

ESTABLISHMENT OF INNOVATIVE COOPERATIVE CELLS



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Project site: Nairobi, Central & Eastern Provinces, Kenya



PHOTO: SWISSCONTACT

Kiandatho Mavuno Group in Kuku - July 2008

Background

Swisscontact aims to promote economic and social development through advisory services, training and continuing education. A model to assist micro-entrepreneurs and households to access immediate sustainable profitable savings and credit services was developed along with a start-up kit designed to provide newly registered Savings and Credit Cooperatives (SACCOs) with a growth blueprint for the first three years of their development.

Mavuno (Kiswahili for harvest) is a member based Accumulating Savings and Credit Association that intermediates small local pools of capital to satisfy household cash-management and entrepreneurial needs. Swisscontact also builds the capacity of such Cells as transparent and accountable promising SACCOs.

Project summary

Based on the successes of the ongoing Mavuno Group Savings and Lending Project and the SACCO Start-up

Kit Project, Swisscontact aims to establish 300 new Cells and secure registration for 15 selected groups as SACCOs with the Ministry of Cooperatives and Marketing Development.

Mavuno Cells receive financial education, delivered during a development and supervision cycle of saving and borrowing disciplines. Members undergo intensive training with an emphasis on disciplined accountability and learn to make democratic decisions in small groups of 15 to 30 members. Successful Mavuno Cells will be selected, and registered as SACCOs and supported during the first year of their development using the "Start-up Kit" to increase their capacity and technical know-how. The project harnesses Community Based Trainers (CBTs) to mobilise, train and supervise the Cells and new SACCOs. Groups will contribute to a training fund that will ensure self-sustainability.

The project empowers the grass-root member-based associations to master the basics of financial and business education and mobilise local resources to

create jobs, increase income, reduce poverty, provide protection, and give people a voice. Mavuno Cells have the potential to support holistic programmes that benefit a range of development activities including communities affected by HIV/AIDS. Increased income from activities supported by savings and loans will provide needed support for such communities. Some Mavuno groups will be formed to target youth, women (80% of current memberships) and couples.

Contributions to the Decent Work Country Programme's priorities (DWCP):

- Increase youth empowerment, youth employment and eliminate child labor;
- Fight HIV/AIDS at the work place.

Partners

Swisscontact's key partner is the Ministry of Co-operative and Marketing Development whose role is to oversee the pre-cooperative training of the selected Mavuno Cells and SACCO registration. The Kenya National Federation of Cooperatives (KNFC) and the Kenya Rural Savings and Credit Societies Union (KERUSSU) will provide inputs as key players in the cooperative movement.

Beneficiaries

The project targets 73% of Kenyans who do not have access to formal financial services. The project directly benefits 4,500 members in 300 groups. For most this will be their first access to savings and credit services. The project also provides employment opportunities for 30 CBTs who will mobilise, train and supervise the Cells.

Expected achievements

The project will support new Mavuno Cells to mobilize their own funds, distribute loans to members and earn an interest out of those loans. Mavuno forms an excellent

learning incubator for disciplined and well-governed financial cooperatives via intensive training and supervision. Mavuno Cells build on the principle of solidarity and accountability but most importantly they encourage entrepreneurship via financial and business education and loan provision.

The project will also build localised training, supervisory and financial support services for the multiplication of Mavuno Cells through developing the capacity of quality CBTs and a fund for self-training and support. A key output of the intervention is the development of 15 strong, profitable and quality SACCOs offering user-friendly financial services to their members. The above will be achieved via a strengthened partnership with the Ministry and founded on the experiences of the Mavuno and SACCO Start-up Kit projects.

Project duration and budget

Project duration: 12 months, April 2009 – March 2010

Total budget: USD 70,000

Contribution from COOP^{AFRICA}: USD 50,000

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