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SACCO TIMES

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INSIDE

**SACCOs Attract More
COOPERATORS As Banks
Review Loan Pricing**

**Why Planning CEO
Succession In SACCOs,
Co-ops Is Important**

**Why CSR
Is a Marketing
Tool For SACCOs**



Pg 15

PLUS

IMARIKA DT SACCO Chairman Sets
Shs. 15 Billion Target come 2024



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CO-OPS, SACCOs Have A Crucial Role To Play In Kenya's ECONOMIC RECOVERY

CO-OPERATIVE MOVEMENT has been acknowledged, and appreciated in the same spirit by World Bank Group, International Labour Organization and International Co-operative Alliance for the complimentary role it plays towards reviving Kenya's economy.

Co-operative societies irrespective of their inclination, play crucial roles in economic upturn and expansion – thereby, creating the necessary capacity of effectively fighting poverty and promoting equity.

Traditional Co-operatives, and Savings and Credit Co-operative Societies have been credited for mobilizing large-scale investments in Agriculture, Construction industry, Transport and storage, Insurance, Fishing, Livestock, Education and Health among other Economic sectors.

Deposit Taking SACCOs by extension, have been on the forefront in mobilizing The savings and investments through provision of affordable loans. It has resulted to huge impact in financial deepening among Kenyans – hence, it is widely held that these societies are in vantage position to contribute immensely to economic recovery of the country.

Co-operatives in the first quarter of 2023 had mobilized over US \$6 billion (about half of the country's GDP) as deposits, and asset base worth over US \$5 billion. The World Bank Group report has revealed that nine out of 10 house units in Kenya are constructed through Co-operatives initiatives. To this end, the Government under Vision 2030 has envisaged that Co-operatives will provide 25% of housing stock in urban and out-laying areas.

Co-operatives have been identified as one of the best models in enhancing agriculture and non-agricultural productivity through trade in large volumes of inputs, engagement in the distribution of the farm in-puts and agricultural machineries, besides promoting agricultural mechanization.

Co-operative societies have the capacity to realize industrialization in rural areas through value addition of agricultural products, dairy and meat products, fishing and marketing theses produces. On the basis of these engagements, the Co-operative movement is well-placed to propel the national economy to the next level, besides generating employment opportunities directly or indirectly.

The Agricultural sector contributes over 33% of the country's Gross Domestic Product (GDP) directly, and 27% indirectly. The sector employs more than 40% of the country's 56 million population, and 70% of the rural population. The sector accounts for 65% of the export earnings, and provides the livelihood (employment, income and food security needs) for more than 80% of the Kenyan population, and contributes to improving nutrition through production of safe, diverse and nutrient dense foods.

Thus, based on these facts-and-figures, the Co-operative movement is in an advantageous, and more secure position to be relied upon to contribute to the resuscitation of the ailing economy.

The Co-operative sector just like any other business-oriented sector can effectively focus on driving inclusive socio-economic growth in our communities by investing in, and equipping local businesses with the right tools, and solutions for sustainable growth.

Moreover, Co-operative societies can act as agents towards sustainable community development – they have been an effective way through which people can exert control over their economic livelihoods as they play an increasingly important role in facilitating job creation, economic growth, and more importantly social development.

The Co-operative societies provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy. As the Government continues to cut services and withdraws from regulating markets, Co-operatives are now being considered as useful mechanism to manage risks for members in agriculture or any other Co-operative sub-sector – they help salary/wage earners save for the future through a soft-felt monthly contribution that is deducted from source; own what might be difficult for individuals to own by their efforts, strengthen the communities in which they operate through job provision and payment of local taxes. Co-operatives generally provide an economic boost to the community as well.

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Keeping you informed....



ACCOSCA Drives The Cooperative Business6
Model Into African **SACCOS**

Why **CORPORATE SOCIAL RESPONSIBILITY**9
Is A Marketing Tool For SACCOS

KENYA NATIONAL POLICE DT SACCO Targets10
To Plant Over 1.5 Million Seedlings

SACCOS Attract More **COOPERATORS**13
As Banks Review Loan Pricing

IMARIKA DT SACCO New Chairman Sets15
SH15 BILLION ASSETS Target Come 2024

How To Reduce **HIGH POVERTY LEVELS**17
Through **CO-OPERATIVES SOCIETIES**

UNIVERSAL TRADERS SACCO Unlocks New19
Horizons at Special Delegates Meeting

TRANS NATIONAL TIMES DT SACCO Crafts.....23
A Master Plan For Retiring Members

SACCO MEMBERS Reap Benefits Amid25
Massive Economic Recession

In Spite Of Economic Downturn **LENGO**27
DT SACCO Posts Financial Growth

BORESHA SACCO Registers Significant31
Growth In Management, Innovation

KETSA Annual Workshop.....34

Why Planning **CEO** Succession In **SACCOS**36
Co-ops Is Important

UKULIMA SACCO Cultivates Financial Growth.....38
with Innovative Loan Products and
Investment Mortgage





Season's Greetings



 **SACCO TIMES**

Wishing you a joyous **CHRISTMAS** and a prosperous **NEW YEAR**. We appreciate your continued trust in our services and look forward to another year of mutual growth and success.

Best Wishes from:
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ACCOSCA Drives The Cooperative Business Model Into African SACCOS

By Staff Writer



ACCOSCA Board members led by Board Chair Madam Somoe Nguhwe, Botswana Savings and Credit Cooperative Association Board members led by Board Chair Ms Karabo Morule-Segobye and ACDF Board members led by Chairperson Lois Kitsch joins ACCOSCA Executive Director George Ombado (I-CUDE) and Lisa Baillargeon, Director at Developpement International Desjardins Initiative (DID) during the African Co-operative Climate Action Plan Launch at the 2023 SACCA Congress in Gaborone, Botswana.

The African Confederation of Co-operative Savings and Credit Association (ACCOSCA) promotes financial inclusion and sustainable economic growth in Africa by providing resources to Savings and Credit Co-operative Societies.

ACCOSCA opened its doors over 55 years ago; domicile laws and a vibrant constitution govern it. The General Assembly, which presently comprises 28 countries including Kenya, is the highest organ of the continental organization. With the secretariat based in Nairobi, ACCOSCA is dedicated to assisting and training SACCO members and financial institutions with valuable skills that help steer growth through capacity building, advocacy, research, and providing technical assistance.

In collaboration with its philanthropic arm, the Africa Co-operative Development Foundation (ACDF), ACCOSCA has significantly impacted cooperative financial institutions and the overall development of the African joint movement. Some notable impacts of ACCOSCA include:



His Excellency Dr. Mokgweetsi E. K. Masisi, President of the Republic of Botswana, officiating the 2023 SACCA Congress.

1. Advocacy and Representation:

ACCOSCA strongly advocates for the interests of cooperative financial institutions, particularly SACCOS, at both regional and international levels. It represents the collective voice of African SACCOS, ensuring their concerns are addressed, and their contributions to the economy are recognized. In 2022, the United Nations (UN) Economic and Social Council (ECOSOC) adopted a recommendation from the Committee on Non-Governmental Organizations (NGOs) to grant special consultative status to ACCOSCA.



ACCOSCA Executive Director George Ombado (I-CUDE) making his remarks during the Inaugural ACDF Dinner.

2. Capacity Building: ACCOSCA

plays a crucial role in building the capacity of SACCOS through training, education, and knowledge sharing initiatives. It provides technical assistance and support to its member organizations, helping them improve their governance, management, and operational efficiency. This, in turn, enhances the delivery of financial services to members and contributes to their financial inclusion. We currently have the ACCOSCA Academy, which is set to benefit

Turn to Page 7

ACCOSCA Drives New Business Model



African credit union leaders from National Associations and SACCOs to legislators and regulators. The ACCOSCA Academy revolves around Six Centers of Excellence namely, Governance, Leadership, Operational Excellence, Member Experience, Regulation, and Research essential for sustainability of SACCOs. The ACCOSCA Academy is strengthening and growing the African SACCO system while at the same time improving the lives and livelihoods of the African people.

3. Networking and Collaboration:

ACCOSCA facilitates networking and collaboration among SACCOs in Africa. This creates opportunities for knowledge exchange, sharing best practices, and fostering financial cooperation among member organizations. By promoting collaboration, ACCOSCA strengthens the overall cooperative movement in Africa and supports collective growth and development. Some of our notable development partners include the International Fund for Agricultural Development (IFAD), The World Council of Credit Unions (WOCCU), the German Sparkassenstiftung for International Cooperation (DSIK), the German Cooperative and Raiffeisen Confederation (DGRV), TruStage (USA), African-American Credit Union Coalition (AACUC), Co-operative Development Foundation of Canada (CDF Canada), the National Credit Union Administration (NCUA - USA) among others.

4. Research and Policy Development:

ACCOSCA undertakes research and policy advocacy on issues relevant to SACCOs and the cooperative sector. It generates valuable insights, data, and analysis, which inform policy formulation at both national and regional levels. This research and advocacy work contributes to creating a conducive regulatory and institutional environment for SACCOs, allowing them to thrive and better serve their members.



Participants following keenly a Keynote Presentation on how to create a more Diverse, Equitable, and Inclusive Credit Union System by Renée Sattiewhite (CUDE), President / CEO of the African-American Credit Union Coalition (USA) during the 2023 SACCA Congress in the Republic of Botswana.

5. Financial Inclusion and Economic

Empowerment: Through its efforts, ACCOSCA promotes financial inclusion by expanding the outreach of SACCOs to underserved communities and marginalized populations. By providing access to affordable financial services, SACCOs supported by ACCOSCA contribute to poverty reduction, economic empowerment, and improved livelihoods for communities in Africa.

ACCOSCA Proactive Engagement in Mitigating Advance effect of Climate Change

ACCOSCA recognizes and creates awareness amongst the Co-operatives in Africa to play a significant role in supporting climate actions by implementing sustainable practices within their operations and offering financing options for environmentally friendly initiatives. With the recent launch of Africa Climate Action in conjunction with Développement International Desjardins (DID) of Canada, ACCOSCA aims to support:

- **Climate Education and Awareness:** Credit unions can actively educate their members and employees about climate change and environmental issues. This will be executed through workshops, seminars, or informational campaigns, raising

awareness about the importance of sustainable practices, and encouraging SACCO members to make environmentally conscious choices.

- **Partnership with Green Organizations:** ACCOSCA is encouraging collaboration of Cooperative sectors with environmental organizations, local governments, and community groups to collectively support climate actions. By so doing, this provides an opportunity for \ SACCOs to engage in community-driven initiatives such as tree planting campaigns, climate change resilience projects, or advocacy for sustainable policies at the local level.

- **Green Financing:** ACCOSCA is working with SACCOs and development partners to initiate products and services that offer financing options targeted explicitly towards climate-friendly projects. This may include loans for energy-efficient home improvements, renewable energy installations (such as solar panels), electric vehicles, or sustainable agriculture initiatives. By providing favorable terms and rates for such loans, credit unions incentivize members to invest in

Continued on Page 8

Co-operative Business Model in Africa



Participants visit Self-Help Federal Credit Union; formerly a Community Trust in Apopka, Florida that highlighted their work with families and communities that have historically faced systemic barriers to financial inclusion by creating and protecting ownership and economic opportunity for all members.

environmentally responsible endeavors.

- Ethical Investment Options realigned to Regulations: Co-operatives have the potential to offer their members ethical investment opportunities that align with their values, including funds that support renewable energy, environmental conservation, or sustainable development.

ACCOSCA jointly with other development partners is developing a best practices policy framework that provides these options, where SACCOs purposefully empower their members to channel savings or investments towards businesses and initiatives that promote climate action.

- Environmental Impact Assessment: ACCOSCA is encouraging Co-operatives to conduct environmental impact assessments on their operations to identify areas where improvements can be made. This assessment can cover energy consumption, waste management, transportation, and other factors contributing to their carbon footprint. Credit unions can implement targeted measures to reduce their environmental footprint by understanding their impact.

By incorporating sustainability into their operations and financial offerings, co-operative can significantly contribute to climate actions. They have the potential to drive positive change by supporting

eco-friendly initiatives, raising awareness, and providing members with the necessary tools and resources to contribute to a more sustainable future.

ACCOSCA's goal is to equip leaders and practitioners with the desired knowledge and skills to execute their mandate of transforming lives through the Cooperative Business Model. By being domiciled in Kenya, the country has dramatically benefited from ACCOSCA through:

- Establishment of institutional frameworks for mobilizing personal savings and Credit services to members
- Capacity building and technical assistance to Savings and Credit Cooperative Societies
- Strengthening the Regulatory landscape for stability and sustainability of the Sector

In Kenya, Savings and Credit Co-operative Societies provide approximately 30% of the National Savings. A strong Co-operative sector could enhance the nation's economy while also strengthening the social fabric. Indeed, this is what ACCOSCA represents.

ACCOSCA held the 23rd Savings and Credit Co-operative Associations (SACCA) Congress in Gaborone, Botswana from October 8th to 13th 2023, attracting 1,000 plus leaders from Africa and beyond. SACCA Congress, Africa's largest annual financial cooperative event, brings together all savings and credit unions in the continent and beyond to deliberate on issues taking preeminence in the Co-operative sector.

The forum focused on "Strengthening Sustainable Financial Systems for Economic Development". It provided an opportunity for the various stakeholders in Africa's Co-operative sector, including policymakers, industry players, and academics to exchange ideas, share experiences, and explore practical solutions to challenges facing SACCOs in Africa.

The Conference appreciated Savings and Credit Co-operative Societies as vital financial institutions that serve a significant proportion of Africa's population.



Executive Director George Ombado (I-CUDE) making his opening remarks while hosting a delegation of visiting cooperators from Ghana, under the auspices of the Ghana Co-Operative Credit Unions Association (CUA) Ltd, at the ACCOSCA Academy in Nairobi, Kenya.

Why CORPORATE SOCIAL RESPONSIBILITY Is A Marketing Tool For SACCOS

By Lucy Lusimbo

Corporate Social Responsibility (CSR) is a self-regulating business model that can facilitate a corporate institution to be socially accountable to itself, stakeholders and the wider society within which it operates.

By embracing CSR which is commonly referred to as Corporate Citizenship, corporate enterprises become conscious of the kind of impact they have made on the society –economically, socially and environmentally.

Venturing into CSR, basically means that in the course of business, an organization operates in a manner that enhances sustainability of both the society and the environment.

CSR is a broad-based concept that can assume various forms depending on the organization and the industry it is biased to. It is noteworthy that through CSR programmes, philanthropy and volunteer efforts, institutions such as SACCOS and other businesses can immensely benefit the society while boosting their business brands.

For a Co-operative society to be socially responsible, it must be accountable to itself, shareholders and the local community in which it operates.

Institutions that have adopted CSR programmes within their organizational structures and operations have more often than not grown their business fortunes to the point where they can give back to the society within which they operate.

The more visible and successful an institution is, the more responsibility it has in setting standards of ethical behaviour for its peers, competitors and the entire industry.

BENEFITS OF CSR

The same way CSR is important for the community, it is equally valuable for an organization and its operations. In this case, CSR activities can help forge a stronger bond between employees and their corporate entities – hence boosting morale, aiding both employees and employers in feeling more connected

number of additional reasons why businesses pursue CSR in their operations. They include, but not limited to the following:

BRAND RECOGNITION

Experts have found not once that consumers are more likely to respond favourably towards an institution that has acted to benefit its customers as opposed to an organization that has demonstrated an ability to deliver quality products.

Members of the society are more likely to transact with institutions that consciously contribute positively beyond the scope of their businesses for the benefit of the society.

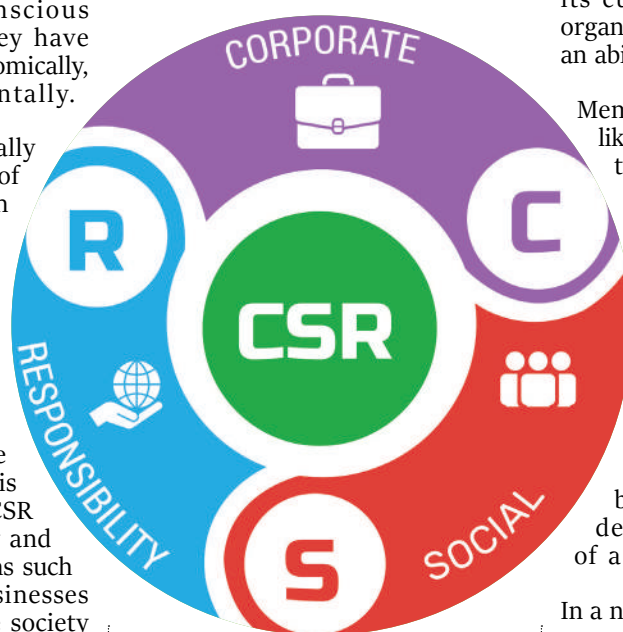
It is against this perception, customers from diverse background are increasingly becoming more aware of the impact companies can have on their community and many of them are now basing their purchasing decisions on the CSR aspect of a particular business brand.

In a nutshell, the more an institution engages in CSR activities, meant for the positive transformation of the community, the more it is likely to promote its brands to the public.

RISK MITIGATION

Adhering to CSR practices, Co-operative societies can successfully mitigate risks by avoiding bad situations such as adverse activities like discrimination against employees, disregard for natural resources, or unethical use of institution funds.

The net effect of avoiding the aforesaid troubles, spares the Society the risk of litigations that may harm the Co-operative society or SACCO financially or expose the institution to negative publicity.



to the environment around them.

More often than not, CSR initiatives strive to have a positive impact on the world through direct benefits to the society, mother nature and the community in which a business operates.

In addition, an institution may experience internal benefits through the initiatives of CSR. Having known their institution promotes good causes, employees' satisfaction may increase and retention of staff may be strengthened.

Besides the positive impact on the planet, there are quite a

KENYA NATIONAL POLICE DT SACCO Targets To Plant Over 1.5 Million Seedlings

By Fabian Kamau

Kenya National Police DT SACCO conducted a massive tree planting exercise dubbed, **10,000 + TREES FOR CHANGE** to mark the Tree Planting Day on November 1st, 2023.



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui, PS Patrick Kilemi, Board of Directors led by National Chairman Mr. David Mategwa, CEO SASRA Mr. Peter Njuguna, Senior Government Officials, Starehe Sub-county Co-operative Officer Roselyn Mwithiga and Senior SACCO Management pose for a photo during the tree planting drive at DCI HQ.



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui during the tree planting initiative at DCI HQ.



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui, Kenya National Police DT SACCO Chairman Mr. David Mategwa, watering a tree during the tree planting drive at DCI HQ.



National Chairman, Mr. David Mategwa gives his remarks during the tree planting initiative at DCI headquarters.

Kenya National Police DT SACCO has embarked on afforestation and reforestation exercise to complement the Government initiatives to increase national tree cover to 30% by 2033.

The ambitious tree planting exercise to cover all the 314 sub-counties commenced on November 1st, 2023 at the Directorate of Criminal Investigations Headquarters on Kiambu Road, next to world famous Karura Forest.

The exercise which is part of Corporate Social Responsibility will put much emphasis on the Arid and Semi-Arid Lands where diverse

effects of Climate Change have been experienced, including floods and prolonged droughts.

Appreciating the SACCO as the most outstanding Savings and Credit Co-operative Society in the country due to its excellent service delivery and visionary leadership.

The Cabinet Secretary for Cooperatives and Micro Small and Medium Enterprises Development, Hon Simon Chelugui appealed to all SACCOs and Co-operative societies to emulate Kenya National Police DT SACCO, and rightly respond to President William Ruto's call to plant 15 billion trees in the next 10 years.

The Cabinet Secretary in the same spirit emphasized the importance of planting trees as a way of mitigating against the effects of Climate Change. "Every person is expected to plant at least 30 trees per year which means that in the next 10 years each person will have planted 300 trees. With this kind of initiative, the national tree cover will be enhanced to 30% by 2033," he said.

Kenya National Police DT SACCO chairman, Mr. David Sohelo Mategwa said the SACCO is concerned with environmental protection, and that the financial institution would like to assist reduce the unfavourable effects

Turn to Page 11

POLICE SACCO To Plant 1.5m Seedlings



National Chairman Mr. David Mategwa, Vice chairman Mr. David Kangogo, National Treasurer Amos Tingos, Hon. Sec. Jeremiah K. L. Korooi, Directors Jamleck Gichobi, Andrew Koech, John Okumu, Benjamin Talam, Eric Tumwet, Eric Kamaitha and Elizabeth Nyagah Pose for a photo during the tree planting drive at DCI HQ.



National Vice Chairman, Mr. David Kangogo presents a token of appreciation to Chairperson of African Cooperative Development Foundation (ACDF) Lois Kitsch.



The International CEO'S delegation were hosted by Kenya National Police DT SACCO Chairman David Mategwa and the Board of Directors courtesy of ACCOSCA and ACDF at the SACCO'S HQ office.

of Climate Change.

"Today, we are marking a historic event by planting 10,000 trees here at the Directorate of Criminal Investigations Headquarters to restore the forest cover which is party of Karura Forest," said Mr. Mategwa.

The chairman said the trees being planted will not only be environmentally friendly, but also a source of food for animals living in the forest. "We are introducing fruit trees such as avocado trees, Luk wart trees, jamun trees and oyster nuts meant to introduce a source of food to animals, mainly monkeys who are on the brink of extinction in this part of Karura Forest," observed Mr. Mategwa.

The chairman who was flanked by Board members, the management team, staff and SACCO members

further observed that to meet their target of planting 1.5 million trees, every member has been challenged to plant at least 10 trees every year.

National Forest Resources Assessment indicates that the country currently has 17,742,168.02 acres of tree cover, representing 12.13% of the total area.

From the assessment, up to 37 counties out of the 47 (79%) have a tree cover percentage greater than the constitutional target of 10% tree cover.

The State however, wants the national tree cover enhanced to 30% by 2033, a move that will see 15 billion seedlings planted.

Meanwhile, Kenya National Police DT SACCO which has a history of accomplishments and pace-setting,

has once again scored a plus this time round hosting Chief Executive Officers of top SACCOs in the world.

The premiers of accomplished SACCOs assembled in Nairobi to interact, share ideas, experiences and benchmark under the auspices of the African Confederation of Co-operative Savings and Credit Associations (ACCOSCA) and African Co-operative Development Foundation (ACDF).

The forum for Chief Executive Officers defines and defends the Co-operative principles, more so, it enhances social development. Kenya National Police DT SACCO will take advantage of the visit and shared experiences to promote the SACCO and raise awareness of the Society's contribution to the implementation of the Sustainable Development Goals, and socio-economic development.

The Chief Executive Officers' forum further encourages all stakeholders involved in the promotion and advancement of Co-operatives to remain focused and steadfast in promoting the ideals, principles and aspirations of the Co-operative movement of which Kenya National Police DT SACCO stands to benefit from broadly.

The forum is credited for promoting Co-operative values of self-help; self-responsibility; democracy; equity; equality and solidarity, besides advancing ethical values of honesty, openness, social responsibility and caring for others.

Continued on Page 12



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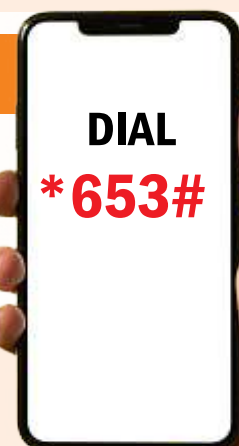
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SACCOs Attract More COOPERATORS As Banks Review Loan Pricing

By Staff Writer

Savings and Credit Co-operative Societies have attracted, and continue to charm cooperators following the review of loan pricing by commercial banks. SACCO members feel more secure, and guaranteed with low interest rates offered by Co-operative societies as opposed to commercial banks.

Some banks have adjusted interest rates up to 19% for their riskiest customers in their latest loan repricing cycle. SACCOs on another hand are now capitalizing on the latest loan pricing by banks to maintain their interest rates cycle of between 9% and 11.5% – this has enticed their customers to the Societies.

In normal circumstances, commercial banks' interest rates range between 16% to a maximum of 18% to the riskiest borrowers. However, these banks are still fine tuning the lending

model to get the one that best suits the financial institutions.

Commercial banks lifted their benchmark lending rates in response to the tightening of monetary policy by the Central Bank of Kenya which left the Central Bank rates at 10.5% resulting in upward revision of rates to customer loans.

The pricing cycle will see the riskiest borrowers even pay more than 20% for bank loans. The increased rates from commercial lending are expected to impact the banks' assets quality as the rate of non-performing loans edges up further.

The non-performing loans which have been attributed to the non-payment of supplier bills by the Government peaked at a high of 14.9% of all bank loans in June, 2023.

As commercial banks embrace Risk-Based Model as cautionary

measure to address bad loans, the SACCOs have found it quite opportune and advantageous to charm cooperators with low interest rates – hence, luring and increasing membership, resulting in high deposits and savings. In the long-run, SACCOs will expand their asset base and loan portfolio.

Unlike traditional banks, Savings and Credit Co-operative Societies are not-for-profit organizations. They operate in the best interest of their members. They are free from the stress of corporate investors and stock price fluctuations.

LOW INTEREST RATES

Bank interest rates are ever high compared to SACCOs. Banks have interest rates which are never the same – this is where most people won't imagine how costly it can be to find a bank with low loan interest to get a loan from. At any given time, interest rates of Savings and Credit Co-operative

Turn to Page 14

SACCOs Charm Cooperators With **ATTRACTIVE LOANS**

The great thing about **Savings and Credit Co-operative Societies** is that you can get a loan even if you are not employed.

Societies are lower than those of banks. The most interesting thing is that they don't change more often.

SACCOs are sometimes lenient on payment terms because the management has a strong attachment to, and knowledge of the loanees. Banks are only interested in getting their money back within a limited time frame.

COMPOUND INTEREST

Savings in SACCOs allows the cooperator's money to earn interest on deposits, whose rate is ratified by members at the Annual General Meeting (AGM) depending on the SACCO's financial performance. Thus, rather than cashing in on the cooperator's interest – the member reinvests it into their savings which causes it to grow over time.

The interest added on top of that interest is known as Compound Interest. This means that the longer you save, the more you benefit. As a wise man once said: "Money makes money, and the money that money makes, makes more money." Precisely, this kind of arrangement and loaning model hardly exists in commercial banks.

EASY TO GET LOANS

Savings and Credit Co-operative Societies' loans are easily accessible by members as compared to bank loans. The SACCO model is all about savings and credit. Societies offer members loans at affordable and stable rates. The process of acquiring loans has also been



simplified, and digitized in many Co-operative societies through Mobile banking.

Commercial banks will require a host of documents that you might not be in position to provide (not necessary) before your loan application is approved. SACCOs will only require your contribution record or pay slip to get your loan approved. The great thing about Savings and Credit Co-operative Societies is that you can get a loan even if you are not employed.

As a matter of fact, as opposed to acquiring loans from banks, getting loans through SACCOs is much quicker and less expensive. Your loan would be processed expeditiously if you are as member and have a strong history of saving. Most SACCOs also offer their members access to EMERGENCY loans.

SACCOs tend to offer lower interest rates, which are calculated

on a reducing balance basis. Banks on the other hand, offer high-interest rates, and most banks calculate on a straight-line basis.

An important thing to note about bank interest rates is that they can change during the tenure of your loan. If the interest rate on your loan isn't fixed, a bank can reassess its lending rate based on economic fluctuations. This readjusts the interest rate issued against your loan without prior notice. SACCOs however, are known to be consistent and stay true to their rate, come rain or sunshine.

SACCO loans do not attract hidden charges but bank loans do, most bank loans are structured with additional fees – they come along with insurance fees, appraisal/processing fees, legal fees, late remittance charges, premature loan clearance charges among many others.

IMARIKA DT SACCO New Chairman Sets SH15 BILLION ASSETS Target Come 2024

By Staff Writer

Press interview with the Chairman of IMARIKA DT SACCO

Mr. John Ziro



Imarika Savings and Credit Co-operative Society, ranked among the best performing SACCOs in the country is under new leadership with Mr. John Ziro serving as the chairman of the Board of directors. The new leadership has reinvigorated the management team and staff to meet the SACCO targets and other aspirations.

The chairman (Mr. Ziro) has been celebrated for his impressive performance and more appreciably, anchoring policies that have led to the robust growth of the SACCO since he has risen from being a delegate, Board of Directors and currently to SACCO chairman.

Indeed, it is an honour and privilege to interview resourceful and game-changer, Mr. Ziro to at least shed light on the leadership of the giant SACCO, and the Co-operative sector in general.



Q & A

Q What major lessons have you learned and experienced as the executive Board of Director and now Chairman of Imarika Sacco that have contributed immensely to the growth of the Society?

A: *Patience is the secret behind my success. Cultivating patience as a virtue is paramount as an entrepreneur, especially in the SACCO business. Patience is a quality that tops the list of healthy and positive virtues alongside honesty which is considered to be hallmark of a good leader or worker of outstanding moral. This, in itself is enough to attract and retain members which enhances growth of a Co-operative society.*

It is equally important to offer customers (members) preferential treatment – that is putting the customer first whenever they seek services. This makes SACCO members develop trust, confidence and more importantly get emotionally connected to the Co-operative society.

SACCO leadership, the management team and staff in general appreciate the environmental changes, and have been adequately trained to adjust promptly to the changes, and protecting the same.

Q What achievements have you made since you took over the leadership mantle at Imarika Sacco?

A: *The SACCO has posted milestones, for instance the asset base is over Shs13 billion, with membership standing at over 150,000. The Society has effectively achieved diversification and financial inclusion by targeting potential members in Kenya and in the diaspora. This resonates well with the Government policy of promoting financial inclusion, outreach and access for majority of the population to participate in the formal market economy.*

The SACCO is in the process of actualizing the 2022/2026 Strategic Plan as it continues to offer excellent services to members. The Society has been able to maintain its financial stability and firmly focused on maintaining its brand as a progressive SACCO of choice.

The SACCO continues to invest in technology to enable members to electronically access their funds, make deposits, check their financial statements, and access credit electronically among other digital services.

Turn to Page 16

IMARIKA DT SACCO Sets Targets

Q What advice would you give to young people considering joining the Co-operative movement?

A: I encourage the youth to join SACCOs to strengthen their economic status. The youth should build their savings seriously by using the little earnings they get, plan and invest prudently. They should make sure that they take loans for investment, and not to consume.

Q What are some of the Corporate Social Responsibility (CSR) programmes that the SACCO has carried out to empower the community?

A: The Society has formed a CSR wing known as Imarika Foundation guided by five pillars including education, health, Agri-Business, environment conservation and Disaster Management

Q How will the implementation of the National Co-operative Policy benefit SACCOs?

A: a) The new policy will increase advocacy strength, and the platform will facilitate the SACCO to join the Government payment system

b) It will promote devolution which will attract great investors hence development in the counties.

c) It will improve Technology among the Co-operatives hence efficiency in service delivery.

Q What do you enjoy doing in your spare time?

A: I spend time connecting with nature, and imploring my colleagues and the society to do the same.

Q What can we expect from the giant SACCO in the near future?

A: You should expect tremendous growth in terms of assets, financial stability, membership, innovation and branch network – all this will happen to members' satisfaction. The Strategic Plan will guide the SACCO to attain these milestones.

Q Lastly, what inspired you to become SACCO chairman?

A: I want to make an impact on the SACCO, ensure that the Society meets all targets in the Strategic Plan, serve members diligently, and more importantly – I have the background that has equipped me for this role where my desire to contribute to the Co-operative society will be immense. Thank you.

SACCO BRANCHES:

1. Imarika Sacco Head Office

Imarika Plaza, next to Cooperative Bank Kilifi Branch
Contact: 0726 007037
Email: info@imarika.org

2. Malindi Branch

Opposite Royal Complex, Mombasa/ Malindi Rd
Contact: 0724 986026
Email: malindi@imarika.org

3. Mariakani Branch

Mariakani Town
Contact: 020 8007707
Email: mariakani@imarika.org

4. Mtwapa Branch

Along Mombasa/ Malindi Rd next to Kilifi Stage
Contact: 0708 26759
Email: mtwapa@imarika.org

5. Garsen Branch

Garsen Town
Contact: 0422139971
Email: garsen@imarika.org

6. Ukunda Branch

Ukunda Town
Contact: 0728 352072
Email: ukunda@imarika.org

7. Mombasa Branch

Kengeleni Business Center, Kongowea
Contact: 0115961133

8. BAMBA Branch

9. Ganze Satellite Office



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How To Reduce HIGH POVERTY LEVELS Through **CO-OPERATIVE SOCIETIES**

By Fabian Kamau

International Co-operative Alliance (ICA), International Labour Organization (ILO) and United Nations (UN) hold that the Co-operative enterprise is the type of venture that is most suited to address all dimensions of reducing poverty, exclusion and destitution in communities

The manner Co-operatives assist to reduce poverty in the society is simple and convenient – Co-operatives identify economic opportunities for their members; empower economically the disadvantaged to pursue their interest; provide security to the poor by allowing them to convert individual risks into collective risks; and more crucially facilitate members to access assets that they utilize to earn a living.

For instance, while Savings and Credit Co-operative Societies (SACCOs)

facilitate their members' access to financial capital, Agricultural Co-operatives help farmers access the inputs and mechanization required to grow crops and keep livestock, and also help co-operators process, transport and market the produce.

For instance, Agricultural Co-operatives help farmers access the inputs and mechanization required to grow crops and keep livestock, and also help co-operators process, transport and market the produce.

Similarly, Consumer Co-operatives make it possible for their members and the society at large to access good quality household supplies such as foodstuff, clothing and other products at affordable prices. Such services help to pull members out of poverty and destitution.

Agricultural Co-operatives are well recognized for their poverty

education for their children, meet hospital bills and funds for domestic and personal use.

In Egypt, over 5 million farmers derive income from selling agricultural produce such as sugar beet, sugar cane, wheat, dates, cotton, maize, rice, tomato, grapes among others. All this is done through marketing the products by Co-operatives.



In Ethiopia, over 2 million people in the Agricultural sector are estimated to generate most of their income through Co-operatives – these include marketing of teff, wheat, maize, coffee, sorghum, barley, cotton, cut flower, oil seeds among many others.

Savings and Credit Co-operative Societies also contribute

enormously to poverty reduction – in Kenya, development loans have been used to buy land, build houses, buy buildings, invest in business and farming, and buy household furniture.

reduction efforts in the society – in Tanzania for instance, improved Co-operative marketing of agricultural products such as milk, tea, coffee, bananas, citrus fruits among others has meant that Co-operative members can readily afford money for investment,

Turn to Page 18

How **CO-OPS** Reduce Poverty Levels

At any given time, interest rates for SACCOs are lower than those of commercial banks. The most interesting thing is that interest rates don't change more often. SACCOs are sometimes lenient on payment terms because the management has a strong attachment to and knowledge of the co-operators.



formed in response to difficulties in getting good prices in their produce such as cotton, millet, rice, sorghum and wheat. The Co-operative also assists co-operators to market their produce and also access capital.

In India, women's Co-operatives offer self-employment opportunities that can contribute to women's social

In Ghana, members frequently obtain loans from the Savings and Credit Co-operative Societies to support informal business that supplement their wage income; in Rwanda members of SACCOs use loans to buy motorcycles, purchase agricultural inputs and use the same to expand their businesses.

In Tanzania and Sri Lanka multi-purpose SACCOs enable members to receive small loans to support their own self-employment through retail shop-keeping, farming or keeping livestock, and provide working capital and loans to grow small businesses.

Co-operative sector generally contributes directly and indirectly to poverty reduction by providing employment, livelihood and wide variety of services. Thus, Co-operatives can revive an ailing economy, and rightly boost the same through contributing towards gender equality by expanding women's opportunities to participate in local economies and societal business ventures.

In Consumer Co-operatives, most members are women, for instance in Japan, women folk constitutes 95% of membership

who have also gained a place in the governance structure of their Co-operatives.

Women are also showing a strong presence in the Work Co-operatives. In the Spanish Confederation of Workers Co-operatives, 49% of members are women, with 39% having directorial positions compared with 6% in non-worker owned enterprises. In Italy, 95% of members in the Workers Co-operatives in the fashion industry are women.

In East Africa, women's participation in Co-operatives is rising steadily. In the Financial Co-operative sub-sector, data from Tanzania indicates that women's membership has more than quadrupled since 2010, bringing women's share to 43%. In Uganda, women's participation in Agricultural Co-operatives is increasing faster than men.

Women's presence on Financial Co-operative boards in East Africa ranges from 24% (Kenya), 65% (Tanzania) and 35% (Uganda) – women also form their own Co-operatives. The Benkali Women's Co-operative Society in Mali was

inclusion and empowerment, and in Arab States, Co-operative societies provide a platform to expand women's access to economic opportunities and public life. Women have also been empowered to take up leadership roles, set up their own management committees and organize welfare activities through Co-operatives.

Co-operative societies support access to quality education and lifelong learning opportunities by providing the means for financing education, support teachers in terms of providing them with teaching tools, and also assist in infrastructural development in learning institutions.

Co-operatives play a significant role in facilitating access to education by increasing household incomes which translates into the ability to meet educational cost. Co-operatives can also be a direct source of educational finance. In Kenya for example, the main type of BOSA loan offered by most SACCOs is for paying school fees, and this trend has been documented similarly in other African countries such as Nigeria, Uganda, Ghana and Cape Verde.

UNIVERSAL TRADERS SACCO Unlocks New Horizons at Special Delegates Meeting

By Justus Mulinge



Universal Traders Sacco for the past six months has recorded an upward trajectory in both member deposits and loan disbursements. The Society's success path has instilled more confidence in members who in turn have increased deposits and savings.

PERFORMANCE

The Co-operative society has posted impressive growth compared to the same period last year. The total asset base has risen from Kshs. 1,472,268,672 as of August 31st, 2022 to Kshs. 1,512,556,609 as of August 31st, 2023.

Member deposits have surged from Kshs. 839,019,933 to Kshs. 918,446,009 during the same period, while the gross loan portfolio has increased from Kshs. 1,364,541,570 to Kshs. 1,408,939,926, a clear indication of the SACCO's robust financial health.

"Delegates, these achievements are as a result of concerted efforts of all the stakeholders, I urge shareholders to continue supporting the SACCO," the Chairman of UTS, Mr. Fredrick Ngumbi said.

"The remarkable growth of Universal Traders Sacco is a clear testimony of the Society's dedication to serving members and the community in general. I commend UTS Board, the management team and staff for their outstanding commitment to members' prosperity and financial growth," Mr. Antony Mutunga, Chief Officer Cooperative, Machakos County said.



UTS SACCO Chairman Mr. Fredrick Ngumbi reads the Chairman's report during SDM.



Mr. Dominic Mutunga, UTS Chief Executive Officer making his remarks during the SDM.

AWARDS

The Sacco has been recognized and awarded in the following areas of excellence:-

1. Ushirika Day National Trophies

Position 2 - Best in Technology Optimization Community Based Deposit Taking SACCO.

Position 2 - Best in Risk Management Community Based Deposit Taking SACCO.

Position 2 - Best in Capitalization Community Based Deposit Taking SACCO.

2. County Trophies

Position 3 - Best in Credit Management

3. Agricultural Society of Kenya

a) South Eastern (Machakos)

Position 1 - The Best Micro Financial Institution Stand.

b) Embu Agricultural Show

Position 2 - Best Financial Institution Stand other than Banks.

Position 1 - Best Micro Financial Institution Stand.

c) Kitui Agricultural Show and Trade Fair

Position 1 - The Best in show theme interpretation Non-Agro based Financial Industry.

Position 2 - The Best Co-operative Stand.

Position 2 - The Best Micro Financial Institution Stand.



UTS SACCO director giving his remarks during the meeting.

Turn to Page 20

UTS Unlocks New Horizon



Mr. John Masyula, Chairman Traders Housing Cooperative addressing delegates during SDM in Machakos town.



UTS SACCO Board of directors and delegates during SDM in Machakos town.

FUNDS DRIVE

One of the highlights of the meeting was the announcement of the results of the funds drive. At the previous Annual Delegates Meeting, the Board had committed to conducting a funds drive whose proceeds will be used to reduce expensive external debts and strengthen internal funding.

The drive which ran from April to August 2023 was a resounding success. It directly mobilized Kshs.44,344,000.00 through raffles and indirectly raised an additional Kshs.28,686,692.00, bringing the total to a whopping Kshs.73,030,692. This boost in liquidity not only serves to reduce external debts but also reminds members of the wide array of products and services offered by the SACCO.

BRANCH EXPANSION AND FUTURE PLANS

Universal Traders Sacco, in its unwavering commitment to meeting the evolving needs of its members, unveiled branch expansion plan.

“We are in the process of opening Mwingi, Matuu and Kibwezi Satellites offices which will boost our outreach programme,” Mr. Dominic Mutunga, UTS Chief Executive Officer said.

The satellite outlets will serve as vital hubs, connecting members in these regions to the SACCO’s array of financial products and services. The SACCO is poised to strategically relocate the Embu Branch with the aim of ensuring that it is positioned more centrally within key business districts. The initiative is not only aimed at enhancing the SACCO’s accessibility – it is also meant to

strengthen the SACCO’s presence in areas of economic significance.

The SACCO has earmarked resources for the renovation of its FOSA facilities – this effort is not only geared towards enhancing the physical image of the Society, but also aims to improve the overall functionality and efficiency of these facilities.

Universal Traders Sacco is actively working towards expanding its loan portfolio. Members who meet the minimum qualifications for credit access will be the primary beneficiaries of this initiative. By broadening the scope of lending, the SACCO seeks to empower its members in pursuing their financial aspirations.

A dedicated budget allocation has been made for member education. This forward-looking move is driven by the recognition that informed and educated members are better equipped to make sound financial decisions. Through education programmes, the SACCO aims to enhance members’ understanding of critical business issues and financial opportunities.

In a bid to stay agile and responsive to changing market dynamics, the SACCO is in the process of reviewing its Strategic Plan.

This endeavour includes allocating resources for consultancy and strategic planning. By revisiting and refining its strategic roadmap, Universal Traders Sacco is positioning itself for sustained growth and adaptability.

Building on the success of a previous

funds drive, the Board is planning a second phase of funds mobilization. The initiative aims to fortify the SACCO’s financial position and enhance its ability to offer competitive financial solutions to members.

To streamline and enhance operational efficiency, the SACCO plans to construct a credit registry. This innovative tool will facilitate the proper and effective retrieval of member records, including loan files and other essential documents, further enhancing the SACCO’s service delivery.

“The Universal Traders Sacco has demonstrated remarkable resilience and growth, and I want to assure you that my office is fully committed to supporting your endeavours. Your dedication to member prosperity and financial growth is commendable, and we stand ready to collaborate and provide the necessary support for your continued success.” Mr. Antony Mutuko Mutunga, Chief Officer Cooperative, Machakos County said.

CONCLUSION

Universal Traders Sacco’s 5th Special Delegates Meeting was a testament to its unwavering commitment to member prosperity and financial growth. With a remarkable surge in key performance indicators, successful funds mobilization, and ambitious plans for expansion and improvement, the future looks exceedingly bright for this thriving SACCO. As members unite in support of their shared vision, Universal Traders Sacco is set to continue as a beacon of growth and prosperity in the financial landscape.

Govt Enters into Pact with SACCOs To Distribute Hybrid Cotton Seeds

By Staff Writer



The National Government has entered into pact with Savings and Credit Co-operative Societies to distribute BT Cotton seeds in all cotton-growing regions in the country.

The partnership according to the Ministry of Co-operative and Micro, Small and Medium Enterprises Development will go a long way in strengthening the cotton value chain.

The Principal Secretary for the State Department for Co-operatives, Mr. Parrick Kilemi has restated that the BT Cotton seeds being distributed by SACCOs will greatly boost the production of quality cotton which

BT COTTON SEEDS
is expected to
increase the cotton
production and
minimised harm
by pest of Kenyan
farmers.

is bound to strengthen the Cotton industry in the country.

In a related development, the Ministry of Agriculture is pushing for the formation of more Co-operative societies in cotton-growing areas, especially in Nyanza, Western, Rift Valley and Coast regions. The initiative is expected to scale-up cotton production.

The Government is working closely with farmers in cotton-growing areas to establish Co-operative societies to market the crop, and also make cotton the main cash crop in these regions.

Turn to Page 22

Govt Signs Pact With **SACCOs**

It is now apparent, the State is determined to establish a strong Co-operative movement, principally to promote the Cotton sub-sector and the lucrative Textile industry with the aim of supporting the economy.

There are high prospects of higher income for farmers because for instance, since the Government started to revive the Cotton sub-sector through setting farm gate prices, the Government has eliminated middlemen (brokers) who used to exploit farmers. The price per kilo is expected to exceed Shs70 per kilo in 2024.

Through the Government/SACCO pact, members of Co-operatives will now get access to seeds, finance and extension services. They will also be paid cash on delivery of cotton to encourage farmers to engage in extensive farming of the crop.

An estimated 450,000 hectares of land in the country is suitable for rain-fed cotton production with the potential to provide about 260,000 bales of lint annually, and over 50,000 hectares for irrigated cotton with the potential to produce 108,000 bales.

About 25,000 hectares are presently under active cotton farming, and the total annual lint production stands at slightly over 30,000 bales.

Ginners have decried lack of raw materials that has forced them to operate below capacity, and close their factories when there is no cotton.

It is on the basis of this that the Government has opted to revive Co-operatives for cotton farmers, and henceforth bring SACCOs right at the center of distribution of BT Cotton seeds.

The Cotton sub-sector has been rightly identified as one area that could generate economic growth,



Export Processing Zones Authority - Kenya

and more so, massively create job opportunities, including boosting other business enterprises such as farm machineries, supply of fertilizers and energy, pesticides, packaging, insurance, storage and transport.

According to the Export Processing Zone Authority (EPZA), in early 1980s, the Textile industry was the leading manufacturing activity in the country, both in terms of size and creation of employment with over 200,000 direct jobs to farming households, and about 30% of the labour force in the national Manufacturing sector.

The Cotton sub-sector started declining in mid 1980s after importation of second-hand clothes popularly known as Mitumba was enhanced which resulted to low demand for by textile materials.

The Textile industry is however, back on course – it has taken the right trajectory after recording tremendous growth in the last five years. The industry has leveraged from the benefits of the African Growth and Opportunity Action (AGOA) that allows access to US market by Kenya textile firms.

In spite of the reported growth

of the Cotton sub-sector, the Government plans to increase acreage under cotton by 200,000 acres. The Principal Secretary for Trade, Mr. Juma Mukhwana says to permanently address the shortage of the raw material, and sustain steady operation of the Textile industry, cotton farming has to be enhanced.

In the same vein, the Trade Ministry has taken initiatives to safeguard the gains made in the Co-operative sector in promoting farming and marketing cotton and coffee.

The ministry says the National Government recognizes the Co-operative movement's role in the country's economic expansion. The Co-operative movement cuts across all sectors of economy, including agriculture, finance, housing and transport among many others.

The Cotton sub-sector, for instance is critical for the development of Textile industries, and a need thus for the Co-operative sector to be supported in order to supplement the Government's effort.

The Government has identified Textile industry as a priority sector in the national industrialization roadmap.

TRANS NATIONAL TIMES DT SACCO Crafts A Master Plan For Retiring Members

By Staff writer

Trans National Times Savings and Credit Co-operative Society held a retirement planning seminar for its members in Kitale where cooperators were sensitized on loss of steady income, friends, status, fringe benefits, power and authority upon retirement.

The seminar theme was, **"At the precipice of transition: Preparing for the inevitable"**. The choice of theme was inspired by a Biblical verse in the book of Ecclesiastes 3:1 which states that: **"There is a time for everything, and a season for every activity under the Heavens"**.

The mandatory retirement age in Kenya is 60 years for Public servants. Retirement is a time when an employee leaves active service, but it comes when most employees are not prepared for retirement. Having been used to a life of going to office from 8:00 a.m. to 5:00p.m. those about to



The Chairman of the TNT DT Sacco, Mr. Evans Sichangi addresses Members during the seminar.

retire fear the unknown – they do not know what the future holds for them.

Retirees require to find alternative sources of income, they are compelled to make new friends, they are forced to accept change of status – the prevailing situation conditions them (retirees) to come to terms with loss of power and authority. One of the greatest



TNT DT Sacco CEO Mr. George Malava giving his remarks to members present during the seminar.

hurdles a retiring employee grapples with is being accepted in a new-look society or local setting.

Planning for retirement is therefore vital for smooth transition, from active employment to a new life in near-loneliness. Retirement planning seminar is not only for retiring employees but should also be embraced by newly employed staff.



TNT DT Members and staff keenly follow proceedings during the Sacco's Seminar in Kitale.

Turn to Page 24

TRANS NATIONAL SACCO'S Plan For Retirees



Trans National Times DT SACCO Head Office, Kitale.

Retirement planning should in fact form part of the induction training curricula in an organization. A sound retirement plan should be comprehensive in nature, and transcends areas of savings, investment, expenditure budgeting, medical insurance, and family planning.

Seasons are temporary, power is transient. Things keep changing. Nothing is constant. The only constant is change itself. Beauty fades like a withered flower. Strength diminishes with age. Most of life's frustrations come about when we carry into a new season the mentality (and expectations) of our previous season.

In order to plan well for retirement, one requires to strike a balance of various assets: Financial, intellectual and human. Financial assets include house, cash, shares and bonds. Intellectual assets include knowledge, skills, unique experiences and ideas. Human assets include family, values, faith,

relationships and health.

Trans National Times DT SACCO has various savings and investment vehicles that enables a retiring member to continue enjoying the SACCO services in retirement. Members were cautioned to beware of financial conmen posing as brokers claiming to assist in fast-tracking retirement benefits from the Pensions Department. Members were advised to be wary of money lenders who lend money to retiring members at exorbitant interest rates.

Retiring members were told to be vigilant so as not to be misled by brokers who falsely claim that the Treasury cannot channel their pension through SACCOs, and hence members are duped to open new accounts with banks.

Retirees who are already earning their monthly pension through the SACCO should avoid being lured to change their pay points to the banks where they are

given huge longer-term loans at higher interest rates leading to financial and health stress. SACCO members were advised to give TNT DT SACCO as their preferred pay point during filling of pay point forms at the employers' offices i.e., TSC, and others.

Members were encouraged to continue saving with the SACCO after retirement. They should consider not to withdraw all their deposits from the SACCO. Members can access a pension lumpsum advance from TNT DT SACCO as they wait for payment from the Pension Department. The SACCO can assist members to get their retirement benefits in good time at friendly terms.

Members are advised to invest all or part of their pension lumpsum in TNT DT SACCO Fixed Deposit Account where they are guaranteed competitive returns. Members are advised to update their nominee details from time to time for ease of deposit refunds upon death.

SACCO MEMBERS Reap Benefits Amid Massive Economic Recession

By Staff writer

There are **176 DEPOSIT TAKING (DT) SACCOs** in the country with a combined contribution of 5.71% to the national Gross Domestic Product - **SASRA**.

Savings and Credit Co-operative Societies across the board have gained immense popularity, and trust among Kenyans because of the remarkable improvement in how they (SACCOs) manage finances, invest prudently and how they offer quality services to members.

In spite of harsh economic times, SACCO members continue to reap benefits from their respective Co-operative societies – besides, these financial institutions contribute exceptionally to the socio-economic development of the country, and create more employment opportunities which ultimately eradicate poverty.

According to Sacco Societies Regulatory Authority (SASRA), there are 176 Deposit Taking (DT) SACCOs in the country with a combined contribution of 5.71% to the national Gross Domestic Product.

Amid challenging economic times, SACCOs are transforming lives of many Kenyans in various



ways. Members are educating their children or advancing their education through loans from SACCOs. Many more have turned to Savings and Credit Co-operative Societies loans to address emergencies like hospital bills, purchase of farm inputs, funeral expenses, wedding expenditures and other immediate financial concerns.

In these extraordinary times, Kenyans find it more convenient to transact with SACCOs as compared to commercial banks, and other traditional financial institutions especially in saving, investing and seeking for whatever form of loans.

In spite of the economic downturn, SACCOs' interest rates are much cheaper and guaranteed to remain the same, and moreover, members still get annual dividends, besides other fringe benefits such as being engaged in Education and Sensitization programmes.

As a matter of fact, SACCO managers in many African countries are flocking to Kenya for benchmarking purposes because the country's Co-operative sector as seen during hard economic times has been resilient, formidable and arguably the best on the continent.

Turn to Page 26

CO-OPERATORS Reap Huge Benefits



It is important to note that Kenya National Police which has an outstanding history of accomplishments and pace-setting played host to Chief Executive Officers of top SACCOs in the world.

The SACCO credited for serving members and communities with integrity, innovation and dedication, while upholding professional and ethical values hosted various leaderships of top Savings and Credit Co-operative Societies in the world in November 2023. This is a clear proof that Kenya is a powerhouse to reckon with in the Co-operative sector.

The premiers of the accomplished SACCOs assembled in Nairobi to interact, share ideas, experiences and benchmark under the patronage of the African Confederation of Co-operative Savings and Credit Associations (ACCOSCA) and African Co-operative Development Foundation (ACDF).

Appreciable number of SACCOs has attracted huge membership from the diaspora as the Societies have become reliable and convenient financial channels through which Kenyans abroad are investing back home.

Governance challenges which were a major issue in yesteryears have since been addressed through the intervention measures initiated by SASRA – the reason why these SACCOs are rubbery to economic storms and shocks. SASRA restored confidence of Kenyans in SACCOs because of the stringent regulations that brought back financial discipline in these institutions.

Presently, Savings and Credit Co-operative Societies are regularly audited, and encouraged to embrace technology so as to serve members effectively and efficiently. Focus is now on capacity building of Board members, management teams and the staff – this will contribute towards enhanced service delivery.

Savings and Credit Co-operative Societies are widely expected to play a complementing role in the ongoing economic recovery initiatives, and the implementation of economic transformation plan as set out by the National Government.

Presently, SACCOs are the most preferred financial houses for middle and low-income earners in the society who are looking forward to uplifting their business and the standard of living.

Managers in the Savings and Credit Co-operative Societies sub-sector, however have issued early warning that the ever-rising cost of living in the country might in the long run impact on the savings of members.

Although the SACCOs have demonstrated some resilience despite the devastating effects of economic recession, the rise in food prices has started aggravating the economic stability of many Kenyans.

In spite of the fact that SACCOs greatly recovered from the aftermath of Covid-19 pandemic in terms of number, savings and investments, emerging challenges might affect the gains already posted in the last two years.

The geopolitical issues such as the Russia/Ukraine war that has had a global impact, including the ongoing Palestine/Israel conflict are causing continual rise in fuel prices that has led to the high cost of various products which has in turn led to escalating living cost.

All these factors with time might pose a serious challenge to the performance of SACCOs – especially, the disposable incomes of cooperators might be affected seriously.

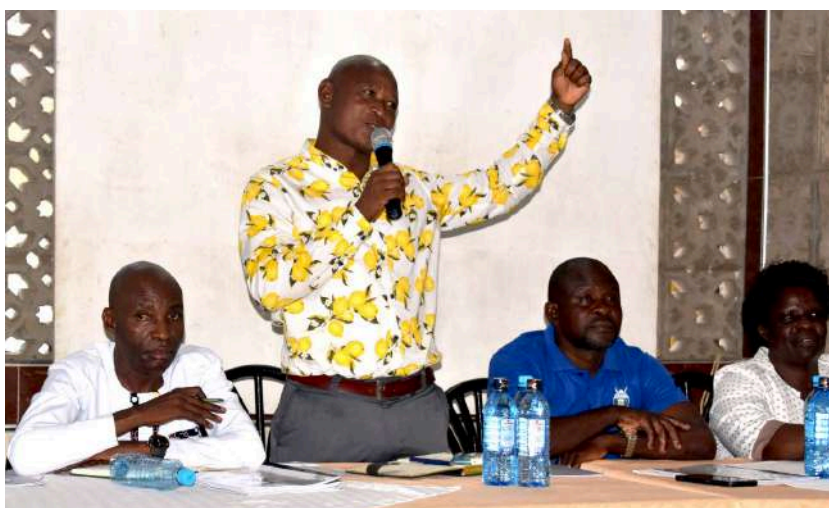
SACCO members have been advised to be wary of the looming crisis by using data and regulations guidance to wade through the challenges caused by rising inflation rates.

Members' ability to sustain and feed their households is being affected by the recession that is coming just when the country is recovering from Covid-19 pandemic, and this should be a matter of immediate concern.

In Spite Of Economic Downturn **LENGO DT SACCO** Posts Financial Growth

Lengo Sacco reported a notable increase in membership, rising from 25,682 to 33,021; reflecting a significant growth of 7,339 members.

By Gloria Kendi



Mr. George Mwatela Mwazonga Lengo DT Sacco Chairman.

Lengo Savings and Credit Co-operative Society at a Special Delegates Meeting on November 11th, 2023 in Malindi town reviewed the Society's performance over the past nine months, and rightly drew the way forward for the SACCO and the budget for the next Financial Year - 2024.

The Chairman of Lengo Sacco, Mr. George Mwatela Mwazonga observed that the country's economic decline caused by the increase in prices of fuel, imposition of heavy taxes, hike in the prices of goods and services have had an adverse effect on the members, but it did



Chief guest, Eric Nyoto, Senior Regional Manager of KUSCCO giving his speech.

not impact negatively on their borrowing and saving culture. In spite of the challenges, Lengo Sacco reported a notable increase in membership, rising from 25,682 to 33,021 - reflecting



a significant growth of 7,339 members. Total deposits grew from Ksh 316,152,410 to Ksh 352,361,851, a substantial increase of Ksh 35,849,441. The core business of lending also saw a positive trend, with loans to members rising from Ksh 366,902,297 to Ksh 409,817,905, indicating an increase of Ksh 42,915,608.

The chairman acknowledged the high demand for loans and emphasized the need for increased deposits to facilitate timely disbursement.

The core capital of the SACCO rose from Ksh 83,193,172 to Ksh 112,235,026, demonstrating a growth change of Ksh 29,041,854. Share capital followed suit, increasing from Ksh 35,135,466 to Ksh 38,435,765, a growth

Turn to Page 28

LENGO DT SACCO Records Financial Growth



Malindi Sub-county Co-operative Officer, Madam Felista Moraa.



Guest speaker, Mr. Alfred Konde, Chairman of Ports DT Sacco addressing delegates.



One of the guests gives her views to delegates during the SDM.

by Ksh 3,300,299. Income also experienced growth, moving from Ksh 80,793,019 to Ksh 96,352,860, reflecting a change of Ksh 15,559,848.

In terms of revenue, Lengo Sacco reported total gross revenue of Ksh 59,214,385 as of June 30th, 2023 – a 21% increase compared to the same period in 2022.

Malindi Sub-county Co-operative Officer, Madam Felista Moraa commended Lengo Sacco for its commitment to providing quality services to members. She emphasized the importance of good governance for the long-term sustainability of a SACCO and shared pillars of financial management, including budgeting, investments, risk management, debt management and savings. Guest speaker, Mr. Alfred Konde, Chairman of Ports Sacco, challenged Lengo Sacco management to benchmark with other SACCOs and develop strategies to navigate challenging economic times and the hostile business environment. While



A section of Lengo DT Sacco delegates following proceedings during SDM in Malindi.

acknowledging the SACCO's technological advancements, he advised the need of vigilance in cybersecurity.

The chief guest, Eric Nyoto, Senior Regional Manager of KUSCCO, congratulated Lengo Sacco on increased membership but stressed the importance of dedication and loyalty of members. Delegates were encouraged to promote regular savings, engage in responsible borrowing and

forecasting on future investments to ensure the SACCO's continued success.

Lengo Sacco is optimistic of becoming the leading Savings and Credit Co-operative Society by delivering excellent services to its members. The SACCO is ready to navigate challenges, and embrace opportunities in their journey to sustained growth and prosperity.

Continued on Page 29



LENGO SACCO SOCIETY LTD

Loans Products



Development Loan

A facility extended to those already servicing a development loan.



Somesha Loan

This is a special facility designed to all needy students in primary, secondary and college levels.



Emergency Loan

Incase of an emergency, you can access a loan from Lengo Sacco.



Okoa Loan

*Access up to Ksh. 50,000 within 24hrs
A special facility for the salaried members.*



Bakisha Loan

- Bakisha account holders
- Access up to Kshs. 50,000
- Repayment period up to 6 months



*Make deposits and Loan repayment through M-pesa
Paybill no:*

Quality and Service

For Enquiries

Call: 0715 882 191 | 0707 700 084 | 0719 871 817

Email: info@lengosacco.org

LIPA NA M-PESA

PAY BILL

319938

CO-OPERATIVE SOCIETIES Set To Buyout State-Owned Rice Mills

By Staff Writer

Co-operative societies are positioning to acquire controlling shares in two State-owned rice mills that are facing financial turbulence. The National Treasury is already working on acquisition procedures, and time lines.

The Co-operative societies are to buyout majority shares in Western Kenya Rice Mills and Mwea Rice Mills Limited. In September 2023, the Government declared its intention to offload shares in all non-performing State-owned mills to private enterprise under the ongoing privatization process.

The Privatization Act (2023) has outlined the procedures to be followed by willing Co-operative societies that intend to purchase controlling shares in Western Kenya and Mwea Rice Mills.

The Treasury, in line with the Privatization Act, will incorporate views from the public before presenting a finalist of prospective Co-operative societies for approval by the Cabinet. The list, thereafter will be presented to the National Assembly for ratification.

Mwea and Western Kenya Rice Mills are facing financial turbulence and management challenges the reason why the Government plans to offload its shares in a more competitive manner.

The mills in question have been posting successive losses partly because of lack of prerequisite technologies and absence of skillful management. Reportedly, the mills still use archaic machines and equipment because they have not been getting the required allocations from The National Treasury, and also, they have not been making profits to sustain themselves in the competitive rice milling business.

WESTERN KENYA RICE MILLS

Western Kenya Rice Mills Limited was incorporated in 1993, and it is jointly owned by National Irrigation Authority (60% shares) and Western Kenya Schemes Rice Farmers (40% shares).

However, because the farmers have not completed payment of their shares, the current state is that the National Irrigation Authority holds 74% of the shares, Ahero Scheme 11.7%, West Kano Scheme 5.7% and Bunyala Scheme 6.1%. Western Kenya core business is processing and marketing of milled white rice mainly from Western Kenya

back to May 1967 when it was incorporated in Kenya to operate as the main rice mill at Mwea Irrigation Scheme with its major function being storage, milling and marketing of rice from the irrigation scheme.

Initially at the time of incorporation, the milling equipment comprised of four mills of a total capacity of 15 tons per hour on paddy basis which was enough to process the entire paddy produced in the scheme.

However, in the early 1990s the Grain sector, including rice was liberalized. With this development, Mwea Rice Mills was left to compete with other millers for paddy purchase and milling services to date.

Currently, the mill has two modern milling lines which was installed by the Irrigation Authority in 2014. Each of these mills has a rated capacity of 2.5 metric tons per hour complete with a colour sorter.

Mwea Irrigation Mills is committed to quality – ensuring that the distinctive aroma of Pishori rice is celebrated by Kenyans over generations



Mwea Rice Mills

schemes.

Western Kenya Rice Mills has a machine that has a capacity of milling 3.5 metric tons per hour, but is not maximized due to inadequate supply of rice by local farmers.

MWEA RICE MILLS

Mwea Rice Mills Limited is a subsidiary of the National Irrigation Authority. The rice mill is a limited liability company jointly owned by the Irrigation Authority (55%) and Mwea rice farmers through Mwea Rice Growers Multi-Purpose Co-operative Society Limited (45%).

Mwea Rice Mills Limited dates

President William Ruto has been keen on privatizing more than 100 parastatals as a way of raising fresh cash for a government battling a cash crunch. In early November 2023, the president told an annual meeting of African Stock Exchanges Association that the Government had identified 35 State-owned firms for privatization.

The Head of State said that one of the reasons for privatization of Government-owned firms is to inspire market activities, emphasizing that raising revenue from the sale was a secondary issue.

BORESHA SACCO Registers Significant Growth In Management, Innovation

By Enock Kipturgut



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui, signs visitors' book at Boresha DT Sacco stand during ASK Show.



Principal Secretary State Department for Co-operatives and MSMEs Mr. Patrick Kilemi.

and constantly adjusting to customer immediate needs and aspirations.

In spite of the current economic doldrums, the Co-operative society has kept a good account of itself by maintaining a robust management system which has enabled the SACCO

Boresha Savings and Credit Co-operative Society has continued to record massive growth over the years amid economic meltdown, and other challenges related to escalating cost of living.

In spite of the shakeout, and the highly volatile business environment, Boresha Sacco has remained steadfast and focused on its mission, vision and core values – to mobilize savings and provide quality, affordable and innovative financial solutions to members; and to ensure progress of the society through provision of education, training and information to members, elected officials and the employees.

The SACCO is striving to provide opportunities for each of its members to improve their economic and social conditions and status through promotion of mutual help and self-help among members.

The Society, currently one of the top performing SACCOs in the country is exploring key financial management aspects, including capitalization, proper budgeting, efficient loan portfolio management, saving mobilization, pursuing prudent investment strategies and

risk management.

Conceivably, Boresha Sacco is a role model and has set pace, offering new products and services which



Baringo Governor H.E. Benjamin Cheboi presents winning trophies to Boresha Sacco official during the ASK show.

apparently have made the financial institution more attractive to many Kenyans within and in the diaspora. The new products and services, including embracing technology have created additional value to the Society, and have made the process of accessing financial services efficient.

Boresha Sacco, a household name has put in place strategic measures to effectively address myriad challenges facing the SACCOs across the board, such as regulatory issues, financial hiccups, technological advancements

to manage effectively members' accounts, fast-track their savings and loans, generate reports, be scalable to meet growing demands, and more importantly, ensuring the security of members' finances and investments.

To add credit to its impressive performance, and notable history, Boresha Savings and Credit Co-operative Society during Baringo Agricultural Society of Kenya Show was presented with an award for being the best exhibitor that interpreted the 2023 show theme: Non-Agro Based and Financial Industry.

The SACCO won the admiration of the Cabinet Secretary for Co-operatives, Micro, Small and Medium Enterprises Development, Hon Simon Chelgui who observed that the Society's Board and the management team have continued to provide the financial institution with exemplary leadership.

The spectacular performance of the SACCO came about through offering members affordable loans for farming activities of which the Cabinet Secretary remarked that

Turn to Page 32

BORESHA SACCO Hits All Time High



Boresha CEO Mr. Jacob Mengich (c) with Illchamus traditional dancers, entertain guests during International CEOs forum courtesy of ACCOSCA.



Boresha CEO Mr. Jacob Mengich present a token of appreciation to Loise Kistch, ACDF Board Chair during the event.

engagement with communities it serves, which include participating in developmental programmes, environmental conservation and sustainability, and more importantly, maintaining high-level ethical business practices.

Thus, adhering to the principle, the SACCO recognizes that success is intertwined with the prosperity of the community. This involves fostering partnerships, supporting local community's initiatives, and more so, ensuring that all activities the Co-operative has engaged in have a positive impact on the social fabric.

agriculture is the backbone of the economy, and hence Boresha Sacco had engaged in viable undertaking through providing members Kilimo Biashara loan. This is a true reflection of the Society's support in promotion of agribusiness.

The Chief Executive Officer of Boresha Sacco, Mr. Jacob Mengich the brainbox behind the successes of the Society brought up to speed the development at the financial institution with revelation that the Co-operative society boasts of 18 branches – 12 branches in Baringo County, and 6 spread across 6 counties with asset base of Shs11.5 billion, with 85,000 members. The financial institution targets to achieve asset base of Shs13 billion by 2025.

Enhanced leadership skills coupled with good governance have propelled the Society to greater heights in terms of development. Members patronizing SACCO products and services have contributed enormously to the superb performance of the Co-operative society.

The excellent performance of Boresha Sacco in savings, loan portfolio, investment and ever-rising asset base has come about as a result of the Board and management team setting the right foundation aimed at affording members loans at affordable interest rates – this was rightly observed by the Governor of Baringo County, Hon. Benjamin Cheboi.

Tree Planting Initiative

Boresha Sacco's participation in Greening the Environment Programme is in line with the 7th Principle of Co-operatives – the concept emphasizes on commitment by Co-operatives on the concern for the community. That is, the



Boresha Sacco CEO Jacob Mengich, Principal Secretary of State Department of MSMEs development Hon. Susan Auma Mang'eni alongside Senator Jackson Mandago during National tree planting day.

Boresha Sacco recognizes the fact that Co-operatives are not just economic entities, but integral members of communities they serve, embodying values of solidarity and shared responsibilities.

Spirit of Cooperation

The Society's Board encourages the management team and staff to collaborate with individuals, groups, business associations and professional organizations. The SACCO through linkages fosters cooperation which require that the financial institution and the collaborators find meaning in the cooperation in terms of shared benefits and values.

Boresha Sacco has adopted the principle of cooperation which is the act or process of working together to get something done for a common purpose or achieve mutual benefit.

In the spirit of cooperation, the Society hosted a high-level delegation of International Credit Union, the African Confederation of Co-operative Savings and Credit Association

and the Chief Executive Officers forum where delegates were drawn from US, Europe, Canada, Africa and Asia courtesy of ACCOSCA. The delegation noted with appreciation that Boresha Sacco has had positive impact on local communities since it was founded in 1976.



Visiting International CEOs and Boresha DT Sacco top officials pose for a photo during the forum organised by ACCOSCA.

Co-operative society focuses on the communities it serves and the environment in which it operates.

In essence, the SACCO has to contribute immensely to the overall well-being of the society of which Boresha has achieved with remarkable success. The SACCO has also embraced active

Borrowers Default SACCO LOANS Despite Reprieve By Central Bank Of Kenya

By Staff Writer

At least 40% borrowers from Savings and Credit Societies, traditional banks and other financial institutions who had been listed negatively paid half what they owed their lenders in exchange for a clean record.

The reprieve was meant to give borrowers of SACCO loans and other forms of loans a clean bill of health. The 'amnesty' followed President William Ruto's directive to Central Bank of Kenya (CBK) to ensure that Kenyans are given 50% cut on defaulted loans.

The move was also meant to liberate other Kenyans totaling seven million listed negatively by Credit Reference Bureaus (CRBs).

Through the Credit Repair Platform, CBK had announced in November 2022 that it sought to give borrowers a haircut of 50% on the amount defaulted. However, it is emerging that barely half of borrowers heeded the call. It is important to note that there are 24 million Kenyans listed with CRBs, with about 60% of them being mobile loans related.

The CBK gave a reprieve to anybody who had a default listing of up to Shs5 million – they were given a period of about five months to repay the loans. This meant that if you had a default of Shs2,000, then Shs1,000 was taken off the balance.

At least 40% of borrows as earlier stated took advantage of the reprieve and paid the remaining half of the balance – the rest did not, and up to date they have yet to do so, their records continue to reflect default information.

According to a CBK circular, the Credit Repair Framework covered loans with a repayment period of 30 days or less and were offered by lending institutions through mobile phones (digital loans) as at the end of October 2022.

The borrowers black-listed with CRBs owed financial institutions over Shs30 billion. The framework was to last only for six months, hence it



Central Bank of Kenya.

ended in May 2023.

The Credit Repair Framework was to commence the transition from negative listing of defaulters to use of credit score by financial institutions like SACCOs and banks to determine how much interest will be charged on amount borrowed.

In actual fact, Credit Repair Framework was introduced in 2020/2021 because of a large number of Kenyans and businesses whose cash flow had been affected by the impact of Covid-19 pandemic that led to massive loss jobs had reduced incomes and closure of some enterprises.

The Framework sought to improve the credit standing of mobile phone digital borrowers whose loans are non-performing and had been reported as such to CRBs.

Through the Framework, the institutions were to provide a discount of at least 50% of the non-performing digital loans outstanding as at end of October 2022, and update the borrowers credit standing from non-performing to performing.

It is worth noting that mobile loans are still the go-to-lender for Kenyans – an average borrower has five accounts, namely three mobile loans, and two from traditional institutions such as SACCOs, commercial banks or microfinance.

Over the years, SACCOs have been crucial in promoting financial

inclusion in Kenya. Savings and Credit Co-operative Societies have played a vital role in providing financial services to underserved communities, especially those in rural areas.

Despite their importance, a number of SACCOs have not fully embraced digitization. This has resulted in several challenges, including limited access to financial services, low efficiency and limited growth.

The good news is that Sacco Societies Regulatory Authority (SASRA) is encouraging SACCOs to embrace technology to enhance service delivery to their members. SACCOs that have embraced digital platform have grown in number and have become significant contributor to the country's economy.

Several strides have been made to digitize SACCOs – one of the most significant strides is the introduction of mobile banking services. Many SACCOs have partnered with mobile network operators to provide mobile banking services to their members. This has enabled members to address financial services from anywhere, anytime using their mobile phones.

Another stride is the adoption of digital loan disbursement and repayment system. In the past, SACCOs used to disburse loans manually which was cumbersome, lengthy and time-consuming process.

But with digital loan disbursement system, SACCOs can now disburse loans to their members' mobile wallets within minutes. This has not only made the loan disbursement process faster but has also increased efficiency and reduced the risk of fraud.

The digitization of SACCOs has also created new opportunities for SACCOs to expand their reach and increase their membership. By adopting digital system, SACCOs can now reach members in remote areas and expand their membership beyond their traditional catchment areas. This has the potential to increase their market share and grow their business.



KENYA TEACHERS SACCO ASSOCIATION

ABOUT US...



KETSA Chairman,
Mr. Robert Njue.

The Kenya Teachers' Sacco's Association was formed in 2007 and registered in 2011 under Cap 108 of the laws of Kenya as Kenya Teachers Sacco Association to provide a collaborative forum for sharing and learning from one another, as well as addressing operating of the primary member SACCOs.

1 VISION STATEMENT:

"To be the leading association in Kenya championing Sacco growth"

2 MISSION:

'To innovatively promote unity and social economic growth to Sacco fraternity through advocacy, resource mobilization and investments, for maximum shareholders' returns.'

3 MOTTO:

'Unity our strength'

4 CORE VALUES:

- Professionalism
- Integrity
- Equity
- Team work
- Quality service
- Dedication
- Equality
- Respect



KETSA Officials (L-R): Chairman Mr. Robert Njue, Manager Ivy Kageni, CEO Joyce Ndegwa and Vice Chairman Mr. Kennedy Keya, follow proceedings during KETSA Leaders' Annual Workshop at Pride inn paradise Mombasa.

MEMBERS SACCO

Turn to Page 35

TOPKRIM
SACCO



JUMUISHA
SACCO

MWALIMU
national

TARASAMU
SACCO

WINAS SACCO LIMITED

Orient SACCO Ltd

NewFortis Sacco

ideal

IG SACCO

KTS
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COSMOPOLITAN
DEPOSIT TAKING SACCO

Ollin
sacco

Solution Sacco

TOWER SACCO

MENTOR
SACCO SOCIETY LTD.

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SACCO

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Ngara, Nairobi.



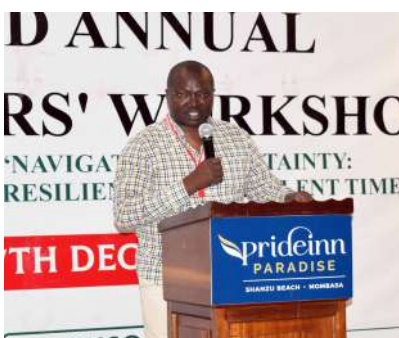
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Navigating **UNCERTAINTY** Staying **STEADFAST**

By Staff Writer



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui, PS Patrick Kilemi, KETSA Board of Directors led by Mr. Robert Njue and regional officials pose for a photo during the annual leaders' workshop at Pride Inn Paradise Mombasa.



CS for Co-operatives and MSMEs Development Hon. Simon Chelugui giving his remarks during the annual leaders' workshop.



Principal Secretary State Department for Co-operatives and MSMEs Mr. Patrick Kilemi, during the annual leaders' workshop.

The Kenya Teachers Sacco Association (KETSA) successfully hosted its 2nd Annual Leaders' Workshop at Pride Inn Paradise Beach Resort Mombasa. This year's thematic focus, *"Navigating Uncertainty: Leading with Resilience in Turbulent Times,"* delved into the essential leadership qualities imperative not only for withstanding adversity but also for inspiring and guiding others through challenging circumstances.

Mr. Robert Njue, Chairman of the Kenya Teachers' Sacco Association, extended a warm welcome to all participants for the workshop.

KETSA was established in 2007 and formally registered in 2011 under Cap 108 of the laws of Kenya, KETSA serves as a collaborative platform for sharing experiences, fostering mutual learning, and addressing operational challenges encountered

by primary member SACCOs.

Hon. Simon Chelugui, the Cabinet Secretary overseeing the Ministry of Cooperatives, Micro, Small, and Medium Enterprises (MSME) Development, inaugurated the workshop. Accompanied by Patrick Kilemi, the Principal Secretary of the Ministry, Hon. Chelugui emphasized the significance of the 5-day event, which brought together representatives from 16 out of the 43 registered teacher-based SACCOs across the nation.

Mr Chelugui acknowledged the board of KETSA for convening the workshop. "This signifies the organization's trust in the government's commitment to providing an enabling environment for the growth and development of cooperatives in Kenya." He stated. He highlighted the substantial impact of teacher based SACCOs among the 360 regulated SACCOs, emphasizing

their role as pillars of cohesion, integration, development, and progress in the nation.

Addressing the leaders, Hon. Chelugui urged active participation in discussions to generate insights and strategies for addressing challenges, capitalizing on opportunities, and contributing to the cooperative fraternity's betterment. Recognizing the vital role of cooperatives in Kenya's financial landscape, he underscored the government's identification of cooperatives as enablers in implementing key economic transformation agenda pillars, including agriculture, MSME, affordable housing, digital, and creative economies. "Our role as a ministry is to support and facilitate the transition to the next level." He stated.

In addition to enhancing cooperatives' capacity, Hon Chelugui stated that the government is committed to providing a legal policy for sector sustainable growth. "Our focus is fostering innovation to enhance productivity." He spoke. In conclusion, he challenged cooperative societies and SACCOs to adhere fully to laws and regulations governing the sector.

The workshop saw the participation of board members and senior management from member SACCOs, further enhancing its significance as a collaborative platform for knowledge exchange and strategic planning.

Why Planning **CEO** Succession In **SACCOs, CO-OPS** Is Important

By Staff Writer



Succession Planning

Succession planning is critical for any organization, especially those with a Chief Executive Officer (CEO) or a position of similar status.

It is important to note that CEOs are often the face of an organization, and their departure more often than not, can significantly impact morale and the productivity of the staff – moreover it can affect the bottom-line of the institution.

In this case, SACCOs and Co-operative societies need to put in place succession plans to

cater for several foreseen and unforeseen circumstances, such as natural attrition, illness of a CEO among many other reasons. The motivation to have a succession plan in place is based on the benefits that come with it.

It sounds unwise for the Board of Directors to sit tight until an unforeseen event happens before planning for the succession of the CEO or reassigning the executive roles. This is a scenario that can easily destabilize the organization's operation systems.

It is on this premise that the Board should always be alive to the reality that their Society's future depends on its CEO succession plan and how well the Board is prepared for the transition process.

It is now common to find that the Board of directors are charged with crafting the CEO's succession plan. Therefore, it is within their mandate to ensure that they select the right candidate for top seat in the Society.

Turn to Page 37

SACCO Succession Planning

The noble duty of the Board is to identify, interview and pick the best candidate to assume the mantle of leadership. However, with the assistance of experts in Human Resource, it is easier for the Board to plan and implement realistic succession plans in the Society.

The Board must put into consideration the following requirements while designing the Society's succession plan:

1 List of Qualified Candidates

When the Board is planning for the CEO's succession, directors must develop a list of potential candidates to choose from. At the back of their mind, they should always assess and re-assess the strengths, weaknesses, achievements and more importantly, ensure the objectives of each candidate.

Every role in an organization comes with different responsibilities – hence, successful candidate is re-trained ahead of assuming the new roles. Having a list of prospective candidates to choose from is crucial for purposes of efficient planning.

2 Quality Decision Making

The Board must put emphasis on making quality decision that is in line with the mission, vision and core values of the Society. Visionary decisions are made to impact positively on the Society's growth and general development – the process reduces uncertainty and propels the SACCO or Co-



operative to move in the right trajectory.

This allows the Society to focus on its goals and objectives, more so, it enhances the shareholders' confidence and trust in the SACCO's or Co-operative society's leadership to continue running the institution smoothly.

3 Talent and Employee Retention

Having a well-defined succession plan in place creates opportunity to enhance retention of top talent – it signals employees of the opportunities to move up the ladder in the Society's leadership structure.

It is important to note that, employees are more likely to stick with the Society when they build trust and confidence that there are high chances to progress in their careers, and also ascend to leadership positions. Succession plan signals to employees that

there is an opportunity for advancement within the Society's rank and file.

The net effect of succession plan is to help the SACCO or Co-operative society retain talented and skilled workers. Strategies on how to attract, retain and promote top talents in the Society are established when drawing up the succession plan. During succession planning, the institution establishes career progression for employees to develop their talents through training, retraining and mentorship.

4 Employee Confidence

Succession plans normally foster employees' confidence in the Society's leadership and ability to grow in whatever business. Naturally, employees want to work in an organization whose future is promising and looks rewarding.

However, lack of motivation often demoralizes employees, the reason why a CEO succession plan inspires hope and boosts confidence among the workers. When their peers get promoted, they are equally encouraged to do better.

5 Provision of Stability

A succession plan creates stability that shareholders and consumers always look for within the institution. This shows that the Society is well prepared for any eventuality and is ready to adapt and change whenever need arises.

UKULIMA SACCO Cultivates Financial Growth with Innovative Loan Products and Investment Mortgage

By Staff Writer



Ukulima Sacco Chairman
Dr. Philip K. Cheronu.

In a ground-breaking move, Ukulima Savings and Credit Co-operative Society (SACCO) has once again asserted its position as a leading financial institution by unveiling a range of new loan products and an investment mortgage scheme. This strategic initiative aligns seamlessly with the SACCO's ambitious 2022-2026 Strategic Plan, aiming to play a pivotal role in the economic development of the country, particularly in the realms of housing and fostering funds for members' productive industrial ventures.

Despite the prevailing economic challenges, Ukulima SACCO has positioned itself as a trailblazer in the competitive Cooperative sector. This success can be attributed to the dynamic leadership of the Board of Directors led by the National Chairman Dr. Philip Cheronu.



CPA, Richard Nyaanga,
Ukulima Sacco C.E.O.

DRIVING FINANCIAL INCLUSION AND EMPOWERMENT

Ukulima SACCO's new suite of innovative financial products comprises the Mali Mali Loan, Bidii Loan, Biashara Fix Loan, Kilimo Financing Loan, and the Investment Mortgage scheme. Each product is tailored to meet the diverse needs of the SACCO's members, promoting financial inclusion and empowerment.

1. Mali Mali Loan: Cultivating Consumer Access

The Mali Mali Loan is a unique offering designed to facilitate members' acquisition of consumer goods at discounted prices negotiated by the Society. Accessible to both individuals and registered groups, this loan allows for the purchase of a wide range of products, including water tanks, motorbikes, solar panels,

electronic appliances, and more. With a convenient repayment period of 12 months, Ukulima SACCO members can now enjoy the benefits of ownership without the financial strain.

2. Bidii Loan: Fostering Long-Term Financial Growth

The Bidii Loan stands out as a long-term financial instrument with a comparatively lower interest rate. Encouraging members to accumulate more savings within the SACCO, this loan is available to individuals and boasts a repayment period of up to 96 months (8 years). By incentivizing increased savings, Ukulima SACCO aims to fortify its members' financial stability over the long term.

3. Biashara Fix Loan: Supporting Short-Term Business Ventures

For members engaged in business ventures, the Biashara Fix Loan provides short-term or emergency funding options. Accessible to individuals and registered groups with a consistent 12-month track record of servicing long-term business loans, this loan offers a repayment period of up to 24 months (2 years). Ukulima SACCO recognizes the importance of timely financial support for businesses and aims to be a reliable partner in their growth journey.

Turn to Page 39

Ukulima Sacco Scores High in Innovation

4. Kilimo Financing Loan: Nurturing Agricultural Ventures

In a bid to support agriculture-based income-generating activities, Ukulima SACCO introduces the Kilimo Financing Loan. Whether members are involved in crop farming, animal production, agribusiness ventures, or forestry, this loan provides the necessary financial backing. With a reasonable repayment period of 36 months (3 years), members can now cultivate their agricultural aspirations with confidence.

5. Investment Mortgage: Realizing Real Estate Dreams

Ukulima SACCO's Investment Mortgage is a long-term real estate financing solution catering

to residential, commercial, and industrial purposes. Members can utilize this product for property purchase, construction, renovation, or plot acquisition. With security tied to developed real estate collateral, the Investment Mortgage offers a flexible repayment period of up to 10 years (or 6 years for plot purchase). Notably, this product extends beyond the strict lending requirements of Kenya Mortgage Refinancing Company (KMRC), making it accessible to both individuals and registered groups.

6. Ukulima SACCO's Vision for the Future

In its pursuit of growth and diversification, Ukulima SACCO has rebranded to include small and medium enterprises (SMEs)

within its common bond, welcoming Kenyans from all walks of life. This strategic move is poised to diversify the SACCO's market base over the next five years, further solidifying its commitment to financial inclusion and empowerment.

As Ukulima SACCO continues to sow the seeds of financial prosperity, these innovative loan products and the Investment Mortgage scheme are set to blossom, providing members with the tools they need to cultivate their dreams and aspirations. With a foundation rooted in cooperative principles, Ukulima SACCO remains steadfast in its mission to nurture a thriving and financially resilient community.



One of the SACCO's ultra-modern branch offices.

Continued on Page 40

LOAN PRODUCTS

Mali mali Loan



Repayment up
12 Months

Investment Mortgage



Repayment up
6 - 10 years

Bidii Loan



Repayment up
to 96 months

Kilimo Financing



Repayment up
to 36 months

Biashara Fix Loan



Repayment up
6 - 10 years

Ukulima Sacco Head Office

Location: Ukulima Co-operative House, Haile Selassie Avenue
Off Parliament Road, Red Cross Lane
Phone: 020 2785000, 0720 179 991, 0735 886 565
Email: info@ukulimasacco.coop

2. Kisumu Branch:

Location: United Mall, Ground Floor, Wing A
Along Kisumu - Kakamega Road
Phone: 020 2785400
Email: ksmbbranch@ukulimasacco.coop

3. Mombasa Branch:

Location: Bahman Trust Building, Nkurumah Road Mikindani Street
Phone: 020 2785 250
Email: mbsbranch@ukulimasacco.coop

4. Eldoret Branch

Location: Sirikwa Hotel Building,
Oloo Street
Phone: 020 2785200
Email: eldoretbranch@ukulimasacco.coop

5. Embu Branch

Location: Eastern Emporium Building,
Kenyatta Avenue
Phone: 020 2785300
Email: embubbranch@ukulimasacco.coop

7. Nakuru Branch

Location: KFA Building, Geoffrey Kamau Way
Phone: 020 - 2785350
Email: nkrbranch@ukulimasacco.coop

6. Kisii Branch

Location:
Mocha Place, Kisii - Kisumu Road
Phone: 020 2785450
Email: kisiibranch@ukulimasacco.coop

8. Kakamega Branch

Location:
Agriculture Finance Corporation
Building next to Kakamega Police Station
Phone: 020 2785000



Govt To Support **SACCOs** To Revamp Economy, Create Employment

By Staff Writer

The Government's support for Savings and Credit Co-operative Societies has been instrumental in the growth of this sector, especially when Kenyans and the country in general are experiencing economic challenges.

Co-operative societies have now been enlisted as cardinal players in the Government's strategic plan to revamp the national economy – Co-operatives are expected to contribute greatly to Gross Domestic Product and moreover, generate employment opportunities.

In spite of economic doldrums, SACCOs are taking progressive steps to increase financial inclusion among Kenyans by providing affordable and accessible financial services to low-income and marginalized communities. Presently, SACCOs registered with SASRA have over 23 million members.

SACCOs have, and continue to play key role in promoting saving culture among Kenyans – in 2022, Savings and Credit Co-operative Societies had total saving deposits of over Shs1 trillion. This money is used to finance investments in businesses, education, homes and other financial undertakings.

The Societies have also helped greatly to boost growth by providing affordable credit to entrepreneurs and small businesses.

The Government's continued support for SACCOs amid economic downturn is essential to achieving the goal of financial inclusion for all Kenyans – thus the Societies will now be in position to play a vital role in helping to create a more equitable and prosperous society.

In the wake of economic recession, the Government through Sessional

Paper No. 4 of 2020 on the **National Co-operative Policy on Promoting Co-operatives for Socio-Economic Transformation** has vowed to ensure that SACCOs remain the most viable financial channels to promote financial inclusion and equity.

Among other things, the Government is to ensure that SACCOs are democratically owned and are controlled financial institutions that play a vital role in Kenya's financial landscape, provide a wide range of financial services to their members, including savings, loans, insurance and investment products.

Despite economic challenges facing the country, Savings and Credit Co-operative Societies are now well-

suited to serve low-income earners and promote economic development at the grassroot, while the Government provides various forms of support, including regulatory oversight; financial stability; capacity building and training; access to credit, and more so, tax incentives.

The Kenya Deposit Insurance Corporation (KDIC) provides deposits insurance to SACCO members – this means that in the event of a SACCO fails to meet its financial obligations, members are protected up to a certain limit.

The Government will continue to provide training and capacity-building programmes to SACCO leaders and staff. This will help Savings and Credit Co-operative Societies to improve their management and governance practices, and to deliver better services to their members.

The Government will now provide tax incentives to SACCOs which is expected to help them to reduce their costs of operation and invest more resources in potential areas of business. These intervention measures are in line with the National

Co-operative Policy **“Promoting Co-operatives for Socio-Economic Transformation.”**

Turn to Page 42

GOVT Supports SACCOs in Innovation



The policy recognizes the changing environment in which Co-operatives are regulated and supervised. This brings in focus the role played by the County governments as envisaged in the Constitution which recognizes Co-operative societies as a devolved function.

As a mass movement, the National Government recognizes the unique role that Co-operatives continue to play in bringing about equitable growth and development.

In order to become responsible corporate entities, Co-operatives are expected to promote good governance practices that ensure their sustainable growth and development.

In the hard-economic times, the National Government expects County governments to put in place interventions for Co-operatives to be at the forefront in mobilizing savings, enhancing agricultural productivity and value addition.

The County governments are also expected to support Co-operatives in participation in the provision of decent and affordable housing, fighting poverty, and promoting inclusivity in wealth creation and empowerment.

The County governments are to provide a framework for mobilizing financial and technical assistance for

Co-operative development, encourage Public Private Partnerships (PPP) in value-addition, market linkages, and promotion of Co-operative education, training and research.

The National Co-operative Policy recognizes Co-operatives as vehicles for realization of Kenya Vision 2030. The policy identifies Co-operatives as private organizations that provide public good. This places enormous responsibility on the leadership of the movement to embrace good governance practices that reflect the expectations of not only the National and County governments, but also those of their members.

The two level of the Government are expected to work closely with the Co-operative Alliance of Kenya (CAK) among other stakeholders to promote self-regulation.

Both the National and County governments are to effect fully the policy which provides a framework for accelerating the growth of Kenya Co-operative sector in a dynamic and competitive global environment.





PRODUCTS & SERVICES

PRODUCTS (BOSA) :

- SHARES
- DEPOSITS
- EMERGENCY LOAN
- FEES LOAN
- DEVELOPMENT LOAN
- ASSET FINANCE
- KILIMO LOAN
- PREFERENTIAL LOAN
- SMART SAVER LOAN

PRODUCTS (FOSA):

- AKIBA ACCOUNT
- JUNIOR ACCOUNT
- PIONEER SALARY ACCOUNT
- JIINUE SALARY ACCOUNT
- FIXED DEPOSIT ACCOUNT
- TULIZA LOAN
- PREMIUM LOAN
- INSTANT LOAN
- KARIBU LOAN
- SHARE BOOSTER LOAN
- PENSION LUMP SUM ADVANCE



SERVICES:

ATM & MOBILE BANKING

PAY BILL : BUSINESS NO. 533888

A/C NO : ID NUMBER

CONTACT US:-

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PRODUCTS & SERVICES

FRONT OFFICE SAVINGS ACCOUNT (FOSA)

- (a) **AKIBA ACCOUNT** (FOSA savings product)
- (b) **FAIDA ACCOUNT** (Fixed deposit)
- (c) **TOTO ACCOUNT** (Children saving account)
- (d) **CALL DEPOSIT ACCOUNT** (for all members)
- (e) **CORPORATE CURRENT ACCOUNT**
- (f) **MWETHYA ACCOUNT** (Group savings product)

LOAN SERVICES

(1) **ASSET FINANCING LOAN**

This is a loan facility designed to help our members purchase assets such as Motor vehicle, Land, Tuk-Tuks, Generators, Water tanks, School equipment etc.

(2) **NORMAL LOAN**

This is a loan facility for all Sacco members for their business needs

(3) **BIASHARA LOAN**

A loan advanced to individual group members who contribute minimum of Ksh. 200/- on weekly basis

(4) **BIASHARA PLUS LOAN/SUPER GROUP LOAN**

Tailored for groups of 5-9 members who meet contribution of Ksh. 500/- per week.

(5) **AGRI-BUSINESS PRODUCTION**

(a) **Dairy Farming / Dairy Advance**

A loan product targeting farmers involved in dairy farming and those in dairy activities.

(b) **Mkulima Halisi (Legumes) - Ndegus & Beans**

A loan is product targeting farmers. Loan shall be given 5 times member's shares. Grace period of 3 months (paying interest).

(c) **Mkulima Bora Plus Loan**

A loan is aimed at promoting horticultural farming through modern technology.

(d) **Mkulima Bora Plus Loan**

It is a product tailored to finance Mango, Oranges farmers to ensure quantity and quality of fruit production from them.

(6) **INSURANCE COVER LOAN**

The loan will be available for all UTS Sacco members individually. This loan is to enable members to afford annual last expenses premium.

(7) **UPESI (EMERGENCY) LOAN**

A short term loan facility to help members meet their medical financial needs such as Medical bills, School fees, etc.

(8) **EMPLOYEE SALARY ADVANCE**

A loan product targeting those who are employed.

(9) **EMPLOYER SALARY ADVANCE**

For legally registered institutions (Schools, Colleges, Hospitals) etc.



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