trade, Tourism and Cooperative Development Ministry Ms. Clara Chonga lauded Imarika Sacco for its good performance and urged other Saccos in the county to emulate it.

She noted that the county has 196 active cooperative societies with a collective asset base in excess of Ksh15 billion; Ksh13 billion comes from Imarika Sacco.

The CECM urged Saccos in the region to embrace good leadership and governance in order to retain members.

Imarika Sacco was officially registered in 1974, initially targeting primary school teachers.

It later opened up a common bond and is regulated by SASRA.

The vibrant Sacco, which is one of the fastest growing Saccos in the country, is currently situated at Imarika Plaza building in Kilifi town, opposite Kenya Commercial Bank (KCB) along the Kilifi – Malindi highway.

progress and getting them enacted as soon as possible,” she explained.

She stated that the county government in collaboration with the national government and Council of

Governors will strive to finalise the National Cooperative Bill as soon as possible.

KUSCCO Director for Coast and Eastern regions Alfred Mlolwa



A section of invited guests compare notes as they follow events during the Sacco Annual Delegate Meeting.

Ksh842.8 million against a target of Ksh743 million.

The CEO assured members that the Board of Directors, management team and staff will strive extra hard to push the vibrant Sacco to the next level of development.

The chief guest, Kilifi county Deputy Governor Ms. Flora Mbetsa Chibule, said the county government will employ more cooperative officers to educate the residents on the importance of joining cooperatives societies.

She added that the cooperative movement plays an important role of uplifting the living standards of

people and that Imarika Sacco has proven that all is possible when people come together for a good cause.

The deputy governor asked Saccos in the county to conduct Member Education Day and Training to enable members know their Saccos better.

She also states that the county government has established WEZESHA Fund to enable women and youth to form groups and apply for the Fund to boost their businesses.

“Kilifi County Cooperative Bill and Regulations are currently being reviewed by the County Assembly. We are committed to expediting their

A penny saved is a penny earned.

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EDITORIAL

Sacco re-branding is a great idea if properly planned

A number of Saccos have rebranded to breathe a new life into their existence. The hope is that with a change they will be able to capture the imagination of members, both existing and prospective, in a way that will bring positive energy and reinvigorate the many lattices that may have been rendered ineffective by time.

Ordinarily, businesses change their brand because the current orientation is no longer functional or has been worn out by vagaries of age. They may have outlived their usefulness or lost the flavour that attracted so much awe but now is tipping off.

A Sacco rebrands to redefine itself, much the same way reptiles regenerate their skin to adapt to a new environment. But then they are careful not to shed off everything that defined them in the first place. Some choose to do it piecemeal, like simply changing the name. Others will opt for complete overhaul, which sometimes may even mean sending personnel home and bringing in new ones.

Whatever their preference, it will be dictated by what works and what does not. Most of them get it right because they have worked out a roadmap based on an identified need, and have set plans that will guide the direction they are taking.

However, some fall into the trap of reacting to the rebranding wave by hastily gathering up something that looks like it. The hard decisions are made euphorically to match what competitors are doing without a real reason to change identity.

This is tragic. It should be noted that rebranding is not an end but a means to an end. It is the product of a well thought out plan that spans a lengthy period of consultation, perhaps across two or three strategic plans.

Imperatively, rebranding must meet the set objective that informed the change; and this objective differs in spirit from one Sacco to another.

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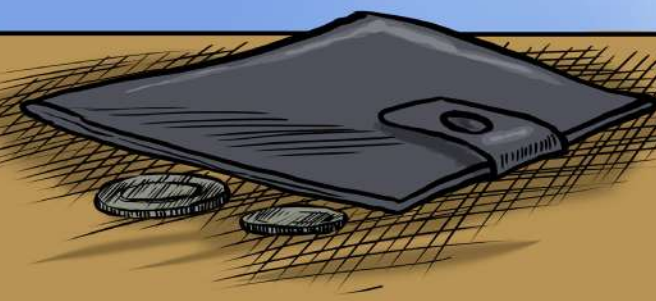
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CHOOSE ONE...

...I INVESTED IN A SACCO AND GOT DIVIDENDS...



...WHAT IS A SACCO?...



OPINION

When all is said and done, Saccos have to make profits

By Dorcas Nyambura Ndegwa

Email: domamvua@gmail.com

Over time, Saccos are increasingly popular as a means of accessing financial services in the country. They are member-based entities which run on the principle of bringing resources together before providing affordable credit.

Like other financial institutions that include microfinance, commercial banks and mobile lenders, they work day and night towards maximizing profit. Saccos have no option other than making every effort to continuously and steadily serve their members effectively; and on the other hand; get some profits as well.

Saccos need funds to finance daily operations, do projects that result in their growth, and ensure their members are served to their satisfaction. By the end of the year, they require to report something good to the members, which could be the profits they made. In this regard, they need to consider and re-evaluate their activities and see to it they are generating good incomes like other financial institutions.

It is true that sometimes Saccos are limited to the income generating projects they may engage in as per their regulators. It is therefore important to understand their internal potentials and explore them.

Economies of scale

They can explore on building a strong membership. The success of any Sacco is strongly dependent on the strength of its membership base. When a Sacco has a strong membership base, it means it will manage to mobilize more savings, borrowing



Dorcas Nyambura

The writer is a cooperative movement consultant.

opportunities and any other service they offer.

The products they have will be consumed by the members and the same members will borrow, thus gaining through processing fees, interest incomes or any other fees attached to these processes. The business brought about will definitely translate to high profits.

Sometimes the cost of a product is no longer an issue to members as they tend to value more how best they obtain the product or service. Cheap interest rate no longer sells; what matters is how best you present the product. Saccos can invest in packaging their products through creating awareness and making them as attractive as possible.

The members should be offered competitive interest rates on savings and loans, besides excellent customer service that maintains member dignity at all times. This would help to attract, retain and reduce membership dormancy and withdrawals that reduce on Saccos' assets.

In the world we are living in today, customer needs, taste and preferences keep on changing from time to time. This is occasioned by the

different internal and external economic and environmental factors both locally and globally. Saccos need to up their game by offering a variety of well thought out and designed products and services to give them a valid reason to stick around.

Flexibility

One of the challenges Saccos have is giving the same products for a long time that forces their members to switch to other financial institutions with flexible and convenient all-season products. These Saccos fail to understand that with a variety of products, they can generate additional revenue streams and increase the value that they can give.

In addition to offering savings and credit facilities, Saccos can explore other fields within their regulation to stop them from running to other institutions. By so engaging such activities, they increase the value to members and generate more revenue. Having several products is very important since it reduces dependency on a single product, and in case a certain risk occurs, there is a fallback position.

Most of our Saccos are slow in embracing the current technology that has a cost implication on the other side. They have been engaging manual processes that sometimes are very tedious and expensive. They tend to overlook technology but yet they want to advance.

For any Sacco that wants to make profits and give the best to its members, technology enhancement should be strategy number one. This is because technology helps to streamline operations, enhance customer experi-

ence, reduce costs, and increase revenue.

Automation and costs

Automating such processes as credit processing, account opening and account management will reduce the risk of errors and fraud, which would translate to increased profits. Technology enables Saccos to provide convenient and accessible services.

Current technology in Saccos helps in data analytics. It is through this that varying expectations and needs can effectively be managed.

Technology enables Saccos to be competitive not only with other Saccos but with other institutions that offer similar services.

As Saccos are growing and are adopting new structures, it would be prudent for them to adopt a system that manages their costs that would be responsible for cutting down unnecessary expenses.

Most established financial institutions have laid down strategies on cost management, which are reviewed from time to time.

Saccos can adopt such systems and strategize to ensure proper asset management, optimal asset utilization, reduction in idle resources, and improvement in return on investment.

If they could have a laid down plan, they would ensure they allocate resources and expenses effectively. Managed costs ensure there are no wastage and unnecessary spending.

Besides meeting the members' needs, Saccos need to know they are in business and, I quote: 'Watch the cost and the profits will take care of themselves.'

Great care must be taken when Saccos lend to insiders

By Ben Oroko

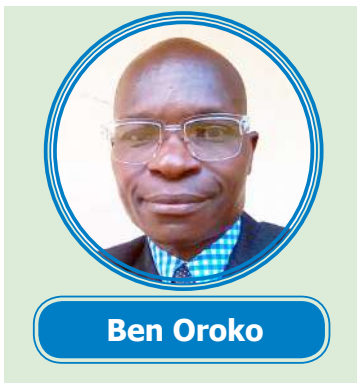
Insider lending is a process where a Sacco or a financial services institution advances loans to its officers or directors.

However, in some developed countries, such as the United States (USA), it is a requirement that such loans are charged at the same interest rates, repayment terms and credit evaluation criteria as applies to outside borrowers.

Financial experts argue that this kind of lending is more or less like lending to oneself, hence compromising the essence of a banking obligation whose purpose is to extend credit to those who need it most, keeping in mind its profitability and risk concerns.

Any Sacco or financial institution that engages in lending to its associates or its officers and management is behaving irrationally, contrary to the objective of financial services economy.

Based on business ethics and code of conduct, it is prudent for the Saccos to embrace a manageable level of insider lending, since excessive levels might lead to losses that often threaten continued existence of that particular institution.



Ben Oroko

In this case, a financial risk refers to the likelihood that a firm could fail or encounter difficulty in honouring its financial obligations as and when they fall due.

Proven banking reports from across the world point out that it is common practice to find customers who are well connected with top level management flouting the banking laws to access favourable credit conditions.

It is important to note that banking is one critical industry where one's character is considered a crucial requirement in the repayment analysis of the borrower, making it necessary

for any professional and ethical banker to interact with the customer to assess their character.

On matters good corporate governance, financial experts have advised that lending to close associates and business enterprises are and should be reported in the financial statements and made public.

However, in certain circumstances, lending to the customers who have links inside the management is a different issue and a financial institution cannot publicly disclose such sensitive information based on the rule of banker-customer confidentiality.

In most cases, insider lending and fraud tend to have serious consequences not only for the banking sector, but for the entire financial system.

And these fraudulent activities expose the banking and the financial services system to numerous risks, including operational, credit, liquidity, reputation, and compliance risks.

There have been serious cases where insider lending has been linked to the high volume of toxic assets or bad and irrecoverable loans that endanger the financial institutions' corporate survival.

However, at the back of every manager's mind, they must remember that the primary responsibility of preventing and detecting any type of fraud, not just loan fraud, rests with the financial institution and the system of internal controls it has in place.

It is important that financial institutions and insiders should carefully review any potential insider transaction and if necessary, seek legal advice before engaging in insider lending activities.

Poor lending policies, on the other hand, stand out as one of the leading causes of financial crises, particularly within financial institutions with poor corporate governance and weak enforcement of regulations systems.

It is crucial to note that a financial institution can make loans to a variety of insiders, including major shareholders, subsidiaries, affiliated companies, directors, executive officers and board of directors. And when insiders receive loans with favourable terms and conditions, there is always a probability of a risk of abuse.

Another critical concern on insider loans is that insiders may have less incentive to repay a loan on time or at

all than outsiders.

This is to say at the least that a financial institution executives may simply roll over the bad debts of insiders with whom they have close ties in some cases, much to the disadvantage of the institution's ethical financial practices.

While the majority of dangers are quantifiable, insider misuse has the potential to harm a financial institution's reputation far beyond any financial loss since inappropriate insider activity can basically erode the public's trust in a financial institution.

It is obvious that the financial health and long-term viability of any given financial institution are directly correlated to the market's assessment of the insiders' integrity.

However, in order to keep the public's confidence and trust, a financial institution needs to be known for its honesty, integrity and high ethical standards in all of its dealings, more particularly with insiders.

The writer is a communications practitioner and correspondent based in Kisii.
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SASRA board has its hands full as real work begins

By Sammy Chivanga

For close to a year, Sacco Societies Regulatory Authority (SASRA) board has been taking shape, starting with the appointment of Jack Ranguma, the former governor of Kisumu County, as the chairperson on February 6, 2023.

There have been other new faces too. For instance, Freda Moraa, a former legal advisor in the Office of the Governor, Nyamira County, joined the board as a director on June 23, 2023.

Methuselah Rono, who was working as an adjunct lecturer in the Faculty of Commerce at Egerton University, joined the board on June 16, 2023. This was the same day that Timothy Kihara, a seasoned businessman and CEO of CleanShelf Supermarkets, joined the SASRA board.

The four joined Gerald Nyaoma, who has been serving as an alternate to the governor of the Central Bank of Kenya (CBK) since April, 6, 2016. He is the director of Bank Supervision department at the CBK.

Another old face at SASRA is Alice Mwololo, the chief economist in the Directorate of Budget, Fiscal and Economic Affairs of the National Treasury. She has been serving as the alternate to the Principal Secretary (PS), National Treasury since October, 14, 2015.

Then there is Peter Njuguna, the SASRA CEO who joined this institution in 2010 alongside Roselyne Ragama who serves as the corporation's secretary.

With the board now complete



CS Chelugui poses for a photo with newly appointed SASRA Board of Directors.

and having had months to gel and figure out what their strategy is, the board members were on March 13, 2024 inaugurated by Simon Chelugui, the Cabinet Secretary (CS) in the Ministry of Cooperatives and MSME Development. This now gives the SASRA board the full mandate to execute its strategy.

Having spent some months together now, the board is expected to move swiftly to deliver where the previous team stuttered, including putting in place deposits cover for the over Ksh400 billion depositors' money under its supervision.

The SASRA board inauguration was also attended by Patrick Kilemi, PS in the State Department for Cooperatives, as well as senior

SASRA management.

A SASRA brief on the inauguration said Chelugui pledged support for the Authority in the execution of its mandate for stability of the Sacco sector, which is a key segment of cooperatives in Kenya that serves a majority of the very low and medium income earners in the country.

The brief

Part of the agenda that the board was asked to press without fail is ensuring that all money saved in Saccos is safe and well-managed for the savers.

"To realize the visions of the Bottom-up Economic Transformation Agenda (BETA) of improving the economic livelihoods of the

millions of hustlers, who are saving their hard-earned money in Saccos, then everyone in the Sacco should participate in the 'Shilling in the SACCO must be as Safe as a Shilling in a Bank' narrative," Chelugui said.

Key policy initiatives to enhance stability in the Sacco sector were extensively discussed, including unremitted deductions. While the ministry promised to ensure that all pending bills are approved and published, the SASRA board is expected to also push on its front.

Ranguma will have to rally his team behind the proposal to have a framework that will allow for direct deduction of Treasury's allocation to counties, public universities and

other State-linked entities to settle billions of shillings they deducted from their employees but failed to remit to Saccos.

The framework is supposed to enable the recovery of such non-remitted Sacco deductions through the National Treasury directly from the exchequer. This presents one of the issues the board will be considering.

But even more critical is the elusive insurance cover for depositors' savings. SASRA data shows deposit-taking Saccos alone held Ksh616.98 billion at the end of 2022 compared to Ksh341.91 billion five years earlier, pointing to the continued growth of the cooperative movement that is regarded one of the most vibrant in Africa.

SASRA had already submitted to Treasury the proposed amendment to the Sacco Societies Act, 2008 that will for the first time help in protecting depositors from losses. The board will have to push on this and ensure that it sets up a deposit insurance fund for credit unions as was provided for in the Sacco Societies Act enacted in 2008.

This will rescue savers from losing money in financially distressed Saccos. But first, SASRA has to ensure the amendments to this Act are made to provide for a framework for appointment of trustees to the Deposit Guarantee Fund.

Other matters expected to occupy the SASRA board include ensuring sound management amid high adoption of digital services and the supervision of Saccos operating from the diaspora.

Jamii DT Sacco posts impressive growth to pay high dividends in 2023

By Obegi Malack

Jamii Sacco has recorded growth in gross revenue by 4 per cent in the year ended December 2023, rising from Ksh 657.8 million to Ksh 682.5 million.

Based on the good performance in this and a diversity of other parameters, the board paid out dividends on share capital and savings at the rates of 13 per cent and 10 per cent respectively.

During the year under review, the Sacco assets grew to over Ksh5.73 billion from Ksh5.44 previously, thus maintaining its Tier 1 status as per the regulator's categorization.

The growth in total assets is a demonstration of the board and management's commitment to take the Sacco a notch higher as set out in the SMP 2021-2025. This year, it is focusing on surpassing the target of Ksh6 billion.

This was revealed by the Sacco National Chairman Harrison Katoni during the Annual Delegates Meeting (ADM) held at the headquarters in Nairobi's South B.

The annual report revealed that the Sacco share capital grew to Ksh339.64 million from Ksh292.24 million over the review period, which is an increase of 16.22 per



Jamii Sacco management team is introduced at the ADM.

cent.

The marked growth was attributed to the member contributions in addition to the

new rate approved during the 2023 Annual General Meeting (AGM).

"The Board of Directors and management have implemented the resolution to grow the share capital by 100 per cent. The growth in share capital is critical to the Sacco," the chairman said, appealing to members through delegates to meet their minimum share capital threshold in order to enhance their returns.

During the year under review, the Sacco also recorded growth in deposits and savings to Ksh3.87 billion from Ksh3.66 billion in 2022, which is a growth of 5 per cent. This was as a result of efforts of the leaders to improve the Sacco liquidity.

The Jamii Sacco FOSA savings also grew to Ksh503.5 million from Ksh499.7 million, an increase of 0.7 per cent.

The chairman said that despite the difficult economic times, members continued to demonstrate a high level of resilience and commitment by patronizing products and services.

"I wish to emphasize to all members to increase their individual monthly deposits and FOSA savings so as to benefit from savings build up, qualify for higher loans, improve

self guarantorship, and enjoy good returns from interest rebates," he said.

The Sacco adjudicated and disbursed loans to members totalling to Ksh2.151 billion in 2023 compared to Ksh2.115 billion in 2022, a growth rate of 1.7 per cent.

The net loan book at the end of the year was Ksh3.97 billion compared to Ksh4.01 billion in 2022, a slight decline of 1 per cent, which was attributed to enhanced recoveries.

The Sacco Chief Executive Officer (CEO) Daniel Achieng' asked members to patronize the Sacco products in order to grow its loan book, challenging them to be aware of the products and services on offer, which are affordable.

Liquidity

The Sacco has put up mechanisms that will ensure outstanding loans are collected from defaulters through attachment of guarantors, sale of collaterals pledged to the Sacco as securities, and denying defaulters opportunity to access new loans until they have settled all debts.

The Sacco has also negotiated with institutions on remittances to ensure the money is wired in time, even as difficult cases are referred to

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Mr. Harrison Katoni, Sacco National Chair



Sacco CEO CPA Daniel Achieng' addressing delegates at the ADM.

Sacco membership grows as strategic plan enters year 4

...CONT. FROM PREVIOUS PAGE

the office of Commissioner for Cooperatives to provide support in collection as per the Cooperative Societies Act.

Despite all these challenges, the Sacco liquidity position remains strong and stable.

Members were urged to voluntarily increase their share capital beyond the minimum threshold of Ksh20,000.

The Sacco, in its journey to attain full compliance with International Financial Reporting Standards (IFRS 9) and regulatory requirements, has set aside Ksh21.5 million in the financial statements for this purpose.

It has managed to scale down the Portfolio at Risk (PAR) from 22 per cent in 2022 to 16 per cent in 2023. The main goals are to attain the best industry practice of 5 per cent and ensure compliance.

The Sacco implemented the Strategic Management Plan 2021-2025, leading to membership growth through trainings, delegates' engagements, and referrals. The Sacco recorded a membership net growth of 753.

To mobilize more members, the Sacco has embarked on aggressive marketing through digital platforms. Among these are carrying out feasibility studies with a view to have satellite offices, automation of processes, implementation of the



Director of Cooperatives of Nairobi County Delphine Aremo receives a gift from Sacco at the ADM.

customer relationship management (CRM) system, establishing county level recruitment, and use of social media to popularize products and services.

Reviews and efficiency

During the year under review, Jamii Sacco also reviewed its products and services as some interest rates were scaled down. The aim was to offer competitive

products and services that are responsive to members' needs.

The Sacco has put in place mechanism to improve operational efficiency with a view to lowering the cost to income ratio to 30%/70% by 2025, which had been running on a 36%/64% rate in the review period.

In order to enhance operational efficiency and scale down the costs, the Sacco has implemented an

Electronic Document Management System (EDMS) where members' data are stored electronically.

The Sacco has further integrated the core banking system with the Credit Reference Bureau (CRB) for quality listing of loans. It continues to implement the integration as it also gets in the process of acquiring the E Board System for seamless delivery of quality services.

The Sacco board and

management have also put emphasis on education and training for members as one of the key cooperative principles. In 2023, it carried out member education and training that encompassed all the regions around the country, covering a total of 2,355 members.

It will continue to implement the programmes in order to build the members' and delegates' capacity. Delegates' training for this year is scheduled for Mombasa and the dates will be communicated in due course.

Jamii Sacco had held a delegates education day before the ADM, where financial experts took delegates through ways of investing in Saccos.

The delegates were urged to market their Sacco and take loans, which are issued at far much lower interest rates than other credit institutions.

In respect to customer care, the Sacco has operationalized a customer experience centre through acquisition of the Customer Relationship Management (CRM) system. Additional staff have been deployed in this respect so as to enhance quality service delivery.

The Board of Directors and management promotes prudent and disciplined governance structures as a path through which efficiency and values are upheld.

Consequently, the Sacco

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Sacco delegates at the ADM. Photos/ Obegi Malack



A delegate makes his valued contribution.

Training extends beyond Nairobi as Sacco seeks broader inclusivity

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governance continues to promote a culture of patriotism among delegates, Board of Directors, Supervisory Committee, staff, and other stakeholders.

Supervisory report

The Sacco Supervisory Committee chairman Dr Bennetah Wafukho expressed her support for the training of delegates across regions other than Nairobi, which she said will encourage regional rotations going forward.

Wafukho also called on all stakeholders to support membership recruitment drives for meaningful growth to be realized, suggesting that the opening of satellite offices to enhance membership recruitment should be fast-tracked and actualized.



Sacco Chairman Mr. Harrison Katoni (L) and other senior officials at the ADM.

She commended the delegates for their unwavering support for the Sacco functionalities, which enabled the committee and the entire Jamii family to accomplish the countless achievements reported.

She commended the management and staff for their huge influence in the implementation of the Sacco mandate.

The ADM was attended by Nairobi County's Director of Cooperatives Delphine Aremo, who said the county government has set aside a budget to support cooperatives within its jurisdiction.

Aremo challenged the stakeholders to work together for the growth of the cooperative movement, adding that Jamii Sacco is among the best Saccos in the country.

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Sacco members pocket huge dividends, rebates in 2024

By staff reporter

It is a windfall season for active members of Saccos as their societies announce surprisingly high dividends at their Annual General Meetings (AGM) even as the multi-billion sub-sector employs different strategies to improve their services.

The high dividend payments, which have given tidy returns to shareholders, come as a relief as they will be crucial in helping them cope with the raging cost of living.

Many Saccos, alive to this fact, resolved to cushion their members with better perks as a motivation to not only remain in the Sacco, but also mop up more savings to improve their financial health.

According to Saccos sampled by *Sacco Review*, Nyati Sacco topped the list again, giving its members dividends at a rate of 21 per cent while interest on share capital earned 11.3 per cent.

The Sacco, which draws majority of its members from security firms, recorded an increase in its assets by 7.99 per cent from Ksh4.57 billion to Ksh4.94 billion, a short step to crossing the Ksh5 billion mark to Tier One.

It was followed closely by the Mombasa-based Port Sacco with dividend payouts of 20 per cent amounting to Ksh90,804,973.

This was after it recorded growth in loans at a rate of 21.5 per cent to Ksh5,996,939,583 while deposit and savings over the review period grew to Ksh5,277,151,475 from Ksh4,585,731,431, a 15 per cent increase.

Over a half of the Saccos that have been featured in our sample paid over 15 per cent dividends and rebates of over 10 per cent, meaning the average take home is about 12.5 per cent on the lower side.

The Saccos whose dividends were at the top echelons also paid higher rebates on average than their counterparts lower down the rankings. However, there was a small margin between the rebates and dividends for the Saccos in the middle of the pecking order.

This means that Saccos which were cautious about paying high dividends made up for the average payment by raising the rebates to levels close to the dividend payments.

Nevertheless, there was no Sacco that paid higher rebates than dividends. The closest that it got to this point is Simba Chai Sacco that settled on an equal rate of dividends and rebates at 10.5 per cent.

For the case of Noble Sacco, the dividends and rebates payments were almost similar with a slight difference in percentage. The Sacco paid dividends at a rate of 11.3 per cent and interest on share capital at a rate of 11.06 per cent.



Nyati DT Sacco delegates attend ADM. The Sacco paid out the highest dividends to their members in 2024.



Kitui Teachers Sacco officials during their rebranding ceremony that saw a name change to Univision Sacco.

Rebates, by the way, are payments based on the non-withdrawable deposits; the amounts contributed by members that are held by the Sacco which are not withdrawable upon member exit but transferable.

They are a form of a compensation for agreeing to surrender their funds to the Sacco as a security, while dividends are what members earn from their savings (deposits). Apart from Saccos using these payouts to keep members and attract others, there are other strategies that are thrown into the mix; a good example being rebranding.

In a bid to improve service provision and guarantee stability in the sector, a number of co-operatives rebranded to turn a new leaf, while others presented various proposals to their members for adoption in pursuing different development strategies.

Ukulima DT Sacco rebranded to Apstar DT Sacco, with the National Chairman Dr Philip Cheroni stating that the new brand signifies a journey of transformation and empowerment, which they have embarked on to signify the milestones in the country's co-operative history.

The 48-year old Kitui Teachers Sacco also rebranded to Univision

DT Sacco to stave off competition.

On the other hand, milestone resolutions were made in several Saccos in a bid to boost their membership and asset base, and further maintain their steady performance.

At Ufanisi DT Sacco for instance, members resolved and allowed the Sacco board to start scouting for other small Saccos that are willing to merge with Ufanisi DT Sacco in a bid to grow its membership and asset base, with members ratifying their Sacco to join Sacco Central Shared Services in order to enjoy several benefits, which include enhancing compliance levels and quality and timely submission of data to the Authority.

The Sacco Chairman CPA Tom Okeyo Akeno stated that merging will stimulate growth, gain competitive advantage, increase market share, take advantage of economies of scale, and lower the cost of operation.

In December 2023, the government revealed that member deposits in Saccos have crossed the Ksh1 trillion mark for the first time.

Data from the State Department of Cooperatives showed savings grew by 15.6 per cent to Ksh1.047 trillion in the half-year to June 2023 from Ksh906 billion, marking a major milestone for Kenya's cooperative movement.

Dividend Payout

SN	Name of Sacco	Dividend (%)	Interest on share Capital-Rebates (%)
1	Nyati DT Sacco	21	11.3
2	Ports Sacco	20	12.5
3	Tower Sacco	20	13
4	Ndege Chai Sacco	20	10.5
5	Nation DT Sacco	20	11
6	Yetu Sacco	19	13
7	Mafanikio DT Sacco	18	10.5
8	Bandari DT Sacco	18	12
9	OLLIN Sacco	17.5	12.2
10	Suluhu Sacco	17	12.3
11	Ufanisi DT Sacco Society	17	9
12	Hazina Sacco	17	10
13	Invest and Grow (IG) Sacco	17	12.2
14	Kenya National Police DT SACCO	17	11
15	Unison Sacco	17	12.6
16	Mwito DT Sacco	16.75	9.3
17	Winas Sacco	16	12.5
18	Cosmopolitan	16	14.5
19	Sheria Sacco	16	9.5
20	Mentor Sacco	15	12.4
21	Trans Nation	15	12.5
22	Solution Sacco	15	12.5
23	Capital Sacco	15	
24	Acumen Sacco	15	5
25	Kenya Highlands Sacco	15	13.8
26	Trans Nation Sacco	15	12.5
27	Stima Sacco	15	11
28	Univision (formerly Kitui Teachers) Sacco	14.5	12.5
29	Imarisha DT Sacco	14.06	11.05
30	Newfortis Sacco	14	13
31	DIMKES (Diocese of Mt Kenya South) Sacco	14	6
32	Jamii Sacco	13	10
33	Boresha Sacco	13	10
34	Chai Sacco	13	9.5
35	Faridi Sacco	13	12
36	Apstar Sacco (formerly Ukulima Sacco)	12	9.3
37	Harambee Sacco	12	8.5
38	The Noble Sacco	11.3	11.06
39	Simba Chai Sacco	10.5	10.5
40	Kenya Bankers DT Sacco	10	7.5
41	Ardhi Sacco	6.6	6.5



Port Sacco Board of Directors follow the proceedings of the Annual Delegates Meeting.



Members listen to speakers during the Annual Delegates Meeting.

Ports Sacco defies hostile business environment to come close to Ksh10B in assets

By Collins Akong'o

Ports Sacco, one of the top DT (deposit-taking) Saccos in the Coast region, defied odds presented by a hostile business environment in 2023 to record a remarkable growth after closing the year on a high, with total assets coming close to the Ksh10 billion milestone.

Posting a 12 per cent increase, the Sacco took its total assets to Ksh9,170,693,621 from Ksh8,143,656,410 the previous year.

The former chairman Alfred Jaka released the financial report during the Annual Delegates Meeting (ADM), revealing that their core business recorded an increase of 9 per cent despite the huge challenges in the economy.

Additionally, the total turnover increased from Ksh1.05 billion in 2022 to Ksh1.20 billion in 2023, an increase of 14 per cent. FOSA operations recorded an increase of 24 per cent, as the BOSA section doubled its margins from the previous year to raise performance by 17.5 per cent.

The Board of Management proposed interest on members' deposits at a rate of 12.5 per cent, translating to Ksh558,441,204 compared to Ksh496,001,372 in 2022. FOSA



Port Sacco former chairman Alfred Konde Jaka addressing delegates during its Annual Delegates Meeting.

shares and savings will earn a 6 per cent interest.

The society growth in loans was at a rate of 21.5 per cent from Ksh5,996,939,583 last year compared to Ksh4,933,445,952 in 2022, while deposit and savings over the review period grew to Ksh5,277,151,475 from Ksh4,585,731,431, a 15 per cent increase.

According to the chairman, the Sacco will pay out dividends on members'

shares at rate of 20 per cent of the total share capital for 2023, amounting to Ksh90,804,973. Further, they will increase share capital to a maximum of Ksh200,000 in accordance with the stipulations of the strategic plan.

Targets

Port Sacco membership increased by 17 per cent from 9,039 to 10,583 in 2023. According to the chief executive (CEO) Dedan Ondieki, the marketing staff achieved their recruitment targets as per the new 2024 strategic plan.

The Sacco's 2024 -2028 Strategic Plan was finalized in December 2023 to guide the growth of the Sacco for the next five years, and is already being implemented.

The society has a range of electronic payments options such as Mpesa and VISA Card, which have revolutionized the way transactions are done for the convenience of members. The digital transformation seeks to enhance their competitive advantage and improve customer experience.

The society also has a functional Corporate Social Responsibility (CSR) wing, which has fully sponsored more than 20 bright needy students from



Ben Juma Chepkechir, Port Sacco new Chair.

Mombasa County who score 350 marks and above.

"As Board of Directors, we focused on ensuring learners from the poor backgrounds do not miss a chance to continue with their education due to lack of school fees," quipped the chairman.

Speaking in the same event, the chief guest Kibibi Abdallah, who is the county CECM in charge of Cooperatives, lauded the Sacco's management for the impressive growth and adapting to technology to enable members do transactions easily.

Mombasa County's Director of Cooperative Nelson Nyoro commended the Sacco's resilience in the face of a tough business environment last year.

"It is encouraging to see that you are very dedicated in ensuring that the Sacco maintains positive growth despite the challenging business environment that has affected the cooperative sector. Please continue training and education of members as the only way to realize targets," he said.

Port Sacco is a licensed tier one deposit-taking Sacco regulated by the Sacco Societies Regulatory Authority (SASRA). It was inception in 1966 by the employees of then East African Harbours and Railways Corporation. It later rebranded to Mombasa Port Sacco as its scope narrowed to activities around the Kenya Ports Authority.

Its rapid growth demanded another

rebranding, this time changing its name to Ports Sacco to cover a wider niche of clientele, initially having limited membership to only those working at the port of Mombasa.

At the Mombasa International Show last year, Port Sacco was voted the best Sacco and the best in embracing technology. It also took third position in a category named the Best Sacco in Financial Institutions Other Than Bank.



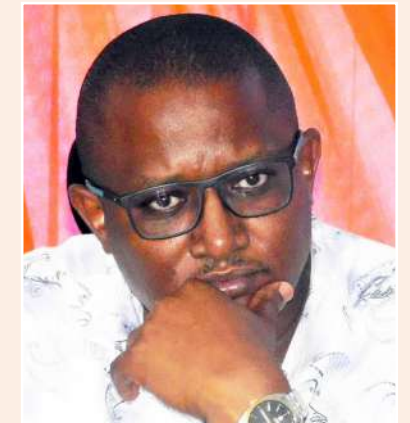
CECM for Cooperatives Kibibi Abdallah addressing members.



Dedan Ondieki, Sacco CEO



Mombasa County Cooperatives Director Nelson Nyoro and CECM in charge of Blue Economy and Cooperatives Kibibi Abdallah exchanging notes during the ADM.



Mombasa county Cooperatives Director Nelson Nyoro attending Port Sacco's ADM. Photos/ Collins Akong'o



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- ▶ Corporates
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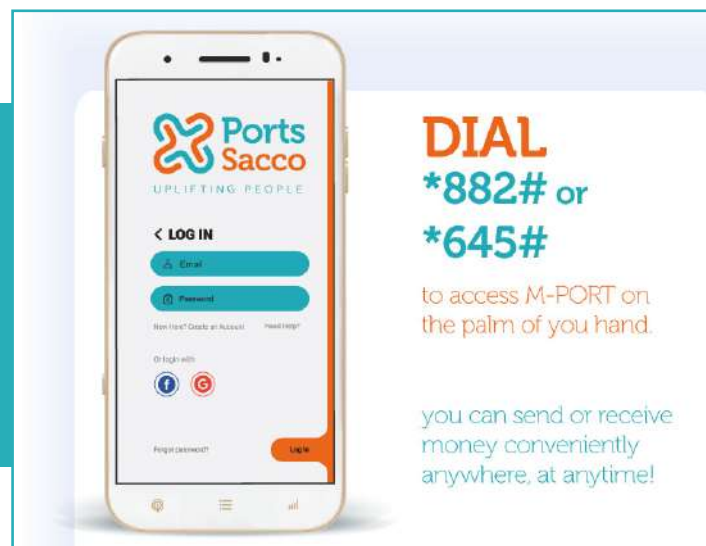


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Tabasamu Sacco's stability boosted by turnover growth of 19 per cent



The Sacco is putting a lot of effort into realizing a double-digit growth this year, noting that the steady rise in membership will expand their horizons to get to their targets faster than previously envisaged.

By our reporter

Tabasamu Sacco's financial health is remarkably one of the most stabilized among reputable Saccos in the country as attested to by the turnover growth by 19 per cent to reach Ksh207, 277, 393 in 2023 from Ksh173, 635, 524 in 2022.

In tandem with this, the society's share capital also grew from Ksh77,650,777 to Ksh94,543,911 in the same period, an increase of 21.8 per cent. This occurred even as the members' total deposits increased from Ksh620,898,688 in 2022 to Ksh647,684,822 in 2023, which was a 4.3 per cent increase.

According to Sacco board Chair Felister Mutisya, the society's share capital grew because of increased



Geoffrey Sitati, Felister Mutisya and Edward Mutuaruhiu at the ADM.



Sacco Chair Felister Mutisya addressing delegates.



I urge delegates to empower the members who have retired to remain members of the Sacco rather than withdrawing to access their deposits.

- Felister Mutisya, Sacco Chairperson



borrowing powers stands at Ksh200 million, revealing that the board is seeking a resolution to maintain it at that point.

The financial statements were tabled in the 46th Annual Delegates Meeting (ADM) at the Pride Inn Hotel in Ukunda, Kwale County, graced by the Head of Sacco Banking at the Cooperative Bank Edward Mutuaruhiu, who appreciated the contribution the Sacco has made to the country's economy.

Prudence

Mutuaruhiu urged Sacco to embrace technology to grow membership and tap into various opportunities in the digital world, encouraging members to remain loyal and maintain their trust in the

Sacco.

"Saccos should practise good leadership governed by transparency, good policies and ethical standards because they are key to any business success," he said, confiding that future Sacco leaders must be thoroughly vetted to get the best there are in the pool.

Mutuaruhiu said the Saccos should also focus on investing in cybersecurity to enhance members' safety and earn trust.

He underscored the importance of increasing membership and contributions to strengthen the Sacco, averring that only Saccos with adequate capital and proper management can withstand the storms occasioned by various natural and human phenomena.

Mutuaruhiu also advised young



Edward Mutuaruhiu from the Co-op Bank.

people to redirect their energies towards sustainable growth by engaging in savings and investments.

Data security

The chairperson said the Sacco has moved to adopt a data protection policy that is heavily derived from the Data Protection Act, 2019 guidelines and the Data Protection General Regulations, 2021.

"The policy has been developed as a guide to Tabasamu Sacco in the management of stakeholders' data. The Sacco obtains, uses, stores and processes personal data relating to its stakeholders such as potential and current employees, former staff, members, suppliers, visitors to Sacco premises, contractors and website users, collectively referred to in this policy as data subjects," she

member compliance with the minimum share capital as stipulated in the bylaws.

Remaining steadfast in enhancing service delivery and improving its growth, the total assets grew to Ksh1,144,554,017 over the review period in comparison to Ksh1,052,081, 753 in 2022; an increase of 8.8 per cent.

Mutisya said the Sacco is putting a lot of effort into realizing a double-digit growth this year, noting that the steady rise in membership will expand their horizons to get to their targets faster than previously envisaged. As of December 31, 2023, membership had increased by 5.7 per cent from 6,114 to 6,464 a year earlier.

The chairperson said the increase had a positive impact despite the huge number of those retiring, which came to a total of 122 in the review period.

"I urge delegates to empower the members who have retired to remain members of the Sacco rather than withdrawing to access their deposits," she said.

The net loan portfolio in the year under review was Ksh658,853,357 as compared to Ksh534,200,522 in 2022, which was a 23.3 per cent increase.

The overall results are due to Sacco's cumulative efforts to reengineer the Jiinue product, which has been warmly welcomed by many members.

Mutisya said the Sacco's current



Sacco delegates at the ADM.

cont next page..

...from prev. page

said. She expressed Sacco's commitment to protect members' data and urged members not to share their information with strangers to avoid being conned.

Mutisya said the Sacco has also registered with the financial reporting centre to curb any unclean money from customers.

She said the Sacco is working closely with the Unclaimed Financial Assets Authority (UFAA) for smooth handling of unutilized cash, pointing out that any unclaimed member deposits for a period of three continuous years are declared unclaimed assets and surrendered to UFAA.

Mutisya emphasized that members should keep on updating their files for their beneficiaries to be easily reached in case of demise.

Drawbacks

The chairperson, however, noted that the executive changes in statutory deductions such as the Housing Levy, Social Health Insurance Fund (SHIF), and National Social Security Fund (NSSF) have combined to adversely affect incomes at Sacco and individual levels. This is further aggravated by the deteriorating value of the Kenya shilling.

Consequently, loan repayments and ability to grow savings have been greatly hampered.

Tabasamu Supervisory Committee chairperson Abdallah Jamanda said the supervisory board will tirelessly appeal to the general membership to fully embrace and patronize their services since the Sacco has diversified its customer-friendly products.

Tabasamu Sacco was formed in 1977 mainly to serve teachers, but over the years it has brought stratified niches on board after opening the common bond.

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AGRICULTURE

Senate pledges to pass the Sugar Bill 2022 to revive industry

By Fredrick Odiero

The Senate Standing Committee on Agriculture has assured cane farmers across the country of their commitment to fast-track the passing of Sugar Bill 2022 to resuscitate the ailing industry.

Committee Chairman Senator James Murango said President William Ruto is keen to assent to the Bill, noting that the Senate is doing everything within its power to hasten the process.

"I want to confirm to you, once we finish this public participation, within 2 weeks, we shall have passed this Bill and sent it to the President to assent to it," he said.

Farmers who spoke during a public participation on the Bill at Chemelil Sugar Company emphasized on the need to include a clause on zoning to prevent millers from harvesting cane they did not develop.

Caleb Ochieng, a representative of the Kenya National Federation of Sugarcane Farmers, said the Bill has good implications for farmers and should be supported.

Ochieng said the Bill is coming up with a raft of measures aimed at revitalizing the industry and modernizing the machines.

"Once the Bill is assented into law, we are going to see a lot of changes in our factories. Why then should we have a free market for cane? We need zoning to confine millers into their jurisdictions," he said.

The public participation brought together cane

farmers from Kisumu, Nandi and Kericho counties who unanimously supported the proposal to have sugar-belts delineated into zones and clusters.

The farmers said that the move will provide for a pragmatic management of their affairs.

Chemelil Sugar Factory acting Managing Director Jacqueline Kotonya reiterated her full support for zoning, noting that within the Nyando sugar-belt, the existing factories have sufficient cane to serve them to full capacity.

Among other proposals, the Sugar Bill 2022 is seeking to establish a sugar board to solely manage sugar affairs in the country as opposed to generalizing the sugar sub-sector under Agriculture and Food Authority (AFA).

The farmers have told the Senate Committee to borrow heavily from the report prepared by former Kakamega Governor Wycliffe Oparanya and former Agriculture Cabinet Secretary Mwangi Kinjuri in 2019.

The Bill is also proposing the establishment of a Sugar Arbitration Tribunal for the purpose of arbitrating disputes and will be headed by a person qualified to be a High Court Judge.

It also has the component of the establishment of Kenya Sugar Research Training Institute to regulate research work in the sector.

The committee Chair promised to ensure all the views expressed by the farmers are put into consideration.

ACCOSCA partners Visa to allow access to formal financing for unbanked populations

By Obegi Malack
obegimalack@gmail.com

The African Confederation of Co-operative Savings and Credit Associations (ACCOSCA) has partnered with VISA to launch Financial Inclusion in Kenya and Tanzania (FIKT) project to improve access and usage of formal financial services among underserved communities and small businesses.

The project aims to leverage the strength of the Sacco sub-sector in Africa and the Visa network to reach millions of unbanked and under-banked across the two countries.

Speaking during the official launch in Nairobi, Simon Chelugui, Cabinet Secretary (CS) in the Ministry of Cooperatives and Micro, Small, and Medium Enterprises Development, said uptake of digital ecosystems such as the Visa Card can rapidly advance financial inclusion and economic growth for individuals and small, medium and micro businesses.

The CS noted that the financial sector across Africa is witnessing increased uptake of digital financial systems and Kenya is currently leading the continent towards digital transformation.

He applauded ACCOSCA and Visa for their cooperation to create an inclusive and enabling environment that empowers Kenyans and Tanzanians to overcome financial barriers and

achieve their economic aspirations.

Patrick Kilemi, Principal Secretary in the State Department of Cooperatives, noted that the purpose-driven partnership between ACCOSCA and Visa is geared towards advancing inclusive, equitable and sustainable growth for the citizens in both countries, ensuring that no one is left behind in the collective journey towards prosperity.

George Ombado, Executive Director of ACCOSCA, reiterated their commitment to fostering economic growth, promoting entrepreneurship, investment and productivity, and allowing vulnerable communities to invest in education and healthcare while shielding them from financial vulnerabilities.

Country Manager of Visa Kenya Eva-Ngigi-Sarwari said a blend of financial education and the uptake of digital payments hold the potential to rapidly advance financial inclusion and economic growth of MSMEs in Kenya and Tanzania.

"This can be done through developing targeted training programmes specifically for women, considering their unique financial requirements and challenges, as well as partnering with women-led organizations and community groups to expand outreach and accessibility," she noted.

Hazina Sacco marks 40th ADM with impressive Ksh2B asset growth to hit Ksh14.7B in 2023



continue to review the limits from time to time to achieve the customer service charter promise.

“We urge our delegates to educate members to patronize our loans which are offered at more favourable interest rates compared to banks. They should also process their salaries through FOSA to enjoy a wider range of products,” he said, adding that the Sacco is dedicated to offering loans at lower interest rates to empower members and improve their living standards.

Sacco CEO Dickson Okungu said Hazina Sacco has affordable loans whose repayment periods extend up to 96 months.

Loans can be accessed through phones and the Sacco offices, which can be



Sacco CEO Mr Dickson Okungu speaks at the ADM.

We urge our delegates to educate members to patronize our loans which are offered at more favourable interest rates compared to banks.

Sacco National Chairman
Mr Evans Kibagendi

By Obegi Malack

Hazina Sacco Society Limited assets have blown off the roof with a mind-blowing growth margin of about Ksh2 billion, rising from Ksh12.76 billion in the year 2022 to reach an unprecedented Ksh14.7 billion in the Financial Year (FY) ended December 2023.

The Sacco's astounding increase was partly a reflection of the general growth as loan disbursement grew from Ksh6.09 in 2022 to Ksh6.97 billion in 2023 to lift the net loan book up to Ksh9.86 from Ksh8.81 billion, a slim short of the target of Ksh9.95 billion, an achievement of 99.01 per cent.

National Chairman Evans Kibagendi said the Sacco recorded growth in deposits, loan book and income despite the Sacco doing business under very challenging micro and macro-economic environment.

He was addressing delegates during the 40th Annual Delegates Meeting

(ADM) in Nairobi, where he said the Sacco continues to enjoy a loyal membership which has espoused the need to build their deposits as its main source of loanable funds.

The Sacco further recorded growth of deposits to Ksh11.08 billion in 2023 up from Ksh8.53 billion in 2022.

The growth could be attributed to the increased levels of efficiency that were occasioned by an approval by the board to allow the management to process all loans below Ksh500,000. Through this confidence alone, the Sacco disbursed Ksh820 million from June 2023 to December 2023.

To continue improving disbursement of loans, the Chairman said the board will

up to five times their deposits.

The Sacco issued dividends to members at the rate of 17 per cent on share capital and interest refund of 10.8 per cent on deposits held on a pro-rata basis.

In the year 2023, the Sacco earned an income of Ksh1.77 billion up from Ksh1.51 billion; representing a growth of 17.21 per cent.

Reaching out

Through various marketing strategies employed in the year 2023, which included advertisements and implementation of Corporate Social Responsibility (CSR), the Sacco recruited a total of 4,419 new members above the strategic plan target of 4,105.

CONTINUED NEXT PAGE...



Mr Kibagendi and Commissioner for Co-operative Development Mr David Obonyo react with mirth to a jest by a speaker.

Sacco overshoots membership targets thanks to CSR and publicity campaigns

FROM PREV. PAGE

The Sacco has 29,257 members up from 25,585 in 2022, which is a 14 per cent growth. The Kajiado and Kiambu branches made the highest contribution to this achievement.

These two branches were then rewarded in CSR projects for their sweat, which is something the Sacco gifts the best branches every year. In 2023, the Sacco constructed an ablution block and participated in a tree planting exercise at Tutu Primary School in Ndeiya Sub-county at a cost of Ksh450,000.

The Sacco is dedicated to supporting education in the country through donating and installing two 10,000-litre capacity water tanks complete with water supply connection at a cost of Ksh370,000.

Commissioner for Co-operative Development David Obonyo, who was the chief



Sacco chairman Mr Evans Kibagendi addresses delegates. Photo/ Obegi Malack

guest of the event, commended the Sacco for posting great results in the year under review.

The commissioner challenged the delegates to focus on getting loans at low interest rates from the Sacco to open businesses instead of focusing on dividends. He said Saccos should change the lives of the members through loans.

During the 2023 Ushirika Day celebrations, the Sacco received 3 awards; Position 1- Most Efficient Deposit Taking Sacco Tier 1, Position 3 - Best Managed Deposit Taking Sacco Employer-Based Tier 1 Sacco, and Position 3 - Best in Credit Management, Employer Based Tier 1 Sacco.

Together We Prosper



Hazina Sacco Society Ltd

Grab

80%

Bonus

On dividend capitalization

While offer lasts

COAST

Farmers advised to utilize subsidized fertilizer to maximize production

By Michael Oduor
oduormichael2021@gmail.com

Farmers in Taita Taveta County have been asked to take advantage of the subsidized fertilizer programme sponsored by the government to maximize food production ahead of the planting season.

Speaking during the flagging off of the subsidized fertilizer at Voi National Cereals and Produce Board (NCPB) depot in Voi, Chief of Staff (CCO) for Agriculture, Livestock, Fisheries and Irrigation Stephen Mcharo asked small and large scale farmers to utilize the subsidized fertilizer well to realize bumper harvests.

Lauding the programme, he said residents will access the fertilizer from within their sub-counties, a move which will save the farmers the cost of travelling to pick and ferry it to their farms.

"This programme has come at the right time when the national and county

governments are now directing their energies to the agricultural sector through the subsidized fertilizer distribution targeting to make farming a commercially viable sector," he added.

He, however, warned those intending to repackage and sell the fertilizer at higher prices that they will face the rule of law.

"Things given by the government should never be taken by someone and resold. If you don't do farming, you are not allowed to take this fertilizer at Ksh2500 and then sell it to another person at the market price of Ksh5000. We've announced this several times; if found, you'll be held responsible and you'll be taken to court," said Mcharo.

Filgona Ooko, Director in the State Department for Crops Development, who was representing the PS, noted that the fertilizer will be issued to registered farmers at Ksh2500 and advised residents to not only grow subsistence food but also cash crops that would earn them a living.

"We have crops that we strongly focus on in a better economy; crops that produce oils. We have been informed that there are registered farmers that are ready to grow sunflower on over 20 acres of land. Depending on the area, the farmers will get fertilizers to boost their production," she said.

The county governments will support farmers especially in doing soil testing in order to ascertain the nutrients needed in a particular soil so that farmers can be advised on the best fertilizer to be used for maximum production.

On his part, NCPB's Coast region manager Joseph Nzomo noted that there are over 3000 bags of subsidized fertilizer from the government across the county.

"In this programme, you are not restricted to taking the fertilizer from Voi. If the fertilizer you want is not available here, you can take it from Mombasa, Kwale, because all our NCPBs are there to serve you," he said.



Taita Taveta ACK Diocese Bishop Rt. Rev. Liverson Mung'onda (left) addressing the media in February 2024. He is flanked by Five Talents Board Chairman Rt. Rev. Dr. Joseph Muchai.

Taita residents asked to join Saccos to transform their lives

By Michael Oduor
oduormichael2021@gmail.com

Joseph Muchai, Board Chairman of a Non-Governmental Organization (NGO) known as Five Talents Kenya (FTK), has asked Taita Taveta residents to consider joining cooperative societies to change their lives through affordable loans.

"It's very easy for you to get a loan unlike when you need it from a bank. In banks, you'll need to produce logbooks, title deeds and many things as security but while in a Sacco, it is just your savings that will secure you a loan," said Muchai.

FTK, an organization which works in partnership with the Anglican Church of Kenya (ACK) globally, is a financial intermediary that promotes micro-enterprise activities while it economically empowers households and communities in eradicating extreme poverty.

On his part, Peter Mugendi, the chief executive of FTK, noted that his organization will work with the county with an aim to uplift the living standards of its citizens through community educational programmes and mentorship.

According to Mugendi, the organization promotes inclusive and

thriving micro-economics through financial literacy, strengthening trust groups capacity systems and issuing of loans while encouraging the saving culture. It also conducts business training, enterprise development and market linkages for its members.

County Deputy Governor Christine Kilalo acknowledged that there are challenges amongst the residents, which she said the county administration is working towards alleviating.

She said in order to avoid human-wildlife conflict that has been rampant, there is need to educate the residents on matters of wildlife conservation.

"Human-wildlife conflict has been on the rise in this county occasioned by increased drought, forcing animals to get out in search of food and water. Partly, it is because people have become hostile to wild animals following what they are experiencing," said Kilalo.

County CECMs Shadrak Mutungi, Eric Kyongo and Getrude Shuwe echoed the deputy governor's sentiments, promising to work closely with the NGO in ensuring the success of its projects.

Farmers have benefitted from the savings educational programmes by the NGO, which have enabled them to save and grow.



Filgona Ooko, Director in the State Department for Crops Development, who was representing the PS, addressing the media after the launch of subsidized fertilizer at Voi NCPB depot recently.

OPINION: HOUSING & INVESTMENT

How Saccos can assist members to spread out their investments

By Ben Oroko

Saccos are democratically owned and member-controlled financial institutions that play a pivotal role in Kenya's financial services economy.

These credit cooperatives more often than not provide a wide range of products and financial services to their members, including but not limited to savings, loans, insurance and investment.

Saccos can play an important role in assisting their members with investment diversification decision-making processes.

Based on their ability to offer a wide range of investment products and services, Saccos can basically facilitate their members towards reducing their risks, increasing their returns and to a larger

extent, achieving their financial objectives and goals.

Investment diversification

In a nutshell, investment diversification is the practice of spreading one's investments across different asset classes and sectors of the economy in an effort to maximize returns from those investments.

This more often than not scales down one's investment risks; if one asset class or sector underperforms, the other investments may still perform well. Why investment diversification?

Saccos assist their members on investment diversification due to the accruing benefits that are not only limited to the following:

Risk reduction

Having one's investments spread across various economic spheres or across different asset classes and sectors reduces risks of losing all your money if one asset underperforms during a certain period of the investment cycle.

Increases your returns

In most cases, a diversified investment portfolio is most likely to generate higher returns as compared to a portfolio that is concentrated in one asset class or sector of the economy.

Achievement of financial goals

Having a careful selection of one's investments and diversifying portfolio can easily increase chances of achieving financial goals, particularly retirement or savings.

How Saccos assist their members'

diversification

Saccos assist their members to achieve their investment diversifications through the following income streams and investment avenues:

> Savings accounts with competitive interest rates, > Investment accounts that allow members to invest in a variety of asset classes, such as stocks, bonds, and mutual funds, > Insurance products that protect members against financial losses, > Investment advice and guidance.

How Sacco members can invest in a diversified portfolio

Qualifying to invest in a diversified portfolio, Sacco members should at all times in their investment decisions consider the following factors:

>Their risk tolerance: In this case,

one must ask themselves how much risk they are willing to take in pursuit of their investments.

>Their investment goals: It is critical for the Sacco members to set their goals right whenever they are making investment decisions. They should have one question in mind: What am I saving for and when do I need to access the money?

> Their time horizon: Before venturing into any investment portfolio, it is equally important for the Sacco member to interrogate the period of investment and what they are investing for.

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AGRICULTURE



Agriculture and Livestock Development Cabinet Secretary (CS) Mithika Linturi during the launch of grain drying equipment at Voi NCPB.

Taita Taveta gets grain dryers to minimize post-harvest losses

By Michael Oduor

Taita Taveta County has received a mobile grain dryer from the national government in an effort to assist farmers in mitigating post-harvest losses.

Agriculture and Livestock Development Cabinet Secretary (CS) Mithika Linturi, while launching the dryers, said the equipment comes in handy to ensure efficiency in drying grains.

This will result in the fulfillment of the vision to improve grain value chains and food security in the country.

“As a ministry, our main mission is to curb post-harvest losses mainly occasioned by unfavourable weather conditions, poor storage and inadequate drying facilities during harvesting,” Linturi said at Voi NCPB during the launch

of the dryers.

He stated that each dryer has a capacity to dry 14 tonnes of maize in two hours. It will cost a farmer Ksh70 to dry a 90Kg bag of maize.

Linturi was accompanied by area governor Andrew Mwadime, Wundanyi Deputy County Commissioner Maina Ngunyi, Crops Development PS Paul Rono, and chairperson of the Agricultural Finance Corporation Board Eng John Mruttu, among others.

“We are now ready to start drying our grains as we promised because our main vision is to minimize post-harvest losses, and one of the ways to do this is supporting our farmers to dry their maize and store it properly,” he added.

The CS guaranteed farmers that the government is committed to supplying 12.5 million bags of subsidized fertilizer this year

as per the analysis conducted in collaboration with the county governments.

At the same time, the CS launched the distribution of sunflower seeds under the edible oil promotion project by the national government.

He disclosed that for every purchase of subsidized fertilizer, a farmer will be given free sunflower seeds as the government seeks to boost the crop.

This will increase local production of sunflower oil and subsequently reduce importation of edible oils.

Apart from edible oil, the CS said that the sunflower's by-products could also be used as animal feeds, hence boosting livestock production in the long run.

While echoing the CS's sentiments, Rono said that the national government has donated

about 16,000 metric tonnes of sunflower seeds for Taita Taveta farmers, asking them to make good use of the seeds to maximize production of the precious commodity in the region.

Mwadime thanked the government for the speedy intervention, stating that the fertilizer subsidies increased agricultural production thus the grain dryers will go a long way in helping farmers reduce post-harvest losses.

He called upon the government to support rice farming in the county.

“If possible, add five more drying machines in this county because we have more produce especially in Taveta Sub-county that needs proper drying to prevent losses as a result of poor weather conditions and lack of grain drying equipment,” said the governor.

Cane farmers warn they will accept Ksh6,050 a tonne and nothing less

By Fredrick Odiero

Cane farmers have warned sugar millers that they were not going to accept less than Ksh6050 per tonne for cane delivered to the factories for milling.

The farmers declared that the payment per tonne as from February will only be reviewed upwards and not downwards as has been the trend for many years.

The sentiments were contained in a resolution that the cane growers from Western Kenya reached during a heated consultative forum held at Kisumu Sarova Hotel to discuss the industry's recurring historical problems.

The meeting was convened by Connelly Serem who is the chairperson of the Agriculture Food Authority (AFA) and was attended by more than 200 farmers from the entire sugar belt region.

AFA is a State corporation in the Ministry of Agriculture, Livestock and Fisheries, with the primary role to regulate, develop and promote scheduled crops value chains for increased economic growth in Kenya.

AFA replaced these institutions: Kenya Sugar Board, Kenya Coconut Development Authority, Coffee Board of Kenya, Cotton Development Authority, Horticultural Crops Development Authority, Kenya Sisal Board, Pyrethrum Board of Kenya, and Tea Board of Kenya, as the umbrella body.

Sugar Directorate boss Jude Chesire said they had unanimously agreed to cap the cane prices per tonne at the current Ksh6050.

“But we will convene Cane Pricing Committee (CPC) meetings each month to review the prices based on the sugar market sales trends,” explained Chesire.

However, farmers, through the Kenya National Federation of Sugarcane Farmers (KNFSF), declared that never again will cane prices reviewed downwards.

The federation Secretary General Killion Osur and Chairman Ezra Okoth told the millers that farmers must get what they deserve.

“We want cane farmers to earn what is commensurate with their sweat. We will not allow excuses that there is excess supply of sugar in the local markets, no,” he said.

They challenged the government to curb cheap dumping of sugar into the local markets to avoid using saturated market analysis to lower cane prices in the country.

CPC held a meeting in January and fixed the new cane price, but farmers claim even that was too little and want Ksh10,000 per tonne.

In what is likely to ruffle feathers in the sugar industry, especially among millers, but stir happiness among cane growers, the farmers sent the industry regulator back to the drawing board and shivers down the millers' spine.

West Kenya Sugar, the manufacturers of Kabras Sugar, has been paying farmers Ksh5,500 per tonne, the highest in the country's history, as their competitors Mumias Sugar Company and Butali give Ksh5,250 and Ksh5,200 respectively.

JKUAT dons unveil new livestock dewormer named 'Bromecure'

Two JKUAT dons have collaborated to develop an innovative livestock deworming drug named Bromecure, which was unveiled at the varsity's main campus in Juja, Kiambu County.

Dr John Kagira from the Department of Animal Science and Prof Naomi Maina of the Department of Biochemistry, in their experiment, derived the drug from pineapple and seafood extracts.

A novel approach to deworming in livestock, the groundbreaking solution holds tremendous promise in optimizing gut health among goats, sheep and cows, thereby fostering enhanced livestock production for farmers.

Bromecure's development marks a significant advancement in livestock management. By leveraging bromelain from pineapple peels and chitosan from seafood waste, the drug offers a safer and more sustainable alternative to conventional dewormers, mitigating

concerns over drug resistance and harmful residues in animal products.

According to the JKUAT research conducted by Dr Kagira, Principal Investigator, and Prof Maina, co-principal, one of the hindrances to the growth of livestock in East Africa is high prevalence of diseases. One of these is helminthiasis.

“This disease is known to cause immense losses to farmers as it causes decline in growth, productivity and mortality.

To mitigate these losses, farmers and veterinarians opt for aggressive treatments using conventional deworming drugs,” Dr Kagira said.

In addition to the Bromecure, the researchers also formulated silage that is gut-friendly made from fermented pineapple waste, which otherwise contributes to carbon emissions and environmental pollution.

These products were developed through a project funded by Bioinnovate

Africa, a regional science and innovation-driven initiative that is supported by the Swedish International Development Cooperation Agency (SIDA) and implemented by the International Centre of Insect Physiology and Ecology (ICIPE) in Nairobi, Kenya.

During a meeting convened at JKUAT last week to present the innovations to Bioinnovate Africa, Deputy Vice Chancellor (DVC) for Research, Production and Extension Prof Jackson Kwanza commended the duo for the innovations.

Similarly, Dr Julius Ecuru, heading a delegation from Bioinnovate Africa, expressed admiration for the strides made by JKUAT researchers in aligning biological research concepts, innovations and technologies with commercial viability.

“This collaboration involves key partners such as Université Evangélique en Afrique (UEA), Sokoine University



The team of researchers who were involved in the innovation.

of Agriculture (SUA), and Vetcare Africa, marking a significant step towards bridging research with business and market opportunities,” he pointed out.

In addition to the aforementioned benefits, these two innovations will benefit

small and large-scale pineapple farmers as there will be increased sales of pineapple waste, while animal health practitioners and agro vets can now access the new drug for various livestock diseases already resistant to current drugs in the market.

NYANZA



Market Day Traders Savings and Credit Co-operative Society members during the AGM at Aram Market recently.

Budding Sacco becomes the youngest to hold AGM in 2023

By Fredrick Odiero

The Market Day Traders Savings and Cooperative Society has become the youngest to hold an Annual General Meeting (AGM) this year.

The fast growing Sacco, which is barely one-year-old, has surprised players in the cooperative industry due to its rapid growth in a very competitive sector.

According to the chairman Francis Oduor, the Sacco has a total membership of 263 and intends to realize even better tidings moving forward.

Speaking during the Sacco's AGM at Aram Market within Rarieda Constituency, Siaya County, he said the society's share capital amounted to Ksh684,000 and they intend to enroll more members.

The Sacco has not been left behind in spiritual matters since

the Church Department has done a commendable job since its inception, advising more members to join and participate in church activities.

He further highlighted that the Society has acquired an office in Akala Market, a saloon car for Sacco management and also income generation through hire services, and a generator.

Oduor also pointed out that they have identified Felix Oketch and Company Advocates as their legal advisor and encouraged members to seek their services in case need arise.

Talking about their background, Oduor said the Sacco started as a merry-go-round among five business friends who sat down to deliberate on how to assist one of them who was financially pressed and could not smoothly run his business.

The Sacco has expanded its wings and accommodated other traders in markets within and outside Siaya

County who move from one market to the other on market days. Out of 263, only three are dormant members.

On his part, Cooperative Bank Kisumu Branch Manager George Odiyo lauded the Sacco for its unyielding commitment and foresight and promised to work closely with the management in coming up with new products such as insurance and medical cover.

Siaya County Cooperative Auditor Calvin Ouma said the audit evidence is sufficient and appropriate to provide a basis for audit opinion.

Ouma said the financial statements of the Sacco gives a true and a fair view of the state of the society's financial affairs as at December 31, 2023. The results of its operations and cash flows for the year ended are in accordance with the International Financial Reporting Standards and the requirements of the Kenyan Co-operative Societies Act.

Miners in Migori form cooperative to eliminate cartels

Odhiambo George Ochieng

Miners in Rongo Sub-county have formed a marketing cooperative society to protect members from preying cartels and uplift their living standards.

The North Kamagambo Mining and Marketing Cooperative Society based in Rongo Sub-

county is only four months old and going strong.

The society recently held a one day seminar in Rongo town to sensitize members on their roles and the importance of cooperatives. The Topic was 'Cooperative Governance' administered by officials from the Ministry of Cooperatives in Migori County.

The cooperators learnt about their rights and right to protect the Sacco to safeguard their savings.

They were told that cartels invading the mining sector, and more so foreigners, need to be wiped out as the government of Kenya loses a lot of revenue each year.

WESTERN

Boost for Vihiga fish farmers as county govt sets up breeding centre

By Roy Hezron

Fish farmers in Vihiga County have a reason to smile after the county government established its own largest facilities in the country - the Mwitoko Fish Hatchery and Aquaculture Training Centre - from where they will get quality and certified fingerlings at subsidized prices.

Initially, farmers had no source of certified fingerlings, having to get it from distant hatcheries outside the county as well as from uncertified suppliers.

At times, farmers shared poor quality fingerlings from their low performing ponds, leading to losses and affecting food security and nutrition in the county.

The project was started during the Economic Stimulus Program between 2009 and 2011 with only 10 earthen ponds at the time.

To solve the problem of quality and certified fingerlings, the county government started the Mwitoko Fish Farm Project at Wemilabi Ward in Luanda Sub-county, named it Mwitoko Hatchery and Aquaculture Training Centre, and mandated it to produce Nile tilapia and the African cutfish for farmers within and outside Vihiga County.

The project was implemented by the County Department of Agriculture, the farm being designed by Wilson Munala, who is the current Director of Fisheries in the county. It cost close to KSh40 million in infrastructure and equipment. After its launch on July 1, 2019, the

farm increased the capacity from 10 to 31 ponds which are currently being used for the production of African cutfish and tilapia fingerlings.

Fish farmers in the county now get better quality fingerlings sourced from the farm, which has contributed to better food security and improvement of the economy of the local communities.

Currently, the fish farm supplies fingerlings to five counties: Vihiga, Kakamega, Siaya, Kisumu and Busia.

Further, the fish farm has also created employment for the community who perform various activities on the farm, in addition to attracting development through electricity connectivity.

Currently, apart from selling subsidized fingerlings, the farm offers training services, extension services, research and demonstrations, and attachment and internship opportunities for students.

The facility also serves as a link between the innovators, researchers and universities, plus the end-users who are farmers and the value-chain players in innovations or technologies.

Some of these institutions include Maseno University, Moi University, Masinde Muliro University of Science and Technology (MMUST), Kaimosi Friends University, Bukura Agricultural College, and Kisii University.

Artificial propagation of cutfish and sex reversal (from female to male) of tilapia is done at the facility. Males are preferred as they feed less and grow faster and bigger, hence ideal for commercial purposes.



Fish farmers display fish outside Mwitoko Fish Farm.

Kenya National Police DT SACCO raises assets by Ksh5B to hit high of Ksh54.2B



Cooperatives and MSMEs Cabinet Secretary Hon. Simon Chelugui, EGH, addressing SACCO delegates during the 51st ADM.

By Felix Wanderi

Kenya National Police DT SACCO Limited overall asset portfolio has grown by Ksh5.3 billion to land at Ksh54.2 billion as at the end of 2023, up from Ksh48.9 billion in 2022, an increase of 10.8 per cent.

Speaking during the 51st Annual Delegates Meeting (ADM) at Serena Hotel in Nairobi, SACCO National Chairman David Mategwa announced to the delegates that the SACCO performance has been promising, the

economic downturns notwithstanding.

The non-withdrawable deposits grew by 10 per cent from Ksh25.9 billion in 2022 to Ksh28.5 billion over the same period.

Loans and advances grew by 11.7 per cent to Ksh45.6 billion, up from Ksh40.8 billion in 2022, as revenues grew by 10.1 per cent to Ksh8.7 billion up from Ksh7.9 billion in 2022.

Core capital increased by 14 per cent; from Ksh15.7 billion in 2022 to Ksh17.9 billion in 2023.

As a result of these growth trends, the delegates approved payment of dividends on share capital at a rate of 17

per cent, amounting in total to Ksh599 million, while interest on deposits was paid out at 11 per cent to come to Ksh3.0 billion, making a gross total of Ksh3.6 billion compared to Ksh3.2 billion in 2022, an increase of 11 per cent.

Ratings and recognitions

Mategwa said the SACCO was ranked as the best managed during the national Ushirika Day Celebrations in 2023, emerging also the winner under the SACCO category of the FiRe Awards, whose theme was 'Utilizing Technology and Innovation to Enhance Sustainability, Governance and Financial Information Transparency'.

He said that the Global Credit Rating maintained the society's national scale long term issuer rating at A- in 2023, with a stable outlook and affirmed the short term user rating of A2.

"A surveillance audit was undertaken in October 2023 to ensure the SACCO continue to comply with the requirements of the ISO 9001:2015 Quality Management Standard (QMS). Going forward, the society intends to integrate the society QMS with an information security management system, as well as business continuity management system to enhance the society security and resilience," he said, adding that they will organize for enhanced financial literacy and coaching of members besides undertaking a top savers programme at the regional, national and international levels.

"In our quest for member empowerment, the society in the year 2023 continued to build capacity of members, delegates, board and staff. The society conducted the national top savers conference and later a countrywide member education drive. The board, management and staff will also be taken through local and international training and exposures to



Mr. David S. Mategwa, OGW, HSC, DSA, ICUDE National Chairman addressing delegates during the SACCO's 51st ADM.

further build capacity for efficient service delivery," he said.

The society also acknowledged other top savers in different categories.

Strategic transition

The society's current Strategic Plan, whose implementation started in 2020, comes to an end in 2024.

"The strategy, whose thematic areas were good governance, membership and service excellence and institutional capacity building has seen the society make tremendous growth. To further build on this growth, the society will immediately begin the process of formulating the next strategy that will run from 2025 to 2029," he said.

He said the society will be conducting a comprehensive review of its products and services with a view to making them more competitive while meeting and exceeding member

expectations.

The SACCO has consciously decided to tap into the diaspora market with Webinars presentations to espouse their agenda. Such interventions will be escalated to empower the diaspora membership and attract more both locally and across borders.

Mategwa announced that the board has proposed to review the minimum share capital for new members who are joining the society.

"As we look forward to the comprehensive review of products and attracting new members, one area of concern has been the share capital," he said.

The chairman said that the society is intent on upgrading systems in 2024 to make them more robust and secure as technology comes with

CONTINUED NEXT PAGE...



National Chairman David Mategwa welcomes Cooperatives and MSMEs Cabinet Secretary Simon Chelugui and PS Patrick Kilemi to the ADM.



National Chairman David Mategwa and CEO Solomon Atsiaya during the SACCO's 51st ADM.



TOP SAVERS



Cooperatives and MSMEs CS Simon Chelugui awards top savers as National Chairman David Mategwa and Co-op CS Patrick Kilemi cheer them on (above & below).



CLICKS & GLAM



SACCO Chairman David Mategwa is tagged by staff to welcome him to the ADM.



Cooperatives and MSMEs Cabinet Secretary Simon Chelugui greets vice chairman David Kangogo.



Cooperatives and MSMEs Cabinet Secretary Simon Chelugui meets Erick Tumwet (Director) as Amos Tingos (National Treasurer) and Jamleck Gichobu (Director) look on.



Eric Kimaitha, Chairman Supervisory Committee, and Solomon Atsiaya, SACCO CEO.



Directors Andrew Koech, Jeremiah Lekoken (Hon. Secretary), Joakims Awuondo and Elizabeth Kanini during the ADM.



Left: Benjamin Talam, Director and GM Banking and Finance Moses Manyuanda share some moments off the main agenda of the ADM.

Growth spreads out the investment wing of SACCO

...CONT. FROM PREVIOUS PAGE

inherent challenges that include rapid disruptions.

Care and welfare

The education programme sponsored children in secondary schools and universities, reaching a total of 237 students by the end of 2023.

At the same time, they planted over 10,000 tree seedlings at the DCI headquarters.

“This will go a long way to mitigate the effects of climate change and enhance environmental conservation,” he said.

Having embarked on infrastructure improvement in schools, the society handed over a gate it had built together with associated facilities to Utumishi Boys Academy in January this year.

Diversification in investment

The chairman said the Kenya Police Investment Co-operative remains on a high growth momentum, with total assets posting an impressive growth of 33.6 per cent from Ksh389.6 million in 2022 to Ksh520.5 million in 2023.

The investment wing attracted new members to increase by 4 per cent from 6,718 members in the year 2022 to 6,989.

“Our plan going forward is to significantly grow the membership by enrolling all our SACCO members to the investment cooperative for long term growth and financial sustainability,” he said.

Members’ deposits grew by 14.6 per cent from Ksh119.3 million to Ksh136.7 million, as share capital rose by 8.6 per cent from Ksh105.7 million to Ksh114.85 million. Total revenues on the other hand was raised by 34.4 per cent from Ksh159.6 million in 2022 to Ksh214.6 million in 2023.

The delegates approved rebates to members at a rate of 7 per cent on share capital, amounting to Ksh6,753,815, and 4 per cent on deposits to amount to Ksh 4,863,000, the total hence coming to Ksh11,616,815 for the 2023 financial year.

The members were informed that the investment cooperative launched several value-added projects whose uptake by members and customers was encouraging.

A comprehensive review of the strategic plan will be undertaken to develop a new roadmap to guide operations for the next five years for sustained and transformative impact.

The society retained Jeremiah Lekoken, Andrew Koech and Joakims Awuondo, who were due for retirement, as members of the Board of Directors. They were eligible for re-election and were unchallenged.



A section of directors in a celebration during the ADM.

Elizabeth Nyaga of the supervisory board was also unchallenged though she was up for retirement.

Watchdog

Eric Kimaiitha, Chairman Supervisory Committee, said the satisfactory performance that saw assets grow by 10.8 per cent, loans by 11.75 per cent, deposits by 10 per cent, institutional capital by 14.25 per cent, and total revenues by 10.1 per cent, was heartwarming as it was achieved despite challenges in the macro and micro dynamics that affected the overall economy.

“The attributes of the changes in the market competition and increased interest rates in other financial institutions have seen more members getting loans from the society. This should be encouraged to guard against effects of inflation

CONTINUED NEXT PAGE...

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Kenya National Police DT SACCO



Happy delegates participate actively in goings-on of the SACCO's 51st ADM.

...CONT. FROM PREVIOUS PAGE

on the loans borrowed as we strive to empower members for quality life," he said.

He pointed out that the committee was constantly appraised on the compliance status and risk framework implementation as per reviews and policies that addressed the changing landscape in market dynamics.

"This included the review of the cyber security strategies, business continuity management, statutory compliance, market volatility risk analysis, and new approaches to business in terms of products and service delivery," he revealed.

The committee noted that the age of technology is moving to utilization of Artificial Intelligence (AI), robotics and machine learning, hence the need to take up various systems upgrades to optimize the functionality of the system and to align it to the current security protocols.

He announced to members that the society will safeguard their privacy of data that is domiciled within the society.

The committee noted that changes in the national fiscal policy, including the introduction of new levies, taxes and statutory contributions, altered the disposable income and reduced the borrowing power.

"We noted increased but manageable rates of default and underpayments that resulted in non-compliance with the laws, credit policy and bylaws. The society has put measures in place that mitigate escalation of the effects, and more considerations are being made to review the present strategies and policies to manage the situation," he said.

He confirmed that the society has put in place robust approaches to strengthen governance principles and practices, internal controls, operational procedures and change management so that the going concerns of the business are guaranteed.

He also reported positive brand outlook and patronage by members, even as they continue to review areas that can be exploited to enhance member satisfaction, recruitment and retention.

He, however, said there were varied challenges in member loan utilization and investment optimization, leading to poor financial vicious cycles that have depressed incomes to pose difficulties in financial stability and freedom.

"We encourage members to plan effectively and utilize the loans procured to realize good returns on investments (RoI)," he advised.

The committee said they are confident the sales rates will be enhanced through more members patronizing the products and services, diversification of investment projects within the sphere of real estate markets, and adherence to the society bylaws by contributing the minimum monthly deposit of Ksh1,000.

The committee encouraged members to come forward and own ongoing projects in Malaa Luxury Gardens, Greenland Estate in Nakuru, and Serene and Rockland Gardens, both in Kitengela.

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BOSA LOANS	SAVINGS PRODUCTS	FOSA PRODUCTS
<ul style="list-style-type: none"> • Jumbo (96 Months) New • Premier (84 Months) • Mega (72 Months) • Super (60 Months) • Normal (48 Months) • Refinancing (48 Months) • Asset financing (24 Months) 	<ul style="list-style-type: none"> • School fees (12 Months) • Emergency (12 Months) • Muslim (48 Months) • Muslim emergency (12 Months) • Wezesha/Biashara loan • Bima loan (NEW) 	<ul style="list-style-type: none"> • Savings Account • Junior Account • Holiday Account • Business account • Fixed Deposit Account • Group/Corporate Account
		<ul style="list-style-type: none"> • Q-Cash (1 month) • M-sasa (3 month) • Fosa Flex (6 month) • Fosa Golden (9 month) • Fosa Ultra (12 month) • Dividend Advance

4X
loan multiplier
on your deposits

Why join Kenya National Police DT SACCO?
We are a first tier deposit taking SACCO that strives to provide diversified, reliable, accessible and affordable financial products and services to our members.

Kenya National Police DT SACCO is open to the public

- ▶ HOW TO JOIN:**
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 - Attach copy of id and passport photo
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- JOIN US TO ENJOY:**
- Low interest rates on loans
 - High annual dividends and interest on deposits
 - Instant M-Tawi FOSA loans
 - Loan clearance on behalf of members
 - Affordable property with Investment Co-operative

Own your Dream Home Now!

Own Your Dream Home Now!
With our Mortgage Facility

- Interest Rate 9% P.A.
- Repayment Period - 20Years
- Loan maximum amount - 8 Million

- All you need is:**
- Approved building Plans.
 - Approved Structural drawings.
 - Priced Bill of Quantities.
 - Profiles for the Architect, Contractor and Quantity Surveyor.
 - Valuation Report-To be done after the borrower has agreed to apply for the home loan.
 - Copy of title to property being purchased/charged.



Ole Gunia loses all his Sacco dividends in a crazy night of partying



By Pascal Mwandambo

While ago, I told you about an incident when my business partner at Asali Asili venture Ole Gunia took one too many, and in the state of intoxication, almost put our project into a mess by revealing sensitive details to an intelligence officer.

Well, that is now water under the bridge, though I've now been forced to be extra cautious when dealing with him, especially when he has imbibed his cold version of Balози.

Ole Gunia has more than once described his beer bottle as his 'second wife', though I have the scantiest details on the whereabouts of the first one.

But be that as it may, it came to pass that the season of dividends had once

again come and Ole Gunia was not left behind in this exciting moment when savers enjoy the fruits of the sweat they have painstakingly waited for nearly one year.

You see, Ole Gunia comes from a neighbouring county reputed for livestock keeping, though the first time I met him was rather peculiar because he was busy hawking honey in Mavumbi town.

"Haya, asali ya nyuki kwa bei ya jioni," I could hear him enticing customers as early as 9 am.

It also turns out that my strange business partner is a member of a Sacco back in his home county that deals in livestock and livestock products.

I am not sure if honey is a livestock product, but this much I know: Ole Gunia had qualified for a loan of a reasonable amount which I cannot disclose here lest he skins me alive.

To make matters even better, he had also received some dividends for his savings.

I was planning to act as his business consultant by advising him on how to invest in these hard economic times, at a fee, even if it



included some bottles of beer and nyama choma at Makuti.

However, no sooner had I opened my mouth to utter the first words of advice than Ole Gunia disappeared to his home county.

Apparently he was going to check on the progress of his cows and goats. I was taken aback by his

behaviour, given that we have been very close during the low moments.

After about three days Ole Gunia was back in town.

From his looks, three were no visible signs of someone who had been tending livestock or selling livestock.

Accompanied by two beautiful

ladies, Ole Gunia was hale and hearty and seemed determined to show off how much of a tough dude he was.

I hesitated to join him for drinks at Makuti given the disdain he had shown me before leaving, but the thirst in me made me change my mind.

We had such a wonderful time on beer, wine and choma, thanking the gods of cooperatives for bringing about these enticing windfalls.

I left Ole Gunia and went home after getting a call from Nectar, informing me that the baby was not feeling well. However, the news I received the following morning was quite unsettling.

Apparently, Ole Gunia had rented a room in town after enjoying himself to the hilt. He was found lying motionless the following morning, with the door wide open.

The likely reason was that someone had spiked his drink and then stole all his money and valuables.

Luckily, he regained consciousness at Mavumbi Referral Hospital and was allowed to go home and rest, though he could not tell exactly what had happened in between.

SACCO LEADER

Joyce Ndegwa: How patience took her to the pinnacle of Mentor Sacco

By Kage Njoroge

Mentor Sacco Chief Executive Officer (CEO) Joyce Waceke Ndegwa is one of the most highly rated female leaders in the cooperative sector in Kenya.

Waceke, the lead actor in this increasingly illustrious cooperative society, exhibits deep knowledge of the Sacco sub-sector.

"You need to understand your industry thoroughly; new and emerging trends, and threats and competition so as to formulate new ways to tackle them," she asserts.

Waceke - an amiable, firm and cultured personality - is clear in her mind that Saccos have the capacity to tackle poverty and empower members to create sustainable streams of incomes.

She told *Sacco Review* on the tenth floor of Mentor Sacco Plaza, which is the headquarters of the gigantic Sacco situated in Murang'a town, that she has mounted the steps one at a time to reach the pinnacle of the financial institution that has more than 39,912 members.

A mother of four and a wife, Waceke is a humble person who has inculcated in herself strong family values.

She says leaders in charge of public resources should avoid graft and wastage to ensure that assets are strictly managed for the benefit of the people that have a stake in it.

She is a university graduate with a Bachelor of Commerce (Finance option) from Kenya College of Accountancy and a trained accountant (Certified Public Accountant).

Through the ranks

She got employed in the Sacco, known as Murang'a Teachers Society then, 28 years ago as a general clerk. She has served in all departments within the organization and was an active strategist in the establishment of functions and the road map to the place they are now.

She moved through the ranks gradually and patiently, getting into the positions of Chief Finance Manager and Deputy CEO and remaining there for many years before climbing to the top in 2017.

She was instrumental in the transformation and creation of the Front Office Service Activity (FOSA) when she was the finance manager.

"We worked pretty hard to ensure FOSA services were a success

despite strong opposition and teething challenges at the elementary stage," she recalls with a smile of accomplishment.

Further, she notes that the Sacco was able to buy a plot and build the magnificent multi-million headquarters that they obviously called Mentor Plaza; the tallest landmark in Murang'a town.

Higher calling

Her leadership competency was noticed by managements of other Saccos in the country who regularly consult her on various issues.

Consequently, Kenya Teachers Saccos Association (KETSA) elected her as the CEOs' Forum boss. Soon after, the 24 teacher Saccos unanimously re-elected her for the third year running.

KETSA's objective is to address issues and challenges affecting their businesses together.

Nevertheless, her primary focus still remains her Sacco, where she would like to see its future being the most preferred financial provider that will impact greatly the lifestyles of its members.

The chief executive says the

Sacco has been able to record the growth and financial stability due to loyalty, trust and confidence of the members towards the management.

She reveals that the secrets behind attracting new



members and depositors are transparency in financial management, member-centered service delivery, and tailor-made financial products geared to meet the needs of the clients.

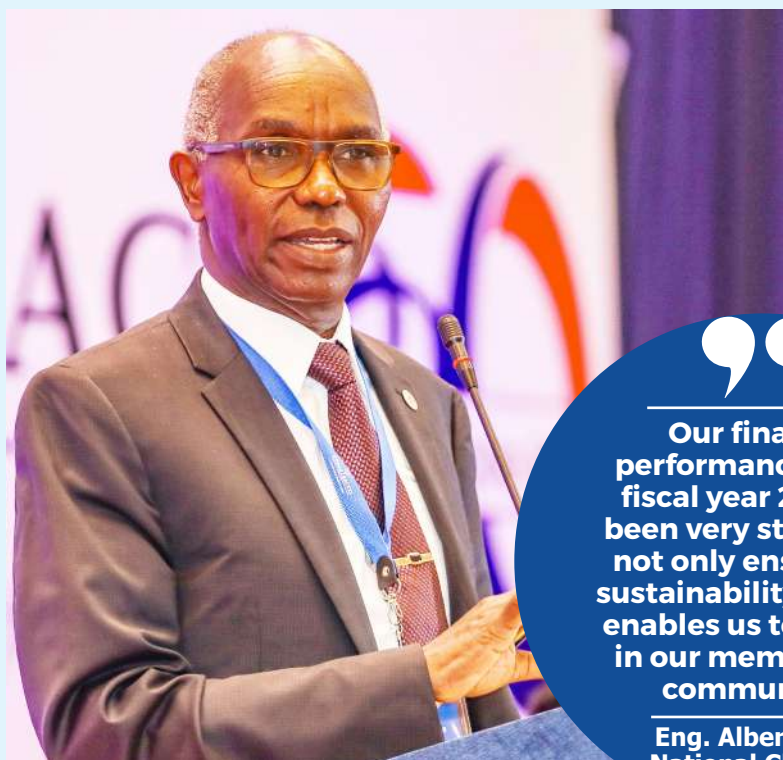
Also she credits the growth of the Sacco to teamwork among all

actors and stakeholders who have embraced the society as their home of financial help.

Mentor Sacco is a tier one institution according to the Sacco Societies Regulatory Authority (SASRA), which is a special category of Saccos with over five billion shillings in assets.

Stima Sacco tables strong 2023 fiscal report to pay top dividends of 15 per cent

 According to the Sacco's financial report, consolidated deposits increased by 9.4 per cent from Ksh39.43 billion in 2022 to Ksh43.13 billion in 2023, while its loan book grew by 9.3 per cent from Ksh41.3 billion to Ksh45.2 billion.



“Our financial performance for the fiscal year 2023 has been very strong, and not only ensures our sustainability, but also enables us to reinvest in our members and communities.”
Eng. Albert Mugo, National Chairman

members in realizing their financial goals through giving them loans for home ownership, education, or business expansion.

The membership on the other hand grew from 177,260 in 2022 to 200,145 in 2023, an increase by 12.9 per cent that brings the average annual rise to 12 per cent year-on-year.

The total assets increased by 10 per cent from Ksh53.7 billion in 2022 to Ksh59.1 billion in 2023, which is attributed to the growth in deposits by 9.4 per cent as well as growth in core capital by 30 per cent from Ksh9.2 billion to Ksh10.6 billion.

“Our financial performance for the fiscal year 2023 has been very strong, and not only ensures our sustainability, but also enables us to reinvest in our members and commu-



The CEO, Dr Gamaliel Hassan speaks during the 50th ADM

By our reporter

Stima DT Sacco Society Limited has delivered a strong fiscal report as seen in its latest financial statements to pay members dividends at a rate of 15 per cent and rebates at 11 per cent.

The permutations translated to a total payout of Ksh4.06 billion compared to Ksh3.56 billion in 2022.

According to the Sacco's financial report, consolidated deposits increased by 9.4 per cent from Ksh39.43 billion in 2022 to Ksh43.13 billion in 2023, while its loan book grew by 9.3 per cent from Ksh41.3 billion to Ksh45.2 billion.

Its balance sheet grew by 10 per



The Board of Directors pose for a photo with the Chief Guest and other invited guests.



Mr. David Obonyo, Commissioner for Cooperatives



Co-operatives and MSMEs CS, Simon Chelugui

cent from Ksh53.8 billion in 2022 to Ksh59.15 billion in 2023, while its total revenue increased from Ksh7.4 billion to Ksh8.9 billion; the growth being attributed to the Sacco's commitment to sound financial management and prudent risk practices.

The report was tabled by the National Chairman Eng Albert Mugo during the 50th Annual General Meeting (AGM) held at the College of Insurance in Nairobi on March 23, 2024.

Speaking during the AGM, Mugo said they continue to support their

“communities,” said Mugo.

Risk management

During the AGM, members were updated on the Sacco's risk management framework in dealing with emerging risk areas, which include business continuity, money laundering and terrorism, data privacy, cyber security, and Environmental, Sustainability and Governance (ESG).

The Business Continuity Policy approved by the board has guided the

implementation of a business continuity plan, including regularly updating and training on the same to ensure that there are minimal disruptions due to 'black, grey or white swan' events like epidemics, Covid-19 being a stark example.

In compliance with the Proceeds of Crime and Anti-Money Laundering Act and Prevention of Terrorism Act, the Sacco registered with the Financial Reporting Centre and actively collaborates with it in line with the Data Protection



Dolphine Aremo, Nairobi County Director of Co-operatives

Cont next page...

Sacco keen on managing risks as all systems must be tested before adoption



The PS and CSs Rebecca Miano and Simon Chelugui receive their token of appreciation from the Board and CEO.

...from previous page

Act and subsequent regulations. Already, the Sacco was enlisted in the Office of the Data Protection Commissioner in 2023. This was after a Data Privacy Impact Assessment was conducted by an external consultancy, with the Sacco staff and members currently undergoing training and awareness on the tenets of data protection.

Further, the Sacco, through its Risk and Compliance Department and the Security Operations Centre, conducts frequent trainings for staff and members on mitigating cyber-attacks through systems, ATM card fraud, and mobile and internet banking fraud. It has acquired various tools to actively monitor and mitigate on cyber attacks.

Mugo, however, noted that all systems must undergo Vulnerability Assessment and Penetration testing before going live, adding that in the current financial year, the Sacco has initiated a programme to operationalize ESG in compliance with the International Financial Reporting Standards (IFRS), as well as other statutes promoting environmental, sustainability and climate risk management.



Rebecca Miano, the immediate former National Chair of the Board of Directors.

“At Stima DT Sacco, comprehensive risk management is treated as an integral, enterprise-wide component that affects how the Sacco measures and rewards its success. The Sacco has a coordinating Risk and Compliance Department which provides oversight on a day-to-day basis,” he said.

Liquidity

The Sacco’s Chief Executive Officer Dr Gamaliel Hassan stated that as a Sacco, they understand the importance of having sufficient funds to meet their members’ needs; hence putting in place measures to ensure that they maintain adequate liquidity levels at all time.

Hassan noted that the Sacco’s liquid assets against total deposits and long-term liabilities ratio increased from 78.98 per cent in 2022 to 90.08 per cent as at the end of 2023.

He added that the figures are well above the statutory limit of 15 per cent, making the Sacco’s liquidity ratio the highest in the market.

The Sacco’s core capital over total assets and core capital over total deposits ratios increased from 17.22 per cent and 23.49 per cent to 17.94 per cent

and 24.60 per cent respectively.

He also revealed the plans to expand the branch network to reach more members, as well as to upgrade its systems through leveraging on the new core-banking system which was rolled out last year to drive operational efficiency, enhance risk management capabilities, and deliver a superior member experience.

“A key ingredient of our success over the past few years and confidence in our future performance comes from being focussed on the deep trends shaping society. Having a good understanding of how they impact our members, employees and our communities is fundamental to winning,” said Hassan.

Recognition

The members were informed that in 2023, the Sacco was honoured with a bevy of awards namely: Most Preferred Sacco in Real Estate Financing 2023 (Real Estate 100 Awards), Best Sacco in Automotive Asset Finance in 2023 (5th Automotive Industry Awards), and Best Sacco in Digital Financing 2023 (Digital Tech 100 Awards).

Other awards include one they received for attaining a ‘Gold Mark’ in recognition of excellence in enterprise Information Technology adoption 2023 – dx100 awards (Formerly CIO100 Awards), with Hassan being recognized as one of the 50 most influential and inspiring CEOs in Kenya.



The National Treasurer, CPA Mary Maalu, presents the Financial Performance and Budget Estimates to the delegates.



A Delegate makes her point during the 2023 ADM.



The PS Patrick Kilemi (State Department for Cooperatives) also attended.



Delegates during the 50th Annual General Meeting

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Universal Traders Sacco raises assets to Ksh1.5B to expand growth goals

By Obegi Malack

Universal Traders Sacco Society Limited continues to post remarkable results across all growth parameters, the overall performance reflecting in the total assets that have risen from Ksh1.497 billion to Ksh1.527 billion in the year ended December 2023.

This is a significant rise compared to the previous three years.

In a financial report issued by the Sacco national chairperson Mr Fredrick Ngumbi during the Annual Delegates Meeting (ADM) on March 8, 2024, the Sacco also recorded growth of net loans and advances to members from Ksh1.197 billion in 2022 to



UTS National Chairman Mr Fredrick Ngumbi during the ADM.

however negatively affected by non-performing loans currently under recovery by the Sacco collection team.

“The board has developed and deployed necessary mechanisms to ensure all non-performing loans are fully recovered, and moving forward, minimize on default,” he said.

The Sacco organized and executed a funds mobilization drive with the approval of delegates, which saw the activation of accounts which have been dormant and a return to patronizing Sacco products.

As commercial banks continued to revise their interest rates upwards, starting 13 per cent in January 2023, 16.5 per cent as at December 31, 2023 and the current 19.5 per cent, the Sacco board did not take that drift despite the hard economic times.

In order to retire the expensive loans, the board placed loan applications to Micro Enterprise Support Programme Trust (MESPT) and Kenya Development Corporation (KDC).

The board has also developed the 2024 -2028 strategic plan whose key objective will be the growth of membership, financial sustainability and growth.

Other key objectives include improved service delivery through ICT, organizational sustainability and growth, embedding best practices in organizational structure, and operationalization and improved staff productivity.

The strategic plan will be presented to delegates and formally launched during the Delegates Education Day this year.

Legal framework

cont next page..

The board has developed and deployed necessary mechanisms to ensure all non-performing loans are fully recovered, and moving forward, minimize on default.

growth in membership from 60,357 in 2022 to 61,728.

Mr Ngumbi commended the directors, Supervisory Committee, staff, delegates, members and all other stakeholders for their contribution towards the attainment of the remarkable growth.

Funds deficits

He said the Sacco has complied with all prudential regulatory and capital adequacy ratios, with an

exception of the liquidity to income ratio and Portfolio at Risk (PAR).

The Sacco income generation and growth was



Mr Dominic Mutunga, UTS CEO, addresses delegates.

Ksh1.228 in 2023.

The chairman also reported growth in members' deposits from Ksh839 million in 2022 to Ksh910 million in the year ended December 2023.

He revealed that the gross turnover grew from Ksh239 million to Ksh240 million. Therefore, they were able to pass payment of dividends at 5 per cent on members' deposits, which was endorsed by delegates.

The Sacco recorded a



Board members and other officials during the ADM.

Members asked to invest through Sacco's low interest rates



Delegates participate in the ADM deliberations.



...from prev. page

The board will also review all the Sacco policies which have extended beyond a period of two years. This is to ensure that they address the current business dynamics and mitigate operational risks, market risks, credit risks and all inherent risks in the financial service industry.

The board has also continuously been monitoring the internal control systems to minimize probable losses and ensure full compliance with the necessary policies, by-laws, regulations and statutory Acts.

The Sacco Chief Executive Officer (CEO) Mr Dominic Mutunga said the Sacco will also organize member education events across all branches, the main objective being to sensitize members on the products and services, as well as encouraging them to continue patronizing them.

He urged members to take loans from the Sacco, which he said are of lower interest rates compared to other institutions.

Machakos Commissioner of Cooperatives Mr David Nzomo, who was the chief guest, urged members to invest more in the Sacco and take loans, noting that this will deflect any external borrowing.

He commended the Sacco for holding their ADM in time and giving members loans with lower lending rates.

The Sacco has also put up measures to ease service delivery through digitization, which will include but not limited to internet banking and Sacco agency once approved by the regulator.

And to bring services closer to members and increase profitability, the Sacco has opened satellite offices in Kibwezi and Matuu towns in 2024.

Machakos Commissioner of Cooperatives Mr David Nzomo (2nd L) with some directors.



Machakos County Commissioner of Cooperatives Mr David Nzomo

TSC PAYPOINT IS HERE!

UTS Corporate Current Account



FEATURES/ BENEFITS

- Account holders have access to Over drafts
- Account holders have access to Cheque books
- ATM card is issued to the account holders
- Minimal withdrawal charges



UTS

UNIVERSAL TRADERS SACCO

"Together we prosper"

Stay Safe

#UTSCares#UTSStaysafe.

In the run up to the ADM, the Sacco had won several Awards both Locally and Nationally. The following are the most notable of those Awards.

National Ushirika Day Celebrations 2023

Position 2:
Best in Technology Optimization, Community-based DT Sacco

Position 2:
Best in Risk Management, Community-based DT Sacco

Position 2:
Best in Capitalization, Community-based DT Sacco

County trophies

- Position 3:
Best in Credit Management

ASK, South Eastern (Machakos)

- Position 1:
Best Micro Financial Institutions Stand

ASK, Embu

Position 2:
Best Financial Institution Stand

Position 1:
Best Micro Financial Institution Stand

Agricultural Show and Trade Fair, Kitui

Position 1:
Best in Show Theme Interpretation, Non-Agro-based Financial Industry

Position 2:
Best Cooperative Stand

Position 2:
Best Micro Finance Institution Stand

UNIVERSAL TRADERS SACCO

The leading Sacco in Kenya providing quality financial services to all its members



UTS Sacco was established in 1991. It is among the top performing Saccos in the country with a membership of about 70,000 and has 7 branches.

Licensed and regulated by SASRA as a deposit taking Sacco

FOSA (Front Office Savings Account)

CURRENT ACCOUNT

- FEATURES:**
- Minimum operational balance Ksh 1000
 - No cash deposit fee
 - Free statement twice a year
 - Low transaction charges

AKIBA ACCOUNT

- FEATURES:**
- Competitive interest rates
 - No ledger fees/ Account maintenance charges
 - Zero opening balance

FAIDA ACCOUNT

- FEATURES:**
- Competitive interest rates depending on duration and amount
 - Allows one to immediately borrow up to 80% deposit amount

TOTO ACCOUNT

- FEATURES:**
- No ledger fees
 - No minimum balance
 - Three free withdrawals per year
 - Three free school fees bankers cheques
 - Annual party for account holder
 - Account operated by parent, guardian until the child is 18 years old.

- REQUIREMENTS**
- National ID of parent or guardian
 - Birth Certificate/notification

CORPORATE CURRENT ACCOUNT

- FEATURES/ BENEFITS:**
- Account holder have access to over drafts
 - Access to cheque books
 - ATM cards issued to account holders
 - Minimum withdrawal charges

CALL DEPOSIT ACCOUNT

- FEATURES/ BENEFITS:**
- Members will earn interest on deposits saved in the Sacco at all times
 - The interest is computed on daily basis at a standard % on the available balance on the account
 - One can opt out or auto renew or withdraw
 - There will be no ledger fees

YOUNG TURKS ACCOUNT

- FEATURES/ BENEFITS:**
- Provision of ATM cards: No ledger fees
 - No monthly fee: No minimum balance
 - Competitive interest rates

MWETHYA ACCOUNT

- FEATURES/ BENEFITS:**
- Competitive interest rates
 - Unlimited withdrawals
 - Minimum interest earning amount Ksh 5000/-
 - No minimum operating balance
 - Free statement quarterly
 - No ledger fees
- REQUIREMENTS**
- Original & copy of group registration Certificate or By-laws
 - National ID of group officials

LOAN SERVICES - BOSA (Back Office Products)

ASSET FINANCING LOAN

- Designed to help members purchase assets such as Motor Vehicles, Land, Tuk-tuks, generators, water tanks, school equipments etc
- FEATURES/ BENEFITS:**
- Over Ksh5 million Loan
 - Up to 48 months repayment period
 - Purchased assets used as security for the loan
 - The loans have a grace period

NORMAL LOAN

- FEATURES/ BENEFITS:**
- 3 times a member normal shares
 - Maximum repayment period 36 months
 - Up to one month grace period
 - No minimum loan amount

BIASHARA LOAN (Group lending product)

- A loan advance to individual group members who contribute minimum of ksh 200/- on weekly basis
- FEATURES/ BENEFITS:**
- Flexible loan amount to meet members needs
 - Fast & efficient loan processing & disbursement
 - Flexible weekly/monthly repayment upto 24mths
 - Free 8weeks business skill training

INSURANCE COVER LOAN

- Maximum of Net Ksh 15,000/-
- 3 times members savings
- Loan duration Max 6months

UPESI (EMERGENCY) LOAN

- 6months repayment period
- 1 month grace period
- No security for the loan

EMPLOYEE SALARY ADVANCE

PayBill No:

503500

M-SACCO MOBILE BANKING USSD CODE *346#

FEATURES
Withdraw cash from UTS Sacco. My Account: Show balance, Mini statement, Loans, Fund transfer, Airtime topup, other bills, Deposit, PIN change, Upesi Loan

Other Services include:

- Cheque Books
- Sacco Debit Card - VISA Branded ATMs
- Msacco - Mobile Banking USSD *346# (Registration is Free!!)
- Checkoff Loans - for civil servants, TSC, Universities, Parastatals, Companies with MOU with the Sacco

TSC PAYPOINT IS HERE!

SACCO MEMBERSHIP

Membership is open to Business People, Farmers and Employees of both public and private institutions.

CAPITAL SHARES

INDIVIDUAL - Ksh 10,000
CORPORATE- Ksh 20,000

AGRI BUSINESS PRODUCTION

DAIRY FARMING/DAIRY ADVANCE

- FEATURES/ BENEFITS:**
- Option for monthly, weekly and daily repayments
 - Repayment term of not more than 24months
 - 1 month grace period
 - Loan 5 times member shares /savings

MKULIMA HALISI (LEGUMES)

- FEATURES/ BENEFITS:**
- Option for monthly, weekly and daily repayments
 - Must contribute share (normal) equivalent to 20% of loan

MKULIMA BORA PLUS LOAN

- FEATURES/ BENEFITS:**
- Loan 5 times normal shares
 - Max loan ceiling Ksh 100,000
 - 3months grace period
 - Market linkages to farmers

MATUNDA LOAN

- Product tailored to finance mango, oranges farmers to ensure quantity and quality of fruit production for them



CHAI PLUS LOAN

- FEATURES/ BENEFITS:**
- Loan 5times normal shares
 - 10months grace period
 - Loan secured using tea bonus and guarantors
 - No minimum loan amount

MWANGAZA / GREN ENERGY LOAN

- FEATURES/ BENEFITS:**
- Loan 3times normal shares
 - Group savings in Mwethya account
 - Guarantors from other members

CONTACTS

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2. Wote Branch, Wote Town, Tel: 0717 729349
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5. Kathiani Branch, Kathiani Market, Tel: 0717 587112
6. Kitui Branch, Jee Plaza, Tel: 0716 064142
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NAIROBI

PS urges Saccos to hire competent officials for better results



PS Cooperatives Patrick Kilemi awards Apstar Sacco youngest saver. Looking on is the Sacco National Chairman Dr Philip Cheron.

Photo|Obegi Malack

By Obegi Malack

Principal Secretary (PS) in the Department for Cooperatives Patrick Kiburi Kilemi has urged Sacco delegates and members to always hire competent officials to run the Saccos to better performance.

The PS, speaking during APSTAR Sacco's (formerly Ukulima) 46th ADM at Serena Hotel, said boards should also not be afraid to replace underperforming CEOs.

Kilemi pointed out that firing of CEOs is among roles of the board. The PS said it is the responsibility of Sacco leadership to provide solutions and must be competent enough to address Sacco's challenges.

"Leadership is about making important decisions including tough decisions. The ADMs are important for delegates to also make important decisions," he said.

He commended APSTAR Sacco leadership, which he said has

maintained the Sacco's good financial performance to keep it among top performers.

During the event, APSTAR Sacco announced dividend on share capital at a rate of 12 per cent amounting to Ksh113 million and 10 per cent on Ukulima Headquarters Investment shares calculated at the total amount of Ksh5.5million.

The Sacco movement in Kenya has savings of Ksh1 trillion, which is 30 per cent of the national savings.

RIFT VALLEY

Kenyans advised to join housing co-ops for cheaper prices on property

By our reporter

Kenyans have been asked to join housing cooperatives to be able to afford property, which is cheaper to purchase as groups and not individuals.

According to Engineer George Kiiru, Chairman of Wanabarabara Housing Cooperative Society, buying property as a group is much easier and affordable as compared to buying it individually.

Addressing the press in Kisaju in Kajiado West Sub-county, Kajiado County, after handing over title deeds to members of the society, Eng Kiiru reiterated the importance of joining housing cooperatives that enable one to own land and build houses.

The chairman said that buying property in Kenya is very costly and it is cheaper to buy large parcels of land as a group as opposed to purchasing as an individual since the advantage of economies of scale is on their side.

"Saccos are the way to go. This

initiative is aimed at helping our members purchase land and construct houses in line with the government's desire for every Kenyan to enjoy equal opportunities and access affordable housing," he said.

He revealed that the Wanabarabara Housing Cooperative Society had bought five acres in Kisaju and sub-divided it into 33 plots for members.

Charles Ogal, the secretary of the Sacco, said the cooperative movement is very strong in Kenya and contributes up to 45 per cent of the Gross Domestic Product (GDP), adding that joining cooperative societies can help one grow faster as opposed to individually.

Edna Osore, one of the members who received their title deeds for a parcel of land, expressed joy at owning a piece of land.

She challenged more women to join the cooperative movement so that they can save money and own property.



Wanabarabara Housing Cooperative Society members display their recently received title deeds. Photo courtesy

SACCO DIARY

The Ins & Outs in the Industry

A look at changes in Sacco leadership

By our reporter

Ben Juma is now the new Chairman of Port Sacco taking over from long-serving Chair Alfred Jaka who has steered the Mombasa-based Sacco to great heights.

Jaka will however remain in the Sacco's board as a director.

On the other hand Faridi and Prime Time Saccos have new Chief Executive Officers (CEOs). Dismus Esamai is the new CEO at Faridi Sacco, replacing Irene Obura who left the Sacco to pursue other interests. Esamai has been with the Busia-based society for years serving as the

accountant.

At Prime Time Sacco, Nahashon Kimutai is the new CEO of the Sacco based in Elgeiyo Marakwet County, replacing Christopher Cheruiyot who has run the Sacco for a long time.

Meanwhile, Imarisha Sacco Chairman Mathew Ruto congratulated his vice-chair David Lang'at who was recently appointed KUSCCO National Chairman.

"I extend my heartfelt congratulations to our esteemed Vice Chairman David Lang'at on his recent elevation as the National Chairman of KUSCCO. This achievement not only reflects his exemplary leadership skills and dedication but also brings



Faridi Sacco Accountant Dismus Esamai receiving a trophy from former PS Ismail Noor. He is now the new CEO of Faridi Sacco.

immense honour to Imarisha Sacco," Ruto said during the Sacco's 35th



The newly elected Port Sacco Chairman Ben Juma.

Annual Delegates Meeting in Kericho town.

He said it was an opportunity for Lang'at to represent not just their



Outgoing Prime Time Sacco CEO Christopher Cheruiyot.

Sacco, but the entire local cooperative sector in international forums and meetings to enhance the country's global standing and open up new avenues for collaborations and growth.



Asili Sacco recruits a record 3,500 members in 2023 as it casts net wider

By Obegi Malack

Asili Deposit Taking Sacco Society Limited, taking a huge leap in performance across board, pulled a major stunt in membership as 3,500 more were added into the fold in the year ended December 2023.

In financial reports released by the Sacco National Chairman Evans Kegode Aluda during the Sacco Annual Delegates Meeting (AGM) at KICD Nairobi, the astounding number was gathered from Kenya Forest Rangers, trainees and cadets.

This increased the membership from 7,714 in 2022 to 11,901 in the year under review.

The chairman said the newly employed Kenya Forest Service staff are young and will pick the mantle from retirees to steer the Sacco to greater heights.

“We are actively engaging and attracting these young people to secure their future. They will bring fresh ideas, energy and technological skills that will drive innovation and foster continued growth of our society,” the Chair noted.

He urged members and delegates to participate in marketing drives and make the Sacco a one-stop solution to all their financial needs, noting that it is the duty of everyone in the Sacco to encourage the new members to embrace a saving culture as a way of empowering them.

Focusing on increasing membership by coming up with unique products, the aim is to address the diverse needs of each demographic.

As a response to its rapid expansion, the Sacco has also opened membership to registered groups and institutions.

Loans

The Sacco’s affordable loans and services that are secured by payslips,

guarantors and collaterals are the main source of revenue.

The loan portfolio grew because of the introduction of collaterals as an alternative security in place of guarantors for some types of loans. It is meant to gradually minimize the financial risks related to overreliance on guarantors.

It is also an incentive to potential members from the business community who may only have collaterals when applying for loans.

Aluda pointed out that the society has faced a lot of challenges related to efficient loan recovery due to changes in government legislations that have adversely affected the salaried members.

However, the society has instituted mitigation measures to improve the quality of loans, which include tightening of loan appraisal procedures to ensure only

creditworthy members are processed.

To create safer transactions, they have enhanced liaison activities with employers to improve the timeliness of member’s check-off and salary remittances.

The Sacco has also stepped up monitoring mechanisms like frequent bulk messaging to remind members of their loan obligations. It has additionally revamped the recovery department to empower them more on follow up on delinquent and defaulted loans.

Another way of ensuring seamless recovery is encouraging members to pass their salaries through the FOSA facility.

Assets

The society’s deposits grew by 2.9 per cent from Ksh1.809 billion in 2022 to stand at Ksh1.863 billion at the end of 2023.

The financial summary also indicated that share capital grew from Ksh247 million to Ksh262 million in the year under review. This was a 5.9 per cent increase.

The society investments grew from Ksh111 million in the year 2022 to Ksh114 million in the year under review.

The financial statement also indicated that the institutional capital to total assets increased by 0.3 per cent from 9.56 per cent to 9.87 per cent in the same period.

The society recorded increase in loan to members from Ksh1.439 billion in 2022 to Ksh1.441 billion in the year under review.

Re-engineering

The society has continued redeveloping and enhancing attractive products that meet member demands. It has restructured most of its products,



A section of Asili Sacco Board of Directors during the ADM held at KICD recently.

“

We are actively engaging and attracting these young people to secure their future. They will bring fresh ideas, energy and technological skills that will drive innovation and foster continued growth of our society.

- Mr. Evans Kegode,
Asili Sacco National
Chairman



Asili Sacco delegates during the ADM.



Nairobi County Director of Co-operatives Dolphine Aremo (right) and Asili Sacco CEO Grace Alinyo award a member during the ADM.

Turn to next page



Sacco's resilience in the midst of tough environment is commendable



Technology has empowered members to get real time access to a wide range of services, creating a seamless and efficient experience. The Sacco web portal has enabled members to access loans and advances, update savings and products, and get statements and information on guarantors.

Their core banking and security systems were recently upgraded and they are working on an Electronic Data Base Management system to handle all records.

The society has also introduced a one stop Asili APP that is very attractive, offers convenience and reduces member costs on service delivery.

Going forward

The Sacco has a strategic plan (2022-2026) that invigorates productivity, member satisfaction and participation. The society is focusing on translating it into reality before expiry of the current blueprint.

In the 2023 Ushirika Day Celebrations, the Sacco recorded major



Asili Sacco member is awarded for exemplary performance.

achievements that included being awarded as Best Sacco in Technology Optimization and Best in Risk Management due to its hard work and determination.

It revamped Asili Building to create an identity and brand visibility.

Sacco CEO Grace Alinyo said

the society has future prospects that include mobilizing savings and offering affordable and accessible products and services.

They are also focusing on groups and institutional membership recruitment, members education, improved customer experience and

business excellence, and enhanced system security and usage.

Part of the plan is to expand the marketing and publicity functions besides developing products and ensuring their proper execution, as well as improving the channels of communication.

The Board of Directors, delegates, management and the entire staff were

commended by the chairman for their unwavering dedication and support in steering the organization towards sustained growth and development.

Nairobi County Director of Co-operatives Dolphine Aremo, who graced the occasion, urged the delegates to build their savings as a way of reducing external borrowing and increasing their financial expediency.



Asili Sacco delegates volunteer their views during the ADM.



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- ✓ FOSA ANGALU
- ✓ HUSTLERS LOAN

FOSA SERVICES

- ✓ BANKERS CHEQUE
- ✓ EZY CASH
- ✓ MPESA SERVICES
- ✓ SALARY PROCESSING
- ✓ ATM SERVICES
- ✓ FOSA ACCOUNT OPENING
- ✓ LOAN CLEARANCE

ASILI CHAP CHAP LOAN

MICRO CREDIT DEPARTMENT

FOSA ACCOUNTS

- ✓ ORDINARY SAVINGS ACCOUNT
- ✓ HOLIDAY SAVINGS
- ✓ BARAKA SAVINGS (CHILDREN)
- ✓ ASILI SUPER SAVINGS
- ✓ EDUCATION SAVING SCHEME
- ✓ FOSA MWANANCHI
- ✓ FIXED DEPOSITS
- ✓ HUSTLERS ACCOUNT
- ✓ MALKIA SAVINGS ACCOUNT
- ✓ FOSA KARIBU LOAN

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BOSA PRODUCTS

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- ✓ EMERGENCY LOAN
- ✓ SCHOOL FEES LOAN
- ✓ REFINANCING LOAN
- ✓ REFINANCING 2 LOAN
- ✓ OKOA LOAN
- ✓ BOSA KARIBU LOAN

(B) LONG TERM LOANS

- ✓ ORDINARY NORMAL LOAN
- ✓ INSTANT NORMAL LOAN
- ✓ SPECIAL NORMAL LOAN
- ✓ SUPER NORMAL LOAN
- ✓ MAENDELEO LOAN
- ✓ JIJENGE ASSET LOAN
- ✓ MAENDELEO 2 LOAN

NB: NO LIMIT FOR ALL LONG TERM LOANS:

Multiplier for all loans is 3 times deposit and based on the ability to pay

Afya Sacco given clean bill of health as more members get customized finances

The SASRA clean bill of health was a positive appraisal for the sustained training and mentorship of members on financial literacy, exploiting the reliable digital technology that has been developed for a wider reach.

By Erick Nyayiera

Top league Afya Sacco is Kenya's number one financial services provider for all health workers, continuously empowering members by providing personalized financial solutions.

Fully licensed and regulated by SASRA, Afya Sacco's exponential growth is attributed to its proven ability to provide members the opportunity to accumulate savings and offer cheap loans for productive and provident purposes.

The latest Sacco Societies Regulatory Authority (SASRA) report has given the Sacco a clean bill of health owing to its prudent management of members' resources. "Afya Sacco has an excellent



Members from Kakamega Branch during a participation meeting.



Education Day



The secret is simple; at Afya Sacco we believe in prudent management of resources and ensure our members get the best financial services.

Beatrice Mogire, National Chairperson, during a past education campaign

management system that allows them to manage members' accounts, including tracking their savings and loans. We are impressed as SASRA that they continue to generate real time reports, which shows their commitment to meeting growing demand of health workers," noted SASRA chairman Jack Ranguma.

The SASRA clean bill of health was a positive appraisal for the sustained training and mentorship of members on financial literacy, exploiting the reliable digital technology that has been developed for a wider reach.

"We find the Afya Sacco much ahead of the game; they have tailored

products and services, including loyalty products and incentives, but above all we are satisfied by their insistence on transparent governance which has resultantly improved their image," Ranguma went on.

Simon Chelugui, the Cooperatives Cabinet Secretary (CS), notes that the Sacco has been pivotal in minding the financial welfare of medical workers in Kenya with dignity.

"My ministry is aware of the tremendous financial services you offer to your members who are largely staff in the Ministry of Health (MoH) and private health facilities. Your dedication is beyond reproach and we have evidences of health workers owning homes and other investments and engaging in viable economic ventures courtesy of Afya Sacco's financial services and guidance," Chelugui commended.

The management board, christened "Team Fresh" led by National Chairperson Beatrice Mogire, has been acknowledged for their strategic and visionary leadership. The board has ensured efficiency and effectiveness in the management of the Sacco business with a high degree of accountability.

Simple and effective

"The secret is simple; at Afya Sacco we believe in prudent management of resources and ensure our members get the best financial services. We allow them to participate in all the decision-making for consensus so that they are able to



Recruitment of KMTC students to Afya Sacco.

own the products and services. We also offer competitive interest rates on savings and loans," said Mogire.

For Mogire, the competitive interest rates have attracted new members while still retaining existing ones because they have more reasons to save and invest while shunning other exploitative financial services.

Since she took over at the helm, the visionary Mogire and her resourceful board purposed to employ a highly effective strategy. The new board decided to diversify their products and services, which has seen a maximization of profits.

The Sacco now boasts of a wide range of products and services to their members. They are generating more revenue streams, thereby increasing their value to members.

"The board appreciates the membership of the society, the current market demands, continuous innovations, as well as improvement



Vice Chairperson Henry Kosgey

CONTINUED NEXT PAGE...

Marketing campaigns have been at the centre of the complete turnaround

CONT. FROM PREVIOUS PAGE...

and alignment of products and services to the changing customer expectations and market trends as crucial to its prosperity," she said.

The turn-around has been largely buoyed by a thorough marketing campaign by a team that has ensured that new members continue streaming in since the new board took over.

The marketing team has also netted hundreds of medical students in KMTCS, universities and other private medical training centres across the country who are currently enjoying and patronizing cheap products and services from the Sacco.

The Sacco promotes the socio-economic wellbeing of members through provision of affordable quality financial services based on the cooperative ideals.

Strategic plan

"Our 5-year strategic plan (2023/2027) aims to implement the most appropriate strategies of utilizing available resources to achieve specified objectives while taking into consideration the operating environment. The strategic plan is expected to position Afya

Sacco among the most competitive financial services providers and the best choice for Kenyans in line with its vision to be the preferred financial solutions provider among savers," the chairperson stated.

The robust strategic plan aims at achieving the objectives of the Sacco and creating a coordinated and seamless working relationship among all stakeholders.

It is expected to transform the Sacco into a competitive lender geared towards fulfilling the needs of members through provision of quality services, competitive return on investment (ROI), as well as maximization of the members' wealth.

The current 2023/2027 strategic plan also identifies investment as a key element of empowering members to improve their socio-economic status.

"We have under the investment wing made impressive progress in real estate development and it's a huge success. Investment in commercial land acquisition and eventual investment in real estate projects remain important pillars of attracting new savers, shareholders and investors," Mogire said.

Among the myriad projects is



FOSA services at Kakamega Branch

the development of the magnificent 21-storey Afya Centre, and acquisition of residential mansions along Ngong' Road.

Apart from the landmark upmarket units in Nairobi, the Sacco also owns notable chunks of land in various counties with completed infrastructure.

Other projects include parcels of land in Kangundo Kimbo and KBC Kangundo and seven real estate projects in Isinya, Kitengela and Kantafu, among others.

FOSA branches are found at Afya Centre in Nairobi's CBD, KNK Complex at Kenyatta National Hospital, Mombasa's Coast Referral

Hospital, as well as one installed in Kisumu's Jaramogi Oginga Referral Hospital.

Others are annexed to Nakuru Referral Hospital, Nyeri Referral Hospital, Meru Referral Hospital, Moi Teaching & Referral Hospital in Eldoret, Kakamega Referral Hospital, and Kisii General Hospital.

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Affordable housing resumes as tenders are announced after Bill is made law

By Roy Hezron

The government has announced a tender which will see a total of 27,200 housing units under the Affordable Housing Project being constructed in various parts of the country.

According to the tender advert which was placed in one of the local dailies dated March 13, 2024, the government proposes to construct a total of 4,000 housing units in Nyalali Constituency in Mombasa County, plus 2,000 each in Githunguri town and Muguga Agri City in Kiambu County, and Gatanga in Murang'a County.

Another 4,000 units will be constructed in Eldoret town at Eldoret Railway City Affordable Housing and at Kitale Prison Kitale town, with 2,000 units also being constructed in Kiambu County under the proposed Kabete Social Protection Accommodation.

The government is further proposing to construct 2,000 units in Ngong' town Kajiado County under the proposed phase 1 of the Ngong' Veterinary Affordable Housing, with the same number of units being constructed in Nakuru County, which will be the second phase of the project in the county.

In Bungoma County, 2,000 units will be put up through the proposed Bungoma Smart City Affordable Housing in Bungoma town.

A total of 4,000 units will be constructed under the programme to purposely benefit university students where in Busia County, there will be 2,000 units under the proposed Alupe University Student's Accommodation in Busia town. The same number will go up in Nairobi City County through the proposed Technical University of Kenya (TUK) Student Accommodation.

An additional 1,200 units will be constructed in Murang'a at Makuyu (320 units), Tharaka Nithi County in Chuka Igambang'ombe Constituency (320 units)



Ruto signs AHB into law.

and at Chuka Technical and Vocational College (560 units), which will wholly benefit the students of Chuka TVC.

This came days before President William Ruto assented to the controversial Affordable Housing Bill, 2024 on March 19, 2024 into law, making it Affordable Housing Act, which now establishes a framework for the collection of the housing levy and implementation of the affordable housing programme.

President Ruto observed that the implementation of the Affordable Housing Programme will transform the lives of Kenyans at the bottom of the pyramid by creating jobs, providing decent housing and reducing agricultural land fragmentation.

Speaking at State House Nairobi after appending his signature to the Bill, Ruto pointed out that the housing programme will ensure families across the country live in a dignified manner.

The ceremony was attended by Deputy President Rigathi Gachagua, Prime Cabinet Secretary Musalia

Mudavadi, and Lands and Housing Cabinet Secretary Alice Wahome, who said the project has so far employed 120,000 people.

The assenting of the Bill implies that the affordable housing levy will be pegged at the rate of 1.5 per cent of the gross income of a business or an individual and a matching contribution of the same amount in the case of employers.

It also provides for a double taxation check by exempting persons who pay the matching contribution from paying the levy on their gross and further provides for the affordable housing relief at 15 per cent for employees who make contributions to the levy.

Other tax related incentives relate to the reduction of the turnover tax from 3 per cent to 1.5 per cent to alleviate the tax burden for the informal sector.

For purposes of accountability, the new law requires that the board prepares a five-year investment programme and an annual investment programme, with both being approved by Cabinet and consequently tabled in Parliament to guide the allocation of funds.

Relief as investors in Thika land company get title deeds after long wait

By Kamau Njoroge

Investors who purchased land from the troubled Lesedi Developers Limited, a Thika-based land firm, can now heave a sigh of relief after the firm began issuing them with title deeds after years of waiting.

The investors have been engaging the firm in court battles over failure to issue them with the crucial ownership document and alleged multiple allocations of land parcels, among other disputes.

Already, a section of the investors have lodged a suit at the Thika law courts demanding compensation, claiming that they are yet to be shown their land parcels despite parting with their hard earned money.

In the suit, the firm owner Geoffrey Kiragu is charged with 12 counts of defrauding land buyers of Ksh5.47 million while operating as Lesedi Developers Limited by pretending he was in a position to sell them parcels of land.

Thika Chief Magistrate Stella Atambo, while presiding over the matter, urged the parties to consider settling the matter amicably by way of compensation to the aggrieved parties. She told Kiragu to consider refunding the land buyers their money.

"If there was an exchange of money and the clients didn't get what they were

buying, the only proper way to resolve this is to refund their money. There must be real efforts and genuine goodwill to compensate the persons," Atambo said while delivering the accused person's bond application.

However, as part of the resolution process, Lesedi has begun issuing title deeds to land buyers in different projects including Msingini in Matuu, Kilimambogo, Juja, Chakama and Ngoliba in Thika East.

Wilson Mwangi, a representative of the company, while disbursing 150 title deeds to investors, revealed that the prolonged court cases and closure of the firm's offices in Thika town have been the reason for the delayed issuance of the titles.

Mwangi however announced that the offices have been opened to finish outstanding disputes, resolve standoffs and fast track issuance of title deeds to the land buyers.

He reiterated that the firm is committed to heeding the court's direction on resolving all matters with the aggrieved persons, adding that they are ready to give out title deeds and also give alternative land parcels to investors who bought land.

"We have begun issuing all title deeds and ironing out any disputes that are there. By the end of this month, some 200 more investors will receive their title deeds," Mwangi said.



Some of the related Thika investors after receiving their title deeds. Photo| Kamau Njoroge

KDC invites Saccos to apply for cheap funding from its SAFER project

By Obegi Malack
obegimalack@gmail.com

Kenya Development Corporation (KDC) has invited Saccos regulated by the Sacco Societies Regulatory Authority (SASRA), micro finance banks regulated by the Central Bank of Kenya (CBK), and Tier III commercial banks focussing on MSME lending, to apply for Finance and Enterprise Recovery (SAFER) project.

In a notice dated March 19, 2024, the State Corporation indicated that it seeks to partner with regulated financial institutions to support viable MSMEs

through the SAFER fund, formally referred to as Nawiri Wholesale Loan.

The government, through the KDC, the Ministry of Investment, Trade and Industry (MITI), and the National Treasury, launched the SAFER Project a few weeks ago.

The financial institutions are required to apply for the loans online through the KDC website <https://kdc.go.ke/>. Hard copies will not be accepted.

The application is open for 30 working days commencing March 20, 2024 and closes midnight of April 30, 2024.

The objective of the fund is to unlock lending to MSMEs post-Covid-19 and beyond to support recovery and growth of enterprises.

This entails wholesaling loans to regulated Participating Financial Institutions (PFIs) that meet the set criteria and which are focussed on lending to MSMEs in all sectors of the economy.

KDC Director General Norah Ratemo said the SAFER project is designed to address the pressing needs of MSME in the country by providing essential financial support for their working capital requirements,

including salaries, rent expenses, and more.

"Through SAFER, we aim to address market failures in access to finance by MSMEs in Kenya. This project comes at a crucial time as businesses continue to grapple with the economic fallout from the Covid-19 pandemic and multiple economic shocks occasioned by geopolitical tensions across the world," Ratemo said during the launch.

Cooperatives Cabinet Secretary (CS) Simon Chelugui said interventions will be tailored to address the specific needs of MSMEs across various sectors

and regions.

This may involve enhancing financial literacy, facilitating credit access, and fostering partnerships with financial institutions.

He said the goal is to equip MSMEs with the tools and resources they need to succeed.

KDC facilitates industrial and socio-economic development in Kenya by providing long-term financing and other financial, investment and business advisory services that target diverse sectors of the economy. It is a reprieve for borrowers as banks have increased their lending rates to these entities.

Great news for Ufanisi DT Sacco members as high dividends are declared yet again



By Roy Hezron

It is great news for members of Ufanisi DT Sacco Society Limited as dividends on share capital have been declared at a high rate of 17 per cent and interest on deposits at 9 per cent, making it one of the highest rates among tier three Saccos in the country.

This is the fifth year in a row the Sacco is paying such good dividends since 2019, hence competing with the higher tier Saccos while recording growth in the year 2023 across board.

According to its financial report for the year ending December 31, 2023, which was tabled during the Society's 51st Annual General Meeting (AGM) on March 23, 2024 at Mwalimu National Sacco, members' deposits increased from Ksh307.6 million in 2022 to Ksh320 million in 2023, representing a 4 per cent growth.

Sacco Chairman CPA Tom Okeyo Akeno, presenting the report, noted that in a bid to enhance the Sacco's retention and improve on its savings, the board will continue to present an optional capitalization incentive programme on Interest on Deposits.

In this regard, a member who will pay 100 per cent to capitalize their interest on deposits will earn a bonus of 10 per cent in return, those who will capitalize 75 per cent will earn 7.5 per cent in return, 50 per cent will earn 5 per cent, while 25 per cent will earn 2.5 per cent.

Its asset base grew by 5.2 per cent from Ksh420 million in 2022 to Ksh442 million in 2023, which was largely attributed to the growth in members' deposits and increased loan uptake in 2023; while the revenue increased from Ksh66.8 million to Ksh72.2 million in 2023, representing a growth of 8.2 per cent.

This was attributed to an increase in lending during the year under review.

Loans and advances to members stood at Ksh359.1 million in 2023 compared to Ksh356.7 million in 2022, which was an increase of 0.7 per cent.

Akeno revealed that the board is in the process of reviewing its credit policy to diversify the Sacco products and spread out the choices as per preferences and abilities of members.

Resolutions

In a bid to grow its membership and asset base, members resolved and allowed the Sacco board to start scouting for other small Saccos that are willing to merge with Ufanisi DT Sacco.

This is after the Sacco chairman told the members that by so doing, it will stimulate growth, gain competitive advantage, increase market share, take advantage of economies of scale, and lower the cost of operation.

He opined that if it is done, the process will fully follow the laid



Dolphine Aremo, Nairobi City County Director of Co-ops.



Dennis Bagwasi, Co-op Bank Sacco Relations Manager.



Nelly K. Melita, Ufanisi DT Sacco Hon. Secretary.



CPA Andrew A. Wanga, CISA Ufanisi DT Sacco Treasurer.



CPA Cornelius G. Onsongo, Supervisory Committee Chair



There will be increased investment opportunities for the Sacco coupled with investment facilitation from the government of Kenya or development partners.

- CPA Tom Okeyo Akeno, Sacco Chairman

Ufanisi DT Sacco Chairman CPA Tom Okeyo Akeno addressing members during the Sacco's 51st AGM held on March 23, 2024 at Mwalimu National Sacco Conference Hall.

down laws as per the Co-operative Societies Act.

Further, members also resolved and ratified the Sacco to join Sacco Central Shared Services in order to enjoy several benefits, which include enhancing compliance levels and quality and timely submission of data to the Authority.

Other benefits include increased standardization, increased levels of

cybersecurity, minimized compliance costs, improved ability to respond to competition, and shared responses to new regulatory requirements, competition, new product lines and any new standards which may be introduced.

"The primary purpose of Sacco Central and Shared Services is to provide specialized shared Sacco services for its members to create

efficiency and enable smaller Saccos to access the state-of-the-art technology that will include access to the National Payment System... There will be increased investment opportunities for the Sacco coupled with investment facilitation from the government of Kenya or development partners," explained Akeno

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Board Members pose for a group photo with guests during the Sacco's 51st AGM held on March 23, 2024 at Mwalimu National Sacco Conference hall. Seated from Left: CPA Frederick M. Abuyabo (Sacco CEO), CPA Andrew A. Wanga, CISA (Treasurer), Nelly K. Melita (Hon. Secretary), CPA Tom O. Akeno (Chairman), Catherine Muriuki Odhiambo (Starehe Sub-county Co-operative Officer), Robert Owino (KUSCCO Nairobi Regional Manager), and Ms. Rose M. Lwali (Board member). Standing from Left: CPA Gladys Kipkechem (Auditor), CPA Francis N. Ndegwa (Member, Supervisory Committee), Ms. Claire S.M. Abuga (Board Member), CPA Henry M. Kimani (Board Member), CPA Michael Omusula (Vetting Committee), CPA Augustine F. Wasike (Vice Chairman), Stephen Macharia (KUSCCO Editor), Polycarp Emojong Otero (Board Member), Dennis Bagwasi (Co-op Bank Sacco Relation Manager), CPA Harun Mosop (Auditor) and CPA Cornelius G. Onsongo (Chairman, Supervisory Committee).

Members challenged to take part in education forums for better insights



CPA Frederick M. Abuyabo, Chief Executive Officer, addressing members during the AGM.



Sacco members keenly follow proceedings of the AGM.



Ufanisi DT Sacco CEO CPA Frederick M. Abuyabo (right) introducing staff members from left: Anthony Gathirwa (ICT), Simon Mwangi (Finance), George Chamwama (Credit), CPA Protus Senda (Accountant), and Chrisantus Wanjala (Marketing & Business Development). Photos| Roy Hezron

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However, the Chairman challenged the members to attend education days that are organized by the Sacco regionally.

This proposition was echoed by Dolphine Aremo, the Director of Cooperatives for Nairobi City County and the chief guest of the AGM, and Catherine Muriuki Odhiambo, Starehe sub-county Co-operative Officer.

He also reported that the Sacco is on course to acquire its own office premise since they have identified financiers and the potential office premises, pointing out that it will result in major cost saving that will be passed to members in form of higher returns after the credit facility is fully repaid.

Aremo congratulated the Sacco for its gigantic growth last year, urging members to strengthen it by boosting their savings.

“Your dividends are going at 17 per cent; that is the rate that is given by larger cooperatives. I know you’ve not reached a billion, but 17 per cent is a very good performance,” said Aremo.

She also challenged

the members to utilize their loans properly and ensure that it is used for the intended purposes.

The Sacco plans to continue with its Golden Jubilee celebrations by planting trees countrywide.

Awards

During the meeting, members were informed that the Sacco participated in the Tier 5 deposit-taking Saccos competition during the 2023 Ushirika Day celebrations and bagged 5 trophies under various categories.

These include position one in Best in Deposit Management for Deposit Taking Saccos, second position in Best Managed Deposit Saccos (Employer-based), and three trophies for third position under Best in Credit Management Deposit Taking Saccos, Most Improved Deposit Taking Saccos, and Most Efficient Deposit Taking Sacco categories.

During the AGM, three directors and one member of Supervisory Committee were re-elected to serve for another term. They are: CPA Augustine F. Wasike, CPA Andrew A. Wanga, CISA; Ms. Rose Lwali, and CPA Leonard C. Mwangi.

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Dimkes Sacco reports remarkable growth across all parameters at this year's ADM

Your Faithful Financial Partner



By Felix Wanderi

DIMKES Sacco, an acronym derived from Diocese of Mt Kenya South, took its assets 15 per cent up from Ksh2.46 billion to settle at Ksh2.84 billion in 2023 towards becoming a tier one Sacco.

This was announced as the Sacco marked its 25th anniversary this March, where other growth parameters were noted to have also leaped forward in their double digit percentages.

A good example is the Sacco reserves that grew by a whopping 31 per cent to reach Ksh316.3 million from Ksh241.3 million in 2022, even as the overall Sacco deposits grew by 14 per cent to close at Ksh2.065 billion compared to Ksh1.816 billion in 2022. Liquidity grew from 25 per cent in 2022 to 28 per cent in 2023 against the expected minimum of 15 per cent.

The non-withdrawable deposits (BOSA) in 2022 stood at Ksh1,154,256,465 whereas in 2023, it grew by Ksh1,336,633,189 (16 per cent). Savings (FOSA) went up by 8 per cent from Ksh551,373,020 in 2022 to Ksh593,887,844. Term deposits, which were at Ksh111,333,042 in 2022, rose to Ksh134,856,066, a 21 per cent growth.

In 2023, the total loans disbursed stood at Ksh1.744 billion compared to Ksh1.462 billion in 2022, a growth of 19 per cent.

Though the operating environment in 2023 was tough, their aggressive marketing raised membership by 8 per cent from 31,135 to 33,646, a marked difference of 2,511.

According to Caroline Gikonyo, the Sacco Chair, reading her report during the Annual Delegates Meeting

(ADM) held at Elysian Hotel in Kiambu, the revenues rose from Ksh360.3 million in 2022 to Ksh436.6 million in 2023, or 21.2 per cent.

"The interest from loans and advances formed 84 per cent of the revenue, hence the need to maintain a quality loan portfolio," Gikonyo said.

She announced that there was a remarkable growth in other interest income, mainly from investments of Sacco funds in other financial institutions, which accounted for 60.7 per cent of that portfolio.

The delegates were informed that the overall net operating surplus increased by 24 per cent

“

The interest from loans and advances formed 84 per cent of the revenue, hence the need to maintain a quality loan portfolio

-Caroline Gikonyo, Dimkes Sacco Chair

from Ksh100.29 million in 2022 to Ksh124.6 million in 2023.

She revealed that expenses increased from Ksh191.25 million in 2022 to Ksh221.52 million in 2023.

"The cost of daily operations increased, driven by an unpredictable macro-economic



Dimkes Sacco delegates follow proceedings of the Annual Delegates Meeting.



Caroline Gikonyo, the chairperson with Mr. Benson Macharia, Sacco CEO during the Annual Delegates Meeting.

The delegates approved a payment of dividends at 14 per cent on share capital and FOSA shares, both amounting to Ksh37,417,472, as interest on member deposits was dispensed at 6 per cent amounting to Ksh75,002,937. A board honoraria of Ksh1,746,670 was paid out, bringing the total disbursement of all these bills to Ksh114,167,079, a 32 per cent increase from the 2022 payout of Ksh86,418,098.

Towards becoming a large

size Sacco, the strategic plan which is already in the 3rd year of implementation has been their roadmap that will realistically pull up their membership to 45,000 by 2025, part of which will be achieved through retention of 98 per cent of existing members and reduction of the dormancy rate to 15 per cent through capacity building.

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environment in the country," she said. "This was occasioned by enhanced member education and financial literacy training conducted in all branches. The introduction of agency banking has boosted the deposit mobilization campaign."

Gikonyo added that the Sacco continues to reap from the mobile loans, where a total of 20,655 transactions were done that cumulated to Ksh312.4 million in 2023 compared to Ksh180.6 million in 2022, a scintillating 73 per cent growth.

"This year, the Sacco will onboard other short term products on the mobile platform to enhance efficiency in loan processing," she said, adding that gross loans grew to Ksh2.28 billion from Ksh2.024 billion the previous year, a 12.8 per cent growth.

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Ambitious strategic projects to thrust up performance in all segments



The Chief Guest Priscilla Maranga, Deputy Commissioner of Cooperatives speaks during the 25th ADM.

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The Sacco projects to grow revenue by 15 per cent per annum, raise net loan book by 13 per cent and deposits by 15 per cent, and manage operating costs by less than 60 per cent.

They also want to innovate digital solutions, have robust and dynamic technologies and build a strong information security framework.

The Sacco strategic plan also targets to improve efficiency by 70 per cent, review Sacco brand identity, create an

excellent customer experience, optimize marketing functions, and prepare demand-driven products and services.

Strengthening the human resource framework, having a motivated and productive workforce, building effective governance structures and board capacity, and enhancing social responsibility are other facets that are lined up in the strategic plan.

Partnerships, recognitions and digitization

The chairlady announced that the

Sacco has been appointed by Equity, Family and Cooperative banks to be their agents on commission basis, which will grow the Sacco non-funded income. Another partnership with Poly-Tanks Limited has been successful with over 63 members benefitting from the programme.

She said they are confident the Sacco will have fully implemented its core banking by first quarter (Q1) of 2024, registered and operationalized their insurance agency by Q2, and enhanced the digital channels and introduced new loan products and services on mobile platforms in the same time lines.

The Sacco will hold its 25th anniversary celebrations on July 19, 2024 to reflect on their journey of financial excellence.

Benson Macharia, Sacco's chief executive (CEO), said that nationally, the Sacco was the best in technology optimization during the 2023 Ushirika Day celebrations, was the most improved, and was third place in both Best in Deposits Management and Best Managed Sacco categories. It was also position 1 in the Super Large category in Kiambu County under share capital mobilization.

Macharia said that through Dimkes Agency Banking, the Sacco had 30 active agents as at December 2023, which recorded a total of 9,722 transactions amounting to Ksh53.3 million.

"Under this platform, members can deposit, withdraw, pay loans and request for balances. The Sacco has a total of 30 agents and will recruit 15 more this year," he said.

He said that the Sacco has successfully procured a new vendor for a system upgrade from Navision 2016 to Navision Business Central 365. The Sacco is upgrading its core banking for efficiency and scalability.

He revealed that a total of 17,606 members have successfully been registered under mobile platform, M-Chipuka; 70 per cent of whom were able to make 547,713 transactions in the year compared to 203,601 transactions over the counter.

A total of Ksh312.4 million was borrowed by members via the mobile outlet, translating to 20,655 loans. A total of 337 merchants had been recruited as at December 2023, as total deposits mobilized were Ksh76,281,851 compared to Ksh26.8 million in 2022.

Monitoring and evaluation

Jane Njeri, chairlady Supervisory Committee, said digitization of key services and processes has improved efficiency in service delivery and raised member satisfaction.

Njeri said the committee observed that there were clear efforts and strategies laid out to activate the dormant accounts.

"Over 3,000 members were reactivated in 2023. Dormancy management should continuously form part of key Sacco focus going forward

in order to tap into new business," she said.

The committee noted that more strategies have been deployed on loan recovery as there was an improvement in PAR from 9.6 per cent in 2022 to 9.5 per cent in 2023.

The committee recommended that the board and management should continue investing in modern technology to digitize Sacco services and thus deliver value and efficiency.

"System security should also be a key priority due to the threats of cybercrime in the financial sector," Njeri said.

Prudent management

Priscilla Maranga, Deputy Commissioner in the cooperative development ministry, who was the chief guest, said the Sacco has been managed well as a faith-based entity.

"Dimkes Sacco is among the pioneers of faith-based cooperatives and is addressing the emerging needs of members and has changed their lives," Maranga said.

She said that Dimkes has pioneered women empowerment; over the years living up to its objectives and to date, it has continued to increase its membership due to this ingenious management approach.

She urged the Sacco to clean up its books to address the dormancy issue, which means some will have to activate their accounts for their own benefit and that of the Sacco.

"The Sacco should endeavour to change the standards of living of

members and mainstream them into the national financial markets through innovative products," she said.

Comparing the Sacco performance over the review period, she pointed out that a lot has been achieved across all portfolios. What they need to do now is to diversify avenues of savings mobilization and development of new financial products.

"This is the only way to improve the intermediation between savings and investments. The uniqueness of Dimkes DT Sacco is the special relationship with your clients, who happen to be your shareholders. You should expand your operations where possible for increased incomes, including reaching all potential members across the country," she said.

She, however, challenged the Sacco to up its game further and haul over the line to the tier 1 segment.

Top Depositor and borrowers luncheon

Dimkes Sacco held a members' luncheon on February 2, 2024 at Safari Park Hotel, which was an acknowledgement of the faith they have had in the Sacco for the last 25 years.

Part of the objective was also to explain the Sacco's strategic focus to cross the tier one line in the near future, as well as update members on new exciting products that have been developed just for them. Moreover, it served as a networking forum where they exchanged ideas and opinions related to the ever changing and competitive business environment.



Members settle down for the luncheon at Safari Park Hotel.

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Ukulima Sacco rebrands to Apstar Sacco to cast net wider and welcome MSMEs

By Obegi Malack

Ukulima DT Sacco Society has rebranded to Apstar Sacco to redefine its business model, departing from its traditional catchment of the farming community to attract youthful membership in the Micro, Small and Medium Enterprises (MSMEs) segment.

Part of the vision is to offer clear and transparent financial products and services, which will be accessible to all Kenyans both locally and abroad.

The new brand, built around four major core values of Simplicity, Accessibility, Innovation, and Inclusivity, is much more than just the new name Apstar; it represents a bold vision and renewed dedication to prosperity.

Speaking during the launch of the new brand, an illustrious event graced by Cooperatives and MSMEs Development Cabinet Secretary (CS) Simon Chelugui, Apstar Sacco National Chairman Dr. Philip Cheronu said their leading focus is being simple and accessible to all Kenyans.

“We want the way we do things in this society to be simple enough so that it can be understood by all our stakeholders and our members. We also want to be accessible all over the country even beyond wherever our members are there. We are going to drive this brand through innovation and inclusivity,” said Dr. Cheronu.

According to him, the new brand signifies a journey of transformation and empowerment, which they have embarked on to signify the milestones in the country’s co-operative history. It also shows their commitment to evolve, to innovate and to redefine their financial services.

He told delegates who attended the colourful event that the Sacco’s rebranding journey was guided by profound understanding of evolving needs of their members and the changing dynamics of the financial landscape in Kenya and beyond.

“We are not only going to



Co-operative and MSME Development Cabinet Secretary Hon. Simon Chelugui, EGH, addressing delegates when he graced the launch of new brand.

“
The Board of Directors has made some significant reviews on selected loan products so as to stimulate continuous loan uptake.”

unveil a new brand but also our new aspirations for the future of our

members, and this brand is going to transcend borders and embrace global opportunities. Our Sacco is no longer our domestic player. It is a star ascending and reaching out for the skies with ambitions to empower Kenyans both at home and in diaspora,” said Dr. Cheronu.

He noted that through the new brand, they will support and uplift MSMEs to fuel economic growth and create sustainable livelihoods, adding that sustainability lies deep at the heart of the Sacco with the understanding that their success is intertwined with the well-being of communities and the environment.

The bigger picture

He said they are committed to working out impactful initiatives such as financial literacy programmes that will support green businesses and investments in renewable energy, which reflect the Sacco’s commitment to responsible and ethical business practices that benefit both the society and the planet earth.

“With this new brand, we adopt the blue ocean strategy; charting a new course away from the traditional competition and moving towards unexplored territories of opportunities. We recognize the potential of the micro, small and medium enterprises (MSMEs) as engines of growth and prosperity. This is the area we are looking at so that we can offer opportunities to people who are operating in these MSMEs,” said Dr. Cheronu.

“The launch of this new brand signifies a new beginning; a beginning filled with hope, determination and unwavering spirit of financial inclusion. Together let us embark on this transformative journey, united in our vision of brighter future for all,” he added.

Chelugui on his part remarked that Apstar Sacco will rededicate and focus on youth and entrepreneurs, expressing his confidence that the Sacco will play a pivotal role in empowering young people



Dignitaries led by CS Simon Chelugui (centre in striped tie) and Commissioner for Co-operatives David Obonyo join Apstar Sacco National Chairman Dr. Philip Cheronu to cut the commemoration cake.



Delegates share happy moments during launch of new brand which was held at Serena Hotel in Nairobi. The Sacco rebranded from Ukulima DT Sacco to Apstar DT Sacco.



From Left: Apstar Sacco National Chairman Dr. Philip Cheronu, CS Simon Chelugui and Apstar Sacco CEO CPA Richard Nyaanga follow proceedings during the launch of new brand. Photos| Obegi Malack



Dr. Philip Cheronu, Apstar DT Sacco National Chairman, addressing guests and delegates who attended the launch of the Sacco new brand at Nairobi's Serena Hotel.



New Apstar Sacco gets off the block with Ksh15B in assets



and propelling the growth of MSMEs.

“I look forward to seeing Apstar Sacco not just in Kenya but in the region and even beyond, and diaspora. We want to embrace the young people; we have over 15 million young people who are looking at the entry points, and there are no young men who are still keen on going to the four walls of the bank. They want to transact and engage digitally, and that is the direction we need to take,” said Chelugui.

Build-up to rebranding

The Sacco has posted a strong performance in the year ended December 31, 2023 to maintain its position among top Saccos in the country.

Despite the hard economic times that characterized 2023 in the form of severe drought, as well as high inflation amid rising interest rates, the overall gain took the assets up to Ksh15.175 billion from Ksh14.658 billion in 2022. The marginal growth of 3.53 per cent was fairly achieved by the loan book, which grew



Apstar Sacco CEO CPA Richard Nyaanga addressing delegates during 46th ADM in Serena Hotel, Nairobi.

In reaction to this growth, revenue increased by 5.98 per cent from Ksh1.95 billion in 2022 to Ksh2.09 billion in the year under review, 90 per cent of that amount being interest income as lending has been the pillar that is supplemented by other incomes and investments.

The strong financial report was revealed by the Sacco National Chairman Dr Philip Cheronu during the Sacco's 46th Annual Delegates Meeting (ADM) held in Serena Hotel in Nairobi, who announced that membership had shot up by an incredible 17.78 per cent from 51,864 to 61,085 over the review period.

Their strategic plan had set a target of 18 per cent.

The society's gross loans and advances increase from Ksh12.088

“

Members have continued to demonstrate loyalty in embracing their new technology-based products, having innovatively adopted the concept of a one-stop-shop financial solution.

billion in 2022 to Ksh12.432, an increase by 2.85 per cent, even as net loans and advances increased from Ksh11.675 billion to Ksh11.944 billion, which is 2.30 per cent raise.

Over the same period, loans disbursed slightly fell from Ksh7.246 to Ksh6.742, the 6.96 percentage difference being attributed to new statutory deductions that have eaten into household incomes like the 1.5 per cent Housing Levy, increased NSSF rates, and the shift to Social Health Insurance Fund (SHIF).

Nevertheless, the Board of Directors has made some significant reviews on selected loan products so as to stimulate continuous loan uptake.

Member deposits also increased by 5.18 per cent; from Ksh10.247 billion to Ksh10.777 billion. The chairman encouraged members to save more to enable them to access more credit



CS Simon Chelugui and Commissioner for Co-operatives David Obonyo (left) jointly receive a drawing which he was gifted by the Apstar Sacco management led by Chairman Dr. Philip Cheronu (right).

facilities for their socio-economic development.

The Sacco share capital grew from Ksh938 million in 2022 to Ksh1.007 billion. This was an impressive 7.41 per cent growth, which happens prior to the Sacco's resolution to increase the minimum share capital from Ksh20,000 to Ksh30,000.

At the same time, core capital grew from Ksh2.152 billion to Ksh2.302 billion, the 6.95 per cent rise largely influenced by the growth in the preceding share capital.

Attractive payouts

The Sacco paid interest on deposits at the rate of 9.3 per cent, cumulatively coming to a total of Ksh838 million. The payments for the previous year were calculated at 9.3 per cent and brought the total amount to Ksh817 million.

In addition, members will receive dividends on share capital

at the rate of 12 per cent, which will see Ksh113 million being distributed among members, and 10 per cent on Ukulima Headquarters Investment shares amounting to Ksh5.5million.

Under its mortgage lending partnership with KMRC, the Sacco had disbursed Ksh235.1 million as at December 31, 2023 in the form of mortgage and accessed refinancing bulk loans to the tune of Ksh142.5 million. Additional refinancing is currently under KMRC's consideration.

The society is also seeking further financing and refinancing partnerships beyond the KMRC program that will enable it raise the much required funds to inject into its lending activities.

The Sacco is also pursuing some leads towards getting cheaper loans with some local and international financiers, even as its Sacco banking services continue to perform well to stabilize its liquidity and profitability.



Sacco Supervisory Committee Chairperson Consolata Maisiba addressing delegates.

significantly in comparison with the previous financial years.



Cooperatives PS Patrick Kiburi Kilemi and National Chairman Dr Philip Cheronu award Apstar's youngest saver.



An Apstar delegate contribute during the ADM.
Photos|Obegi Malack



Sacco's venture into mortgage ropes in KMRC partnership



Apstar Sacco Kakamega Branch.

Strategic solutions

Sacco CEO Richard Nyaanga said members have continued to demonstrate loyalty in embracing their new technology-based products, having innovatively adopted the concept of a one-stop-shop financial solution through affordable and diversified digital services as one of the key strategic priorities.

In terms of comparative performance on loans and interest incomes, Nairobi branch continued to contribute the largest proportion of FOSA income, though the Kakamega Branch is quickly rising to close the gap in the regional ratings.

Using this kind of market intelligence, the Sacco has opened a new branch in Meru and will continue to respond to members' needs as they arise.

In collaboration with banks, payment service providers and other third parties, the Sacco has established alternative delivery channels in an effort to boost members' access to their Sacco accounts and rise above competition from other financial institutions.

The main channels in the collaborations include bank-to-bank money transfer and PESALINK services, utility payments (DSTV, ZUKU, KPLC, Star Times, Water Bills, etc), mobile loan repayments, and deposit payments (USSD UKash App).

In this regard, instant ATM Card production has been made possible to meet the demand. Mobile loan application and cardless ATM cash withdrawal services are available at Family Bank.

Moreover, POS services are available at Co-op Bank and Co-op Kwa Jirani, in addition to the more common and traditional cheque books and Paybill that allow for funds to be deposited into FOSA accounts for free.

Seamless transactions

The Sacco, in partnership with the Cooperative Bank, has also introduced a salary payment system that enables members whose employers are not able to remit their salaries directly to a FOSA account to get their salaries channelled through Coop bank.

The Sacco's innovative ICT solutions have transformed the way operations are conducted, which has helped to serve members and manage risks better. Some of the ways it has done this is through

services.

The Supervisory Committee chairperson Consolata Maisiba assured delegates that the oversight committee remains strong and focussed to do its work independently.

She called on the delegates to encourage members to patronize the Sacco products for the mutual benefit of all.

Principal Secretary (PS) in the Department for Cooperatives Patrick Kiburi Kilemi, who was the chief guest, commended the Sacco for keeping its place among top Saccos in the country.



Apstar Sacco Mombasa Branch.

enhancement of customer experience, efficiency in operations, data analytics and insights, risk management, and innovative products and

The PS challenged the delegates to elect leaders who are transparent and accountable as their resources are at stake.



Apstar Sacco Kisumu Branch.



Apstar Sacco Nakuru Branch.

CENTRAL

Murang'a Assembly advised to make laws that support growth of cooperatives

By Kage Njoroge

The cooperative sector is one of the key economic drivers that contribute hugely to social and economic development in Murang'a County.

In this consideration, the Murang'a County Assembly has been challenged to craft legal frameworks which would enable this crucial sector to upscale performance.

According to the chairman of Amica Sacco Society Hezron Muchiri, the county assembly has not drafted any laws to address obstacles engulfing the cooperative industry, which is a devolved function.

Speaking to *Sacco Review* in his office, the chairman said that their MCAs have failed to involve stakeholders to identify gaps, weaknesses and impediments to sector growth in the county.

Muchiri said as a devolved function, the sector requires legal structures to strengthen capacities and open new streams of investments beyond the tradi-

tional functions.

He suggested that one of the ways is creation of a county-based revolving fund to provide loans to cooperative societies.

Such a credit facility would boost financial capital of cooperative societies and empower them to serve their members effectively with affordable loans.

The chairman added that revolving funds will act as capital to enable societies run and sustain themselves. This, he said, will address poverty, unemployment and the challenges in agriculture and the economy of the county.

Muchiri observed that the county has a culture and history of cooperative-based investments, thus policies put in place would assist to boost the sector's growth.

The chairman said cooperatives have the resources to enable residents to build income-generating projects for the households and create self-employment opportunities for the majority of local people.



Mentor Sacco members attend a recent meeting. The County Assembly has been advised to make laws that support the growth of cooperatives.

Farmers to get crucial information digitally via server acquired by CUK

By Hezron Roy

The Cooperative University Kenya (CUK) has overcome a major milestone in transforming the country's agricultural sector after acquiring and installing a state-of-the-art server, which is aimed at enhancing farmers' productivity and income especially in the agriculture-based cooperatives.

Donated by the African Development Bank (AfDB), the technological asset is poised to boost the Kenya Rural Transformation Centres Digital Platform (KRTCDP), a pioneering initiative aimed at enhancing farmer connectivity, combating market cartels, bolstering farmer incomes, and more importantly, digitizing the farmers' productivity and strengthening cooperatives in the pilot areas of Nakuru, Narok and Baringo counties.

Speaking during the handing over of the server March this year, CUK Vice Chancellor Prof Kamau Ngamau stated that the institution intends to leverage the robust potential of the technological infrastructure for streamlined and smooth farmer connectivity and seamless interactions between various stakeholders within the target value chains.

Prof Ngamau reaffirmed the KRTCDP's projected potential in realizing the government's Bottom-up Economic Transformation Agenda (BETA), whose results

coincide with the BETA tenets of an economically empowered and food-secure nation through collaborations between cooperative players in key value chains such as Irish potatoes, dairy farming, and maize cultivation.

Through this noble programme and the possibilities presented by the digital server, smallholder farmers will now access crucial agricultural services and inputs through an integrated system that incorporates agro-suppliers, produce markets, and integral public services from the government.

The server goes a long way in helping farmers to utilize mobile technology information superhighway through smartphone-enabled systems and programmes.

They will have real-time access to weather updates from the meteorological department and critical market information, which is paramount for agricultural decision-making and taking advantage of seasonal changes for optimized production.

Beneficiaries comprise a diverse array of stakeholders, including agricultural cooperatives, agro-dealers and smallholder farmers, alongside private sector entities, financial institutions such as the Co-operative Bank of Kenya, government agencies, development partners, and researchers.

The other objectives of the KRTCDP project is to enhance productivity, profitability and

sustainability within farmer cooperatives, hence fortifying and bringing a ripple effect in the entire agricultural sector.

In May last year, CUK launched the KRTCDP; a 3-year project funded by AfDB whose initial focus was on maize, Irish potatoes and dairy farming, which is meant to put farmers at the centre of a single electronic platform and connect them with all actors along the agricultural sector value chain.

The project will be using the digital platform and digital centres where the young farmers can get information and see interest and opportunities in the agriculture sector.

The university received a grant of USD815,000 (approximately Ksh107,987,500) from AfDB Group's Fund for African Private Sector Assistance (FAPA) to finance the design, and develop and deploy a digital platform for the Kenya Rural Transformation Centres.

The goal of the project is to increase productivity, profitability, and sustainability of agricultural cooperatives and hence the entire agriculture/food and trade value chains, through integrating small holder farmers with all stakeholders along the agriculture value chain.

The development objectives are to put farmers at the centre of a single digital ecosystem and connect them with value chain players such as input suppliers



Cooperative University VC Prof Ngamau (left) receives the server manual.

and agro-dealers, buyers and other service providers, among others.

They are also to facilitate streamlining of processes coupled to mobile phone-based innovations

to reach small scale farmers, as well as enhance linkages between upstream, midstream and downstream agriculture value chain activities.

By Hezron Roy

How cooperatives will be used to implement govt's BETA blueprint

Co-operatives will be an important pillar in helping the government achieve its Bottom-up Economic Transformation Agenda (BETA) as revealed in the draft Kenya Co-operatives Transformational Strategy (KCTS) 2024-2034, which is sponsored by the International Labour Organization (ILO) under the Ministry of Co-operatives, Micro, Small and Medium-size Enterprises (MSMEs) Development.

In the document exclusively seen by *Sacco Review*, the 10-year strategy aims to leverage the cooperative model as a powerful tool for sustainable progress, inclusivity and innovation.

Apart from focusing on incremental improvements, it will also aim at driving radical shifts that position cooperatives as pivotal enablers of BETA hinged on the five pillars of Agriculture, Affordable housing, Health, MSMEs, and Digital and Creative Economy.

Cooperatives Cabinet Secretary (CS) Simon Chelugui has referred KCTS as a landmark initiative rooted in the principles of the BETA blueprint.

"Cooperatives have always held a significant place in the fabric of Kenya's social and economic landscape. Born out of the collective aspirations and endeavours of communities, they epitomize the power of collaboration, self-reliance and shared prosperity," said Chelugui.

As revealed by the government in the document, the strategy is aimed at strengthening the cooperative policies, legal and regulatory frameworks for sustainable growth through providing supportive policies for cooperative transformation, developing and reviewing cooperative legislation, and developing a robust cooperative regulatory framework.

Weak policies

This is as a result of shortcomings in existing policies, legislations and regulations whereby the current framework is perceived as weak and ineffective, hindering the optimal growth and functionality of cooperatives in the country.

There is also a pressing need for comprehensive reforms and improvements in the areas to create an environment that fosters the development and sustainability of cooperatives, addressing gaps that currently impede their full potential.

It also targets to improve cooperative governance structures, transparency and



Members of different Saccos who attended the 9th Annual Sacco Leaders Convention at Whitesands Hotel in Mombasa.

accountability to ensure effective decision-making and sustainable growth through strengthening board leadership, enhancing technological adoption and awareness, and developing and implementing relevant governance policies.

To enhance cooperative productivity, promote value addition in cooperative activities and facilitate improved market access for cooperative products and services, the government plans to enhance cooperative productivity, facilitate value addition by cooperatives, and expand market access.

It also plans to focus on capacity building for cooperative members, management, boards and stakeholders through training programmes, conducting research and disseminating relevant information to ensure informed decision-making and continuous improvement by developing frameworks for cooperative education and training and facilitating the establishment of a Cooperative Information and Research Centre at the Cooperative University of Kenya (CUK).



Cooperatives have always held a significant place in the fabric of Kenya's social and economic landscape. Born out of the collective aspirations and endeavours of communities, they epitomize the power of collaboration, self-reliance and shared prosperity.

On the research front, there are challenges related to limited research activities, hindering a comprehensive understanding of cooperative dynamics, limited sharing of research findings impeding dissemination of valuable insights, and low funding allocated for research constraining the ability to conduct thorough and impactful studies.

This is after the government said it lacks a comprehensive strategy for knowledge management and communication in the cooperative sector, which is key to enabling the sector have the capacity to identify, create, capture, retrieve, share, protect and analyze the knowledge of individuals and groups across organizations to improve performance.

To address the financial aspects of cooperative development, including mechanisms for securing funding, managing finances effectively, and promoting responsible investment practices to ensure the financial sustainability of cooperatives, KCTS proposes expansion of access to financial resources for

cooperatives and promotion of sustainable financial management practices and strategic investments to support cooperative development.

This is meant to increase member savings, promote access to affordable finance at the last mile to the bottom of the pyramid, develop a mechanism for cooperative participation in public-private partnerships (PPP), and expand the mandate of the Cooperative Development Fund.

How draft was developed

The draft strategy comes after holding wide consultations among key stakeholders, and internal meetings and engagements with regional and continental bodies such as the ILO. Experiences and best practices of other countries were put into perspective during comparative analyses and finally desk analysis of the prevailing conditions.

The initial stakeholders' workshop was held at the Sarova Whitesands Beach Resort in Mombasa from August 7 - 11, 2023 which was attended by cooperative sector representatives across the county, experts, relevant State departments, the President's Economic Transformation Secretariat (PETS), and cooperative development partners.

The workshop resulted in the zero draft of the strategy, emphasizing on the position of the cooperative movement as a key enabler of the achievement of BETA aspirations, with a follow-up meeting of the downstream non-State actors being held on November 16, 2023 at the CUK.

The meeting provided farmers and Value Chain (VC) actors with an opportunity to make contributions that further enriched the document, which later gave way to a retreat of the technical team at Tom Mboya Labour College from January 22 - 26, 2024.

The first draft of KCTS, projected to guide the sector for the next 10 years, was developed with a final workshop consisting of the strategy editorial team being held at Tom Mboya Labour College from February 5 - 9, 2024 to clean the document before its approval and implementation.

Kenya to host the 24th SACCA Congress in October, 2024



Cooperatives CS Simon Chelugui (centre) with his PS Patrick Kilemi (right) and ACCOSCA Executive Director George Ombado.

By Obegi Malack
obegimalack@gmail.com

Kenya is set to host the 24th Savings and Credit Cooperatives Associations (SACCA) Congress from 6th-12th October, 2024 in Naivasha, Nakuru County.

The annual gathering brings together experts and industry leaders from across the globe to share knowledge and experiences.

The 2024 SACCA Congress will be organized by African Confederation of Cooperative Savings and Credit Associations (ACCOSCA) in close collaboration with the Ministry of Cooperatives and MSMEs Development and Kenya Union of Savings and Credit Co-operatives (KUSCCO).

Over 2000 cooperators from 42 global countries representing 6 continents are expected to attend the annual conference.

Speaking during the Second Session of the 2024 SACCA Congress Working Group, Cabinet Secretary (CS) in the Ministry of Cooperatives and MSMEs Development Simon Kiprono Chelugui said the government will work closely with ACCOSCA and the hosting institution, KUSCCO, to make the 2024 SACCA Congress a resounding success.

Principal Secretary in the State Department of Cooperatives Patrick Kilemi noted that Kenya is set to showcase how cooperatives are playing a pivotal role in impacting the socio-economic well-being of members, as well as

contributing to the achievement of the Sustainable Development Goals (SDGs).

ACCOSCA Executive Director George Ombado revealed that the 2024 SACCA theme would be centered on how the Cooperative Business Model in Africa is contributing towards achieving the United Nations Development Sustainable Goals.

The annual event brings together all Credit Unions in the continent and beyond to deliberate on issues taking precedence in the cooperative sector.

ACCOSCA is a Pan-African confederation of national associations of savings and credit cooperatives societies. It was formed in 1968.



IG Sacco grows in all key segments as assets reach Ksh14B

The asset base grew through continuous contributions towards share capital and other monthly subscriptions to non-withdrawable deposits as guided by our strategic plan.

Kennedy Keya, Chairman

By Tindi Kuchio

Invest and Grow (IG) Sacco has registered tremendous growth in all key performance parameters for the period ending December 31, 2023.

Speaking during the 47th Annual Delegates' Meeting (ADM) in Kakamega, Sacco Chairman Kennedy Lidanya Keya announced that the Sacco's assets grew from Ksh12.9 billion in 2022 to Ksh14 billion in 2023, realizing a positive variance of 8.5 per cent (Ksh1.3 billion).

"The asset base grew through continuous contributions towards share capital and other monthly subscriptions to non-withdrawable deposits as guided by our strategic plan," he said.

Keya revealed that the total loans disbursed increased by Ksh262,379,644 from Ksh8,526,598,033 in 2022 to Ksh8,788,977,677,384 in 2023, a three per cent increase.

The chairman confirmed that the loan portfolio increased to Ksh10.8 billion from Ksh9.5 billion in 2022, thus a positive variation of 14 per cent (Ksh1.3 billion). He attributed this to the review of the credit policy that enabled members to access more affordable loans.

He said the Sacco's income increased to Ksh1.91 billion in 2023 compared to Ksh1.86 billion in 2022, translating to a 2.5 per cent (Ksh47 million) growth.

Keya added that the society's share capital rose from Ksh1,305,240,952 in 2022 to Ksh1,373,937,141 in 2023, attributing the growth to the annual increment of share capital by Ksh4,000 per member as laid out in the strategic plan.

"We have an active membership of 26,796, out of which 15,569 are FOSA salary earners. We still have a great potential to recruit more members to channel their salaries through FOSA to leverage on a wide range of FOSA products such as E-Loan and Empowerment Loan," he observed.

The chairman urged Sacco members and delegates to help recruit teachers in their respective schools to enable it achieve its strategic plan's membership growth objective of 10 per cent per annum.

He informed delegates that the Sacco's subsidiary savings accounts stand at 18,656 members for Akiba



Delegates follow proceedings during the Sacco's 47th ADM at Golf Hotel in Kakamega on February 27, 2024.

The Sacco has set out grand future plans like the development of the second phase of IG Sacco Plaza and the setting up of satellite branches in the neighbouring counties of Bungoma, Busia, Siaya and Kisumu.

Savings, 1,148 for Nyota Ndogo, and 599 for Holiday Savers.

Keya called on members to patronize the saving products in order to enjoy more benefits such as attractive interest rates and Akiba loans.

Brighter future

In its endeavour to remain competitive, viable and dynamic, Keya said that the Sacco has set out grand future plans like the development of the second phase of IG Sacco Plaza and the setting up of satellite branches in the neighbouring counties of Bungoma, Busia, Siaya and Kisumu.

"We also intend to roll out agency banking and digitize all loans as this will enable us to diversity our sources of income and enhance service delivery," he added.

The chairman confirmed that the Sacco had successfully upgraded its Core Banking System, implemented Electronic Data Management System (EDMS) and rolled out Customer Relationship System (CRM) and Call Centre.

"We have also installed IG Sacco Mobile App and digitized some of our loan products in order to improve service delivery to our members," he informed the delegates.

Keya underscored the need for the Sacco to continue offering education, training and information to members in line with the Fifth Cooperative Principle.

"We are currently carrying out member education programmes across thirty-four venues within Kakamega and Vihiga and its neighbouring counties," noted Keya.

He further confirmed that the Sacco successfully conducted elections in three electoral areas of Lurambi, Lugari and Emuhaya on February 3, 2024, as well as by-elections in bases that had vacancies. The incumbent directors were re-elected as well as most of the sitting delegates.

The chairman added that the Supervisory Committee elections for Vihiga County (Tiriki, Vihiga and Emuhaya electoral areas) were successfully conducted on February 16, where the incumbent member was re-elected.

Contextualizing growth

IG Sacco Ltd is a SASRA-licensed Tier One deposit-taking Sacco with

an asset base of over Ksh14 billion as at December 31, 2023. The Board of Directors is led by Kennedy Keya as chairman and nine directors representing the 9 electoral areas spread across Kakamega and Vihiga counties. There is a team of 244 delegates spread across Kakamega, Vihiga, Bungoma, Busia, Nandi, Siaya and Kisumu counties.

Three Supervisory Committee members led by Chairman Justine Mutanyi spearhead the oversight

function of the Sacco.

Daily operations of the Sacco are executed by a team of 65 staff members under the guidance of the management team led by the Chief Executive Officer CPA Peter A. Vuhyah.

The Sacco was founded in 1977 from a humble beginning with a paltry 200 members and is currently the most established society in western Kenya

Cont. next page...

Benefits Of Saving with IG Sacco

- 1 Financial Security
- 2 Interest Earnings
- 3 Access to Loans
- 4 Wealth Accumulation
- 5 Financial Education and Support

...from previous page

with a strong membership of over 26,700.

It is based along Khalisia Road 3 in Kakamega town and has branches in Mbale, Malava, Lumakanda, Mumias, Butere, Luanda and Serem.

Through visionary leadership and commitment of the members and staff, the Sacco has undergone tremendous transformation and developed its rich history over the years.

In line with its growth and expansion strategy, the Sacco rebranded from Kakamega Teachers Sacco Ltd (KATECO) to IG Sacco Ltd in December 2015, adopting a strong, bold, stable and superior brand. It also opened its common bond as it rebranded, a move that has enabled it to attract members from all sectors of the economy, thus raising its capital base.

The Sacco draws its membership from salaried individuals working under the Teachers Service Commission (TSC), government ministries and parastatals, county governments, private companies and Members of County Assemblies.

Nonetheless, after freeing the common bond, the society has also attracted membership from business people, corporates, investment groups, and churches, among others.

Through internal resource mobilization and prompt loan recovery, which is done by a very competent staff, IG Sacco has not borrowed from external sources for the last seven years.

The Sacco recruited a total of 1,391 members in 2023 compared to 1,350 the previous year.

Resolutions of the 47th ADM

1. The audited financial statements and reports for the financial year ending December 31, 2023 were approved without amendment.
2. The distribution of surplus was approved as follows;
 - (a). Dividend on share capital at

- the rate of 17 per cent
 - (b). Dividend on Plaza shares at the rate of 15 per cent
 - (c). Interest on non-withdrawable deposits at the rate of 12.2 per cent
 - (d). Honorarium at the rate of 1.5 per cent of the net surplus before tax.
3. Ernest & Young (EY) LLP appointed the external auditor for the financial year 2024
 4. The Sacco's external borrowing powers were fixed at

- Ksh750 million for the year 2025
5. Annual budget for the year 2025 was approved as follows;
 - (a). Income Ksh2, 270,295,057
 - (b). Expenses Ksh873,302,413
 - (c). Surplus Ksh1,396,992,645
 - (d). Capital expenditure budget Ksh198,000,000
 - (e). Investment budget Ksh1,152,360,000
 6. All directors, Supervisory Committee members and delegates elected in the year were formally confirmed into office.

Vision Statement:

A Premier Sacco delivering exceptional financial solutions.

Mission Statement:

To enhance the social - economic well - being of our members through diversified and innovative financial solutions.

Core Values:

1. Innovation
2. Professionalism
3. Commitment
4. Team-work
5. Equity

Slogan:

"Our Investment & Our Growth"

EASTERN

Embu boda boda riders to be assisted to form Sacco

By Robert Nyagah

Thousands of boda boda operators in Embu County will be supported to launch a Sacco to enable them save and access loans and motor cycles, Governor Cecily Mbarire has announced.

Governor Mbarire said once founded, the Sacco will ensure that the boda boda operators are not subjected to exploitation by shylocks who charge unwarranted interests on loans.

"We would like our boda boda operators to come together and operate under a strong Sacco which will protect them from exploitation by shylocks who sometimes charge abnormally high interest rates on loans," said Mbarire.

The governor, addressing guests during the commissioning of Mbeere ACK Bishop Moses Mashamba as the dean of the

ACK, said she will mobilize local and national leaders for a major funds drive for the planned Sacco.

She thanked Mashamba for being in the forefront of supporting boda boda operators in the area to come together as groups and also be part of the church to live upright lifestyles.

Embu leaders agreed the Sacco would create more discipline and wealth for riders because they would access loans and motor cycle spare parts at a cheaper price.

Despite the huge successes in launch and development of cooperatives in Embu, young people in the region have remained in the periphery as they have failed to join the lucrative sector which has the potential to create better wealth for them.

Former Commissioner of Cooperatives Geoffrey Njang'ombe has been in the forefront encouraging young people in Embu to join Saccos.



Kitui County Commissioner Kipchumba Ruto (left) and CS Peninna Malonza (2nd left) during the function. Photo|Boniface Mulu

Makueni Farmers urged to join Saccos for prosperity

By Lydia Ngoolo

Farmers in Makueni County have been encouraged to join and form Savings and Credit Co-operatives (Saccos) so that they can access loans that will help them increase their production for profitability

Speaking during the launch of Kalawa farmers Sacco, Livestock, Fisheries and Cooperative Development Chief Officer

Japheth Kiminza stated that there are bigger opportunities in Sacco for farmers in terms of borrowing loans for expansion of their agricultural businesses.

"Government agencies and other partners support farmers who are in Saccos and therefore I urge you to join Saccos and cooperatives," said Kiminza.

Peter Mwanthi, chairperson of Kalawa Farmers Sacco revealed there are 335 members with cash

base of Ksh345,000.

"As chairman and my able team I'm going to make sure that we mobilize more members to join the Sacco for us to attain minimum membership qualification of 600 as per national Agricultural value chain development Project (NAVCDP)," he said.

He also promised to ensure full compliance with the Cooperatives Act, rules and regulations.

Inter-Coop lending draws near as Bill moves towards passage into law

By Jackson Okoth

Cooperative societies are moving closer to having an inter-lending facility if the newly published Co-operatives Bill 2024 is enacted into law.

According to this Bill, a cooperative society will borrow or lend to another for purposes of covering temporary liquidity shortfalls or for on-lending to its members.

The Board of Directors of both the borrowing and lending institution will approve the terms and conditions of the intended loan, which will also be approved by the commissioner, County Director for Cooperatives, or the Authority, as the case may be.

The three alternative approving entities will ensure that the borrowing cooperative has sufficient security to cover the loan, and that the funds will be utilized as per the intended purposes.

Subject to approval by the commissioner, the apex cooperative or federation will establish a platform to facilitate inter-cooperative borrowing.

The Bill also intends to establish the Cooperative Development Fund in accordance with regulations prescribed by the Cabinet Secretary (CS). The source of the Fund will consist of contributions by cooperatives in the sums and rates approved by the CS.

The objectives of this Fund will be to promote education, training, research, information, innovation, emerging technologies, and any other related activities in the cooperative sector in Kenya.

Legal backing

This time round, Parliament has moved to sponsor the Cooperative Bill 2024, which will see a repeal of the dilapidated Co-operatives Act Cap 490 in the old constitution, ushering in a new dawn for Kenya's rapidly growing cooperative sector whose worth is now more than Ksh1 trillion.

The Co-operative Bill, if enacted into law, provides an ideal window that will provide county governments with legal instruments to handle registration and supervise the cooperative sector, which is a devolved function.

Top executives in the cooperative sector have previously raised concerns that delays in reviewing the outdated Coop Act Cap 490 to bring it into sync with the new constitution as well as the realities of a fast-changing technological, social, and business environment, continue to inhibit the growth and any gains made by the sector.

The Co-operatives Bill 2024, sponsored by Leader of Majority Kimani Ichung'wah, has already been received by the Directorate



Cooperatives Commissioner David Obonyo has a word with Charles Mbuvi, Nyati DT Sacco National Chairman, during their ADM.

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The Co-operatives Bill 2024, sponsored by Leader of Majority Kimani Ichung'wah, has already been received by the Directorate of Legal Services of the National Assembly.

of Legal Services of the National Assembly. This will be the first attempt by the

to guide the regulation and registration of cooperative societies, the Bill now provides guidelines on this matter by creating a new office of Commissioner for Co-operative Development at the national level and office of the County Director for Co-operatives at the county level, which lays the ground for inter-government cooperative relations.

The Bill delegates to the Cooperatives CS and the County Executive Committee Member (CECM) the power to make regulations necessary to operationalize the new law to better carry out their objectives.

Although attempts have been made to create new legislation and rules to accommodate deposit-taking as well as non-withdrawable Saccos, the cooperative sector still faces significant challenges due to the outdated Co-op Act Cap 490, which is the mother law of the sector.

Removing overlaps

For instance, it has not been clear where the supervisory mandate of the Sacco Societies Regulatory Authority (SASRA) and the Co-op Ministry as well as those of the County Co-operative Officer begin and end, or the role of counties and the national government when it comes to those societies that are located in more than one county.

Additionally, there is no clear regulation currently on how an inter-Sacco lending facility should operate or even how Saccos should charge interest rates on their financial products. The new Co-operative Bill 2024 has made attempts to address these issues and others.

Co-op Act Cap 490 is rigid on the period upon which assets, deposits, dividends, or shares held by a cooperative society can be classified as unclaimed.

Due to this absence of clarity, DT Saccos that have been paying levies to both the county and SASRA even as they do not get any benefits in return apart from these payments enabling the regulators to supervise their operations.

While the Sacco Act, as well as other Sacco regulations, have to a large extent covered the various inadequacies that the Co-op Act Cap 490 has, the new Bill attempts to harmonize the roles of counties and the national government in regulation and supervision of financial Saccos and other cooperative societies so that there is no clash or duplication.

The proposed law also seeks to review clauses that require a financial cooperative to have 9 members on its Board of Directors, which many consider to be static, obsolete, and do not reflect what is happening on the ground, especially that there are multi-sectoral DT Saccos that draw membership from all regions and demographics.

Kenya Kwanza administration to amend the cooperative sector mother law after previous attempts by past administrations of Uhuru Kenyatta and Mwai Kibaki failed to see the light of day.

The principal object of this Bill is to provide the legal framework that will enable the co-operative sector to transform into a devolved function as envisaged in some sections of the 2010 constitution.

In particular, the Bill gives transitional provisions, which include a repeal of the Co-operative Society Act 12 of 1997, the creation of the new offices of Commissioner, County Director for Co-operatives, members of the Co-operative Tribunal, and County Assembly legislations.

Creating harmony

While county governments have been instituting their own legislation

