

COOPERATIVE GOVERNANCE PROJECT IN KENYA



Assistant Minister for Co-Operative Development Addressing KNFC staff, Kenya

Background

The Kenyan cooperative movement has played an important role in the socio-economic development of the country as 63% of Kenyans derive their livelihood from cooperatives, and approximately 250,000 people are employed or gain most of their income from cooperatives. However, there has been a decline in the sector's performance, partly due to economic liberalization and poor governance.

A study to assess the current governance situation was commissioned in 2007. It recommended management and governance reforms that would improve the performance of cooperatives and contribute to transforming them into modern businesses, able to respond to the needs of their members in a competitive liberalized global market economy, hence the urgent need to promote good corporate governance.

Project summary

The Cooperative Governance Project seeks to improve cooperative governance, transparency and accountability in cooperative leadership. The intervention of this project will be in conformity with the principles of good corporate governance, cooperative

principles and values with an ultimate goal of developing a strong, quality cooperative leadership for furthering the socio-economic growth of the cooperative movement in Kenya.

The Ministry for Cooperative Development and Marketing and the Centre for Corporate Governance have previously involved Kenya National Federation Cooperatives Limited (KNFC) in the development of material on cooperative governance but due to resource limitations it was impossible to distribute the information to the cooperative movement.

The developed good corporate governance materials will initially be distributed and implemented to a number of cooperative institutions. The participants will include newly elected KNFC Board of Directors, district cooperative union committee members, trainers at the district cooperative union level and leaders and members of primary cooperative societies. In addition, KNFC will broadcast information in order to strengthen the cooperative corporate governance through an interactive website and radio programme. The cooperative governance project will contribute to the development of a strong cooperative leadership that will enhance self-reliance and democratic member control for a vibrant and sustainable cooperative movement. The project will also popularize the

cooperative model as the preferred vehicle for poverty alleviation, wealth and employment creation.

Partners

The organizations involved are:

- The Kenya National Federation of Cooperatives Limited;
- The national apex cooperative organization for the cooperative movement, including the National Cooperative Organizations.

In addition the district cooperative unions and primary cooperative societies shall participate.

Others include the Ministry for Cooperative Development and Marketing and the Centre for Corporate Governance, which both have led material development for Cooperative Corporate Governance with the participation of KNFC. The Kenya Broadcasting Corporation, a Government media house with coverage throughout the country and a wide audience, will be requested to offer their facilities for the radio programmes.

Beneficiaries

The target beneficiaries are 1,500 low-income small-scale farmers and off-farm workers engaged in social-economic activities through 15 cooperative societies at a primary level, 3 district cooperative unions, 6 national cooperative organizations and the national apex organisation. The indirect beneficiaries will be cooperative members and those depending for their livelihoods on services from cooperatives.

Expected achievements

- Baseline survey carried out;
- Materials collected and archived on Corporate Governance;

- 4 training modules on Cooperative Governance developed for KNFC board, union boards, primary cooperative societies committees and ordinary members;
- 1 training course for KNFC board;
- 2 training courses for 3 district cooperative unions; (2 days)
- 1 training course for 15 primary cooperatives (2 days);
- 1 member training course for 15 primary cooperatives (2 days);
- 19 strategic plans developed/ revised;
- 19 monitoring and evaluation tools developed/ revised;
- Increased income amongst the target group;
- Increased number of women and youth in Cooperative leadership;
- Increase of new members (Sex);
- Creation of new jobs;
- External evaluation done;
- Improved cooperative governance and democratic control;
- Initiated information diffusion on cooperative governance.

Project duration & budget

Project duration: 6 months January - June 2009

Project budget: 1.8 Million Kenyan Shillings (equivalent to USD 29,000) COOP^{AFRICA} provides a grant of USD 20,000.



PHOTO:KNFC

KNFC head quarters in Nairobi, Kenya

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