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THE NATIONAL ASSEMBLY	
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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT- FIFTH SESSION

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES
REPORT OF THE COMMITTEE ON ITS CONSIDERATION OF SESSIONAL PAPER
NO. 4 OF 2020 ON THE NATIONAL CO-OPERATIVE POLICY ON PROMOTING
CO-OPERATIVES FOR SOCIO-ECONOMIC TRANSFORMATION

Directorate of Departmental Committees
Clerk's Chambers
Parliament Buildings
NAIROBI

AUGUST 2021

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ACRONYMS AND ABBREVIATIONS

ADR	-	Alternative Dispute Resolution
BPO	-	Business Process Out-sourcing
CAK	-	Co-operative Alliance of Kenya
CIC	-	Co-operative Insurance Company
CoG	-	Council of Governors
CoK 2010	-	Constitution of Kenya (2010)
ECCO	-	Ethics Commission for Co-operative Societies
ICA	-	International Co-operative Alliance
ICT	-	Information and Communication Technology
KNBS	-	Kenya National Bureau of Statistics
KUSCCO	-	Kenya Union of Savings and Credit Co-operatives
Ltd	-	Limited
MDAs	-	Ministries, Departments and Agencies
M&E	-	Monitoring and Evaluation
NACHU	-	National Co-operative Housing Union
NACOs	-	National Co-operative Organizations
PPP	-	Public Private Partnerships
SACCOs	-	Savings and Credit Co-operatives
SASRA	-	SACCO Societies Regulatory Authority
UN	-	United Nations
WOCCU	-	World Council of Credit Unions

LIST OF ANNEXURES

- Addendum:** Schedule of proposals by Committee & key stakeholders for in-cooperation into Sessional Paper No. 4 of 2020
- Annexure 1:** Committee Adoption List
- Annexure 2:** Minutes of Committee Sitzings on the consideration of Sessional Paper No. 4 of 2020 on National Cooperative Policy

CHAIRPERSON'S FOREWORD

Sessional Paper No. 4 of 2020 on National Cooperative Policy on promoting co-operatives for socio-economic transformation from the State Department for Cooperatives was laid on the Table of the House by the Leader of the Majority Party on 24th September 2020 and thereafter stood committed to the Departmental Committee on Trade, Industry and Cooperatives for consideration.

Co-operatives have played a significant role in socio-economic development of nations for centuries and are a reminder to the international community that it is possible to pursue both economic viability and social responsibility. It is against this background that the United Nations (UN) declared the year 2012 the International Year of Co-operatives.

The objectives that guide Kenya's development agenda were first established in Sessional Paper No. 10 of 1965 on "African Socialism and its Application to Planning in Kenya". This paper promoted "Africanisation" in all spheres of the economy through political equality, social justice, human dignity including freedom of conscience, freedom from want, diseases and exploitation, equal opportunities; and high and growing per capita incomes, equitably distributed.

One of the outcomes of Sessional No. 10 of 1965 was the enactment of the Co-operative Societies Act No. 39 of 1966. This accelerated the formation of co-operatives that facilitated the transfer of land to indigenous Kenyans, marketing of agricultural produce, and formation of financial institutions to support the co-operative movement. The Constitution of Kenya, 2010 brought about fundamental changes in the management of public affairs. The Constitution established two levels of government namely; the national and the 47 county governments.

The National Cooperative Policy aims to align the changes in the governance structure in the country as well socio-economic environment.

The functions assigned to the county governments under the Fourth Schedule included co-operative development and regulation that was unbundled by the Transition Authority through Legal Notice No. 137 of 9th August 2013. One of the objectives of devolution is to promote social and economic development and provision of easily accessible services throughout Kenya (CoK, 2010 Article 174). In doing so all actors will be guided by the principles and values as espoused in Article 10 of the Constitution.

The policy review has been necessitated by the change in the governance structure in the country as well socio-economic environment. The Constitution established two levels of governance: national and county governments. The Fourth Schedule of the CoK, 2010 assigns the management of co-operative societies to the county governments and capacity building and formulation of policies and standards to the national government.

The Government of Kenya has, over the years, demonstrated its commitment to the development of co-operatives and governance structure to enhance co-operatives growth through robust legislation and sustained allocation of resources to the sector. However, despite the substantial

allocation of resources and notable achievements attained, the sector still faces major challenges. Some of these challenges relate to lack of uniform or standard regulations, insufficient capital for investment, corruption and mismanagement of resources among others.

It is against this backdrop that the National Co-operative Development Policy, 2019 on Promotion of co-operatives for socio-economic transformation was developed to reinvigorate and re-align the sector to the Constitution of Kenya, 2010.

In addition, it is desired to address the administrative and management issues within the sector while enhancing the realization of members' common bond.

As a consequence to the National Co-operative Development policy, the Ministry of Agriculture, Livestock, Fisheries and Co-operatives will develop Sector legislations and regulations that will provide a comprehensive framework and support the Co-operative oversight.

The Committee held meetings with the State Department of Co-operatives, the Co-operatives Alliance of Kenya (CAK), the County Government and Kenya Union of Credit Co-operatives Union (KUSCCO) where Members pointed out gaps existing in the national Co-operative Development Policy, 2019.

It is important to note that the policy interventions highlighted in the Sessional Paper are fundamental in bridging the gap that exists in the administration and management of the Cooperatives sector in Kenya.

At its sittings held on 29th July 2021 the Committee considered Sessional Paper No. 4 of 2020 on the National Cooperative Policy and unanimously resolved that it be adopted by the House.

Acknowledgement

The Committee wishes to thank the offices of the Speaker and the Clerk of the National Assembly for the support accorded to the Members in fulfilment of the Committee's mandate. Further, I wish to express my appreciation to the Honourable Members of the Committee for their commitment and valuable contributions during the sittings to deliberate on the National Co-operative Development Policy, 2020 and writing of this report.

I commend the Committee secretariat for exemplary performance in providing technical and logistical support to the Committee.

Finally, it is my pleasant duty and privilege, on behalf of the Departmental Committee on Trade, Industry and Co-operatives and pursuant to Standing Order, 199(6) to table the Committee Report on the consideration of Sessional Paper no. 4 of 2020 on the National Co-operative Policy on promoting co-operatives for socio-economic transformation in Kenya.

HON. ADAN HAJI ALI, MP

PART I

1.0 INTRODUCTION

1. The Departmental Committee on Trade, Industry and Cooperatives is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates pursuant to the *Standing Order 216 (5)* are as follows:
 - i. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
 - ii. To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
 - iii. To study and review all the legislation referred to it;
 - iv. To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
 - v. To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
 - vi. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
 - vii. To examine treaties, agreements and conventions;
 - viii. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
 - ix. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
 - x. To examine any questions raised by Members on a matter within its mandate.

1.1 Mandate of the Committee

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to oversee: Trade, securities exchange, consumer protection, pricing policies, commerce, and industrialization including special economic zones, enterprise promotion and development including small and medium-size enterprises, intellectual property, industrial standards, anti-counterfeit policies and co-operatives development.
3. In executing its mandate, the Committee oversees the:-
 - i. State Department for Cooperatives
 - ii. State Department for Industrialization
 - iii. State Department for Trade and Enterprise Development

1.2 Committee Membership

4. The Departmental Committee on Trade, Industry and Cooperatives was constituted by the House on Wednesday, 15th July, 2020 and comprises of the following Members:

Chairperson

Hon. Adan Haji Ali, MP
MP for Mandera South Constituency

Jubilee Party

Vice-Chairperson

Hon. Wangari Mwaniki, MP
MP for Kigumo Constituency

Jubilee Party

Members

Hon. William Cheptumo, MP
MP for Baringo North Constituency
Jubilee Party

Hon. Alois Musa Lentoimanga, MP
MP for Samburu North Constituency
Jubilee Party

Hon. Anab Mohamed Gure, MP
MP for Garissa County
Jubilee Party

Hon. Andrew Mwadime, MP
MP for Mwatate Constituency
ODM Party

Hon. Shariff Athman Ali, MP
MP for Lamu East Constituency
Jubilee Party

Hon. Daniel Maanzo, MP
MP for Makueni Constituency
Wiper Party

Hon. Fred Odhiambo Ouda, MP
MP for Kisumu Central Constituency
ODM Party

Hon. Christopher Nakuleu, MP
MP for Turkana North Constituency
Jubilee Party

Hon. Jones Mlolwa, MP
MP for Voi Constituency
ODM Party

Hon. Raymond Kipruto Moi, MP
MP for Rongai Constituency
KANU

Hon. Jared Okelo, MP
MP for Nyando Constituency
ODM Party

Hon. Gichimu Robert, MP
MP for Gichugu Constituency
Jubilee Party

Hon. Patrick Wainaina Jungle, MP
MP for Thika Town Constituency
Independent Member

Hon. Ayub Savula Angatia, MP
MP for Lugari Constituency
ANC Party

Nduati Joseph Ngugi, MP
MP for Gatanga Constituency
Jubilee Party

Hon. Wachira Rahab Mukami, MP
MP for Nyeri County
Jubilee Party

Hon. (Dr.) Wilberforce Oundo, Phd, MP
MP for Funyula Constituency
ODM Party

1.3 Committee Secretariat

5. The Committee is facilitated by the following Secretariat:

Mr. Daniel Mutunga
Principal Clerk Assistant I/Team Leader

Ms. Christine Ndiritu
Clerk Assistant II

Ms. Nuri Kitel Nataan
Clerk Assistant II

Ms. Marlene Ayiro
Senior Legal Counsel

Mr. Joseph Ndirangu
Fiscal Analyst II

Mr. Chelang'a R. Maiyo
Research Officer II

Ms. Winnie Kizia
Media Relations Officer III

Ms. Rahab Chepkilim
Audio Officer

Mr. Richard Sang
Sgt. At Arms

PART II

2.0 COMMITTEE CONSIDERATION OF SESSIONAL PAPER NO. 4 OF 2020 ON THE NATIONAL COOPERATIVE POLICY

2.1 Background Information

6. The Policy seeks to align the Co-operative Societies Act No 12 of 1997 and the Sacco Societies Act No 14 of 2008 to the Constitution of Kenya 2010. The policy seeks to align to the changes in the governance structure in the country as well socio-economic environment.
7. Since 1908 when the first cooperative society was formed in Kenya, cooperatives have made remarkable progress in sectors, such as agriculture, banking, credit, agro-processing, storage, marketing, fishing, housing and transport, among others.
8. Currently, Emerging sectors, such as Information, Communication and Technology (ICT), are leveraging on the demands of the traditional cooperatives to infuse innovation and technology in their operations.
9. To safeguard the gains achieved this far, the Government has taken various measures to ensure the movement operates according to international best practice. These include the establishment of the Sacco Societies Regulatory Authority (SASRA) through the Sacco Societies Act 2008, which introduced prudential regulations covering all deposit-taking Saccos to enhance transparency and accountability in the fast growing sub-sector. It is anticipated that the National Co-operative policy, 2019 will spur economic growth through mobilisation of domestic savings through common bond of the co-operative movement.
10. It is worth noting that the co-operative sector remains a mass movement and that the National Government recognises the unique role that co-operatives shall continue to play to bring about equitable growth and development of our people. The National Government shall therefore actively take up its role of capacity building the County Governments to ensure uniform growth of the movement in the country.
11. This policy promotes the view that co-operatives are private business organizations. In order to become responsible corporate citizens, co-operatives will be expected to promote good governance practices that will ensure their sustainable growth and development.
12. In this respect the policy, proposes a new structure that promotes integration and enhances self-regulation. The new structure also increases the visibility of the Kenya movement within the region and internationally by strengthening the Federations and the Apex organization. On its part the National Government shall ensure that only economically viable co-operatives are registered.
13. By adopting the theme “Promoting Co-operatives for socio-economic transformation” the policy positions the co-operative movement to act as a strong vehicle for the

implementation of Kenya Vision 2030 on industrialization through value addition and resource mobilization. Value addition, especially in the agricultural sector is therefore, a key target of the policy.

14. The establishment, expansion of the Small and Medium Enterprise Fund to include cooperatives offers an opportunity to inject social venture capital in the development of co-operative societies. The national government will work closely with the county governments to formulate appropriate regulations for the Fund.
15. The policy identifies contemporary challenges that inhibit the growth of the co-operative societies and explores a paradigm shift establishing a more proactive engagement between the national government, county governments, the co-operative movement and other stakeholders in addressing these challenges.
16. It also seeks to rationalize the role of national and county governments in co-operative development in line with the Constitution of Kenya, 2010 and national development goals set out in Kenya Vision 2030.
17. The national government affirms its commitment to uphold the sanctity of the co-operative principles and values as a way of safeguarding while ensuring that the interests of the general membership are safeguarded.

2.2 Scope of the policy

18. The main objective of this policy is to provide a framework that promotes sustainable and competitive co-operative movement for socio-economic development in a devolved system of governance. The specific objectives of the policy are to:
 - i. To accelerate the growth and development of the Co-operative sector through legal and institutional reforms;
 - ii. Promote co-operative production, access to shared resources, value addition and marketing
 - iii. Enhance financial deepening and investments through co-operatives;
 - iv. Establish an institutional framework for enhancement of co-operation, consultation and co-ordination of co-operatives management;
 - v. Promote governance in co-operatives;
 - vi. Develop the capacity of co-operatives through training, education and research;
 - vii. Promote adoption of ICT in co-operatives; and
 - viii. Mainstream issues related to climate change, special interest groups and human rights in co-operatives.
19. The policy recognizes Co-operatives as vehicles for realization of Kenya Vision 2030. It 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.

2.3 Rationale for developing of the policy

20. The Constitution of Kenya, 2010, bestowed the national government with the mandate of policy formulation, standardisation and capacity building. While the Fourth Schedule of the Constitution of Kenya, 2010 assigns the management of co-operative societies to the county governments. These changes were yet to be reflected in policy.
21. In addition to the change in governance structure in the country, there have also been significant changes in the socio-economic environment. To address these changes, government has developed new developmental blueprints like Kenya vision 2030.
22. Furthermore, there have been major changes in the economic and business environment since the last policy review in 1997, including the use of ICT in business. The policy direction therefore needed to be aligned to the Constitution of Kenya 2010, national development priorities and other international strategies guiding the development of co-operative movement and the emerging trends in socio-economic environment.
23. The structure of the cooperative movement in Kenya places individual members at the bottom of a pyramidal organizational structure. The Cooperative Alliance of Kenya (CAK), formerly known as Kenya National Federation of Cooperatives (KNFC), is at the top as apex body. SACCOs fall under KUSCCO under a similar structure.
24. The cooperative movement in Kenya is vertically organized into a four-tier pyramidal structure that links up primary cooperatives at the local (lower) level to the national (higher) level. The structure consists of primary cooperatives at the bottom, district/ commodity cooperative unions, national cooperative organisations and one confederation, CAK, whose membership includes national cooperative organisations as well as some cooperative unions and primary cooperatives not affiliated to any union. It is through Co-operative Alliance of Kenya that the Kenyan cooperative movement is expected to be linked to the World's co-operative movements.
25. Further, the policy recognises co-operatives as private business organizations. In order to become responsible corporate entities, co-operatives are expected to promote good governance practices that ensure their sustainable growth and development.
26. In this respect, the policy proposes a new structure that promotes integration and enhances self-regulation. The new structure stratifies the Kenyan co-operative movement by establishing a federation and strengthening the apex organization. The two levels of government will register only economically viable co-operatives.
27. Development of the National Co-operative policy is critical as it forms the initial step towards establishing an appropriate and supportive legal and institutional framework to support the growth and development of co-operatives in the country.
28. Adoption of the policy will stimulate the co-operative sector since the management and administration of co-operatives will be based on uniform standards in the exploitation of the different economic opportunities available for co-operatives.

2.4 Comparative analysis of Co-operative Administration and Management

29. Although cooperatives are widely recognized as key drivers of economic and social development, the type and scope of the policies aimed at promoting the formation, expansion and consolidation of this form of social business vary considerably across the developed and developing world. Even in countries with a long tradition of cooperative entrepreneurship, government policies toward the cooperative sector differ considerably.
30. Cognizant of the legal framework seeks to improve knowledge and evaluation of cooperative law, with the aim of ensuring that legal regulations recognize the specificities of the cooperative model and the level playing field when compared with other forms of association.
31. Case studies of country specific policies are fundamental in designing and developing a robust cooperative policy for effective and efficient implementation of co-operative sector wide projects and programs for socio-economic transformation.

a. Brazil

32. In Brazil, there is a specific legislation for national cooperative societies, which regulate co-operativism throughout the Brazilian territory. Cooperatives are protected by Brazilian Federal Constitution 1988, which provide for the establishment of Association under Article 5; the law further creates cooperatives as independent of authorization and state interference in their operation (Brazil, 1988, Art. 5, XVIII).
33. Brazilian law aims to distinguish cooperatives from other legal types of business organizations, such as the for-profit corporation, among others, as well as to establish essential elements of the notion of “cooperative”, has adopted the principles defined by the International Co-operatives Association as the basis of the identity and definition and characteristics of the cooperative society in the law.
34. Additionally, cooperative societies have their own legal nature, can perform various economic activities, provide services to members, and carry out commercial and social activities concurrently. Thus, as a legal entity governed by civil law, in addition to its special legislation, it is subject, with due proportions, to Brazilian law regarding consumers, civil, labour, tax and administrative law among others.
35. To enhance consistency in application of cooperative legislation there are state and municipal laws on cooperative society, however, such laws do not conflict with national legislation, so they are limited to fostering and supporting cooperative movement or related to tax regulation of their competencies.
36. Cooperatives have been classified according to their purpose or the nature of the activities they or their associates perform. In general, the cooperatives can be of various branches and economic follow-up, such as: educational, housing, agricultural, consumer, credit, health, transportation, production or service work, among others. Still, those with more than one object of activities are considered mixed.

37. It should be noted that some types and segments of cooperatives have their special laws with regulation according to their peculiarities; these include social cooperatives, Agriculture, financial, housing and labour related cooperatives.
38. As relate to cooperative financial structure and taxation the 2002 Civil Code provides for the variability or exemption of social capital for cooperatives. The General Law on Cooperatives does not establish a minimum capital for cooperatives; however the limitation can be established in the cooperatives by-laws.

b. The Philippine

39. A cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.
40. Cooperatives in the Philippines' are regulated by the Cooperatives Development Authority (CDA). The Authority is charged with the sole responsibility of enforcing the Philippine Co-operative Code of 2008.
41. The Code is desirous to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice. The law provides important benefits to the cooperative and its empowered members, based on our experience in handling client-cooperatives.
42. Further, adherence to the principles of co-operativism is critical in realizing the objects and mandate of cooperative movement. The State recognizes the principle of subsidiarity under which the cooperative sector will initiate and regulate within its own ranks the promotion and organization, training and research, audit and support services relating to cooperatives with government assistance where necessary.
43. The principles of Cooperatives include:-
- i. Open and voluntary membership;
 - ii. Democratic control;
 - iii. Limited interest in capital;
 - iv. Division of net surplus;
 - v. Cooperative education; and
 - vi. Cooperation among cooperatives.

c. South Africa

44. The Cooperative development policy for South Africa, 2004 stipulate within its policy statement that it will deal with the promotion and support of developing/emerging cooperatives enterprises.
45. The policy outlines the government's approach to defining the co-operative enterprises as well as the policy instruments that will be utilized to achieve cooperative movement objectives in the long-term.
46. The policy is South Africa's first explicit co-operative development policy enacted pursuant to the adoption of the new International Labour Organization (ILO) Recommendation No. 193 on labour standards.
47. The Cooperative development policy aims at increasing the competitiveness of the co-operative sector so that it is better able to take advantage of opportunities emerging in national and international markets.
48. Co-operatives are based on the values of self-help, self-reliance, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in ethical values of trust, honesty, openness, social responsibility and caring for others.

PART III

3.0 SUBMISSIONS FROM THE STATE DEPARTMENT FOR COOPERATIVES

49. In furtherance of the Constitutional provision of public participation as espoused in Article 118 (1) (b) and Standing Order 127(3) the Committee received written submissions and oral presentation from the State Department of Co-operatives.
50. Mr. Ismail Ali (Principal Secretary, State Department for Cooperatives) appeared before the Committee on 13th March 2021 to appraise it on Sessional Paper No. 4 of 2020 on the National Cooperative Policy. He submitted as follows; THAT:-
51. The policy brings into focus the distinct roles to be played by the two levels of government in co-operative development in line with the Constitution of Kenya, 2010 and, national development goals set out in Kenya Vision 2030. The national government shall therefore actively take up its role of capacity building the county governments to ensure uniform growth of the movement in the country.
52. The formulation of this policy is thus the first step towards establishing an appropriate legal and institutional framework to support the growth and development of co-operatives in the country. In adopting this policy, the growth of the co-operative movement in the country will be based on uniform standards in the exploitation of the different economic opportunities available to co-operatives.
53. The policy recognises 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. Therefore, the two levels of government shall work closely with the Co-operative stakeholders to promote accountability and integrity in the management of co-operative affairs.. In this respect, the policy proposes a new structure that promotes integration and enhances good corporate governance. In the new structure, the Kenyan co-operative movement is stratified into four tiers namely; Primary, Secondary, Federations and Apex.
54. In developing this policy, the State Department for Co-operatives held consultations with stakeholders taking into account the diversity of their perspectives and activities. It is the view of the national government that the implementation of the policy will require co-operation, collaboration and support from all stakeholders. It is also expected that the implementation of this policy will provide direction on the way the co-operative sector is governed in order to achieve socio-economic transformation.

3.1 Rationale for the Policy

55. The Policy has been necessitated by the change in the governance structure in the country as well socio-economic environment.
56. The enactment of CoK 2010 brought fundamental changes in the management of government affairs by creating two levels of government. This change in the

country's governance structure occasioned a change in the manner the National Government manages co-operatives which is a devolved function as per the Fourth Schedule of the Constitution.

57. The exit of the government as the main regulator and supervisor of co-operative societies as a result of the sessional paper no 6 of 1997 left the system without a regulatory mechanism to play the role that the government had previously played.
58. Consequently, the immediate impact on co-operatives was mainly negative. The newly acquired freedom was dangerously abused by elected leaders to the detriment of many cooperative societies.
59. Cases of corruption; gross mismanagement by officials; theft of cooperative resources; split of viable cooperatives into small uneconomic units; failure to surrender members' deposits to cooperatives (particularly SACCOs) by employers; failure to hold elections in co-operatives; favouritism in hiring and dismissal of staff; refusal to vacate office after being duly voted out by cooperative officials; conflict of interest among cooperative officials; endless litigations; unauthorized cooperative investments; and illegal payments to the management committees were increasingly reported in many cooperatives. *Whereas there were amendments to the CSA No.12 of 1997 in 2004, the policy position of Sessional paper No 6 of 1997 remains in place. Hence the mess currently is prevailing in the co-operative sector.*

3.2 Theme of the Policy

60. The theme of the Policy is, "Promoting Co-operatives for Socio -Economic Transformation".
61. This presents an opportunity for co-operatives to contribute towards the attainment of the objectives of Kenya Vision 2030.
62. The creation of this theme is also informed by the realization that co-operatives have contributed to the social and economic development of the country.

3.3 Institutional Implementation Framework

3.3.1 Role of County Government

63. The role of county governments in supervision and management of co-operatives being:
- i. Implementation of co-operative policy and formulation of county specific co-operative legislation and regulations in line with the national policy;
 - ii. Promotion and facilitation of registration of co-operatives;
 - iii. Provisional registration of county specific co-operatives;
 - iv. Licensing co-operative business in areas of their jurisdiction;
 - v. Provision of audit services and enforcement of audit requirements and standards;
 - vi. Carrying out inspections into the affairs of co-operatives;
 - vii. Promotion and facilitation of co-operative societies engaged in value addition, supporting adoption of appropriate technology by co-operatives, and facilitation of market information sharing;

- viii. Collection and collation of data on all co-operative activities in the county;
- ix. Establishment and maintenance of county co-operative information centers;
- x. Ensuring co-operatives comply with co-operative legislations;
- xi. Facilitation of collaboration and linkages with co-operatives and stakeholders for the benefit of the movement;
- xii. Promotion of good governance in the management of the co-operative societies within their jurisdiction;
- xiii. Promotion of co-operative research, development and data collection on county co-operative societies;
- xiv. Anchoring co-operative education in county learning institutions; and
- xv. Promotion of co-operative ventures and innovation for county co-operative societies.
- xvi. Provision of resources to facilitate service delivery in their respective jurisdictions.

3.3.2 Role of National Government

64. The constitution mandates of the national government to spearhead policy formulation, capacity building and ensuring standardization and uniformity, the national government and its agencies shall be responsible for (14):
 - i. Formulation of national policy and legal framework for the development and growth of the co-operatives sector;
 - ii. Registration of co-operative societies and cancellation of registration of cooperative societies;
 - iii. Registration of co-operative audit reports;
 - iv. Maintenance of a register of approved audit firms for the co-operative sector;
 - v. Formulation and enforcement of management standards for co-operative societies;
 - vi. Development and coordination of Inter-governmental relations mechanism in the co-operative sector;
 - vii. Carrying out inquiries, inspections and investigations into the affairs of co-operatives and enforcement of surcharges;
 - viii. Oversighting apex body, federations, and cross-county co-operative organizations in consultation with county governments;
 - ix. Promotion of good governance and ethics in co-operative societies;
 - x. Formulation and regulation of co-operative education and training standards;
 - xi. Carrying out capacity building to the county governments;
 - xii. Establishment of an e-Portal for the Co-operative sector;
 - xiii. Promotion of public private partnerships and facilitate regional and international co-operative relations;
 - xiv. Establishment and maintenance of a research and information centre for co-operatives; and,
 - xv. Availing of adequate funds for implementation of this policy through the normal budgetary cycles.

3.3.3 Role of other State Agencies

65. This policy is cognizant of the existence of other state agencies responsible for the implementation of other national government policies and legislation.
66. The national government shall create an enabling environment for effective co-ordination among the various state agencies and actors in the implementation of this policy.
67. In this regard, This policy shall leverage on Intergovernmental Relations Technical Committee (IGRTC) to establish a framework for consultation and co-operation between the National and County governments to ensure seamless implementation.

3.3.4 Role of Non State Actors

68. The non-state actors will collaborate with government to mobilize co-operative members and resources, disseminate the policy and participate in capacity building for both co-operators and regulators.
69. Development partners will play complimentary role towards realization of the development of the goals and objectives of this policy.

3.3.5 Monitoring and evaluation (M&E)

70. Monitoring and evaluation (M&E) will be an integral part of the implementation of this policy.
 71. A results-based framework will be put in place for periodic assessment and evaluation of achievements and gains made in the implementation of the policy.
 72. The government will promote compliance with the national, regional and other global initiatives by ensuring enhanced country reporting to the global co-operative organizations using established indicators. These steps include:
 - i. Developing a Result Based M&E framework for the policy;
 - ii. Establishing and commissioning of the policy implementation committee;
 - iii. Developing mechanisms for disseminating information and informing subsequent reviews, changes and interventions to keep the processes alive; and,
 - iv. Instituting mechanisms for shared country reporting to ICA using the established indicators.
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PART IV

4.0 PUBLIC PARTICIPATION AND STAKEHOLDERS ENGAGEMENT

73. Article 118 (1)(b) of the Constitution provides that “*Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its committees.*”

74. Consequently, despite the State Department for Cooperatives demonstrating that they carried adequate Public Participation while developing the Policy, the Committee through the Clerk of the National Assembly placed advertisements in two local dailies; Nation and People Daily, on 11th February 2020, calling for submissions of memoranda on the subject matter.

75. The Committee did not receive any written submissions on the Policy following the advertisement in the dailies.

76. The Committee further identified and invited key stakeholders for a physical meeting that is Cooperative Alliance of Kenya, Kenya Union of Savings & Credit Cooperative Ltd, Sacco Society regulatory Authority, National Cooperative Housing Union and Council of Governors.

4.1 Cooperative Alliance of Kenya

77. The CEO, Cooperative Alliance of Kenya Mr. Daniel Marube appeared before the Committee on 20th March, 2021 and orally submitted that:-

78. The Alliance being the apex body of Cooperatives was involved in the development of the Policy from inception to the end.

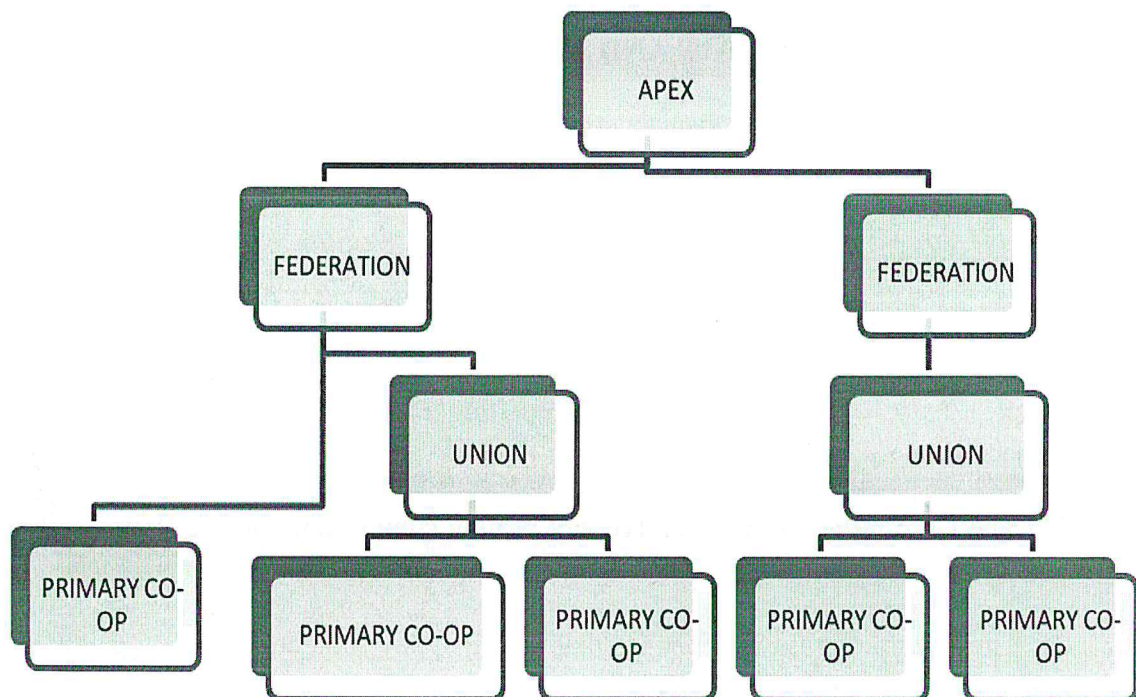
79. The Policy has the full support of the members of the Cooperative Alliance of Kenya.

4.2 Kenya Union of Savings & Credit Cooperative Ltd (KUSCCO)

80. The Managing Director, Kenya Union of Savings & Credit Cooperative Ltd Mr. George Ototo appeared before the Committee on 20th March, 2021 and orally submitted that:-

81. The proposed co-operatives movement structure shall be as highlighted herein:-

Co-operatives movement structure



Source: Ministry of Trade, Industrialization and Cooperatives

82. The policy recognizes the three tier system of co-operatives structure and as well the unique business model for SACCOs across board; this needs to be leveraged going forward to enhance efficiency and accountability. The policy legal and regulatory framework should recognize and uphold specialized co-operative sectors in administration and management.
83. The Co-operative institutional framework seeks to align Co-operatives Function to Constitution of Kenya 2010 as provided under the fourth schedule on functional assignment to the two levels of government. The union avers that key functions on co-operatives should be the preserve of the national government especially policy formulation and guidance.
84. There exist sectoral co-operatives ranging from agriculture based co-operatives, financial and investment co-operatives, transportation co-operatives among others; there is need to include health co-operatives as KUSCCO is spearheading a Committee working on the promotion of health co-operatives in Kenya.
85. The policy to retain a three tier structure for specific value chains and come up with a hybrid (combined Three and Four tier) structure of Co-operatives in Kenya. The Current Co-operative Structure for the two specialized areas: SACCOs and Housing Co-operatives are at a three (3) tier structure.
86. The three tier structure is comprised of Primary, the Unions (NACOS) and the Apex. Any change to a generic four tier structure will destabilize some value chains that are already successful and playing the key role of unions and Federations in their

respective areas. The sustainability of the Fourth Tier is remote and can't survive on subscriptions.

87. To ensure smooth administration and good co-operative governance there is need of strengthening the role of the Commissioner of co-operatives and do away with Ethics Commission for Co-operatives Societies (ECCOs) and let cases of any malpractice be dealt with at the EACC if need be.
88. As pertains co-operative compliance the policy should provide for a mechanism to enforce compliance by agents who do not respect the Commissioners orders on matters Non remittances as per Sec 35 of Co-operative Societies Act Cap. 490.
89. Further, provide for a mechanism and sanctions to deal with non-refunds by SACCOs upon expiry of the notice period and Enforce Co-operative principles in matters of Common Bond by holding accounting Officers Criminally liable, severally and jointly.
90. Develop education; training and research manual to guide the enforcement of the co-operative principle of training while ensuring that we recognize other players offering specialized, experiential and practical based education and Training in Co-operatives sector.
91. The implementation of the National Co-operative Policy should lead to review of all the Co-operative legislations. Where possible duplication of regulations and over regulation of the Sector should be avoided. In addition consideration should be made to empowering the county level licensing of co-operatives and oversight.

4.3 National Cooperative Housing Union

92. The CEO, National Cooperative Housing Union Mr. Francis Kamande appeared before the Committee on 20th March, 2021 and orally submitted that:-

93. The Union was consulted by the State Department for Cooperatives while developing the Policy.

4.4 Council of Governors

94. The Chairperson, Trade, Manufacturing and Cooperative Committee, H.E James Nyoro, Governor, Kiambu County Government appeared before the Committee on 7th July, 2021 and orally submitted that, the Council of Governors was proposing the following amendments to the National Co-operative Policy:-

95. Delete intervention 3.2 (a) (ii) "restructure the office of the Commissioner for Co-operative Development and related offices in regulating the movement and enforcement of the law".
96. Amend the interventions 4.1 (c), to read as follows " Acknowledge the assignment of the function of national policy development to the national government; and the function of development and regulation of co-operative societies to county governments;"

97. Amend the interventions 4.1 (e) to read as follows “Appreciate the jurisdictional variations for co-operative societies, some of which operate countrywide and/or across-counties and, that such co-operatives will require development of a national norms and standards to standardize their regulations across the country’.”
98. Amend the interventions 4.2(b) to read as follows “Issue a co-operative name search certificate to enable registration at the County Level”.
99. Delete 4.2 (c) and (g) as they are exclusive function of the county governments as unbundled by the Transition Authority.
100. Amend the role 4.2(h) to read as follows’ ‘In consultation with county governments develop norms and standard for oversight of co-operative societies”.
101. Amend the role 4.2(k) to read as follows “Carrying out capacity building and technical assistance to the county governments to develop and regulate co-operatives.
102. Amend the role 4.3 (c) by deleting function (c) on provisional licensing.
103. Amend the role 4.3(f) by adding investigations.
104. Include to the role of county governments by adding.
 - i. risk assessment in Savings and Credit co-operatives;
 - ii. investment advisory services;
 - iii. carrying out certification audits;
 - iv. carrying out continuous and compliance;
 - v. co-operative advisory services;
 - vi. pre-co-operative education;
 - vii. settlement of disputes (arbitration); and,
 - viii. Registration of co-operative societies audited accounts.

4.5 Committee’s Resolutions

The Committee considered and agreed with the provision to amend the role 4.3 (c) by deleting function (c) on provisional licensing. However the other proposals were rejected due to the following justifications given by the State Department for Cooperatives: -

105. Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious execution of the role as provided in the Policy. Further the Policy informs the review of the legislation and therefore has to be specific on the intended intervention.
106. Some aspects of co-operatives have to be regulated by the national government as is stipulated in Legal Notice No.85. Based o advisory from the National Assembly, function 4.3 (a) now reads “Implement the National Co-operative Policy for the growth and development of co-operatives in the counties”.
107. The concern is covered under 4.1 (e) and 4.1 (f) distinctively .The policy recognizes the need for concurrent regulation by both national and respective county governments as stipulated in the Legal Notice No. 85, which agrees with Articles 189 (2) and 191 (2) (b) of the Constitution.

108. The current process of co-operative registration starts at the county where all processes of registration are undertaken leading to subsequent recommendation to the national government to issue the registration certificate and maintain the national register. This position is supported by Legal Notice No. 85 and wider stakeholder consensus as provided for in the Policy.
109. The actions arising from inquiries are expected to be implemented by the county governments and therefore issues of conflict of interest may arise if they are the ones carrying out inquiries exclusively.
110. The provisions in the policy is elucidated by the Legal Notice No. 85 and is in line with Articles 189 (2) and 191 (2) (b) of the Constitution.
111. Registration of audits is aimed at ensuring standardization and to provide a national reference registry. Besides county governments provide audit services and enforce audit requirements and standards and therefore registration of audits will result in conflict of interest.
112. Currently the Ministry is automating its operations through Co-operative Management Information System (CMIS).
113. The referred Section does not address the subject matter however the policy provides for inter-governmental forum for all matters concerning co-operatives. Issue of formulation of standards has been addressed in 4.2(e).
114. The policy provides for inter-governmental forum for co-operation and consultation while capacity may include technical assistance.
115. Investigations sole domain of national government law enforcement agencies. Inquiries and inspections can only recommend for investigations where criminal culpability has been established, for purposes of acquiring for prosecution in courts. This consensus position is also contained in the Legal Notice No.85 (4) (c).
116. Legal Notice No. 137 of 9th August 2013 has been superseded by Legal Notice No. 85.
117. Issues raised for addition can be addressed by statutory instruments that will emanate from this policy and subsequent legislation.

PART V

5.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

5.1 Committee's Observations

Upon consideration of Sessional Paper No. 4 of 2020 on the National Cooperative Policy on promoting co-operatives for socio-economic transformation, the Committee made the following observations-

THAT -

1. The National Cooperative Policy provides a framework for accelerating the growth of Kenya's co-operative sector in a dynamic and competitive global environment. It replaces Sessional Paper No. 6 of 1997 on "Co-operatives in a Liberalized Economic Environment" which is anchored on the Co-operatives Societies Act Cap. 490, the Co-operatives Societies Rules, 2005, the Sacco Societies Act 2008 and the Sacco Societies Regulations 2010; the policy provides for a new structure that stratifies the co-operative movement by establishing a federation and strengthening the apex organization in a bid to promote integration and enhances self-regulation.
2. The National Co-operatives Policy aims to accelerate the growth and development of the co-operative sector through legal and institutional reforms; promote co-operative production, access to shared resources, value and marketing; enhance financial deepening and investments through co-operatives; establish an institutional framework for enhancement of co-operation, consultation and co-ordination of co-operatives; develop the capacity of co-operatives through training, education and research; promote adoption of ICT in co-operatives; and mainstream issues related to climate change, special interest groups and human rights in co-operatives.
3. The National Cooperative Policy seeks to Re-align the existing legal and regulatory framework with the 2010 Constitution; the Constitution under Article 186 and the Fourth Schedule delineates the mandate and functions of the National and County governments. In this case the Policy seeks to uphold the sanctity of the co-operative values and principles and functional delineation as a way of enabling the growth of co-operative enterprises in the nation.
4. The National Cooperative Policy provides for the involvement of youth, women and non-state actors both as key policy framework implementers and in pooling of resources to bolster their livelihoods through cooperative society movement; strengthening member education, training and capacity development has been prioritized to offer sufficient safeguard in the realization of the co-operative principles locally, regionally and internationally.
5. The Policy proposes measures that will restructure the office of the Commissioner for Co-operatives Development and related offices regulating the movement with the aim to provide a clear separation of the roles of the management by seeking to align the

existing regulations. Legal notice No. 85 of 2021 shall form the basis of restructuring as it delineates the functions and roles of the two levels of government as well as the Office of the Co-operatives Commissioner.

6. On the matter of remittance of members' contributions and deductions there lacked an alternative approach to ensure that the employers' remit what is owing to the employees to cater for lost opportunities to persons whose funds were not remitted. It was noted that relying on employers will burden the office of the Commissioner, yet the office is required to oversight and supervise the corporative movement. Cooperatives are expected to utilize the agency policy as provided under section 35 of the Cooperative Societies Act in the administration of remittances from employers and consider entering into an agreement with the Central Bank of Kenya to participate in the national payment system (NPS) to speed up the remittance process from institutions.
7. With regards to the aspect of the impact assessment, there have been many policy changes. Members wondered whether the impact assessment was carried prior to formulation of this Policy. In this case concerns were raised on whether Sacco's were ready to implement the new Policy, and whether the Societies had institutional structures to be able to comply with the new Policy once it was approved. Therefore, collaborative engagement among stakeholders was fundamental in the foregoing to ensure the objective of the Policy is realized.
8. Audit function and impact assessment have been apportioned to the county governments whose capacity is limited and therefore, the national government shall provide technical support to realize optimum value addition, fair trade and sufficient investment and security for members savings and guarantee returns.
9. Concerns were raised as to whether the national societies like *Mwalimu Cooperative Sacco* were national Sacco's or county ones. It was stated that all societies were registered in a specific county and their issues were undertaken by the county government of Nairobi especially the big Sacco's like Police Sacco, Mwalimu Sacco, etc. These Saccos are all under the aegis of SASRA regulations, which SASRA is a member of financial regulators.
10. All Sacco's were to be registered by the county governments and the county governments are required to file the requisite particulars of the Sacco's with the Commissioner of Cooperatives. However the current process of co-operative registration starts at the county where all processes of registration are undertaken leading to subsequent recommendation to the national government to issue registration certificate and maintain the national register. The same is supported by Legal Notice No. 85 of 2021.
11. The Government is aware of international trends in co-operative development and notes that intergovernmental forums are critical in the cooperative sector to facilitate growth while keeping abreast of the trends to the extent possible whilst having regard

to any particular local circumstances that must be taken into account from time to time. To this end, the Government will, in consultation with all stakeholders, continually review this Policy on co-operative development.

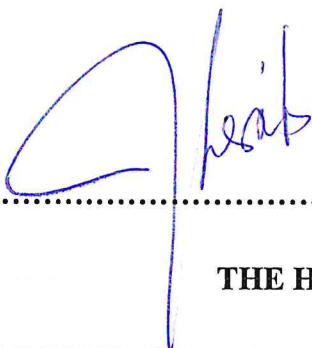
5.2 Committee Recommendations

The Committee recommends as follows-

THAT-

1. The House adopts this Report of the Departmental Committee on Trade, Industry and Co-operatives and approves Sessional Paper No. 4 of 2020 on the National Cooperative Policy on promoting co-operatives for socio-economic transformation; and,
2. The Ministry of Agriculture, Livestock and Fisheries fast tracks the implementation of Sessional Paper No. 4 of 2020 in order to put in place an institutional and legal framework to accelerate the growth and development of the co-operative sector.

SIGNED.....



DATE.....

17/08/2021

THE HON. ADAN HAJI ALI, MP
CHAIRPERSON

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES





REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY - FIFTH SESSION (2021)

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

ADDENDUM

**PROPOSALS BY THE COMMITTEE AND STAKEHOLDERS THAT THE STATE DEPARTMENT FOR COOPERATIVES
MAY INCOOPERATE INTO SESSIONAL PAPER NO. 4 OF 2020 ON THE NATIONAL COOPERATIVE POLICY**

SECTION	POLICY	STAKEHOLDERS' RECOMMENDATIONS	RATIONAL AND JUSTIFICATION	COMMITTEE OBSERVATIONS
KUSCCO				
Chapter 2: Situational Analysis	2.3 Policy, Legal and Regulatory framework	<p>The Section recognizes the three tier system.</p> <p>The unique business model for SACCOs should be appreciated across board.</p>	<p><i>This framework should recognize and uphold specialized sectors policy, Legal and Regulatory framework</i></p>	<p>The Policy defines the specialized Cooperative sectors across board and there is need to expand to include health component as proposed.</p>
	2.4 Co-operative Institutional framework.	<ul style="list-style-type: none"> The section seeks to align Co-operatives function to the Constitution of Kenya 2010. The spirit is good and KUSSCO are in concurrence. However certain Key 	<ul style="list-style-type: none"> Key question would be, as we devolve the Role of Commissioner as a regulator to retain the Commissioner at the National Level and have his role at the County Governments assigned to 	<p>Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious</p>

		<ul style="list-style-type: none"> functions should be a preserve of the National Government. This section had not put into consideration the fact that SASRA is regulating Specified Non deposit taking SACCCOs with an aim of eventually regulating ALL SACCCOS 	<ul style="list-style-type: none"> may be a County Co-operative Director. We believe the role of SASRA as a Regulator is not being devolved. Let's recognize SASRA as a regulator for both Deposit taking and specified Non Deposit taking SACCCOs. 	execution of the role as provided in the Policy. Further the Policy informs the review of the legislation and therefore must be specific on the intended intervention.
	<p>2.5 Sectoral Co-operative Performance review</p> <p>2.5.1 Agriculture based Co-operatives</p> <p>2.5.2 Financial and Investments Co-operatives</p>	<ul style="list-style-type: none"> Include Health Co-operatives 	<ul style="list-style-type: none"> There is a Committee working on the promotion of Health Co-operatives in Kenya. 	This is work in progress, participation of relevant stakeholders is fundamental.
	<p>2.6 Co-operative movement structure</p> <p>2.6.1 Background</p> <p>2.6.2 co-operative Companies</p> <p>2.6.3 Holding Co-operatives</p> <p>2.6.4 Dual registration of Co-operatives</p>	<ul style="list-style-type: none"> Retain a three tier structure for specific value chains and come up with a hybrid (combined Three and Four tier) structure of Co-operatives in Kenya. 	<p>The Current Co-operative Structure for the two specialized areas: SACCCOs and Housing Co-operatives are at a 3 tier structure. The Primary, the Unions (NACOS) and the Apex.</p> <p>Any change to a generic four tier structure will destabilize some value chains that are already successful and playing the key role of Unions and Federations in their respective areas. The sustainability of the Fourth Tier is remote and can't survive on subscriptions.</p>	Not sustainable and unnecessary to have a Federation in terms of subscription.
	2.7 Protection of Co-operative identity	Protect the names "SACCO and Ushirika" as in the case of "Co-operative"	Enhance compliance of making part of the names of the Co-operatives to protect and market the Co-operative	Matatu Transport Sector – are they Saccos or Cooperatives? Typically operate as Cooperatives as

			Brand.	opposed to Saccos
2.8 Co-operative Governance and Compliance 2.8.1 Co-operative Governance	Strengthen the role of the Commissioner and do away with Ethics Commission for Co-operatives Societies (ECCOs) and let cases of any malpractice be dealt with at the EACC if need be.	<p><i>The role of ECCOs has not been felt and it lacks the enforcement mechanism given that Co-operatives are Private and do not fall under Public entities as defined in the Constitution of Kenya Article 227 and as per petition 257 of 2057 Ref: "Githunguri Dairy Farmers Co-operative Society Vs the AG; CS Treasury ;PPOA."</i></p> <p><i>Let there be a framework of engaging EACC.</i></p>	<p>Section 3.2 (a) (ii) and (iii) of the policy have been re-casted to clarify the role of the national government on policy formulation, standardization, and capacity development.</p> <p>*Retain ECCOS to be able to pick-up malpractices*</p>	
2.8.2 Co-operative Compliance a) Non Remittances b) Refund of Deposits c) Common Bond	<p><i>Provide for a mechanism to enforce compliance by agents who do not respect the Commissioners orders on matters Non remittances as per Sec 35 of Co-operative Societies Act Cap 490.</i></p> <p><i>Provide for a mechanism and sanctions to deal with non-refunds by SACCOs upon expiry of the notice period.</i></p> <p><i>Enforce Co-operative principles in matters of Common Bond.</i></p> <p><i>Hold accounting Officers Criminally liable, severally and jointly</i></p>	<p><i>The issues on Non remittance, Refund of Deposits and common Bond need to be addressed with actions provided.</i></p>	<p>There is need to find practical solutions on the issue of non-remittance as is provided for under the law.</p> <p>*Review of Policy and law to make it criminally liable in matters of increasing of remittances. Members must be proactive in ensuring that their contributions are made timely. *</p>	
2.9 Education, Training and Research	<p><i>Provided for in the Co-operative Principles.</i></p> <p><i>It is important to recognize other players offering specialized,</i></p>	<p><i>KUSCCO is a key player in education and Training of the SACCO Sector from 1972 and has led to the growth of the Sector and good corporate governance; brand visibility and image</i></p>	<p>The observation is fundamental as there are players in the industry who are versed in specialized expertise that should be</p>	

		<i>experiential and practical based education and Training in Co-operatives and not just brief case trainers.</i>	<i>in the last 12 years.</i>	considered whilst undertaking education, training and research.
	2.10 ICT in Co-operatives	<i>Challenges are well articulated however, Solutions from within the Co-operatives should be encouraged and supported without reinventing the wheel.</i>	<i>Co-operative Organizations supporting the Sector should be supported to provide solutions to the Co-operatives. E.g. IRNET</i>	Stimulate the adoption of ICT and electronic systems in line with the government wide policy on reporting and information storage and retrieval.
	2.11 Cross Cutting issues i. Worker owned and Youth involvement in Co-operatives i. Gender i. Mainstreaming Climate Change i. HIV/AIDS	1. <i>Include Health Co-operatives and be open to new frontiers as innovations keep presenting the Co-operatives with new ideas.</i> 2. <i>Affirmative action to be mandatory to include either gender in Leadership of Co-operatives.</i>	<i>This is an additional proposal</i>	Future developments in the sector can incorporate new innovations and frontiers that are critical in supporting the cooperative movement – embrace dynamism in the sector through versatile legislative framework with open ended approach.
Chapter 3 Policy Interventions.	3.2 Review of the Legal and Regulatory Framework	<i>Strengthen the role of Commissioner and do away with ECCOs</i>	<i>Transforming ECCOs into a body corporate is burdening the State department of Co-operatives and may result to additional levies to Co-operatives to fund in case it's not fully funded by the exchequer</i>	The ECCOs is key in supporting ethical practices and need to be institutionalized. The Committee notes that ECCOs is established in the current Policy and there is need to facilitate its operationalisation in earnest.
	3.5 Co-operative Movement Structure	<i>Implement a new hybrid Co-operative structure that constitutes, Primary, Unions, Federations and Apex : and primary, Federations and Apex as will be applicable to</i>	<i>The hybrid Co-operative Structure is highly recommended not to destabilize the already existing structures along specialized value Chains. Specifically, SACCOS and Housing.</i>	The structure fits well but the level of bureaucracies created will stifle innovation. The Committee is of the view that the Federation level can be

		<i>different Value chains</i>		eliminated and consider strengthening the unions which represent the specialized sector members.
	3.7 Co-operative Education, Training and Research	<i>Add...</i> <i>Establish linkages with Co-operatives and other Organizations offering education and training</i>	<i>Recognize other actors who include Co-operative Organizations and other Non-State Actors who interact with the Co-operative Movement.</i>	That the stakeholders remain the focal point for training and education hence can apply to the Commissioner for participation in training as well as content developers that meet the demand for the Cooperative movement.
Chapter 4: Institutional Implementation Framework	4.3 Role of County Government	<i>Remove</i> <ul style="list-style-type: none"> • ('c') there should be no Provisional registration • ("d") Licensing of Co-operative Business. This will subject the Co-operatives to too many levies. 	<i>Avoid possibility of registering rogue Co-operatives who may mess innocent members during the period of provisional registration. It would be hard to open and operate bank accounts and enter into Contracts with amorphous institutions Co-operatives play a key role in the economic development of the Country and therefore requires support and concessions in certain areas like Licensing.</i>	The proposal on provisional registration provided for in paragraph "(c)" has been removed from the Policy document all together.
	4.5 Ethics Commission for Co-operatives	<i>Strengthen the role of the Commissioner</i>	<i>ECCOs has not been effective under the current structure since enforcement is not supported in law.</i>	This provision to be included in the law when it will be amended.
	4.6 Co-operative Tribunal	<i>No proposed changes and /additions</i>	<i>The Constitution put all Tribunals under the Judiciary, there may be possible changes at the moment.</i>	The observation is sustained by the committee.
List of Tables	Table 2- National Co-operative Implementation Plan and Budget	<i>The implementation of the National Co-operative Policy should lead to review of all the Co-operative Legislations. Where possible duplication of regulations and over regulation of the Sector should be</i>	<i>Sufficient budget to implement the National Policy should be provided by the Exchequer.</i>	The responsibility of the State Department of Cooperatives and National Assembly to appropriate adequate financial resources at national level whereas the County

		<i>avoided.</i>		Governments will in effect support local level initiatives. The Committee proposes ring fencing of resources to the sector.
COUNCIL OF GOVERNORS				
Chapter 3 Policy Interventions	3.2 Review of the Legal and regulatory Framework Policy Objective: To accelerate the growth and development of co-operative sector through legal and institutional reforms.	<i>Delete intervention (a) (ii) on "Restructure the office of the commissioner for co-operative development and related offices in regulating the movement and enforcement of the law."</i>	<i>The office of the Commissioner is an office in the public service and during the review of the Act it may be abolished or retained. In this case the Policy should not be specific in office establishment as the same will be considered during the review of the Act.</i>	Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious execution of the role as provided in the policy. Further the policy informs the review of the legislation and therefore must be specific on the intended intervention *Policy needs to be clear on the roles of Counties. Professional standardization to be considered*
	(a) Review the Co-operative Societies ACT and Sacco Societies Act, to include the following areas. (b) Restructure the office of the commissioner for co-operative development and related offices in regulating the movement and enforcement of			

Chapter 4. Institutional Implementation Framework.	the law. The section provides for interventions “(a) (b), (c), (d), (e), (f), (g), and (h).	<p><i>Amend the following interventions to read as follows-</i></p> <p><i>“(c) Acknowledge the assignment of the function of national policy development to the national government; and the function of development and regulation of co-operative societies to county governments;</i></p> <p><i>“(e) Appreciate the jurisdictional variations for co-operative societies, some of which operate countrywide and/or across-counties and, that such co-operatives will require development of a National norms and standards to standardize their regulation across the county.</i></p>	<p><i>Amendment of function (c) will ensure that the role of County Governments in the development and regulation of the Cooperative movement. The amendment will also ensure the counties are recognized and given powers to enable them perform their function.</i></p> <p><i>Amendment of functions (e) is to ensure clarity is provided on the role of both levels of government and avoid a situation where there will be friction. Further. The development of the norms and standards will provide clarity and ensure uniformity in the regulation of the sector.</i></p> <p><i>Cooperatives regulation and development is an exclusive function of the County Governments and alluding to the fact that some will require concurrent regulation is not a constitutional fact.</i></p> <p><i>The proposed amendment of the Council provides for development of a national norms and standards by the National Government (Article 191(2)(b) to create an environment that ensures uniformity is created. Further it gives room for creation of joint committees where're necessary as per Article 189(2) of the Constitution to ensure cooperation between the two levels of government.</i></p>	Some aspects of co-operatives must be regulated by the National Government as stipulated in Legal Notice No. 85.
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The Role of the National Government	<p><i>Amend the functions of National Government as follows-</i></p> <p><i>amend function be to read as follows-</i></p> <p><i>"(b) issue a cooperative name search certificate to enable registration at county level"</i></p> <p><i>Delete functions "(c), and "(g) as they are exclusive functions of county governments as was unbundled by the Transition Authority.</i></p> <p><i>Amend function "(h) to read as follows-</i></p> <p><i>"(h) in consultation with county governments develop norms and standards for oversight of cooperative"</i></p> <p><i>Amend function "k" to read as follows-</i></p> <p><i>"(k) Carrying out capacity building and technical assistance to the county governments to develop and regulate cooperatives.</i></p>	<p><i>Legal notice Number 137 of 9th August 2013 devolved expressly the function "c" and "g" and as such the functions cannot be reversed back to the National Government.</i></p> <p><i>The council supports registration function to be concurrent but the function of the Ministry should only be given powers to issue cooperative name search which should be an automated service. The purpose is to ensure that Article 174 of the Constitution is realised and that everyone will not have to come to the capital to get registration certificate</i></p> <p><i>Article 6(2) of the Constitution provides that the governments at national and county level are distinct and inter-dependent and shall conduct their mutual relations on the basis of consultation and cooperation.</i></p> <p><i>Article 186 provides for exclusive, concurrent and residual functions of each level of government. Cooperative development and regulation is an exclusive function of the County Governments as spelled out under the Fourth Schedule of the Constitution.</i></p> <p><i>Creating an authority at the National</i></p>	<p>The current process of co-operative registration starts at the County where all processes of registration are undertaken leading to subsequent recommendation to the national government to issue the registration certificate and maintain the national register. This position is supported by Legal Notice No. 85.</p>
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4.3 Institutional Framework.	4.3 the Role of County Governments.	<p>Delete function "c" on provisional licensing;</p> <p>Amend function "f" by adding the word "investigations" to read as follows-</p> <p>" carry out inspections and investigations into affairs of co-operatives"</p> <p>Include the following functions of the county government which have not been included in legal Notice 137</p> <p>(i) Risk assessment in savings and credit co-operative societies;</p> <p>(ii) Investment advisory services;</p> <p>(iii) Carrying out certification audits;</p>	<p><i>level to oversee regulation of cooperatives will be in contravention of the Constitution.</i></p> <p><i>However, the council recognizes the fundamental role of the National Government in the development of the sector and in the spirit of article 6(2), 174 and 189 the council proposes that a department be created at the National Level to perform such functions that will be needed to support counties better discharge their mandate and avoid conflict in discharge of their mandate.</i></p>	<p>The provision under 4.3 on the role of County governments at paragraph "(c) that provides-</p> <p>"provisionally register county specific co-operatives" has been deleted from the Policy document.</p> <p>The investigative role is the sole domain of the national government's enforcement agencies. Inquiries and inspections can only recommend for investigations where criminal culpability has been established, for purposes of acquiring the resultant action for prosecution in the courts of law. This position is also obtained in Legal Notice</p>
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		(iv) <i>Carrying out continuous and compliance audits;</i> (v) <i>Cooperative advisory services;</i> (vi) <i>Pre-cooperative education;</i> (vii) <i>Settlement of disputes (arbitration); and</i> (viii) <i>Registration of co-operative societies audited accounts</i>	85 (4) (C) Legal Notice No. 137 of 9 th August 2013 has been superseded by Legal Notice No. 85, dated 19 th May 2021.
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COOPERATIVE ALLIANCE OF KENYA

The Cooperative Alliance of Kenya was represented by its Chief Executive Office, who stated that the Alliance was involved in the development of the Cooperative Policy from the onset and was therefore in full support of the Policy as had been formulated.

NATIONAL COOPERATIVE HOUSING UNION

The Chief Executive Officer of the National Housing Cooperative Housing Union appeared before the Committee and stated that the National Housing Cooperative Housing Union had been consulted by the State Department for Cooperatives whilst developing the Policy and was in support of the document as formulated.

ANNEX I

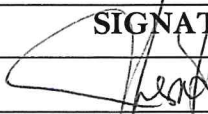
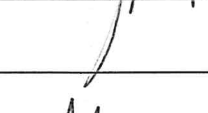

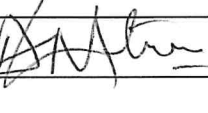


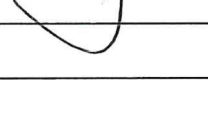

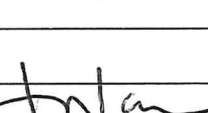
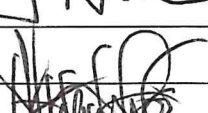






Adoption List

THE NATIONAL ASSEMBLY
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND CO-OPERATIVES
ADOPTION LIST


Agenda: Report on the Sessional Paper No. 4 of 2020 for National Co-operative Policy

Venue: Sarova Whitesands Beach Resort & Spa, Mombasa County

Date: 29th July 2021 **Time: Start** 3.00 pm **End** 3.30 pm

NO.	NAME	SIGNATURE
1.	Hon. Adan Haji Ali, MP - Chairperson	
2.	Hon. Wangari Mwaniki, MP – Vice Chairperson	
3.	Hon. William Cheptumo, MP	
4.	Hon. Alois Musa Lentoimaga, MP	
5.	Hon. Anab Mohamed Gure, MP	
6.	Hon. Andrew Mwadime, MP	
7.	Hon. Christopher Doye Nakuleu, MP	
8.	Hon. Daniel Maanzo, EBS, MP	
9.	Hon. Jared Okelo, MP	
10.	Hon. Sharif Athman Ali, MP	
11.	Hon. Jones Mlolwa, MP	
12.	Hon. Kipruto Moi, MP	
13.	Hon. Ayub Savula, MP	
14.	Hon. Gichimu Robert, MP	
15.	Hon. Kimani Patrick Wainaina Jungle, MP	
16.	Hon. Fred Ouda, MP	
17.	Hon. Ngugi Joseph Nduati, MP	
18.	Hon. Wachira Rahab Mukami, MP	
19.	Hon. Dr. Wilberforce Oundo, Phd, MP	

Submitted by: NURI KATKUN Signature:  Date: 3/8/2021

Approved by: _____ Signature:  Date: 19/8/21

Peter Kipsang Chemweno
Director, Departmental Committees

FOR: CLERK OF THE NATIONAL ASSEMBLY

ANNEX II

Minutes

MINUTES OF THE 18TH SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 17TH AUGUST, 2021 IN COMMITTEE ROOM ON 1ST FLOOR RED CROSS BUILDING, PARLIAMENT BUILDINGS AT 10.30 A.M.

PRESENT

1. Hon. Adan Hajj Ali, MP – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Jones Mlolwa, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Jared Okelo, MP
6. Hon. Sharif Athman, MP
7. Hon. Nduati Joseph Ngugi, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP
6. Hon. Dr. Wilberforce Oundo, Phd, MP
7. Hon. Daniel Maanzo, MP
8. Hon. Kimani Patrick Wainaina Jungle, MP
9. Hon. Gichimu Robert, MP
10. Hon. Anab Mohamed Gure, MP
11. Hon. Wachira Rahab Mukami, MP
12. Hon. Fred Ounda, MP

INATTENDANCE

SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------|
| 1. Mr. Daniel Mutunga | - | Principal Clerk Assistant I |
| 2. Ms. Christine Ndiritu | - | Clerk Assistant II |
| 3. Ms. Nuri Kitel Nataa | - | Clerk Assistant II |
| 4. Mr. Joseph Ndirangu | - | Fiscal Analyst I |
| 5. Ms. Rahab Chepkilim | - | Audio Officer |
| 6. Mr. Richard Sang | - | Sgt. At Arms |

MIN.NO.NA/TRADE/2021/059:

**PRELIMINARIES/COMMUNICATION FROM
THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.25 a.m. A prayer was said. He welcomed the Members to the meeting. The Agenda of the day was confirmed after having been proposed by Hon. Joseph Ngugi Nduati, MP, and seconded by Hon. Andrew Mwandime, MP.

MIN.NO.NA/TRADE/2021/060:

CONFIRMATION OF MINUTES

The minutes of the previous Sitzings were confirmed as follows:-

1. The 1st minutes on policy consideration were confirmed having been proposed by Hon. Alois Lentoimaga, MP and seconded by Hon. Jared Okelo, MP.
2. The 2nd minutes on policy consideration were confirmed having been proposed by Hon. Andrew Mwandime, MP and seconded by Hon. Nduati Ngugi, MP.
3. The 3rd minutes on policy consideration were confirmed having been proposed by Hon. Jones Mlolwa, MP and seconded by Hon. Jared Okelo, MP.
4. The 4th minutes on policy consideration were confirmed having been proposed by Hon. Andrew Mwandime, MP and seconded by Hon. Nduati Ngugi, MP.
5. The 5th minutes on policy consideration were confirmed having been proposed by Hon. Sharif Athman, MP and seconded by Hon. Jones Mlolwa, MP.
6. Minutes of the 15th Sitting were confirmed having been proposed by Hon. Alois Lentoimaga, MP and seconded by Hon. Andrew Mwandime, MP.
7. Minutes of the 16th Sitting were confirmed having been proposed by Hon. Nduati Ngugi, MP and seconded by Hon. Jones Mlolwa, MP.
8. Minutes of the 17th Sitting were confirmed having been proposed by Hon. Jared Okelo, MP and seconded by Hon. Sharif Athman, MP.

MIN.NO.NA/TRADE/2021/061:

**CONSIDERATION OF SUBMISSION BY THE
MINISTRY OF INDUSTRIALIZATION,
TRADE AND ENTERPRISE DEVELOPMENT
ON THE KENYA INDUSTRIAL RESEARCH
AND DEVELOPMENT INSTITUTE BILL,
2020**

The agenda was deferred to Thursday 19th August 2021 at 10.00 a.m.

MIN.NO.NA/TRADE/2021/062:

**BRIEF ON THE VISIT TO MOMBASA OVER
THE PETITION ON CLOSURE OF SMALL
BUSINESSES**

Hon. Jones Mlolwa, MP, having chaired the sub-committee that visited Mombasa County over the Petition on closure of small businesses, briefed the Committee on the outcome of the fact finding mission.

The meeting deliberated and agreed as follows:

- i. The Committee Secretariat should fast track the report on the Petition regarding lifting of trade restrictions in Mombasa by Hon. Abdulswammad Sherrif Nassir, M.P.
- ii. The Committee had written to the Ministries of Health and that of Tourism as well as the County Government of Mombasa requesting for status reports on when the business centers would be re-opened. The responses would form part of the report once received.

MIN.NO.NA/TRADE/2021/063:

ANY OTHER BUSINESS

- i. A meeting on the on the budget monitoring and implementation would be scheduled for the week starting 22nd August 2021.
- ii. A meeting with the Ministry of Industrialization, Trade and Enterprise Development to brief the Committee on the progress of the Kenya-UK Economic Partnership Agreement be scheduled for the week starting 22nd August 2021.
- iii. A sub-committee to propose amendments to the Treaty Making and Ratification Act, 2012 towards ring fencing the role of Parliament in the exercise was set up. The sub-committee will comprise of the following Members:-
 - a) Hon. Wangari Mwaniki, MP –**Vice Chairperson**
 - b) Hon. Daniel Maanzo, MP
 - c) Hon. Gichimu Robert, MP
 - d) Hon. William Cheptumo, MP
 - e) Hon. Christopher Nakuleu, MP

MIN.NO.NA/TRADE/2021/064:

ADJOURNMENT

The Chairperson adjourned the meeting at 11.20 a.m. The next meeting will be held on notice.

SIGNED.....
(Chairperson)

DATE.....

**MINUTES OF THE 5TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES IN CONSIDERATION OF
THE NATIONAL COOPERATIVE POLICY HELD ON WEDNESDAY, 28TH
JULY, 2021 AT SAROVA WHITESANDS BEACH RESORT AND SPA IN MOMBASA
COUNTY AT 10:00 A.M.**

PRESENT

1. **The Hon. (Dr.) Wilberforce Ojiambo Oundo, M.P.** - Chairing
2. The Hon. Adan Haji Ali, M.P.
3. The Hon. Andrew Mwadime, M.P.
4. The Hon. Jones Mlolwa, M.P.
5. The Hon. Sharif Athman, M.P.
6. The Hon. Alois Musa Lentoimaga, M.P.
7. The Hon. Jared Okelo Odoyo, M.P.
8. The Hon. Joseph Nduati Ngugi, M.P.
9. The Hon. Patrick Kimani Wainaina Jungle, M.P.
10. The Hon. Robert Gichimu Githinji, M.P.
11. The Hon. Daniel Maanzo, M.P.
12. The Hon. Rahab Mukami Wachira, M.P.

APOLOGIES

1. **The Hon. Ruth Wangari Mwaniki, M.P.** - Vice Chairperson
2. The Hon. Anab Mohamed Gure, M.P.
3. The Hon. Kipruto Moi, M.P.
4. The Hon. Fred Ouda, M.P.
5. The Hon. Ayub Savula, M.P.
6. The Hon. William Cheptumo, M.P.
7. The Hon. Christopher Doye Nakuleu, M.P.

COMMITTEE SECRETARIAT

1. Mr. Dan Mutunga - Principal Clerk Assistant I
2. Ms. Christine Ndiritu - Clerk Assistant II
3. Ms. Nuri Kitel Nataa - Clerk Assistant II
4. Ms. Marlene Ayiro - Senior Legal Counsel
5. Mr. Joseph Ndirangu - Fiscal Analyst I
6. Mr. Chelang'a Maiyo - Research and Policy Analyst II

MIN.NO. /TRADE/008/2021: PRELIMINARIES

The Session Chairperson called the meeting to order at a quarter past ten o'clock (10.15 a.m.) followed by prayers.

He thereafter that the Sessional Paper No. 4 of 2020 on the National Co-operative Policy was tabled in House on 24th September, 2020 and that the Committee had held meetings with various stakeholders, including the Kenya Union of Savings and Credit Cooperative Ltd (KUSCCO) and the Council of Governors on the same.

MIN.NO./TRADE/009/2021: CONSIDERATION OF THE DRAFT REPORT ON THE SESSIONAL PAPER NO. 4 OF 2020 ON THE NATIONAL CO-OPERATIVE POLICY

The secretariat highlighted the issues raised by the various stakeholders in relation to the provisions of the Policy as captured in the matrix herewunder;

SECTION	POLICY	STAKEHOLDERS' RECOMMENDATIONS	RATIONAL AND JUSTIFICATION	COMMITTEE OBSERVATIONS
KUSCCO				
Chapter 2: Situational Analysis	2.3 Policy, Legal and Regulatory framework	<p><i>The Section recognizes the three tier system.</i></p> <p><i>The unique business model for SACCOs should be appreciated across board.</i></p>	<p><i>This framework should recognize and uphold specialized sectors policy, Legal and Regulatory framework</i></p>	<p>The Policy defines the specialized Cooperative sectors across board and there is need to expand to include health component as proposed.</p>
	2.4 Co-operative Institutional framework.	<ul style="list-style-type: none"> <i>The section seeks to align Co-operatives function to the Constitution of Kenya 2010. The spirit is good and KUSCCO are in concurrence. However certain Key functions should be a preserve of the National Government.</i> <i>This section had not put into consideration the fact that SASRA is regulating Specified Non deposit taking SACCOs with an aim of eventually</i> 	<ul style="list-style-type: none"> <i>Key question would be, as we devolve the Role of Commissioner as a regulator to retain the Commissioner at the National Level and have his role at the County Governments assigned to may be a County Co-operative Director. We believe the role of SASRA as a Regulator is not being devolved.</i> 	<p>Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious execution of the role as provided in the Policy.</p> <p>Further the Policy informs the review of the legislation and therefore</p>

		<i>regulating ALL SACCOS</i>	<ul style="list-style-type: none"> Let's recognize SASRA as a regulator for both Deposit taking and specified Non Deposit taking SACCOS. 	must be specific on the intended intervention.
2.5 Sectoral Co-operative Performance review		<ul style="list-style-type: none"> Include Health Co-operatives 	<ul style="list-style-type: none"> There is a Committee working on the promotion of Health Co-operatives in Kenya. 	This is work in progress; participation of relevant stakeholders is fundamental.
2.5.1 Agriculture based Co-operatives				
2.5.2 Financial and Investments Co-operatives				
2.6 Co-operative movement structure		<ul style="list-style-type: none"> Retain a three tier structure for specific value chains and come up with a hybrid (combined Three and Four tier) structure of Co-operatives in Kenya. 	The Current Co-operative Structure for the two specialized areas: SACCOS and Housing Co-operatives are at a 3 tier structure. The Primary, the Unions (NACOS) and the Apex. Any change to a generic four tier structure will destabilize some value	Not sustainable and unnecessary to have a Federation in terms of subscription.
2.6.1 Background				
2.6.2 co-operative Companies				
2.6.3 Holding Co-				

operatives 2.6.4 Dual registration of Co-operatives			<i>chains that are already successful and playing the key role of Unions and Federations in their respective areas. The sustainability of the Fourth Tier is remote and can't survive on subscriptions.</i>	
2.7 Protection of Co-operative identity		<i>Protect the names "SACCO and Ushirika" as in the case of "Co-operative"</i>	<i>Enhance compliance of making part of the names of the Co-operatives to protect and market the Co-operative Brand.</i>	<i>Matatu Transport Sector – are they Saccos or Cooperatives? Typically operate as Cooperatives as opposed to Saccos</i>
2.8 Co-operative Governance and Compliance 2.8.1 Co-operative Governance		<i>Strengthen the role of the Commissioner and do away with Ethics Commission for Co-operatives Societies (ECCOs) and let cases of any malpractice be dealt with at the EACC if need be.</i>	<i>The role of ECCOs has not been felt and it lacks the enforcement mechanism given that Co-operatives are Private and do not fall under Public entities as defined in the Constitution of Kenya Article 227 and as per petition 257 of 2017 Ref: "Githunguri Dairy Farmers Co-operative Society Vs the AG; CS</i>	<i>Section 3.2 (a) (ii) and (iii) of the policy have been re-casted to clarify the role of the national government on policy formulation, standardization, and capacity development. *Retain ECCOS to be able to pick-up malpractices*</i>

		<i>Treasury ;PPOA."</i> <i>Let there be a framework of engaging EACC.</i>	
	2.8.2 Co-operative Compliance a) Non Remittances b) Refund of Deposits c) Common Bond	<i>Provide for a mechanism to enforce compliance by agents who do not respect the Commissioners orders on matters Non remittances as per Sec 35 of Co-operative Societies Act Cap 490.</i> <i>Provide for a mechanism and sanctions to deal with non-refunds by SACCOS upon expiry of the notice period.</i> <i>Enforce Co-operative principles in matters of Common Bond.</i> <i>Hold accounting Officers Criminally liable, severally and jointly</i> <i>Provided for in the Co-operative Principles.</i>	<i>The issues on Non remittance, Refund of Deposits and common Bond need to be addressed with actions provided.</i>
2.9 Education, Training and Research		<i>KUSCCO is a key player in education and Training of the SACCOS Sector from 1972 and has led to the growth of the Sector and good corporate governance, brand visibility and image in the last 12 years.</i>	<i>There is need to find practical solutions on the issue of non-remittance as is provided for under the law.</i> <i>*Review of Policy and law to make it criminally liable in matters of increasing of remittances. Members must be proactive in ensuring that their contributions are made timely. *</i>
		<i>The observation is fundamental as there are players in the industry who are versed in specialized expertise that should be considered whilst undertaking education, training and</i>	

		<i>trainers.</i>		research.
	2.10 ICT in Co-operatives	<i>Challenges are well articulated however, Solutions from within the Co-operatives should be encouraged and supported without reinventing the wheel.</i>	<i>Co-operative Organizations supporting the Sector should be supported to provide solutions to the Co-operatives. E.g. IRNET</i>	Stimulate the adoption of ICT and electronic systems in line with the government wide policy on reporting and information storage and retrieval.
	2.11 Cross Cutting issues i. Worker owned and Youth involvement in Co-operatives ii. Gender Mainstreaming iii. Climate Change iv. HIV/AIDS	1. <i>Include Health Co-operatives and be open to new frontiers as innovations keep presenting the Co-operatives with new ideas.</i> 2. <i>Affirmative action to be mandatory to include either gender in Leadership of Co-operatives.</i>	<i>This is an additional proposal</i>	Future developments in the sector can incorporate new innovations and frontiers that are critical in supporting the cooperative movement – embrace dynamism in the sector through versatile legislative framework with open ended approach.
Chapter 3 Policy Interventions.	3.2 Review of the Legal and Regulatory Framework	<i>Strengthen the role of Commissioner and do away with ECCOs</i>	<i>Transforming ECCOs into a body corporate is burdening the State department of Co-operatives and may result to additional levies to Co-operatives to fund in case it's not fully funded by the</i>	The ECCOs is key in supporting ethical practices and need to be institutionalized. The Committee notes that ECCOs is established in the current Policy and there

			<i>exchequer</i>	is need to facilitate its operationalisation in earnest.
	3.5 Co-operative Movement Structure	<i>Implement a new hybrid Co-operative structure that constitutes, Primary, Unions, Federations and Apex ; and primary, Federations and Apex as will be applicable to different Value chains</i>	<i>The hybrid Co-operative Structure is highly recommended not to destabilize the already existing structures along specialized value Chains. Specifically, SACCOs and Housing.</i>	The structure fits well but the level of bureaucracies created will stifle innovation. The Committee is of the view that the Federation level can be eliminated and consider strengthening the unions which represent the specialized sector members.
	3.7 Co-operative Education, Training and Research	<i>Add... Establish linkages with Co-operatives and other Organizations offering education and training</i>	<i>Recognize other actors who include Co-operative Organizations and other Non-State Actors who interact with the Co-operative Movement.</i>	That the stakeholders remain the focal point for training and education hence can apply to the Commissioner for participation in training as well as content developers that meet the demand for the Cooperative movement.
Chapter 4:	4.3 Role of County	<i>Remove</i>	<i>Avoid possibility of registering rogue Co-</i>	The proposal on provisional registration

Institutional Implementation Framework	Government	<ul style="list-style-type: none"> • (“c”) there should be no Provisional registration • (“d”) Licensing of Co-operative Business. This will subject the Co-operatives to too many levies. 	<p><i>operatives who may mess innocent members during the period of provisional registration. It would be hard to open and operate bank accounts and enter into Contracts with amorphous institutions</i></p> <p><i>Co-operatives play a key role in the economic development of the Country and therefore requires support and concessions in certain areas like Licensing.</i></p>	provided for in paragraph “(c)” has been removed from the Policy document all together.
	4.5 Ethics Commission for Co-operatives	<i>Strengthen the role of the Commissioner</i>	<i>ECCOs has not been effective under the current structure since enforcement is not supported in law.</i>	This provision to be included in the law when it will be amended.
	4.6 Co-operative Tribunal	<i>No proposed changes and /additions</i>	<i>The Constitution put all Tribunals under the Judiciary, there may be possible changes at the moment.</i>	The observation is sustained by the committee.
List of Tables	Table 2- National Co-operative Implementation Plan and Budget	<i>The implementation of the National Co-operative Policy should lead to review of all the Co-operative Legislations. Where</i>	<i>Sufficient budget to implement the National Policy should be provided by the Erchequer.</i>	The responsibility of the State Department of Cooperatives and National Assembly to

		<i>possible duplication of regulations and over regulation of the Sector should be avoided.</i>		appropriate adequate financial resources at national level whereas the County Governments will in effect support local level initiatives. The Committee proposes ring fencing of resources to the sector.
COUNCIL OF GOVERNORS				
Chapter 3 Policy Interventions	3.2 Review of the Legal and regulatory Framework Policy Objective: To accelerate the growth and development of co-operative sector through legal and institutional reforms.	<i>Delete intervention (a) (ii) on "Restructure the office of the commissioner for co-operative development and related offices in regulating the movement and enforcement of the law."</i>	<i>The office of the Commissioner is an office in the public service and during the review of the Act it may be abolished or retained. In this case the Policy should not be specific in office establishment as the same will be considered during the review of the Act.</i>	Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious execution of the role as provided in the policy. Further the policy informs the review of the legislation and therefore must be specific on the intended intervention *Policy needs to be clear
	(a) Review the			

Chapter 4. Institutional	Co-operative Societies ACT and Sacco Societies Act, to include the following areas. (b) Restructure the office of the commissioner for co-operative development and related offices in regulating the movement and enforcement of the law.			on the roles of Counties. Professional standardization to be considered*
	The section provides for	<i>Amend the following interventions to read as follows-</i>	<i>Amendment of function (c) will ensure that the role of</i>	Some aspects of co-operatives must be

Implementation Framework.	interventions “(a) (b), (c), (d), (e), (f), (g), and (h).	<p>“(c) <i>Acknowledge the assignment of the function of national policy development to the national government, and the function of development and regulation of co-operative societies to county governments;</i></p> <p>“(e) <i>Appreciate the jurisdictional variations for co-operative societies, some of which operate countrywide and/or across-counties and, that such co-operatives will require development of a National norms and standards to standardize their regulation across the county.</i></p>	<p><i>County Governments in the development and regulation of the Cooperative movement. The amendment will also ensure the counties are recognized and given powers to enable them perform their function.</i></p> <p><i>Amendment of functions (e) is to ensure clarity is provided on the role of both levels of government and avoid a situation where there will be friction. Further. The development of the norms and standards will provide clarity and ensure uniformity in the regulation of the sector.</i></p> <p><i>Cooperatives regulation and development is an exclusive function of the County Governments and alluding to the fact that some will require concurrent regulation is not a constitutional fact.</i></p>	regulated by the National Government as stipulated in Legal Notice No. 85.
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			<p><i>The proposed amendment of the Council provides for development of a national norms and standards by the National Government (Article 191(2)(b) to create an environment that ensures uniformity is created. Further it gives room for creation of joint committees where're necessary as per Article 189(2) of the Constitution to ensure cooperation between the two levels of government.</i></p>	
	<p>The Role of the National Government</p>	<p><i>Amend the functions of National Government as follows-</i></p> <p><i>amend</i> function be to read as follows-</p> <p><i>"(b) issue a cooperative name search certificate to enable registration at county level"</i></p> <p><i>Delete</i> functions "(c), and "(g) as they are exclusive functions of</p>	<p><i>Legal notice Number 137 of 9th August 2013 devolved expressly the function "c" and "g" and as such the functions cannot be reversed back to the National Government.</i></p> <p><i>The council supports registration function to be concurrent but the function of the Ministry should only</i></p>	<p>The current process of co-operative registration starts at the County where all processes of registration are undertaken leading to subsequent recommendation to the national government to issue the registration certificate and maintain the national register.</p>

		<p><i>county governments as was unbundled by the Transition Authority.</i></p> <p><i>Amend function “(h) to read as follows-</i></p> <p><i>“(h) in consultation with county governments develop norms and standards for oversight of cooperative”</i></p> <p><i>Amend function “k” to read as follows-</i></p> <p><i>“(k) Carrying out capacity building and technical assistance to the county governments to develop and regulate cooperatives.</i></p>	<p><i>be given powers to issue cooperative name search which should be an automated service. The purpose is to ensure that Article 174 of the Constitution is realised and that everyone will not have to come to the capital to get registration certificate</i></p> <p><i>Article 6(2) of the Constitution provides that the governments at national and county level are distinct and inter-dependent and shall conduct their mutual relations on the basis of consultation and cooperation.</i></p> <p><i>Article 186 provides for exclusive, concurrent and residual functions of each level of government. Cooperative development and regulation is an exclusive function of the County Governments as</i></p>	<p>This position is supported by Legal Notice No. 85.</p>
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4.3 Institutional	4.3 the Role of County		<p><i>spelled out under the Fourth Schedule of the Constitution.</i></p> <p><i>Creating an authority at the National level to oversee regulation of cooperatives will be in contravention of the Constitution.</i></p> <p><i>However, the council recognizes the fundamental role of the National Government in the development of the sector and in the spirit of article 6(2), 174 and 189 the council proposes that a department be created at the National Level to perform such functions that will be needed to support counties better discharge their mandate and avoid conflict in discharge of their mandate.</i></p>		The provision under 4.3 on the role of County
		Delete function "c" on provisional	<p><i>The purpose and object of deleting function "c" is to</i></p>		

Framework.	Governments.			
		<p><i>licensing;</i></p> <p><i>Amend function “f” by adding the word “investigations” to read as follows-</i></p> <p><i>“ carry out inspections and investigations into affairs of co-operatives”</i></p> <p><i>Include the following functions of the county government which have not been included in legal Notice 137</i></p> <p><i>(i) Risk assessment in savings and credit cooperative societies;</i></p> <p><i>(ii) Investment advisory services;</i></p> <p><i>(iii) Carrying out certification audits;</i></p> <p><i>(iv) Carrying out continuous and compliance audits;</i></p> <p><i>(v) Cooperative advisory services;</i></p> <p><i>(vi) Pre-cooperative education;</i></p> <p><i>(vii) Settlement of disputes (arbitration); and</i></p> <p><i>(viii) Registration of co-</i></p>	<p><i>protect members of cooperative societies unscrupulous promoters who may acquire provisional licensing after which they close down with people’s resources.</i></p> <p><i>Amending function “f” is to ensure inclusion of investigative role of county governments into the affairs of cooperative societies as unbundled by the legal notice.</i></p> <p><i>Inclusion of 8 new functions omitted in the policy is to ensure that the policy is consistent with the constitution in the fourth Schedule as provided for in the legal notice.</i></p>	<p>governments at paragraph “(c) that provides-</p> <p>“provisionally register county specific co-operatives” has been deleted from the Policy document.</p> <p>The investigative role is the sole domain of the national government’s enforcement agencies. Inquiries and inspections can only recommend for investigations where criminal culpability has been established, for purposes of acquiring the resultant action for prosecution in the courts of law. This position is also obtained in Legal Notice 85 (4) (C)</p> <p>Legal Notice No. 137 of 9th August 2013 has been superseded by Legal Notice No. 85, dated 19th</p>

		<i>operative societies audited accounts</i>		May 2021.
COOPERATIVE ALLIANCE OF KENYA				
The Cooperative Alliance of Kenya was represented by its Chief Executive Office, who stated that the Alliance was involved in the development of the Cooperative Policy from the onset and was therefore in full support of the Policy as had been formulated.				
NATIONAL COOPERATIVE HOUSING UNION				
The Chief Executive Officer of the National Housing Cooperative Housing Union appeared before the Committee and stated that the National Housing Cooperative Housing Union had been consulted by the State Department for Cooperatives whilst developing the Policy and was in support of the document as formulated.				

Resolutions

Following the comments made by Members, the meeting resolved that the Committee tables its report on the consideration of the National Cooperative Policy.

MIN.NO./TRADE/010/2021: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business, the meeting was adjourned at a half past noon (12.30 p.m.). The next Sitting would be held on notice.

SIGNED.....



(Chairperson)

DATE.....

17/08/2021

MINUTES OF THE 4TH SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 20TH MARCH, 2021 IN BARAZA I CONFERENCE ROOM WHITESANDS HOTEL AT 10.00 AM

PRESENT

1. Hon. Adan Haji Ali, MP – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Jones Mlolwa, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Jared Okelo, MP
6. Hon. Sharif Athman, MP
7. Hon. Nduati Joseph Ngugi, MP
8. Hon. Dr. Wilberforce Oundo, Phd, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Kimani Patrick Wainaina Jungle, MP
11. Hon. Gichimu Robert, MP
12. Hon. Anab Mohamed Gure, MP
13. Hon. Wachira Rahab Mukami, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP
6. Hon. Fred Ounda, MP

INATTENDANCE

STAKEHOLDERS ENGAGEMENT ON THE NATIONAL COOPERATIVE POLICY

- | | | |
|------------------------|---|---|
| 1. Mr. Daniel Marube | - | CEO, Cooperative Alliance of Kenya |
| 2. Mr. George Ototo | - | Managing Director, KUSCCO |
| 3. Mr. Francis Kamande | - | CEO, National Cooperative Housing Union |

SECRETARIAT

- | | | |
|-------------------------|---|----------------------|
| 1. Mr. Erick Nyambati | - | Clerk Assistant II |
| 2. Ms. Nuri Kitel Nataa | - | Clerk Assistant II |
| 3. Ms. Marlene Ayiro | - | Senior Legal Counsel |
| 4. Mr. Joseph Ndirangu | - | Fiscal Analyst I |
| 5. Ms. Rahab Chepkilim | - | Audio Officer |
| 6. Mr. Richard Sang | - | Sgt. At Arms |

MIN.NO.NA/TRADE/2021/010:

**PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.00 am and said the prayer. He welcomed the meeting to deliberate on the day's agenda having been adopted by the Committee.

The Chairperson welcomed those present to make introductions.

MIN.NO.NA/TRADE/2021/011:

**BRIEF ON THE NATIONAL COOPERATIVE
POLICY BY THE STATE DEPARTMENT
FOR COOPERATIVES**

The Chairperson informed the Committee that following advertisement in the dailies requesting the general public for memorandum on the policy, the Committee did not receive any written submissions.

The retreat will provide the Committee to engage with key stakeholders who had been invited to submit on the National Cooperative Policy.

A. Cooperative Alliance of Kenya

The CEO, Cooperative Alliance of Kenya Mr. Daniel Marube informed the Committee that:-

The Alliance being the apex body of Cooperatives was involved in the development of the Policy from inception to the end.

The Policy has the full support of the members of the Cooperative Alliance of Kenya.

B. Kenya Union of Savings & Credit Cooperative Ltd (KUSCCO)

The Managing Director, Kenya Union of Savings & Credit Cooperative Ltd Mr. George Ototo informed the Committee that the Union was proposing amendments to the Policy as follows:-

1. The policy recognizes the three tier system of co-operatives structure and as well the unique business model for SACCOs across board; this needs to be leveraged going forward to enhance efficiency and accountability. The policy legal and regulatory framework should recognize and uphold specialized co-operative sectors in administration and management.
2. The Co-operative institutional framework seeks to align Co-operatives Function to Constitution of Kenya 2010 as provided under the fourth schedule on functional assignment to the two levels of government. The union avers that key functions on co-operatives should be the preserve of the national government especially policy formulation and guidance.
3. There exist sectoral co-operatives ranging from agriculture based co-operatives, financial and investment co-operatives, transportation co-operatives among others; there is need to

include health co-operatives as KUSCCO is spearheading a Committee working on the promotion of health co-operatives in Kenya.

4. The policy to retain a three tier structure for specific value chains and come up with a hybrid (combined Three and Four tier) structure of Co-operatives in Kenya. The Current Co-operative Structure for the two specialized areas: SACCOs and Housing Co-operatives are at a three (3) tier structure.
5. The three tier structure is comprised of Primary, the Unions (NACOS) and the Apex. Any change to a generic four tier structure will destabilize some value chains that are already successful and playing the key role of unions and Federations in their respective areas. The sustainability of the Fourth Tier is remote and can't survive on subscriptions.
6. To ensure smooth administration and good co-operative governance there is need of strengthening the role of the Commissioner of co-operatives and do away with Ethics Commission for Co-operatives Societies (ECCOs) and let cases of any malpractice be dealt with at the EACC if need be.
7. As pertain co-operative compliance the policy should provide for a mechanism to enforce compliance by agents who do not respect the Commissioners orders on matters Non remittances as per Sec 35 of Co-operative Societies Act Cap 490.
8. Further, Provide for a mechanism and sanctions to deal with non-refunds by SACCOs upon expiry of the notice period and Enforce Co-operative principles in matters of Common Bond by holding accounting Officers Criminally liable, severally and jointly.
9. Develop education; training and research manual to guide the enforcement of the co-operative principle of training while ensuring that we recognize other players offering specialized, experiential and practical based education and Training in Co-operatives sector.
10. The implementation of the National co-operative Policy should lead to review of all the Co-operative Legislations. Where possible duplication of regulations and over regulation of the Sector should be avoided. In addition consider empowering the county level licensing of co-operatives and oversight.

C. National Cooperative Housing Union

The CEO, National Cooperative Housing Union Mr. Francis Kamande informed the Committee that:-

The Union was consulted by the State Department for Cooperatives while developing the Policy.

The Policy has the full support of the members of the National Cooperative Housing Union

MIN.NO.NA/TRADE/2021/012:

ADJOURNMENT

The Chairperson adjourned the meeting at 1.30 pm. The next meeting will be held on notice.

SIGNED.....

(Chairperson)

DATE.....

MINUTES OF THE 3RD SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 19TH MARCH, 2021 IN BARAZA I CONFERENCE ROOM WHITESANDS HOTEL AT 10.00 AM

PRESENT

1. Hon. Adan Hajj Ali, MP – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Jones Mlolwa, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Jared Okelo, MP
6. Hon. Sharif Athman, MP
7. Hon. Nduati Joseph Ngugi, MP
8. Hon. Dr. Wilberforce Oundo, Phd, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Kimani Patrick Wainaina Jungle, MP
11. Hon. Gichimu Robert, MP
12. Hon. Anab Mohamed Gure, MP
13. Hon. Wachira Rahab Mukami, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP
6. Hon. Fred Ounda, MP

INATTENDANCE

STATE DEPARTMENT FOR COOPERATIVES

- | | | |
|------------------------|---|-----------------------------------|
| 1. Mr. Ali Noor Ismail | - | Principal Secretary |
| 2. Mr. Didacus Ityeng | - | Ag. Commissioner for Cooperatives |
| 3. Mr. John Mwaka | - | CEO SASRA |

SECRETARIAT

- | | | |
|-------------------------|---|----------------------|
| 1. Mr. Erick Nyambati | - | Clerk Assistant II |
| 2. Ms. Nuri Kitel Nataa | - | Clerk Assistant II |
| 3. Ms. Marlene Ayiro | - | Senior Legal Counsel |
| 4. Mr. Joseph Ndirangu | - | Fiscal Analyst I |
| 5. Ms. Rahab Chepkilim | - | Audio Officer |
| 6. Mr. Richard Sang | - | Sgt. At Arms |

MIN.NO.NA/TRADE/2021/007:

**PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.00 am. A prayer was said. He welcomed the Members and the stakeholders to the meeting to deliberate on Sessional Paper no. 4 of 2020.

MIN.NO.NA/TRADE/2021/008:

**BRIEF ON THE NATIONAL COOPERATIVE
POLICY BY THE STATE DEPARTMENT
FOR COOPERATIVES**

The Principal Secretary, State Department for Cooperatives, Mr. Ismail Ali took the Committee through Sessional Paper No. 4 of 2020 on the National Cooperative Policy.

The Committee observations and responses given by the State Department are summarized below:-

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVA TIONS	SDC RESPONSE/JUSTIFICA TION	WAY FORWARD
3.6 (b) 3.6(d) 3.7 (c)	Reform in conjunction with the Judiciary the Co-operative Tribunal to enhance access and timely dispensation of justice to co-operators	Escalate the Tribunal jurisdiction to High Court status because of the nature of the cases which are beyond the jurisdiction of magistrates court	Sustain the observation	The proposal has been taken up and included in the proposed legal reforms Details to be captured in the implementation framework.
		Is the SDC planning to create a new dispute resolution organ?	There is no new organ being created but will work within the existing institutional framework. This is necessary for handling low levels of disputes before escalating them to the Tribunal	Provide for ADR in the new legal dispensation
	Establish alternative dispute resolution mechanisms in co-operatives Promote the development of a uniform co-operative	Consider If TIVETs can be branches of Co-operative University of Kenya	SDC will explore this through consultation with the relevant State Departments in the Ministry of education. The Policy gives direction	Liaise with the relevant government agencies in charge of TIVETS to embrace co-operative courses in

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
	curriculum for use in learning institutions in collaboration with Kenya Institute of Curriculum Development		on need for harmony and standardization of co-operative education	TIVETS
		Why not use the prototype from CUK which must have been adopted by KICD	The clause changed to; <i>'enforce legislation prohibiting segregation of members into classes'</i>	
3.9	Cross cutting initiatives	Proposed to include CSR	The issues raised under 3.9 go beyond Co-operate social responsibility	Amended the policy objective 3.9 to read 'To promote issues related to climate change, special interest groups ,community concerns and human rights in co-operatives'
4	General comments on National and County roles	Draw a line between SASRA and County Governments on management of SACCOs	SASRA is involved only in licensing/authorisation and supervision of deposit taking Sacco's (DTS) and specified non DTS in terms of prudential standards and market conduct whereas other aspects of supervision are dealt with by county governments.	Clarified the role of national government in the regulation of DTS and specified non DTS Sacco's
4.2	Role of National Government 4.2(d) Maintenance of a register of approved audit firms for the co-operative	Who ensures that only registered audit firms conduct audits for co-operative societies	This mandate is carried out by the commissioner who ensures only reports by approved auditors are registered. Registration of Audit firms is done in collaboration with ICPAK where only firms in good standing are eligible for registration. Kenya Society of	

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
	sector		Professional Co-operators(KSPC), is responsible for ensuring co-professional standards and ethics are upheld among co-operative practitioners	
4.3 (a)	Implement Co-operative Policy and formulate County specific co-operative legislation and regulations in line with the National Policy	<p>Regulations and legal review best dealt with at national government due to the need for uniformity</p> <p>Need to comply with statutory instruments Act which states that regulations/guidelines is the role of Cabinet Secretary responsible</p>	Observation is sustained	The section has been recasted to read; 'Implement the National Co-operative Policy for the growth and development of co-operatives in the counties'
	<p>Role of County governments</p> <p>4.3(c) Provisionally register county specific co-operatives</p>	<p>All aspects of registration to be at National Government including provisional registration.</p> <p>Include new role for counties including borrowing power approvals and</p> <p>Include new role for counties to include capacity building of county specific co-operatives and county co-operative institutions</p>	<p>Registration is a concurrent function where promotion ,appraisal and documentations are done at the county level and issuance of the certificate and maintenance of the register done at the national level</p> <p>The proposed observations have been sustained</p>	The relevant section has been amended at 4.2 (b) and 4.3 (b), 4.4 (c), 4.3 (d) Amended section 4.3 (c) by expunging provisional registration role and introduced new section 4.3 (c) and (t) on approval of borrowing powers and capacity building by counties
	4.3(e) provide audit services and enforce audit requirements and standards	Who is responsible for overseeing national co-operatives in terms of audit?	National co-operatives according to the policy are cross-county co-operatives which are audited by either private auditors or respective county government auditors. Overseeing of all audits in co-operatives are done by	

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVA TIONS	SDC RESPONSE/JUSTIFICA TION	WAY FORWARD
			both national and the county governments. The national government is responsible for registration of audits while the respective county government have a role of day-to-day supervisions including enforcement of audits. In essence this is a concurrent function.	

MIN.NO.NA/TRADE/2021/009: **ADJOURNMENT**

The Chairperson adjourned the meeting at 1.30 pm. The next meeting will be held on notice.

SIGNED.....

(Chairperson)

DATE.....

MINUTES OF THE 2ND SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 18TH MARCH, 2021 IN BARAZA I CONFERENCE ROOM WHITESANDS HOTEL AT 3.00 PM

PRESENT

1. Hon. Adan Hajj Ali, MP – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Jones Mlolwa, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Jared Okelo, MP
6. Hon. Sharif Athman, MP
7. Hon. Nduati Joseph Ngugi, MP
8. Hon. Dr. Wilberforce Oundo, Phd, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Kimani Patrick Wainaina Jungle, MP
11. Hon. Gichimu Robert, MP
12. Hon. Anab Mohamed Gure, MP
13. Hon. Wachira Rahab Mukami, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP
6. Hon. Fred Ounda, MP

INATTENDANCE

STATE DEPARTMENT FOR COOPERATIVES

- | | | |
|------------------------|---|-----------------------------------|
| 1. Mr. Ali Noor Ismail | - | Principal Secretary |
| 2. Mr. Didacus Ityeng | - | Ag. Commissioner for Cooperatives |
| 3. Mr. John Mwaka | - | CEO SASRA |

SECRETARIAT

- | | | |
|--------------------------|---|----------------------|
| 1. Mr. Erick Nyambati | - | Clerk Assistant II |
| 2. Ms. Nuri Kitel Nataan | - | Clerk Assistant II |
| 3. Ms. Marlene Ayiro | - | Senior Legal Counsel |
| 4. Mr. Joseph Ndirangu | - | Fiscal Analyst I |
| 5. Ms. Rahab Chepkilim | - | Audio Officer |
| 6. Mr. Richard Sang | - | Sgt. At Arms |

MIN.NO.NA/TRADE/2021/004:

**PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 3.00 pm. A prayer was said. He welcomed the Members and the stakeholders to the meeting to deliberate on the day's agenda having been adopted by the Committee.

MIN.NO.NA/TRADE/2021/005:

**BRIEF ON THE NATIONAL COOPERATIVE
POLICY BY THE STATE DEPARTMENT
FOR COOPERATIVES**

The Principal Secretary, State Department for Cooperatives, Mr. Ismail Ali took the Committee through Sessional Paper No. 4 of 2020 on the National Cooperative Policy.

The Committee observations and responses given by the State Department are summarized below:-

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
3.2(a) (ii) 3.2(a) (v) 3.2(a) (xvi) 3.2(a) (xviii)	Restructure the office of the commissioner for co-operative development and related offices in regulating the movement and enforcement of the law Develop a legal and regulatory framework for co-operative societies to raise capital using capital	There is no clear specifics on how the restructuring of the office of the commissioner will be done, this will pose difficulties to enforce Likelihood of opening up a window for management committees to mortgage co-operatives in guise of participation in capital markets	The Policy envisages to make the office the commissioner to be an independent office under the Public Service Commission with the holder enjoying security of tenure. Since co-operatives by philosophy and law only raise capital from members, the envisaged platform will facilitate members of specific co-operatives to buy shares offloaded by exiting members. External borrowing by co-operatives is through contractual agreements. Besides the idea of capital outlay is only tenable for marketing and investment co-	Section 3.2 (a) (ii) and (iii) of the policy has been recasted to clarify the role of National Government on policy formulation, standardisation and capacity development. A new Section 3.2 (a) vi has been introduced by recasting 3.2 (a) v to read ; 'Develop a legal and regulatory framework for establishment of a secondary market for trading in co-operative shares'

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
	market instruments and the establishment of a secondary market for co-operative securities Develop legal mechanism to enforce compliance by an agent in a case of non-remittance of co-operative society's deductions Provide for legislation on segregation of members into classes	<p>Can county governments play a role in enforcing non-remittance?</p> <p>Why is extra legislation needed to strengthen the already existing sanctions; where are the gaps?</p> <p>Give policy direction on employer non-remittance and legislate on the same by criminalising the failure to remit co-operative deductions.</p> <p>Consider an alternative approach on addressing non-remittance; e.g. standing order</p>	<p>operatives and not SACCOs.</p> <p>a. Conflicts of interest arise while enforcing the agency notices at two levels;</p> <p>i. Between government departments with sister departments.</p> <p>ii. Banks appointed as agents have greater allegiance to the Banking Act which protects their privileged relationship with clients.</p> <p>iii. and therefore need for specific laws to compel banks to act</p> <p>b. Section 35 (4) is strong on the agents but not on the employer Monies earmarked for remittance is part of salary of an employee. The actions of employers who fail to remit the same is deemed illegal as it denies an employee part of salary which is lawfully earned, which should be sanctioned.</p>	<p>i. Sustain the policy provisions on the role for enforcing non-remittance by national government.</p> <p>ii. The new section 3.2 (a) xvii has been recasted to read 'Develop legal mechanism to enforce remittance compliance by employer and agent in a case of non-remittance of co-operative's deductions;' 'The above intervention shall be implemented through; Strengthening sanctions on employers including criminalising non-remittance</p> <p>iii. Have a clause requiring employers to enter into contract to remit deductions from the employees.</p> <p>iv. Harmonise conflicting legal</p>

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
				<p>provisions in the co-operative legislation to smoothen the enforcement of non-remittance specifically provisions in the banking Act</p> <p>v. Empowering the Commissioner to issue instructions on transfer of non-complying employer money.</p> <p>vi. Provide a clause for disclosure by Central Bank of Kenya on all the bank accounts held by the employer and all directors upon request by the Commissioner. Provide for independence of the offices responsible for enforcing the Act to remove conflict of interest</p>
		Such a provision will be contrary to the principle of 'Democratic member control' and seems to be promoting 'Social Impact Members' in co-operatives	The clause changed to; <i>'enforce legislation prohibiting segregation of members into classes'</i>	The change has been captured in the amended draft policy under 3.2 (a)(xix) by recasting it to read 'Provide for legislation prohibiting

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
				segregation of members into classes'
3.2(b)	Facilitate the counties to formulate county specific legislation and regulations in line with the national policy	<p>Regulations and legal review best dealt with at national government due to the need for uniformity</p> <p>Need to comply with statutory instruments Act which states that regulations/guidelines is the role of Cabinet Secretary responsible</p>	Observations sustained	This change been reflected in the amended draft Policy under section 3.2 (b) to read; 'Facilitate the counties to develop strategies for implementation of National Co-operative Policy, co-operative legislations and regulations'
3.3(a)	Revive and support weak but critical agro based co-operatives	Where are the funds to revive and support (Is the intention Bail out, loans, grants?)	<ul style="list-style-type: none"> • Strategic institutions need to be promoted which is good for the country. • The support will involve capacity building or as part of the bigger development agenda. • The support may come from co-operatives, development and strategic partners 	Sustain the intervention as proposed in the Draft Policy
3.4(c)	Develop mechanisms to integrate financial co-operatives in the provision of Islamic financial products	What are the mechanisms in place to deter imposters from abusing the window created by Islamic law	The department will develop specific regulations for Sharia compliant co-operatives and market conduct code for all co-operatives	Sustain the intervention as proposed in the Draft Policy
3.4(d)	Establish the Co-operative Development Fund to provide affordable and facilitate,	Who will be running this Fund; are there plans for coming up with a new agency or will it be domiciled at SDC?	The Fund will be sector driven and a board will be established to manage the funds that shall be raised from the co-operative sector and other legal sources. The government may put in a one	Sustain the intervention as proposed in the Draft Policy

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
	research and innovations in co-operatives. The fund to be financed through contributions from co-operatives. The government may provide initial seed capital		off seed capital.	

MIN.NO.NA/TRADE/2021/006: ADJOURNMENT

The Chairperson adjourned the meeting at 1.30 pm. The next meeting will be held on notice.

SIGNED.....

(Chairperson)

DATE.....

17/08/2021

MINUTES OF THE 1ST SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 18TH MARCH, 2021 IN BARAZA I CONFERENCE ROOM WHITESANDS HOTEL AT 10.00 AM

PRESENT

1. Hon. Adan Haji Ali, MP – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Jones Mlolwa, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Jared Okelo, MP
6. Hon. Sharif Athman, MP
7. Hon. Nduati Joseph Ngugi, MP
8. Hon. Dr. Wilberforce Oundo, Phd, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Kimani Patrick Wainaina Jungle, MP
11. Hon. Gichimu Robert, MP
12. Hon. Anab Mohamed Gure, MP
13. Hon. Wachira Rahab Mukami, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP
6. Hon. Fred Ounda, MP

INATTENDANCE

STATE DEPARTMENT FOR COOPERATIVES

- | | | |
|------------------------|---|-----------------------------------|
| 1. Mr. Ali Noor Ismail | - | Principal Secretary |
| 2. Mr. Didacus Ityeng | - | Ag. Commissioner for Cooperatives |
| 3. Mr. John Mwaka | - | CEO SASRA |

SECRETARIAT

- | | | |
|-------------------------|---|----------------------|
| 1. Mr. Erick Nyambati | - | Clerk Assistant II |
| 2. Ms. Nuri Kitel Nataa | - | Clerk Assistant II |
| 3. Ms. Marlene Ayiro | - | Senior Legal Counsel |
| 4. Mr. Joseph Ndirangu | - | Fiscal Analyst I |
| 5. Ms. Rahab Chepkilim | - | Audio Officer |
| 6. Mr. Richard Sang | - | Sgt. At Arms |

**MIN.NO.NA/TRADE/2021/001: PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.00 am. A prayer was said. Introductions were done. The Agenda for the days meeting was adopted after having been proposed by Hon. Rahab Mukami, MP, and seconded by Hon. Jared Okello, MP. The Chairperson then welcomed Members and the stakeholders to the meeting to deliberate on the day's Agenda.

**MIN.NO.NA/TRADE/2021/002: BRIEF ON THE NATIONAL COOPERATIVE
POLICY BY THE STATE DEPARTMENT
FOR COOPERATIVES**

The Principal Secretary, State Department for Cooperatives, Mr. Ismail Ali took the Committee through Sessional Paper No. 4 of 2020 on the National Cooperative Policy.

The Committee's observations and responses made by the State Department is summarized below:-

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
	General observation	No representation from COG in the retreat and yet 3.7(d) proposes enhancement of collaboration between county governments and the national government.	The invitation was only done to the SDC.	The Committee would invite COG to appear before the Committee. The meeting was scheduled for the following week.
		Was there Public participation forums in the policy development process? If so give evidence.	There was inclusion of key stakeholders in the policy formulation forums as per report provided.	Provide public participation report to the Committee.
		Ensure clarity on the role of national government to avoid conflict between the Commissioner and CECs.	This is provided for in the institutional implementation framework, details of which are in the presentations provided to Parliament.	Provide the specific presentation on the institutional implementati

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
				on arrangement s
		SACCOs operating housing activities.	The Policy and Sacco regulations do not allow for this State. The few SACCOS engaged in building activities are within the 5% threshold allowed by law. It is an issue which the Policy has now addressed.	Liaise with the Department for Housing in the process of formulating regulations to guide co-operative housing sub-sector,
		Are there mechanisms in this Policy to enable the movement to improve on fair trade and enhance the benefits of value addition?	<p>Fair trade to be addressed through maintenance of standards.</p> <p>The Policy has provided for the observance of standards. Particularly standards enforcement is promoted among co-operatives.</p> <p>KOMEX currently being rolled out and SDC is already in discussion with the State Department for Trade to in regards to ensuring required standards</p>	Government will develop specific subsector regulations on market conduct to be observed by all co-operatives..
		Has there been any impact assessment on the previous policy hence ensure readiness by the sector to adapt to the new Policy and hence avoid failure on its implementation?	<p>This has not been done, however the following activities have been carried out which have enabled the State Department identify the gaps in the implementation of the previous policies;</p> <ul style="list-style-type: none"> Impact assessment for unions done 	A monitoring framework is included in the new policy in addition to the implementation

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERVATIONS	SDC RESPONSE/JUSTIFICATION	WAY FORWARD
			<ul style="list-style-type: none"> ▪ Survey carried out to establish status of co-operatives ▪ Study on SACCOs done 	framework
		Taking into account the contribution of co-operatives to National Savings (32%), there is need to include an objective on “ increase savings mobilization by co-operatives	Savings mobilization objective is within objective (c) of the policy, others being credit ,investment and insurance service	Savings mobilization has been introduced as an intervention in 3.4(a); under financial deepening and investments through co-operatives
		How do you determine viability of co-operatives	<p>Viability is determined at promotion stage which includes conduct of pre-co-operative education. It involves economic appraisal done to determine:</p> <ul style="list-style-type: none"> • whether the idea to form a co-operative is realistic, • if there are potential members to be recruited, • the members are involved • whether the members are involved in a sustainable economic activity. • Whether the expected cash flows will meet the expected financial obligations. 	

SECTION	CLAUSE IN THE POLICY	DEPARTMENTAL COMMITTEE QUESTIONS/OBSERV ATIONS	SDC RESPONSE/JUSTIFICAT ION	WAY FORWARD
		How will the policy deal with the risk of members losing their monies to some "co-operatives" engaged in land buying	The Policy provides for formulation of specific regulations targeting different types of co-operatives. This is expected to fill the gap in the current regulatory framework where all co-operatives are subjected to a general regulatory framework that does not address the unique needs. The policy also proposes formulation of market conduct code for all co-operatives. This is intended to protect consumers of co-operative products and services from unfair business practices. In addition the policy proposes for self-regulation by the co-operatives through the co-operative structure. Further the policy has interventions to improve co-operative governance including a governance code to be observed by all co-operatives	The SDC will collaborate with State Department for housing and urban development to formulate regulations for businesses involved in housing including housing co-operatives. The housing co-operatives federation will enforce this governance code among its members.
		Consider working with State Department for Urban Development to streamline budgetary provisions of housing by co-operatives	SDC is working with State Department for Housing to assist housing co-operatives to benefit from existing support arrangements including linking the co-operatives to the Kenya Mortgage Refinancing Company, (KMRC). Co-operatives are being encouraged to develop mortgage products	

MIN.NO.NA/TRADE/2021/003:

ADJOURNMENT

The Chairperson adjourned the meeting at 1.30 pm. The next meeting will be held on notice.

SIGNED.....

(Chairperson)

DATE.....

MINUTES OF THE 15TH SITTING (5TH SESSION) OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 7TH JULY, 2021 IN COMMITTEE ROOM ON 1ST FLOOR RED CROSS BUILDING, PARLIAMENT BUILDING AT 10.30 A.M.

PRESENT

1. Hon. Adan Haji Ali, MP – **Chairperson**
2. Hon. Daniel Maanzo, MP
3. Hon. Andrew Mwadime, MP
4. Hon. Jared Okelo, MP
5. Hon. Alois Musa Lentoimaga, MP
6. Hon. Jones Mlolwa, MP
7. Hon. Sharif Athman, MP
8. Hon. Kimani Patrick Wainaina Jungle, MP
9. Hon. Dr. Wilberforce Oundo, Phd, MP
10. Hon. Anab Mohamed Gure, MP
11. Hon. Wachira Rahab Mukami, MP
12. Hon. Gichimu Robert, MP
13. Hon. Nduati Joseph Ngugi, MP
14. Hon. Fred Ouda, MP

APOLOGY

1. Hon. Wangari Mwaniki, MP – **Vice Chairperson**
2. Hon. William Cheptumo, MP
3. Hon. Christopher Nakuleu, MP
4. Hon. Kipruto Moi, MP
5. Hon. Ayub Savula, MP

INATTENDANCE

COUNCIL OF GOVERNORS

1. H.E James Nyoro - Governor, Kiambu County Government and Chairperson, Trade, Manufacturing and Cooperative Committee
2. Mr. Joseph Kung'u
3. Ms. Jane Mukami - Liaison Director
4. Ms. Mukami Kibaara

SECRETARIAT

1. Mr. Erick Nyambati - Clerk Assistant II
2. Ms. Nuri Kitel Nataa - Clerk Assistant II
3. Ms. Marlene Ayiro - Senior Legal Counsel

MIN.NO.NA/TRADE/2021/045:

**PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.30 a.m. and said the prayer. He welcomed those present to make introductions and proceeded to deliberate on the day's agenda having been adopted by the Committee.

MIN.NO.NA/TRADE/2021/046:

CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/TRADE/2021/047:

**PRELIMINARIES/COMMUNICATION
FROM THE CHAIRPERSON**

The Chairperson, Trade, Manufacturing and Cooperative Committee, H.E. James Nyoro, Governor, Kiambu County Government appeared before the Committee on 7th July 2021 and orally submitted that, the Council of Governors is proposing the following amendments to the National Co-operative Policy:-

1. Delete intervention 3.2 (a) (ii) "restructure the office of the Commissioner for Co-operative Development and related offices in regulating the movement and enforcement of the law"
2. Amend the interventions 4.1 (c), to read as follows " Acknowledge the assignment of the function of national policy development to the national government; and the function of development and regulation of co-operative societies to county governments;"
3. Amend the interventions 4.1 (e) to read as follows "Appreciate the jurisdictional variations for co-operative societies, some of which operate countrywide and/or across-counties and, that such co-operatives will require development of a national norms and standards to standardize their regulations across the country."
4. Amend the interventions 4.2(b) to read as follows "Issue a co-operative name search certificate to enable registration at the County Level"
5. Delete 4.2 (c) and (g) as they are exclusive function of the county governments as unbundled by the Transition Authority.
6. Amend the role 4.2(h) to read as follows' 'In consultation with county governments develop norms and standard for oversight of co-operative societies"
7. Amend the role 4.2(k) to read as follows "Carrying out capacity building and technical assistance to the county governments to develop and regulate co-operatives.
8. Amend the role 4.3 (c) by deleting function (c) on provisional licensing.
9. Amend the role 4.3(f) by adding investigations
10. Include to the role of county governments by adding.
 - i. risk assessment in Savings and Credit co-operatives
 - ii. investment advisory services
 - iii. carrying out certification audits
 - iv. carrying out continuous and compliance
 - v. co-operative advisory services
 - vi. pre-co-operative education
 - vii. settlement of disputes (arbitration);
 - viii.Registration of co-operative societies audited accounts.

Committee Resolution

The Committee considered and agreed with the provision to amend the role 4.3 (c) by deleting function (c) on provisional licensing however the other proposals rejected due to the following justifications given by the State Department for Cooperatives.

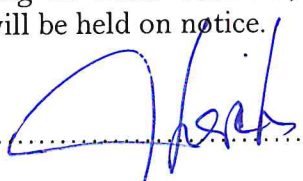
1. Delineation of the co-operative function necessitates the restructuring of the existing co-operative offices to facilitate harmonious execution of the role as provided in the Policy. Further the Policy informs the review of the legislation and therefore has to be specific on the intended intervention.
2. Some aspects of co-operatives have to be regulated by the national government as stipulated in Legal Notice No.85. Based on advisory from the National Assembly, function 4.3 (a) now reads "Implement the National Co-operative Policy for the growth and development of co-operatives in the counties.
3. The concern is covered under 4.1 (e) and 4.1 (f) distinctively. The policy recognizes the need for concurrent regulation by both national and respective county governments as stipulated in the Legal Notice No.85, which agrees with Articles 189 (2) and 191 (2) (b) of the Constitution.
4. The current process of co-operative registration starts at the county where all processes of registration are undertaken leading to subsequent recommendation to the national government to issue the registration certificate and maintain the national register. This position is supported by the Legal Notice No.85 and wider stakeholder consensus as provided for in the policy.
5. The actions arising from inquiries is expected to be implemented by the county governments and therefore issues of conflict of interest may arise if they are the ones carrying out inquiries exclusively
6. The provisions in the policy is elucidated by the Legal Notice No.85 and is in line with Articles 189 (2) and 191 (2) (b) of the Constitution.
7. Registration of audits is aimed at ensuring standardization and to provide a national reference registry. Besides county governments provide audit services and enforce audit requirements and standards and therefore registration of audits will result in conflict of interest
8. Currently the Ministry is automating its operations through Co-operative Management Information System (CMIS).
9. The referred Section does not address the subject matter however the policy provides for inter-governmental forum for all matters concerning co-operatives. Issue of formulation of standards has been addressed in 4.2 (e)
10. The policy provides for inter-governmental forum for co-operation and consultation while capacity may include technical assistance.
11. Investigations sole domain of national government law enforcement agencies. Inquiries and inspections can only recommend for investigations where criminal culpability has been established, for purposes of acquiring for prosecution in courts. This consensus position is also contained in the Legal Notice No.85 (4) (c)
12. Legal Notice No. 137 of 9th August 2013 has been superseded by Legal Notice No.85.
13. Issues raised for addition can be addressed by statutory instruments that will emanate from this policy and subsequent legislation.

MIN.NO.NA/TRADE/2021/048:

ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at noon. The next meeting will be held on notice.

SIGNED.....



(Chairperson)

DATE.....

