



MINISTRY OF LABOUR AND  
SOCIAL PROTECTION

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THE NATIONAL ASSEMBLY  
PAPER NO. 5


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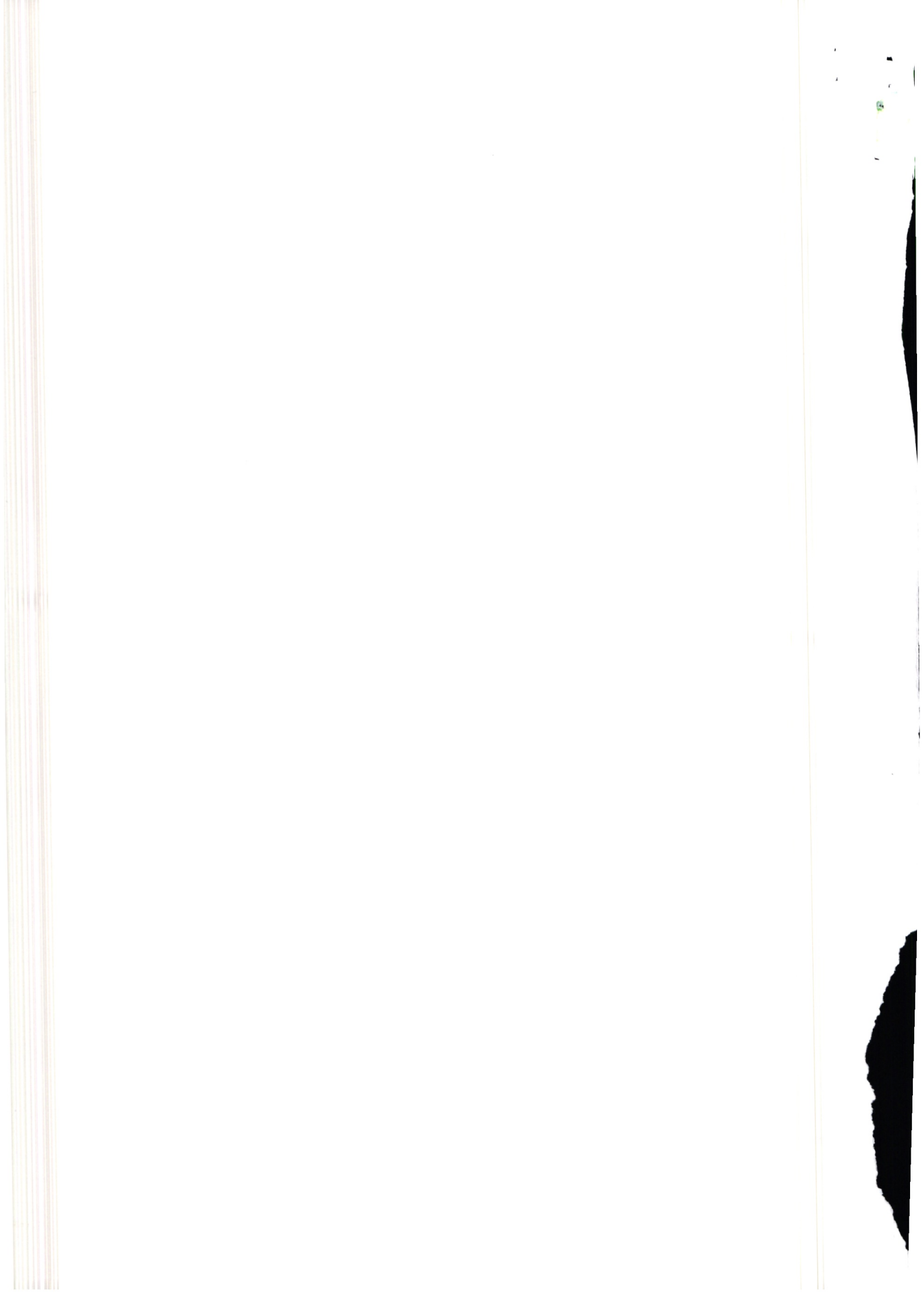
Sessional Paper No.5 of 2023 on the  
**NATIONAL POLICY**  
 ON  
**LABOUR MIGRATION**

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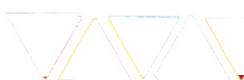
National Policy  
on  
Labour Migration





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# ACRONYMS

|                    |  |
|--------------------|--|
| <b>AG</b>          | Attorney General   |
| <b>AU</b>          | African Union  |
| <b>BLA</b>         | Bilateral Labour Agreements  |
| <b>CoD</b>         | Country of Destination   |
| <b>COMESA</b>      | Common Market for Eastern and Southern Africa                                |
| <b>DIS</b>         | Directorate of Immigration Services  |
| <b>EAC</b>         | East African Community   |
| <b>IGAD</b>        | Inter-Governmental Authority for Development                                 |
| <b>ILO</b>         | International Labour Organization  |
| <b>IOM</b>         | International Organization for Migration                                     |
| <b>KAATTI</b>      | Kenya Association of Technical Training Institutions                         |
| <b>KHPOA</b>       | Kenya Health Professions Oversight Authority                                 |
| <b>KICD</b>        | Kenya Institute of Curriculum development                                    |
| <b>KMTC</b>        | Kenya Medical Training College   |
| <b>KNBS</b>        | Kenya National Bureau of Statistics  |
| <b>KNCCI</b>       | Kenya National Chamber of Commerce and Industry                              |
| <b>KNQA</b>        | Kenya National Qualifications Authority                                      |
| <b>LaMP</b>        | Labour Mobility Partnerships   |
| <b>MEACARD</b>     | Ministry of East African Community (EAC), the ASALs and Regional Development |
| <b>MFA</b>         | Ministry of Foreign and Diaspora Affairs                                     |
| <b>MICDE</b>       | Ministry of Information, Communication and Digital Economy                   |
| <b>MINA</b>        | Ministry of Interior and National Administration                             |
| <b>MLSP</b>        | Ministry of Labour and Social Protection                                     |
| <b>MOH</b>         | Ministry of Health   |
| <b>MPSG&amp;AA</b> | Ministry of Public Service, Gender and Affirmative Action                    |
| <b>MWA</b>         | Migrant Workers' Association   |
| <b>NA</b>          | National Assembly  |
| <b>NCK</b>         | Nursing Council of Kenya   |
| <b>NEA</b>         | National Employment Authority  |
| <b>NIS</b>         | National Intelligence Service  |
| <b>NRB</b>         | National Registration Bureau   |
| <b>NSSF</b>        | National Social Security Fund  |
| <b>PEA</b>         | Private Employment Agencies  |
| <b>REC</b>         | Regional Economic Communities  |
| <b>SDSP</b>        | State Department for Social Protection                                       |
| <b>UAE</b>         | United Arabs Emirates  |
| <b>UK</b>          | United Kingdom   |
| <b>USD</b>         | United States Dollar   |
| <b>USA</b>         | United States of America   |
| <b>WHO</b>         | World Health Organization  |



# FOREWORD



Kenyans are increasingly seeking employment opportunities outside the country due to various push and pull factors locally and abroad. The key regions and countries of destination for Kenyan migrant workers are the Middle East, USA, Canada, Australia and Europe. These workers make significant contributions to the social and economic development of the country mainly through remittances, knowledge and skills transfer, and technological advancements. Kenya therefore stands to gain immensely from regular and orderly labour migration.

Despite the significant benefits accrued by the country from labour migration, Kenyan migrant workers continue to face numerous challenges both locally and in the countries of destination. Key amongst these challenges include: inadequate coordination of labour migration; weak regulation of recruitment agencies; violation of the fundamental rights of migrant workers; inadequate accurate, up-to-date and reliable data and information on labour migration and migrant workers; weak cooperation and partnerships between countries and regions in labour migration management; and lack of effective mechanisms for return and re-integration of migrant workers.

Past interventions to address these challenges have been piecemeal in nature, lacked focus, were poorly coordinated and implemented, and have been based on weak institutional and legal frameworks. In particular, Kenya has continued to focus on initiatives and programmes mainly aimed at addressing the plight of migrant workers in distressed situations and those being subjected to mistreatment and violation of their fundamental rights. There has therefore been a major gap in terms of establishing functional systems for labour migration management. As a long-term solution to this, the Government has focused on development and implementation of comprehensive policy, legal and institutional reforms that will facilitate the achievement of safe, orderly and productive labour migration.

This National Policy on Labour Migration has been developed to be in coherence with other policy and legal frameworks relevant to labour migration governance in Kenya. The frameworks include the Employment Policy and Strategy for Kenya, the Diaspora Policy, and the labour laws of 2007. The need to develop this Policy was given impetus by the establishment of the Task Force to Review Matters Relating to Foreign Employment Administration and Labour Migration Management in October, 2014. The Task Force was charged with interrogating the policies and programmes on labour migration management and diaspora engagement. In its report, the



Task Force recommended the development of a policy to provide coordinated framework for implementing labour migration programmes and reinforcing other existing policies. It is on this basis and in addition to earlier efforts that the Government has developed this policy document.

This Policy has focused on three key priorities of: promotion of good governance in labour migration; protection of migrant workers and promotion of their welfare and that of their families; and optimization of labour migration benefits in development. These priorities have been carefully identified in order to facilitate a comprehensive, effective and responsive approach to labour migration management. They demonstrate a paradigm shift from focusing on addressing individual cases involving migrant workers to establishment of systems that work to the benefit of the workers and the country in general.

Labour migration involves several public and private sector institutions and actors with each playing a key role based on their respective mandates and functions in the processes of access to foreign jobs, departure, tour of duty, and return and re-integration of migrant workers. This arrangement, while necessary, has been a source of both strengths and weaknesses in labour migration management for Kenya. As the country embarks on implementing this Policy, I call upon all institutions and actors involved to effectively play their respective roles and leverage on comparative advantages in order to ensure that migrant workers and country at large continue to benefit from labour migration.

The Government commits to not only spearhead the implementation process but also support the various implementers in the realization of the goals and objectives of this Policy. In the medium-term, the country expects to have put in place the necessary structures and systems that facilitate smooth labour migration for Kenyan workers. In the long-term, we hope to have a pool of migrant workers with high potential and capacity to significantly improve their livelihoods and contribute to national development. These are the overall aspirations upon which the success of this policy will be gauged.



**Hon. Florence K. Bore**  
Cabinet Secretary  
Ministry of Labour and Social Protection



# PREFACE



The role of migrant workers in the development of host countries has progressively gained recognition. The international migration and development debate have increasingly emphasized this important role and its impact on countries of origin and destination. Compared to other countries, Kenya has few of its workers in the diaspora. They possess immense human, material and financial resources. These workers make significant contribution in terms of remittances, skills and transfer of technology. Lack of a structured institutional framework has however inhibited the effective contribution of this important resource to national development. It is against this background that the Government has developed this National Policy on Labour Migration to provide strategies to mainstream the Kenyan workers into the development agenda.

The policy identifies the challenges in labour migration management and proposes integrated interventions. The proposed strategies include: enhancing coordination of labour migration management; enhancing co-operation and partnerships on labour migration; legal and institutional reforms; promoting fair recruitment and regulation of private employment agencies; enhancing labour migration research, statistics and information; enhancing protection of migrant workers and promotion of their welfare and that of their families; scaling up pre-departure training and orientation; addressing the plight of migrant workers with irregular status; combating trafficking and anti-smuggling of persons; enhancing competitiveness and employability of Kenyan migrant workers; designing and implementing return and re-integration programme; establishing and building the capacities of institutions involved in labour migration.

This policy paper is structured as follows: Chapter 1 gives general outlook and Kenyan perspective to labour migration issues, vision, objectives and rationale for developing the policy; Chapter 2 provides a situational analysis on labour migration at international regional and national perspective, Chapter 3 identifies emerging issues and challenges in labour migration management; Chapter 4 outlines policy priorities and strategies while Chapter 5 lays out the institutional arrangement and implementation framework as well as monitoring, evaluation and reporting.

The Government's vision to harness the resource is set to be fulfilled through effective implementation of the policy strategies and programmes which will be implemented in partnership with relevant stakeholders towards the realization of Kenya Vision 2030.

This policy therefore, will go a long way in creating an enabling environment and appropriate and institutional framework in labour migration management in Kenya.



**Hon. Geoffrey E. Kaituko**  
Principal Secretary  
State Department for Labour and Skills Development



# CHAPTER 1: INTRODUCTION

## 1.0 Background

Labour migration is a source of employment and livelihoods for migrant workers, and one of the main avenues of technology and skills transfer between countries. The benefits of labour migration are enjoyed by migrant workers, their families and communities; local and national governments; private sector entities; and regional organizations. Kenya like most developing countries continues to experience migration of workers to and from other countries. The push factors for migration include: high levels of unemployment and the socio-economic and environmental conditions within the country. The pull factors include prospects for a better life namely; higher salaries, better quality of education and health care in the countries of destination.

Kenya started to experience increased outward migration in the mid-1980s. This was motivated by declining economic performance and high levels of unemployment. The major destination regions and countries for Kenyan migrant workers are the East African Community Partner States, Middle East, North America, Latin America, the Caribbean, Oceania, UK, Europe, South Africa and South Sudan. Highly skilled labour and students travel to the USA, UK, Canada, Australia and Europe, while semi-skilled migrant workers move to the Gulf States and African countries.

Economic growth is considered a main factor in the well-being and prosperity of people in any economy. It is mainly influenced by human resources, natural resources, increase in capital employment and technology. A review of Kenya's economic growth, that is, annual growth of the Gross Domestic Product (GDP) shows an average growth of 4.9% in the past ten years (2012 to 2021). This growth rate falls short of the 10% growth target which the country aims to attain in the medium and long-term period of the Kenya Vision 2030. This shortfall has hindered the country from delivering on the targeted accelerated and inclusive economic growth, higher incomes and standards of living, better education and health care, increased job creation particularly for the youth and substantial reduction in poverty levels.

The population of Kenya has grown by 23.2% in the past 10 years (2010-2019). According to the 2019 Kenya Population and Housing Census, Kenya has a population of 47.6 million people composed of 49.5% male and 50.5% female. The population of the children aged 0-14 years is 18.54 million representing 39% of the total population; the youthful population aged between 15-35 years is 17.92 million representing 37.7% of the total population; those aged 36-60 years is 8.63 million representing 18.1% of the total population; while the older population aged 61-100+ years is 2.47 million representing 5.2% of the population. The growth in population is not commensurate with the growth in the economy thus posing challenges in the country that result to lost opportunities for improving people's lives and living standards.

Unemployment and underemployment remain a major development challenge in the country mainly due to rapid population growth, low economic growth as well as the structural rigidities



within the labour market. Unemployment is prevalent among the youth with 85% of the unemployed being persons below the age of 35 years. In March 2021, the unemployment rate in Kenya was recorded at 12.3% using the conventional definition. However, when considering only those who were actively looking for employment, the unemployment rate was 6.6%. This challenge has led to Kenyans, especially the youth, to seek employment opportunities outside the country.

In recognition of the importance of labour migration in economic development of the country, new provisions on labour migration were introduced during the review and enactment of the Labour Laws in 2007. These provisions included introduction of Regulation for Private Employment Agencies under the Labour Institutions Act. In addition, the Government has developed policy frameworks governing labour migration which include: the National Diaspora Policy and the National Employment Policy and Strategy for Kenya. Under the Kenya Vision 2030 and its Third Medium Term Plan covering the period 2018-2022, the Government has undertaken to implement programmes aimed at facilitating employment creation and access to employment opportunities locally and abroad, and protecting Kenyan migrant workers.

In addition, a Taskforce was established in 2014 to review Administration of Foreign Employment and Management of Labour Migration in the country following increased abuse of human and labour rights of Kenya migrant workers in the Middle East. The Taskforce focused on mechanisms that would: enhance collaboration among agencies in Kenya and cooperation between countries dealing with labour migration issues; ensure protection of the Kenyan migrant workers during the migration process and in destination countries; enhance collection, analysis and use of data and information on labour migration and migrant workers; and streamline the operations of agencies dealing with migrant workers. Implementation of the recommendations of the Taskforce has formed a major milestone towards improving labour migration management in the country as outlined under Section 2.1.2 of this Policy.

However, the following recommendations are yet to be implemented: establishment of a Kenyan Migrant Workers Welfare Fund; establishment of a one-stop-shop for labour migration services; establishment of an integrated communication strategy on labour migration; and ratification of international instruments relevant to labour migration.

## **1.2 Rationale for developing the policy**

The number of Kenyans in the diaspora is estimated at four million. Given the increasing number of migrants, and considering that this trend may persist in the foreseeable future, the management of safe, orderly and regular migration has unavoidably become one of the critical challenges that the country needs to address.

Although Kenyan labour migrants contribute immensely to the socio-economic growth and development of the country, the sector is riddled with challenges which include; un-coordinated and fragmented administration of foreign employment and labour migration management in various Government Ministries and Departments; inadequate legal and policy framework on labour migration management; proliferation of unscrupulous and illegal recruitment agencies; violation of human and labour right of Kenya migrant workers during the process of migration and in destination countries; lack of accurate, up-to-date and reliable data on labour migration; and lack of return and re-integration programmes for returnees among others.



The challenges facing Kenya migrant workers have been on the increase, thus requiring special attention and intervention. While the immediate concern is to address the plight of Kenyan migrant workers in distressed situations and those being subjected to mistreatment and violation of their fundamental rights, the lasting solution will be achieved through policy, legal and institutional reform. This Policy therefore has been prepared against this realization.

### 1.3 Objectives and Guiding Principles of the Policy

This section presents the Objectives and Guiding Principles of the National Policy on Labour Migration.

#### 1.3.1 Policy Objectives

The main objective of the National Policy on Labour Migration is to promote inclusive and sustainable development of the country through safe, orderly and productive labour migration.

The specific objectives of the Policy include:

- a) To enhance coordination of labour migration governance in the Kenya;
- b) To enhance transparency and flexibility in labour migration;
- c) To promote foreign employment;
- d) To protect the human and labour rights and promote the welfare of Kenyan migrant workers;
- e) To maximize participation of Kenya migrant workers in the economic development.
- f) To promote equal treatment of foreigners migrant workers in Kenya who are lawfully engaged in employment;
- g) To provide a framework for collection, analysis and use of data and information on labour migration and labour migrants.

#### 1.3.2 Guiding Principles

This Policy is based on the following principles:

**Coordination:** This policy will provide a mechanism where all the activities relating to labour migration will be well coordinated among all the stakeholders to eliminate overlaps and duplication while creating synergies on Diaspora issues among stakeholders.

**Recognition:** The Policy recognizes the important role played by Kenyan migrant workers in socio-economic development of the country. It also recognizes the role of all stakeholders in labour migration in ensuring migration is done in a safe and orderly manner for optimal returns.

**Cooperation:** The Policy recognizes the need for regional and international cooperation

among countries involved in labour migration for improved implementation of joint labour migration programmes.

**Participation:** Involvement of all stakeholders in the development and implementation of the National Policy on Labour Migration is important in ensuring clear articulation of all issues affecting them thus facilitating formulation of appropriate responses.

**Non-discrimination:** The Policy advocates for equal treatment of both citizens and migrant workers in Kenya and in foreign countries as provided in the laws of these countries.

**Gender and youth responsiveness:** The Policy recognizes that a gender-balanced Policy can lead to appropriate responses that take specific expectations into account.





# CHAPTER 2: SITUATIONAL ANALYSIS ON LABOUR MIGRATION

## 2.0 Overview

The complexities in migration at national, regional and international levels are a wake-up call to governments to put in place appropriate structures to govern the movement of people from one place to the other. The Government has put in place policy, legal and institutional frameworks to guide labour migration in the country and realized some milestones thus leading to harmonious labour relations between Kenyan migrant workers and their foreign employers. The key achievements in labour migration governance are discussed below.

## 2.1 Labour Migration Trends and Outcomes

### 2.1.1 Labour Migration Trends

The World Migration Report 2022 estimates that the global international migrants were 281 million in 2020 representing 3.6% of the world population with 169 million being migrant workers across the world representing two-thirds of the total international migration. However, these figures are likely to be higher given that many migrants are not included in this figure due to their irregular migration status. International migration mainly flows from developing countries to the large economies where America, Europe and Asia continents received the highest number of migrant workers of 102.4 million while Africa received 10% of the total international migrants in 2020. Over the years, the number of Kenyan migrant workers has significantly increased with the number of Kenyans in the diaspora estimated to be four million in the year 2019. Remittances in the last decade have significantly increased reaching USD 4.07 billion (KShs. 517 billion) in 2022 from USD 3.718 billion (KShs. 454 billion) 2021 compared to USD 1.170 billion (KShs. 100 billion) in 2012.

The growing numbers of Kenyan migrant workers is an indication of growing mobility, scale, and range of labour destinations globally. In the 1990s the country experienced high levels of unemployment and increased income inequality, this prompted many high-skilled Kenyans to emigrate to Western countries as well as within Africa, predominantly in search of better opportunities and greater political stability. Cross-border migration has been enhanced by business opportunities in the neighbouring countries with Uganda and Tanzania accounting for the bulk of Kenyan migrants. In contrast, semi-skilled and low-skilled workers have dominated Kenyan migration to the Gulf where most of the migrants are recruited as domestic workers, construction labourers, cleaners, hospitality servers, security officers, and taxi drivers. It is estimated that there are about 210,000 Kenyan migrant workers in Saudi Arabia. It is also estimated that there are 7,067 Kenyan migrant workers in Bahrain, about 40,000 migrant workers in Qatar and 60,000 in the United Arab Emirates. However, availability of data and information on all Kenyan migrant workers has been a challenge.



Accurate and reliable data on migrant workers in the country is crucial for evidence-based policy formulation. The country lacks reliable and up-to-date data on labour migration thus making it difficult to establish the number of Kenyans residing outside the country, their countries of residence, their occupations, skills and experience levels, duration of migration among others. In an effort to track the number of Kenyan migrant workers leaving the country and those residing and working in foreign countries, the Government is establishing a One-Stop-Centre offering all labour migration services under one intergrated system for improved linkages and seamless flow of information.

Kenya continues to experience both emigration and immigration of the health workforce, with increasing demand of Kenyan health workers by various countries of destination. A significant number of health workers especially doctors and nurses have been reported to migrate to the US, Europe, UK, Australia and within Africa. The Government of Kenya has invested in the training of regulated cadres of health professionals, which includes doctors and dentists, nurses, pharmacists, pharmaceutical technologists, clinical officers, physiotherapists, public health officers, nutritionists. However, the health sector in the country has not been able to fully absorb the trained health workers therefore creating a pool of trained but under-employed or unemployed health workforce who continuously compete for the limited private sector employment opportunities. This has led to Kenyan health professionals seeking gainful employment in foreign countries either through individual private or formal bilateral arrangements, hence the need to have systematic, coordinated and harmonized health workforce migration.

### **2.1.2 Initiatives towards Enhanced Labour Migration Management**

The Government, in collaboration with eleven States in East and Horn of Africa namely Burundi, Djibouti, Ethiopia, Eritrea, Rwanda, South Sudan, Somali, Sudan, Tanzania and Uganda established a Regional Ministerial Forum on harmonization of labour migration policies across the region in January 2020. Through the Forum, the region will benefit from mobility and protection of fundamental human, labour and social rights of migrant workers; enhanced bargaining power; and sharing of labour market information in all stages of the migration.

There has been a decline in the number of cases of violation of workers' rights especially in the Middle East following continued implementation of the recommendations of the Taskforce that was established in 2014 to review Administration of Foreign Employment and Management of Labour Migration in the country. The implementation resulted in lifting of the two-year ban on recruitment of migrant workers to the Middle East in 2016; development, negotiation and signing of Bilateral Labour Agreements (BLAs) with Saudi Arabia, United Arabs Emirates (UAE) and Qatar and subsequent establishment of three Labour Attaché Offices in these countries; establishment of the National Employment Authority (NEA) as the lead institution on labour migration management in the country; development and implementation of programmes for pre-departure training and orientation;; and continuous sensitization and capacity building on labour migration for stakeholders involved in labour migration.

Towards implementation of the Agreement on recruitment of domestic workers to the Kingdom of Saudi Arabia, the Kenya Government adopted the MUSANED System, which is an electronic platform developed by the Saudi Arabia Government that facilitate recruitment



procedures of domestic labour. This has enabled the Government to streamline the process of recruitment of these vulnerable categories of workers and ensure that the rights and welfare of both domestic workers and employers are promoted and protected.

## 2.2 Existing Policy Framework on Labour Migration

Labour Migration in the country is guided by the National Employment Policy and Strategy for Kenya, and the Diaspora Policy. These policies seek to streamline foreign employment administration and harness Kenya's benefits from labour migration respectively. This National Policy on Labour Migration has been developed to be in coherence with these policy frameworks which are relevant to labour migration governance in Kenya.

The Employment Policy and Strategy for Kenya of 2013 seeks to streamline foreign employment administration through: establishment of the National Employment Authority as the lead institution in coordination of employment issues in the country; deployment of labour and employment attachés to strategic missions abroad to source for jobs; development and coordination of implementation of foreign employment orientation and re-entry programmes; review and enforce regulations for issuance of work permits to streamline employment of foreigners in collaboration with the social partners, the private sector and other stakeholders; and formulating and implementing Anti-Trafficking in Persons Policy.

The Kenya Diaspora Policy of 2014 seeks to mainstream the Kenyan Diaspora into the national development process in line with the aspirations and goals of the Kenya Vision 2030, which recognises Diaspora contribution as a major enabler to the growth of our economy and critical factor in the achievement of the vision of a globally competitive and prosperous country by the year 2030. The Diaspora policy seeks to curb the high cost of remittances, improve consular services to address issues of Kenyans abroad, use the Kenyans abroad to promote tourism, tap into Diaspora talents to reverse the current brain drain, and establish web-based portal to facilitate collection of data and profiles of Kenyans abroad for proper planning and engagement.

## 2.3 National, Regional and International Legislative Frameworks

Comprehensive and effective governance of labour migration in Kenya is guided by the national, regional and international legislative and institutional frameworks adopted by the country. These frameworks include international treaties, regional cooperation instruments, bilateral agreements/treaties and legislations related to labour migration governance.

### 2.3.1 National Legislative Frameworks

*The Constitution of Kenya* provides for inclusivity in: freedom of movement, the guarantee for expanded regime of rights, and requirement for economic development. The provisions of the Constitution that have direct implication for the management of various aspects of labour migration include: *Article 2* that provides for the application of the general rules of international law in Kenyan legal system; *Article 10* that provides for the national values and principles of governance which include human dignity, equity, social justice, inclusiveness, equality, human



rights, non-discrimination and protection of the marginalised; *Article 12* guarantees every citizen of Kenya the rights, privileges and benefits of citizenship, and a Kenyan passport.

*The Bill of Rights* contains protective provisions available to migrant workers whether Kenyan or foreigners working in Kenya. *Article 28* provides for the right of every person to inherent dignity and the right to have that dignity respected and protected; *Article 30* provides that a person shall not be held in slavery or servitude nor required to perform forced labour; *Article 36* provides for the right to freedom of association to every person, which includes the right to form, join or participate in the activities of an association of any kind, without being compelled to join; *Article 39* provides for the right of every person to freedom of movement and guarantees to every person the right to leave, enter, remain in and reside anywhere in Kenya; *Article 41* guarantees every person the right to fair labour practices, including the right to fair remuneration, reasonable working conditions; while *Article 43* guarantees every person the right to social security.

*The Immigration and Citizenship Act, 2011* provides the general framework for the management of general citizenship and immigration. The Act makes provisions for administrative matters relating to movement into and out of Kenya, including issuance of Passports. The Act also provides for handling of prohibited immigrants and inadmissible persons and is important to labour migration since the administrative structures therein are to be used in enforcing laws and implementing policies relating to labour migration.

*The Counter-Trafficking in Persons Act of 2010* provide the legislative framework for dealing with trafficking in persons issues and aims to implement Kenya's obligations under the United Nations Convention against Transnational Organized Crime particularly. It provides for the offences relating to trafficking in persons and prescribes the punishment for these offences, makes provisions for protection of victims of trafficking and promotion of their welfare including protection of their privacy. The victims are granted immunity from prosecution under the Act for immigration related offences.

*The National Employment Authority Act of 2016* establishes the National Employment Authority to: provide a comprehensive institutional framework for employment management in the country; enhance employment promotion interventions; enhance access to employment for youth, minorities and marginalized groups; facilitate the employment and placement of job seekers in formal and informal or any other form of employment, locally and internationally. Section 45 of the National Employment Act 2016, transited the functions of the National Employment Bureau to National Employment Authority (NEA).

*The Employment Act of 2007* declares and defines the fundamental rights of employees; provides the basic conditions of employment of employees and for children; prohibits discrimination in employment and promotes equality of opportunity in employment for both Kenyans and migrant workers; and prohibits forced labour including assisting someone in recruiting people for purposes of trafficking or forced labour. The Act also provides for basic protection of Kenyans seeking to proceed abroad for employment which involve attestation of foreign contracts of service and prohibits inducement or attempt to induce an employee to leave the country without having duly entered into a foreign contract of service with the employer.





The *Labour Institutions Act of 2007* establishes labour institutions and provides for their functions, powers and duties. The Act provides for registration and regulation of Private Employment Agencies with the Director of Employment required to keep a register of all registered Private Employment Agencies; duties of persons operating employment agencies; and offences and regulations.

### **2.3.2 Regional Cooperation Framework**

Kenya is a signatory to the Protocol to the Treaty Establishing the African Economic Community Relating to the Free Movement of Persons, Right of Residence and Right of Establishment (AU Free Movement Protocol), East African Community Common Market Protocol, and is a member of Regional Economic Communities (RECs) such as the East African Community (EAC), the Inter-Governmental Authority for Development (IGAD) and the Common Market for Eastern and Southern Africa (COMESA).

### **2.3.3 International Legislative Frameworks**

In adherence to international standards, Kenya has ratified international instruments which impose certain obligations on the country relating to movement of persons and services. These Instruments include: the International Labour Organization (ILO) Convention on Migration for Employment, 1949 (No. 97); Migrant Workers (Supplementary Provisions), 1975 (No. 143); ILO Forced Labour Convention, 1929 (No. 29); ILO Worst Forms of Child Labour Convention, 1999 (No. 182); the Equal Remuneration Convention, 1950 (No. 100); and the ILO Equality of Treatment (Social Security) Convention (No. 118). In addition, Kenya has committed to the 2030 Sustainable Development Agenda, the 2019 Global Compact for Migration, and signed four bilateral labour agreements with the State of Qatar, United Arab Emirates, United Kingdom of Saudi Arabia, and the United Kingdom on the recruitment of health care professionals.

## **2.4 Institutional Framework**

Labour migration issues in Kenya are handled by various State Agencies mandated to deal with various aspects of migration. The Ministry of Labour and Social Protection provides the policy direction in labour migration, deals with attestation of foreign contracts of services and promotion of the welfare and protection of the rights of Kenyan migrant workers; foreign employment administration is largely handled by the National Employment Authority; while the Directorate of Immigration Services deals with issuance of travel documents and management of Kenya entry points.

The Ministry of Foreign and Diaspora Affairs provides assistance to foreign Kenyan workers and ensures protection of the welfare of Kenyan citizens in the diaspora. The Office of the Attorney General is responsible for advising on the legal instruments to which Kenya seeks to be party including, the negotiation and signing of bilateral agreements, and ratification and implementation of international instruments relevant to labour migration; the State Department for East Africa Community is responsible for coordinating harmonization of immigration policies and laws to facilitate movement of persons, labour and migrants within the East African Community Partner States and enhance portability of social security benefits

across the region; while the Ministry of Health is responsible for coordination of healthcare professionals' migration.

The Inter-Ministerial Committee on Vetting of Private Employment Agencies established under section 54A of the Labour Institutions Act, 2007 is responsible for: advising the Cabinet Secretary responsible for labour on matters related to vetting the application for registration made by employment bureaus and agencies.



# CHAPTER 3: EMERGING ISSUES AND CHALLENGES IN LABOUR MIGRATION

## 3.0 Overview

Labour migration in Kenya is fraught with challenges which have led to violation of migrant workers' human rights during the migration process and in their destination countries. These challenges include:

### 3.1 Weak Coordination of Labour Migration Management

Labour migration issues in Kenya are handled by multiple agencies. The National Employment Authority handles licensing/accreditation and regulation of the Private Employment Agencies (PEA); approval of foreign job offers; coordination of pre-departure training and orientation; and collection, analysis and dissemination of labour market information. The Department of Labour in the Ministry of Labour and Social Protection handles attestation of foreign contracts of services to ensure conformity to set standards; the Directorate of Immigration Services deals with issuance of passports, entry visas, work permits and passes; the Ministry of Foreign and Diaspora Affairs ensures protection of the welfare of Kenyan citizens in the diaspora; the Ministry of Health deals with coordination of Healthcare Professionals migration; while the Youth Enterprise Development Fund (YDEF) facilitates prospective migrant workers secure employment abroad..

The fragmented yet uncoordinated administration of foreign employment and labour migration management by various Government agencies inhibits effective protection of Kenyan working or seeking employment abroad.

### 3.2 Lack of Comprehensive Policy and Legal Framework on Labour Migration

The policy and legal frameworks governing labour migration are contained in different policies and legislative instruments. The policy frameworks include; the Employment Policy and Strategies for Kenya, the Kenyan Diaspora Policy and the Draft Migration Policy. The legal frameworks include; the Constitution of Kenya, Immigration and Citizenship Act, 2011, the Counter-Trafficking in Persons Act, 2010, the National Employment Authority Act, 2016, Employment Act, 2007, Labour Institutions Act, 2007 and the ratified international instruments with the Labour Institutions Act, 2007 and the Employment Act, 2007 being the main legislations governing foreign employment and labour migration. However, these frameworks lack a comprehensive mechanism for ensuring the protection and welfare of Kenya migrant workers. The Private Employment Agencies Regulations, 2016 provide for



eligibility and procedure for registration of Private Employment Agencies and their duties and responsibilities. These regulations are not adequate in regulating the operations of the Agencies since they do not assign responsibilities to the recruiting agencies such as; reporting on the welfare of the migrant workers throughout the contract period; and ensuring that the migrant worker undergoes pre-departure training and orientation. The penalties for abuse of human and labour rights of migrant workers are too lenient hence the need to review them. Also, there exist institutional capacity challenges in monitoring the activities of the large number of Private Employment Agencies and holding them accountable hence the need for adoption of a multi-agency approach in monitoring the operations of the recruitment agencies. In addition, Kenya is yet to ratify and domesticate certain key international conventions which include: the *United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of their Families*, the *ILO Convention on Private Employment Agencies (No. 181)* and the *ILO Convention on Domestic Workers (No 189)*, and the *WHO Global Code of Practice on International Recruitment of Health Personnel*.

### **3.3 Inadequate Bilateral Labour Agreements**

To enhance protection of Kenyan Workers, the country has signed Bilateral Labour Agreements (BLA) with three countries in the Gulf Region namely; the Kingdom of Saudi Arabia, State of Qatar and the United Arab Emirates (UAE). Kenya has also signed a Bilateral Labour Agreement with the Government of United Kingdom on recruitment and employment of Health Care Professionals. However, the full implementation of the Agreements has not been realized due to lack of mechanisms for monitoring their implementation and, the Agreements have limited scope thus making it difficult to ensure full protection of the rights and welfare of the Kenyan migrant workers. In addition, the country has initiated bilateral labour negotiations with Jordan, Kuwait, Oman, Poland, Australia, Canada, Germany, Qatar, United Kingdom, Bahrain, and Kingdom of Saudi Arabia for recruitment and employment of skilled labour; and Ireland on recruitment of nurses and midwives. The overall aim is to conclude agreements with all key destination countries. However, the country is yet to conclude agreements with the major labour destination countries thus hindering effective protection of Kenyan migrant workers in these countries.

### **3.4 Inadequate Regulatory Framework for Private Employment Agencies**

The Government through the Ministry of Labour and Social Protection has issued regulations for the Private Employment Agencies covering fees that may be charged to prospective migrant workers, recruitment process, duties and responsibilities, among others. However, there still exist some unscrupulous and unregistered agencies that do not adhere to the set guidelines. Some of the common malpractices they are involved in include overcharging the migrant workers, contract substitution, and publication of false information on availability of jobs and, terms and conditions of employment. The situation is aggravated by weak self-regulation of Private Employment Agencies. The unethical recruitment has resulted to trafficking in persons thus making it difficult for the Government in providing assistance to migrant workers in distress or irregular situations. Further, some Employment Recruitment Agencies are owned and operated by foreigners thus making it difficult to hold them accountable for their actions



### **3.5 Lack of reliable Labour Market Information**

Availability of timely and reliable labour market data is critical for informed decision making by stakeholders in improving and ensuring proper governance in labour migration. Labour market information not only helps in influencing the occupational choices of job seekers but also directs them to available employment opportunities. Kenya does not have reliable and conveniently accessible labour market information that would facilitate development of effective labour migration interventions. This challenge is heightened by lack of a centralized system for collection, storage and dissemination of labour migration data thus inhibiting job search and matching of skills to foreign job opportunities. Further, the absence of a policy on labour market information makes it difficult for labour market players to make critical decisions on management of the available information.

Labour migration in Kenya is not carried out in a targeted manner. The Private Employment Agencies source for available job opportunities abroad, recruit the migrants and facilitate their migration. Individuals are also involved in job search in foreign labour markets where they move to these countries upon qualification. This has led to skills mismatch between the skills required by the receiving countries and those available in the country. The problem is heightened by lack of information on skills demand in these countries thus making Kenyan migrant workers less competitive in these labour markets.

### **3.6 Adverse effects of Migration of healthcare professionals**

Kenya is experiencing an increase in the number of trained health workers who are either unemployed or under-employed, resulting to increased migration of Kenyan Health professionals to other countries in search of better employment opportunities. In addition, the country is yet to attain the WHO health worker density ratio of 44.5 physicians, nurses and midwives per 10,000 population. Kenya's ratio is at 13.8 per 10,000 population indicating a significant gap as per the Ministry of Health Report, 2022. Therefore, uncoordinated migration of healthcare workers has the potential of destabilizing or weakening the health sector systems in the country, through ways, including: antecedent brain drain; long term economic loss on education investment that end up not serving the country's need and possible exploitation of skilled health professionals by predatory recruitment agencies.

### **3.7 Inadequate protection of Kenyan migrant workers**

Foreign employment is beneficial to both the labour sending and receiving countries. It provides benefits to the sending country in the form of remittances, investment, skills transfer and source of livelihoods to thousands of migrant workers; while it adds to human capital stock, addresses labour scarcity and skills gaps in the receiving country. Despite these benefits, some migrant workers suffer serious violations of their human rights at various stages of their journey which include ill-treatment by immigration or other law enforcement authorities, slavery, sexual exploitation, abusive and exploitative working conditions, confiscation of identity documents, systemic discrimination, xenophobia and prejudice among others.



Other migrant workers are sometimes exposed to long working hours with no daily or weekly rest; poor working and living conditions; restriction on movement; occupational safety and health risks; inadequate labour inspection services; and at times are unable to change employment in cases of exploitative employers. Rescue of distressed workers is hampered by lack of holding shelters as the workers await repatriation or conciliation with their employers.

The major complaints by Kenyan migrant workers relating to wages include: non-payment or retention of wages which enslaves them to their employers; unlawful deductions; payment lower wages than agreed; and non-payment of overtime work. They face challenges trying to seek redress due to lack of resources and means of communication channels. Further, all prospective overseas Kenyan workers are required to sign contracts of service in a prescribed form before they leave the country. However, they are sometimes made to sign new contracts drawn in inaccessible language with altered terms and conditions of employment thus denying them their rightful returns from migration.

Women constitute 48 per cent of global migratory flows currently. In Kenya, women are migrating to work mainly as domestic workers and care givers in the Middle East. However, they face gender specific challenges, including physical and sexual abuses, sometimes leading to death. The rights of women migrant workers are also compromised by the prevailing gender-specific restrictions and gender segregation in some countries where there exists norms and practices that engender gender inequality, and restrictions on freedom of expression and movement. The problem is heightened by lack of awareness by the migrant workers on the existing channel for redress, lack of clear channels for providing information about the workers' rights and reporting such abuses.

### **3.8 Culture Shock for Migrant Workers**

Some of the migrant workers move to foreign countries when they are poorly prepared to work and live there. Most of them have no prior knowledge of the language and culture in the destination countries, others lack the prerequisite skills required by the employers for the jobs on offer, have no travel experience and are ill equipped to handle the modern labour-saving equipment used by the employer. This makes difficult for them to adapt easily in their new environment where some abscond duty leading to premature termination of their employment contracts, others run away from their employers to look for alternative jobs thus making their migration status irregular while other are deported back. There is therefore need to prepare the migrant workers for their new environments to enable them settle and work easily.

### **3.9 Migrant workers with Irregular Status**

Irregular labour migration involves people moving from their countries of origin to go and work in foreign countries without going through the formal immigration process or without valid work permits. Irregular migrant workers include; visitors or trainees who have overstayed their visas and are employed in their destination countries, regular migrant workers who continue working beyond the contract period, regular migrant workers who have run away from their designated employers, students engaged in employment, or persons who entered a country through informal channels. These workers are highly vulnerable to exploitation and abuse by their employers since countries lack laws on protection of irregular migrants. Their



vulnerability is compounded by the fact that they are often fearful of contacting responsible authorities for redress. Information on such irregular migrant workers is hardly accessible which makes it difficult to get their accurate data and to address their challenges.

### **3.10 Trafficking in Persons, Smuggling of persons and Child Labour**

Human trafficking and smuggling have been identified as leading forms of transnational crime and constitutes one of the worst forms of labour exploitation since it undermines human resource utilization and affects attainment of decent work goals. Kenya is perceived to be a source, transit point and destination for persons being trafficked and smuggled, where people including children are smuggled into the country to provide cheap labour or to be transported to other countries for sexual exploitation, slavery, forced labour, among others.

Migrant workers are at high risk of being trafficked since they lack accurate information on the promised jobs, working conditions and terms of employment in the foreign countries. Some unscrupulous agencies recruit migrant workers on falsified information and transport them destination countries where they are forced to take up any available work regardless of the conditions of work.

### **3.11 Inadequate Return and Reintegration Framework**

Kenyan migrant workers make significant contribution to the socio-economic development of the country in terms of skills, expertise and transfer of knowledge upon return. They also play an important role in national development through their contribution in terms of remittances through both formal and informal channels. However, they are faced with high remittance costs which inhibit efficient transfers, savings and investments; and the use of informal channels of transfers and inadequate measurement method limits generation of accurate data on remittances in the country.

Labour migration provides workers with an opportunity to earn a living in foreign countries and have a decent life. However, most of them face psychological and emotional stress upon returning home at the end of their tour of duty. This is caused by changes they experience while away following long separation from their families and changes that occur to their families and the labour market during their absence. In most cases, the migrant workers return home with little or no finances since they send their earnings to their families for investment or for consumption. In some cases, family members fail to invest the remitted funds, while the migrant workers are unable to secure jobs locally due to limited job opportunities and lack of a framework for gauging the skills they have acquired abroad thus making it difficult for the migrant workers to fit in their societies without any source of income. This prompts them to re-migrate. Those who return with savings lack knowledge on available investment opportunities due to weak structures and uncoordinated mechanisms to create awareness for Kenyans abroad on investment opportunities available in different sectors of the economy. In addition, lack of an incentive framework to promote investment of remittances further compounds the problem.

### **3.12 Inadequate Social Protection for Migrant Workers**

Social protection is a key pillar in decent work and covers access to affordable healthcare, social security, and social assistance. Without social protection, migrant workers and their families are unable to live dignified lives upon termination of their foreign employment, reduction of their earning, when they fall sick or are incapacitated. The absence of social protection for Kenyan migrant workers therefore robs them the potential benefits of employment in a foreign country and undermines the gains of migration.

Social security measures are an integral part of the labour sector and are related to periods of employment, contributions or residency. They are implemented in form of schemes, which take the form of benevolence funds, social security funds and pension schemes. Whereas these schemes are available locally for locally employed citizens and those working abroad for employers based in the country, the situation in respect of citizens employed in foreign countries is still not addressed. Kenyan migrant workers risk losing their entitlements to social security benefits due to the long periods of absence from the country and lack of contributing mechanisms in the foreign countries. The country lacks adequate mechanisms for supporting migrant workers in distress.

### **3.13 Inadequate institutional capacities for organizations involved in labour migration**

Labour migration in Kenya is handled by various institutions. These institutions are faced with challenges that hinder their effectiveness in management of labour migration. The challenges include; lack adequate human resource and financial, technological and infrastructural capacities to effectively implement labour migration programmes, both locally and abroad. Other challenges include inadequate administrative and institutional capacity for effective migration management, inadequate funding, poor linkages and lack of synergy and lack of a mechanism for identifying and lobbying for employment placement of Kenyans in international labour markets.

The country has established three labour offices manned by labour attachés in Saudi Arabia, Qatar and United Arab Emirates. The attachés are charged with the mandate of dealing with, among others, the welfare of Kenyan migrant workers, labour complaints, identification of employment opportunities and monitoring the implementation of labour agreements. However, each of these labour offices is manned by one Labour Attaché thus hindering effective protection of the migrant workers. The enforcement of attested contracts of service in countries where Kenya has no labour migration agreements has also been a major challenge.



# CHAPTER 4: POLICY PRIORITIES AND STRATEGIES

## 4.0 Overview

This Chapter contains three broad policy priorities namely: Promotion of good governance of labour migration; Protection of migrant workers and promotion of their welfare and that of their families; and Optimization of labour migration benefits. There are fourteen Strategies under the three policy priorities, which once implemented, will contribute to inclusive and sustainable development where migrant workers fulfill their ambitions and aspirations and contribute economically, socially and culturally of the country's development.

## PROMOTION OF GOOD GOVERNANCE IN LABOUR MIGRATION

### 4.1 Enhanced Coordination of Labour Migration Management

A well-structured and coordinated approach to labour migration management is crucial for enhanced protection and promotion of the welfare of Kenyan migrant workers. The Government will forge partnerships and cooperation with the major stakeholders in labour migration namely employers, workers' unions, Private Employment Agencies, educational and training institutions, and migrant workers' associations and adopt measures to mitigate the loss of workers with critical skills. The National Employment Authority will play a lead role in coordination of labour migration in the country where a One-Country-Team-Approach will be adopted to enable the country carve a niche in labour migration. This will entail establishment of a National Inter-Agency Labour Migration Coordination Committee with membership drawn from key stakeholders. In addition, the country will establish a one-stop-shop offering all labour migration services under one integrated system for improved linkages and seamless flow of information.

### 4.2 Legal and Institutional Framework for Labour Migration

The Government through the Ministry of Labour and Social Protection and in collaboration with stakeholders will develop Labour Migration Management Bill. The Bill aims at reinforcing the existing legislations and provides a comprehensive legal and regulatory framework for orderly labour migration that ensures Kenyan migrant workers are engaged in decent, productive and freely chosen employment in foreign countries, with guaranteed security and human rights protection. The Bill also seeks to make private recruitment agencies more accountable and periodically report on the welfare of the migrant workers recruited.

The Government developed the Labour Institutions (Private employment agencies) Regulations, 2016 to guide the operations of Private Employment Agencies. A Code of conduct for the Private Employment Agencies was also developed. The Regulations and Code of Conduct



will be reviewed to incorporate emerging issues. Further, the Government will carry out a gap analysis on the international instruments on labour migration yet to be ratified, ratify and domesticate the *United Nations Convention of 1990 on the Protection of the Rights of All Migrant Workers and Members of their Families*, the *ILO Convention on Private Employment Agencies (No. 181)*, the *ILO Convention on Domestic Workers (No. 189)* and the *WHO Global Code of Practice on International Recruitment of Health Personnel*.

Further, a Policy on Anti-Trafficking in Persons will be developed to provide a framework for development and implementation of anti-trafficking initiatives in the country.

### **4.3 Co-operation and Partnerships on Labour Migration**

The Global Compact for Safe, Orderly and Regular Migration recognizes that no State can address migration on its own due to the inherently transnational nature of the phenomenon. Migration is likely to have both positive and negative impacts on the States involved, and therefore calls for national, international, regional and bilateral cooperation and dialogue in designing policies, legislation and partnerships that ensure protection of the welfare of migrant workers, and create conducive environments for such workers to participate effectively in economic, political and social affairs.

To enhance international and regional cooperation on labour migration matters and optimize the benefits thereof, the Government will strive to: promote ratification of the African Union Free Movement Protocol to pave way for progressive implementation of free movement of persons, right of residence and right of establishment in Africa; adopt the Inter-governmental Authority on Development (IGAD) Free Movement Protocol; intensify work within the East African Community (EAC) Common Market Protocol on free movement of persons, workers, right of residence and establishment as well as skills mobility; and negotiate with member states for harmonization of labour migration policies within the EAC and IGAD.

In addition, the Government will expand cross border cooperation in other areas of relevance to labour migration, such as trade, transport and services, recognition of education and training, skills, migration of entrepreneurs, and seasonal employment.

Further, the Government will explore joint approaches in formulation, negotiation and implementation of Bilateral Labour Agreements (BLA): The Model Bilateral Labour Agreement developed will be customized for different countries' agreements; Standard Contracts of employment used for all categories of migrant workers developed and adopted; establishment and operationalization of BLMAs Joint Implementation Committees and a mechanism for monitoring implementation of the BLMAs.

### **4.4 Promotion of Fair Recruitment and Regulation of Private Employment Agencies**

Private employment agencies have emerged as key players in labour mobility. Their role in promoting labour migration has significantly increased and they have proved particularly effective in sensing skills shortages in labour market, finding labour to fill the void and providing



flexible and appropriate responses as economies become more complex. There is, however, need to ensure that the Private Employment Agencies operate within the set standards to promote ethical recruitment of migrant workers.

The Government will continuously review the regulations governing labour migration to address emerging issues and enhance protection of jobseekers from unfair practices, review the Code of Conduct for Private Employment Agencies and support the Agencies to form associations to enhance their self-regulation, develop and implement a monitoring and evaluation framework for the operations of the agencies, and review the vetting and registration process of the Private Employment Agencies. In addition, the Government will continuously review, publish and provide information of registered employment agencies to root out illegal recruitment agencies.

#### **4.5 Labour Migration Research, Statistics and Information**

Timely and reliable labour market data is crucial for formulation of employment creation policies, job search, matching of job seekers and making informed choices on foreign employment. The Government will develop labour market information systems that adequately recognize and addresses labour market needs. The systems will be linked to the Kenya National Bureau of Statistics to ensure provision of aggregated national labour market statistics. In addition, the National Employment Authority Integrated Management System (NEAIMS) infrastructure will be upgraded to facilitate storage of all labour migration data in the country and stakeholders sensitized on the use of the system. The system will be integrated with other related systems to enhance seamless flow and exchange of information on labour migration.

Towards provision of labour market information, the Government will facilitate research on skills inventory in the country and the demand for labour in labour destination countries; establish linkages with research institutions, training institutions and other actors in labour migration management to promote research; collect data on labour migration; establish and publicize a skills inventory of Kenyans working abroad; and establish, maintain and update a database on Kenyans working in foreign countries, including seafarers, and foreign workers in Kenya. The database will include: the migrant worker's location, occupation, skills, earnings and sector of engagement; and ensure the data is disaggregated by gender. The Kenya Health Professions Oversight Authority (KHPOA) will maintain and provide information on the WHO recommendation of healthcare workers to population ratios. In addition, a policy on labour market information will be developed to provide guidance on management of labour market information in the country.

Adverse reports regarding the plight of migrant workers especially domestic workers in the Gulf region have at times created negative publicity. Lack of clear channels of communication on labour migration issues has led to some prospective Kenyan migrant workers falling prey to false and misleading information on job opportunities abroad. A Communication Strategy on labour migration will be developed to enhance the management of communication within and outside the country, including establishing a toll-free telephone line to facilitate reporting of cases of distress and provision of information to stakeholders in need.



# PROTECTION OF MIGRANT WORKERS AND PROMOTION OF THEIR WELFARE AND THAT OF THEIR FAMILIES

## 4.6 Protection of the Rights of Migrant Workers

Labour migration to foreign countries can have a positive impact on the wellbeing of the migrant workers, their families and communities when well managed. However, these workers can be among the most vulnerable members of the communities in which they live and work. Protection of the rights of migrant workers will enhance realization of the workers full potential and maximization of the gains of migration. The Government of Kenya is committed to enhancing protection of Kenyan migrant workers by providing mechanisms for ensuring proper treatment, protection and realization of individual rights and social security rights for the migrant workers and their families. The Constitution of Kenya prohibits discrimination of any person and provides that every person has inherent dignity that should be respected and protected.

To optimize the benefits of labour migration, the Government will ratify and domesticate the relevant international Conventions and agreements on labour migration; ensure foreign migrant workers in the country enjoy equal treatment and are subject to the same rights and entitlements that the law guarantees to Kenyan citizen workers.

To enhance protection of the rights of migrant workers, the Government will: issue advisories regularly on overseas employers or countries that violate the rights of migrant workers; ensure adequate supervision of working conditions of migrant workers and their access to redress mechanisms; undertake follow up and post-employment assessment; and post labour attachés to key labour destination countries to monitor implementation of the Bilateral Labour Agreements; handle labour complaints and provide redress mechanisms; and identify employment opportunities abroad. Ministry in charge of Labour will establish and run safe houses in selected labour destination countries to provide temporary holding of migrant workers in distress; and Bilateral Labour Agreements will be negotiated and signed between Kenya and labour receiving countries to enhance protection of Kenyan migrant workers and promotion of their welfare.

In addition, a contributory Kenyan Migrant Workers Welfare Fund will be established. The Fund will be used to provide assistance and welfare services to the workers and their families; providing training and education to workers; provide legal assistance to workers involved in disputes; repatriate workers in distress or the remains of workers who have died abroad; and support pre-departure training programmes. An Evacuation plan will be developed to facilitate evacuation of Kenyan migrant workers in distress in case of emergencies in the labour destination countries.

## 4.7 Pre-departure Training and Orientation

The Government developed and is implementing a Curriculum on Homecare Management covering five Course Units namely: Pre-Departure Training; Life Skills; Home Care; Child Care; and Home Nursing. This has helped reduce culture shock thus enabling the workers to



remain in employment for the stipulated period of their contracts. All migrant workers will be required to undertake pre-departure training and life skills courses prior to migration to equip prospective migrants with knowledge, skills, attitudes and values that will enable them cope with challenges they are likely to encounter in their new work environments abroad and on return.

The Government will develop, implement and continuously review and improve pre-departure training; establish a framework for: identification, vetting and accrediting of training institutions involved in pre-departure training; approval of curriculum and training programmes; curriculum verification; accreditation and supervision of trainers; and monitoring and evaluation.

#### **4.8 Protection of Migrant Workers with Irregular Status**

Migrant workers, whose entry or stay in a country is irregular are very vulnerable to exploitation and have no avenue for legal redress since they are afraid of contacting the authorities for fear of arrest or deportation. To enhance regular labour migration, the Government will; strengthen labour inspections to eliminate foreign workers in irregular situation in the country; develop and implement repatriation policies; explore opportunities for regularizing the status of Kenyan migrant workers in irregular situation; improve on law enforcement to curb illegal recruitment of Kenyan workers for foreign labour markets and employment of foreign workers in irregular situation in the country; and establish, maintain and an updated database of all Kenyans migrants; establish and maintain an updated database of all foreigners in the country including migrant workers in irregular situations.

#### **4.9 Counter-Trafficking and Anti-Smuggling of Persons**

Trafficking in persons occurs when a person recruits, transports, transfers, harbours or receives another person for the purpose of exploitation by means of, threat or use of force, or other forms of coercion; abduction; deception or fraud. The symbiotic connection between labour migration and trafficking in persons must be examined in any policy discourse in order to ensure complete protection of the rights and welfare of the migrant workers.

To combat trafficking in persons, smuggling of persons and child labour, the Government in collaboration with stakeholders will: strengthen the National Coordination Mechanism to combat human trafficking; establish plans of action to effectively respond to trafficking in persons at national and regional levels; establish shelters for persons rescued from trafficking; protect and support victims of trafficking and advocate against their prosecution for immigration related offences. In addition, the Government will strengthen the capacity of stakeholders dealing with trafficking in persons for ease of detection and protection of trafficking cases; establish programmes for rehabilitation and reintegration of victims of trafficking to the society; provide guidance and counselling to victims of trafficking; monitor the operations of adoption agencies and Private Employment Agencies to combat child trafficking and illegal recruitment; and sensitize the public and prospective migrant workers on the Guidelines on National Referral Mechanism.

Further, the Government will participate in regional discussion and cooperation towards implementation and enforcement of the anti-trafficking and smuggling in person laws and



sharing of information as well as intelligence to crack down on smuggling and trafficking networks; enhance the National Assistance Trust Fund for assisting victims of trafficking ; establish and strengthen the institutional capacity of agencies involved in counter trafficking and anti-smuggling; and ratify and domesticate the international Conventions and other legal instruments prohibiting forced labour and trafficking in persons including the ILO Protocol of 2014 to the Forced Labour Convention, 1930.

#### **4.10 Enhanced Social Protection for Migrant Workers**

The Kenya National Social Protection Policy provides for protection of the poor and vulnerable persons for improved and sustainable lives, livelihoods, and welfare, and enables income-earners and their dependants to maintain a reasonable level of income through decent work. Migrant workers are more vulnerable during the process of migration and in their destination countries, hence the need to ensure they have access to decent work including social protection.

Extending access to social protection and portability of benefits to migrant workers is of high priority since it prevents destitution and dependency in future. To enhance social security coverage for the migrant workers, the Government will negotiate bilateral and multilateral agreements covering: extension of coverage and entitlement to social security benefits to migrant workers in Kenya; Kenyan migrant workers contribution to social security systems abroad and ensuring portability of the social security benefits; and continuously review and strengthen existing social security policies and laws to ensure that the social security funds evolve products that are attractive and safe for Kenyans in the diaspora. The Government will also ensure that migrant workers are provided with insurance covers to cater for their medical expenses and social assistance will be provided to migrant workers and their families in distress.

### **OPTIMIZATION OF LABOUR MIGRATION BENEFITS ON DEVELOPMENT**

#### **4.11 Enhance competitiveness and employability of Kenyan migrant workers**

To enhance the employability and competitiveness of Kenyan migrant workers, the Government will facilitate skills development for targeted foreign labour market. This will involve undertaking employment needs assessment in existing and potential labour destination countries to establish the skills gap; develop guidelines on health workforce migration; entering into memorandum of understandings on the skills development with the labour receiving countries; identification and accreditation of training institutions that will provide the required training; designing and executing country-specific training programmes; and facilitate placement of Kenyan migrant workers in employment abroad. This will help ease the burden of unemployment in the country by linking professionals to countries where their skills are in demand. In addition, entrepreneurship training and financial literacy modules will be integrated in both the pre-employment and re-integration programmes in order to equip migrants with skills to enable them manage and invest their earnings.





Further, the Government will develop a Qualification Framework to facilitate the portability of skills and competencies; facilitate mutual recognition of academic, professional and technical qualifications within East African Community (EAC), Inter-Governmental Authority Development (IGAD) and Common Market for Eastern and Southern Africa (COMESA) regionals; pursue conclusion of mutual recognition agreements on identified professions among free mobility regimes and other important destinations; ratify and domesticate the 2014 Addis Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and Other Academic Qualifications in Higher Education in African States, and establish bodies and procedures in compliance with the Agreement.

#### **4.12 Return and Re-Integration of Migrant Workers**

Participation of Kenyan migrant workers in the development of the country while working abroad as well as on return from their tour of duty is beneficial to the country, the workers and their families. The skills and experience acquired while working abroad are crucial in addressing the skills gaps in the country thus reversing the adverse effects of brain drain, and contributing to the growth of the economy.

The Government in collaboration with the stakeholders involved in labour migration, will develop programmes that will enable migrant workers participate in national development while abroad and upon their return; pursue psycho-social counselling to deal with any adverse encounters that the returnees may have been subjected to while abroad; and collaborate with key labour destination countries to develop and adopt a system to grade and certify semi-skilled and unskilled workers for their experience where they have not acquired certificates during the period of service abroad.

To enhance the institutional framework for reintegration of Kenyan migrant workers, the Government will establish a National Reintegration Centre under the National Employment Authority. The mandate of the Centre will be development and implementation of a sustainable return and reintegration mechanism for both planned and forced return. The mechanism will focus on saving and investment opportunities, business and enterprise development, labour market information, employment facilitation services, skills upgrading, information on health, housing, social benefits and retirement for planned return; and welfare assistance such as psychosocial counselling, legal assistance, hospital/medical assistance, temporary shelter, transportation, and education assistance for forced return.

A robust monitoring system for recording migrant workers' return and participation in national development will be established and implemented. Virtual return of migrants will be encouraged where Kenyan migrant workers will be offered opportunities to provide services in their areas of expertise while still abroad. Advertisement for these services will be carried out through existing channels and the Migrant Workers' Associations (MWA). The Government will also: identify investment opportunities in the country for the Kenyan migrant workers; provide non-cash incentives such as, recognition for participation in the country's development, to the Kenyan migrant workers to encourage them to save and invest in Kenya; develop mechanisms to facilitate reduction of the cost of remittances; create awareness among migrant workers abroad on investment opportunities available in the country; and facilitate integration of migrant worker's children into the national education system.

### **4.13 Capacity Building for Institution involved in Labour Migration**

Institutions implementing labour migration programmes in the country lack sufficient capacity to effectively execute their mandates. To address institutional inadequacies and capacity, the Government will strengthen the human, financial, technological and infrastructural capacities of institutions dealing with labour migration in the country for effective execution of their mandate. The capacity of the National Employment Authority will be strengthened to enable it play a leading role in the coordination of labour migration in the country through recruitment and training of staff. In addition, the Government will establish and operationalize Labour Attaches offices in labour destination countries and capacity enhancement of the existing offices.





# CHAPTER 5: POLICY IMPLEMENTATION, MONITORING AND EVALUATION, AND REPORTING

## 5.0 Overview

Assessment of progress made in the implementation of this Policy, which will be carried out through Monitoring and Evaluation, will be critical in determining if the country is on track in realization of the set labour migration goals and in prompting for desired change. The Chapter outlines the Institutional, and Monitoring and Evaluation frameworks for implementation of the Policy. The frameworks will allow for tracking of Strategies and Activities outlined in the Action Plan and assessment of the impact of key initiatives.

## 5.1 Institutional Framework

The Government is committed to full implementation of the National Policy on Labour Migration, which will be spearheaded by the National Employment Authority as provided for in the National Employment Authority Act, 2016. The Authority will coordinate implementation of all strategies outlined in this Policy for effective and efficient realization of the set objectives. The policy takes cognizance of the crucial roles played by various stakeholders in implementation of labour migration programmes. It therefore provides a mechanism for collaboration between the relevant stakeholders. The role of various stakeholders in implementation of the Policy is outlined below:

The Ministry responsible for Labour & Social Protection matters will provide policy direction, support and monitor implementation of the policy framework, while the National Employment Authority will play a lead role in coordination of labour migration in the country; monitor and report on implementation of the strategies and activities in the policy; and advise the Cabinet Secretary on national priorities in labour migration. In addition, the Ministry of Labour and Social Protection through the National Employment Authority in collaboration with the Ministry of Foreign and Diaspora Affairs will establish a mechanism to identify and lobby for employment placement for Kenyans in international labour markets.

The Ministry in charge of Foreign and Diaspora Affairs will be responsible for matters relating to foreign policy, serve and promote legitimate interests of Kenyans living abroad and provide consular services as prescribed.

The Directorate of Immigration Services will be responsible for border control and management, regulation of entries and exits of persons across national borders, migrants control through screening and traveller analysis; guaranteeing authenticity of national identity and travel

documents enforcement of visa regulations and residency laws; removal of migrants in irregular situation; collection, processing and dissemination of migration data; overseeing coordination of migration governance in the country through the National Coordination Mechanism on Migration and deployment of immigration officers to missions to provide consular protection, assistance and services to Kenyans migrant workers.

The Ministry of Health will be responsible for promotion of good governance of healthcare professionals' migration including cushioning the Kenya Health System against adverse effects of healthcare professionals' out-migration and in-migration; and promotion of evidenced based management of health workforce migration.

## **5.2 Monitoring, Evaluation and Reporting**

### **5.3.1 Monitoring**

The overarching objective of monitoring the implementation of this Policy will be to obtain and provide data and information for evidence-based decision making. It will be carried out at all stages to assess the extent to which the strategies achieve their objectives and provide information to address any emerging issues. Monitoring of the Strategies and activities will be spearheaded by the National Employment Authority (NEA) in conjunction with the Ministry of Labour and Social Protection.

A framework will be developed to monitor implementation of the National Policy on Labour Migration and regular assessment undertaken to ensure that the Policy is being implemented in accordance with provided provisions. This will entail development of a detailed Implementation Plan with clear timelines and expected costs for all activities outlined in the Action Plan attached to this Policy; and development of a Monitoring Plan with details expected outputs and outcomes. Monitoring of implementation of the Policy will be undertaken, reports prepared and disseminated to the relevant organizations for implementation of recommendations.

### **5.3.2 Evaluation**

Evaluations will be conducted to establish the relevance, effectiveness, efficiency and impact of the outlined activities with reference to the objectives of the policy. The information generated will be used by policy implementers to improve on implementation of the strategies and activities. Evaluations of the National Policy on Labour Migration will be conducted after every five years and an evaluation report prepared indicating lessons learnt and outcomes realized.

### **5.3.3 Reporting**

Data and information on labour migration will be collected by the National Employment Authority and reports prepared on a quarterly basis. The Ministry will prepare Annual Reports on implementation of the National Policy on Labour Migration, which will be processed and disseminated to guide on policy review, enhance accountability and provide feedback for further improvement.





### 5.3 Policy Review

This Policy will be reviewed every five years or on a needs-basis. The review will focus on the extent to which the activities undertaken achieved the set objectives; sustainability of the achievements made; challenges faced; lessons learnt; and mitigation measures.

# ANNEX I: IMPLEMENTATION MATRIX ON THE NATIONAL ACTION PLAN OF THE NATIONAL POLICY ON LABOUR MIGRATION

| Policy Priority   | Strategy  | Activities   | Implementing Agency   | Time Frame |
|---|---|--|---|------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b>  |  |   |            |
| <b>Promotion of Good Governance in Labour Migration</b> | Enhanced Coordination of Labour Migration Management - Establish a One-Country-Team-Approach in labour migration management | <p>Establish a National Inter-Agency Labour Migration Coordination Committee comprising of the following:<br/>                     Establish a National Inter-Agency Labour Migration Coordination Committee comprising of the following:</p> <ul style="list-style-type: none"> <li>• Ministry of Labour and Social Protection;</li> <li>• Ministry of Foreign and Diaspora Affairs;</li> <li>• Ministry of Interior and National Administration;</li> <li>• The National Treasury and Economic Planning;</li> <li>• Ministry of Health</li> <li>• Ministry of Information, Communication &amp; the Digital Economy; Ministry of East African Community (EAC), the ASALS &amp; Regional Development;</li> <li>• Ministry of Mining, Blue Economy and Maritime Affairs</li> <li>• Ministry of Youth Affairs, Sports and the Arts; and</li> <li>• Office of the Attorney General</li> <li>• National Employment Authority</li> <li>• Nursing Council of Kenya or another Relevant Regulatory Body</li> <li>• Kenya National Bureau of Statistics</li> <li>• National Industrial Training Authority (NITA).</li> </ul> | ML&SP, MF&DA, NEA, KNBS, MICDE, MI&NA, DIS, TNT&EP, MEACARD, MYAS&A, MOH, AG, NCK | June, 2023 |



| Policy Priority | Strategy   | Activities  | Implementing Agency  | Time Frame     |
|-----------------|--|---|--|----------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b> |   |  |                |
|                 |  | <p>Establish a one-stop-centre offering all labour migration services under one integrated system for improved linkages and seamless flow of information.<br/>Identified Systems for integration which include;</p> <ul style="list-style-type: none"> <li>• NEAIMS</li> <li>• Integration of Attestation process into the NEAIMS</li> <li>• Kenya Labour Market Information System (KLMIS)</li> <li>• Passport Processing</li> <li>• Border Management system</li> <li>• System on Authentication of Certificate of Good Conduct</li> <li>• Integrated Population Registration System (IPRS)</li> <li>• Business Registration Services</li> <li>• Foreign Countries of destination systems (i.e Musaned )</li> <li>• Kenya Revenue Authority (KRA)</li> <li>• Counter Trafficking in Persons</li> <li>• National Industrial Training Authority (NITA)</li> <li>• Nursing Council of Kenya</li> </ul> | ML&SP, NEA, DIS, MF&DA, MoI&NA, State Law Office, MICDE, CoDs, KRA, CTIP, NITA, KNQA, NCK, NRB | 2023-24        |
|                 |  | Establish a labour migration desk at the major points of exit (JKIA, MIA and other border posts)  | DIS, ML&SP, NEA, MoI&NA, CTIP, KAA,  | December, 2023 |
|                 |  | Operationalize Ministerial Technical Implementation Committee on the Health workforce migration   | MOH, NCK, KHPOA, ML&SP, MF&DA, NEA   | 2023-2027      |

| Policy Priority | Strategy   | Activities  | Implementing Agency   | Time Frame      |
|-----------------|--|---|---|-----------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b>           |   |   |                 |
|                 | Policy, Legal and Institutional Framework for Labour Migration | <ul style="list-style-type: none"> <li>Fast track approval of the National Policy on Labour Migration</li> </ul>  | ML&SP, NEA, AG, NA, MF&DA, MOH, Parliament, DIS, ILO, IOM         | June, 2023      |
|                 |  | <ul style="list-style-type: none"> <li>Fast track enactment of the Labour Migration Management Bill</li> </ul>  |   | June, 2023      |
|                 |  | <ul style="list-style-type: none"> <li>Review the Private Employment Agencies Regulations, 2016</li> </ul>  |   | September, 2023 |
|                 |  | <ul style="list-style-type: none"> <li>Carry out a gap analysis on the international instruments on labour migration due for ratification</li> </ul>  |   | December, 2023  |
|                 |  | <ul style="list-style-type: none"> <li>Ratify and domesticate the United Nations Convention of 1990 on the Protection of the Rights of All Migrant Workers and Members of their Families,</li> <li>Ratify and domesticate the ILO Convention on Private Employment Agencies (No. 181)</li> <li>Ratify and domesticate the ILO Convention on Domestic Workers (No. 189)</li> <li>Domesticate WHO Global Code of Practice on International Recruitment of Health Personnel</li> </ul> |   | 2023-25         |
|                 |  | <ul style="list-style-type: none"> <li>Develop and implement a Policy on Anti-Trafficking-in-Persons</li> </ul>   | ML&SP, CTIP, NEA, AG, NA, MF&DA, MI&NA, Parliament, DIS, ILO, IOM | 2023-2027       |



| Policy Priority | Strategy   | Activities  | Implementing Agency  | Time Frame      |
|-----------------|--|---|--|-----------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b> |   |  |                 |
|                 | Co-operation and Partnerships on Labour Migration    | <ul style="list-style-type: none"> <li>Promote ratification of the African Union Free Movement Protocol</li> <li>Adopt the Inter-governmental Authority on Development (IGAD) Free Movement Protocol</li> <li>Implement the East African Community (EAC) Common Market Protocol on free movement of persons and workers</li> <li>Cooperate in harmonization of labour migration policies within the EAC and IGAD</li> </ul> | ML&SP, MFDA, NEA, MEACARD, AG, ILO, IOM, DIS, NITA, KNQA, CoDs,          | 2023-2027       |
|                 |  | <ul style="list-style-type: none"> <li>Negotiate and sign Bilateral Labour Agreements with countries of destination (Five (5) annually) with focus on skilled and professional cadres.</li> </ul>   | ML&SP, MFDA, NEA, AG, TNT, NITA, CoDs, MOH, NCK                          | 2023-2027       |
|                 |  | <ul style="list-style-type: none"> <li>Review existing BLAs (Saudi Arabia, Qatar, UAE) to align them to the Model Bilateral Labour Agreement (BLA)</li> </ul>   | ML&SP, MFDA, NEA, TNT, NITA, CoDs, AG, ILO                               | December, 2023  |
|                 |  | <ul style="list-style-type: none"> <li>Implementation of the Country Action Plan of the Regional Ministerial Forum on Migration (RMFM) Roadmap towards harmonized labour migration policies in the East and Horn of Africa.</li> </ul>  | ML&SP, MFDA, NEA, MEACARD, ILO, IOM, DIS, MPSG&AA, NITA, KNQA, CoDs,     | 2023-2027       |
|                 |  | <ul style="list-style-type: none"> <li>Negotiate and sign MOUs on mutual recognition of accredited qualifications and skills in Kenya with Countries of Destination</li> </ul>  | ML&SP, MFDA, NEA, AG, MEACARD, ILO, IOM, DIS, NITA, KNQA, MOH, NCK, CoDs | 2023-2027       |
|                 |  | <ul style="list-style-type: none"> <li>Develop country specific Standard Contracts of employment for migrant workers</li> </ul>   | ML&SP, MFDA, NEA, AG, CoDs   | September, 2023 |
|                 |  | <ul style="list-style-type: none"> <li>Establish and operationalization of BLAs Joint Implementation Committees in consultation with Countries of Destination</li> </ul>  | ML&SP, MFDA, NEA, DIS, AG, MOH, CoDs                                     | 2023-2027       |
|                 |  | <ul style="list-style-type: none"> <li>Establish a mechanism for monitoring implementation of the BLAs</li> </ul>   | ML&SP, MFDA, NEA, DIS, NITA, AG, KNQA, MOH, NCK, CoDs                    | September, 2023 |

| Policy Priority | Strategy  | Activities   | Implementing Agency   | Time Frame      |
|-----------------|---|--|---|-----------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b>                        |  |   |                 |
|                 | Promotion of Fair Recruitment and Regulation of Private Employment Agencies | <ul style="list-style-type: none"> <li>Review the Code of Conduct for Private Employment Agencies</li> </ul>   | ML&SP, NEA, MINA, MICDE, PEAs, IOM, ILO, AG, Inter-Agency Vetting Committee | September, 2023 |
|                 |   | <ul style="list-style-type: none"> <li>Review the Private Employment Agencies Regulations, 2016</li> </ul>   | ML&SP, NEA, MINA, MICDE, AG,  | 2023 -2024      |
|                 |   | <ul style="list-style-type: none"> <li>Develop and implement a monitoring and evaluation framework for the operations of the Private Employment Agencies</li> </ul>  | ML&SP, NEA, MINA, IOM, ILO, AG, DIS   | 2023-2027       |
|                 |   | <ul style="list-style-type: none"> <li>Review the mechanism of vetting and registration of the Private Employment Agencies</li> </ul>  | ML&SP, NEA, MI&NA, AG, Inter-Agency Vetting Committee                       | September, 2023 |
|                 |   | <ul style="list-style-type: none"> <li>Publish and disseminate information on registered Private employment agencies (PEAs)</li> </ul>   | NEA   | Continuous      |
|                 | Labour Migration Research, Statistics and Information                       | <ul style="list-style-type: none"> <li>Develop labour market information system and integrate them to Kenya National Bureau of Statistics to ensure provision of aggregated national labour market statistics</li> <li>Upgrade the National Employment Authority Integrated Management System (NEAIMS) infrastructure to facilitate storage of all labour migration data</li> <li>Sensitize labour migration stakeholders on the use of NEAIMS</li> <li>Carry out skills audit to take stock of available skills in the country</li> <li>Conduct Health Skills Audit.</li> <li>Undertake research on demand for labour in labour destination countries</li> <li>Establish linkages with research institutions, training institutions and other actors in labour migration management to promote research</li> <li>Implement the National Capacity Building Strategy on Labour Migration data.</li> <li>Collect, Analyse and Disseminate data and information on labour migration in the country</li> </ul> | MOH, NCK, KHPOA, Research and Training Institutions, IOM, ILO               | 2023-2027       |



| Policy Priority | Strategy  | Activities  | Implementing Agency | Time Frame |
|-----------------|---|---|---------------------|------------|
| Outcome         | <p><b>Safe, Orderly and Productive Labour Migration</b></p> | <ul style="list-style-type: none"> <li>• Establish and publicize a national skills inventory including Kenyans working abroad</li> <li>• Identify employment opportunities abroad</li> <li>• Establish, maintain and update a database on Kenyans working in foreign countries, including seafarers</li> <li>• Update Regulatory Registers to capture information on health professionals' migration</li> <li>• Establish, maintain and update a database on foreign workers in Kenya</li> <li>• Create awareness on the need for Kenyan migrant workers to register with NEAIMS, Kenyan Embassies, missions and consulates.</li> <li>• Develop a policy framework on employment of expatriates</li> <li>• Develop Understudy Programmes to facilitate skills transfer</li> <li>• Develop a policy on labour market information</li> <li>• Develop and implement a Communication Strategy on labour migration.</li> </ul> |                     |            |

| Policy Priority | Strategy   | Activities  | Implementing Agency  | Time Frame                 |
|-----------------|--|---|--|----------------------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b> |   |  |                            |
|                 | Protection of the Rights of Migrant Workers          | <ul style="list-style-type: none"> <li>Capacity building of Labour inspectorate to ensure foreign workers are accorded equal treatment as the locals</li> </ul>   | MLSP, MFDA, NEA, Labour Attaché Offices, DIS, ILO, AG, IOM, PEA        | Continuous                 |
|                 |  | <ul style="list-style-type: none"> <li>Issue advisories regularly on overseas employers or companies or countries that violate the rights of migrant workers</li> </ul>   | MLSP, MFDA, MI&NA, DIS, NEA, Labour Attaché Offices, ILO, AG, IOM,     | Continuous (on need basis) |
|                 |  | <ul style="list-style-type: none"> <li>Establish and operationalize Labour Attachés in key labour destination countries</li> </ul>  | MLSP, MFDA, NEA, NT&EP   | 2023-2027                  |
|                 |  | <ul style="list-style-type: none"> <li>Build capacity of labour migration stakeholders on case management and redress mechanisms for workers in distress</li> </ul>   | MLSP, NEA, NITA, MF&DA, DIS, ILO, IOM                                  | Continuous                 |
|                 |  | <ul style="list-style-type: none"> <li>Establish and Operationalize a Migrant Workers' Welfare Fund</li> </ul>  | MLSP, MFDA, NEA, NT&EP, AG, PEAs, Migrant Workers, ILO                 | December, 2023             |
|                 |  | <ul style="list-style-type: none"> <li>Establish and run safe houses in labour destination countries to provide temporary shelter in countries of destination with high incidences of reported distress cases.</li> </ul> | MLSP, MFDA, MI&NA, DIS, NEA, Labour Attaché Offices, ILO, AG, IOM, COD | 2023-2025                  |
|                 |  | <ul style="list-style-type: none"> <li>Identify Kenyans in Distress and provide redress</li> </ul>  | MLSP, MFDA, NEA, DIS, MI&NA, IOM                                       | Continuous                 |
|                 |  | <ul style="list-style-type: none"> <li>Develop an Evacuation Plan for Kenyan migrant workers in distress</li> </ul>   | MFDA, MLSP, NEA, DIS, MI&NA, IOM, ILO                                  | December, 2023             |



| Policy Priority | Strategy   | Activities   | Implementing Agency  | Time Frame    |
|-----------------|--|--|--|---------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b> |  |  |               |
|                 | Pre-departure Training and Orientation               | <ul style="list-style-type: none"> <li>Provide Pre-Departure Training and Orientation for all Kenyan migrant workers leaving the country</li> </ul>  | MLSP, MFDA, NEA, NITA, MOH, NCK, KMTC, NYS, KATTI, Training Institutions, IOM, PEAs            | Continuous    |
|                 |  | <ul style="list-style-type: none"> <li>Develop, implement and continuously review pre-departure training</li> </ul>  | MLSP, MFDA, NEA, NITA, MOH, NCK, KMTC, Training Institutions, IOM, PEAs, CoDs, ILO, KICD, KNQA | Continuous    |
|                 |  | <ul style="list-style-type: none"> <li>Develop Standard Operating Procedures (SOPs) for Pre-departure training and orientation</li> </ul>  | MLSP, NEA, NITA, Training Institutions, MOH, NCK, KMTC PEAs, IOM, ILO                          | December,2023 |
|                 |  | <ul style="list-style-type: none"> <li>Develop additional information handbooks on countries of destination</li> </ul>   | MLSP, NEA, PEAs, IOM, ILO, CoDs  | Continuous    |
|                 |  | <ul style="list-style-type: none"> <li>Review the framework for: identification, vetting and accrediting of training institutions involved in pre-departure training; and</li> <li>Establish a mechanism for monitoring and evaluation of predeparture training</li> </ul>   | MLSP, NEA, NITA, KICD, KNQA IOM, PEAs, ILO, MOH, NCK, KMTC                                     | 2023-27       |
|                 | Protection of Migrant Workers with Irregular Status  | <ul style="list-style-type: none"> <li>Develop a mechanism to identify foreign workers in irregular situation in the country.</li> <li>Develop and implement repatriation policies</li> <li>Develop guidelines for regularizing the status of Kenyan migrant workers in irregular situation</li> <li>Capacity building of enforcement officers to curb illegal recruitment of Kenyan workers for foreign labour markets and employment of foreign workers in the country</li> <li>Establish, maintain and an updated database of all Kenyan migrants</li> <li>Establish and maintain an updated database of all foreigners in the country</li> </ul> | MLSP, MFDA, NEA, MI&NA, DIS  | 2023-27       |

| Policy Priority | Strategy   | Activities   | Implementing Agency  | Time Frame |
|-----------------|--|--|--|------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b> |  |  |            |
|                 | Counter-Trafficking and Anti-Smuggling of Persons    | <ul style="list-style-type: none"> <li>• Strengthen the National Coordination Mechanism to combat human trafficking</li> <li>• Establish plans of action to effectively respond to trafficking in persons at national and regional levels</li> <li>• Establish shelters for persons rescued from trafficking</li> <li>• Protect and support victims of trafficking and advocate against their prosecution for immigration related offences</li> <li>• Capacity building of stakeholders dealing with trafficking in persons for ease of detection and protection of trafficking cases</li> <li>• Establish programmes for rehabilitation and reintegration of victims of trafficking to the society</li> <li>• Provide guidance and counselling to victims of trafficking</li> <li>• Monitor the operations of adoption agencies and Private Employment Agencies to combat child trafficking and illegal recruitment</li> <li>• Sensitize the public and prospective migrant workers on the Guidelines on National Referral Mechanism</li> <li>• Participate in regional discussion and cooperation towards implementation and enforcement of the anti-trafficking and smuggling in person laws</li> <li>• Sharing information as well as intelligence to crack down on smuggling and trafficking networks</li> <li>• Enhance the National Assistance Trust Fund for victims of trafficking.</li> <li>• Establish and strengthen the institutional capacity of agencies involved in counter trafficking and anti-smuggling</li> <li>• Ratify and domesticate ILO Protocol of 2014 to the Forced Labour Convention, 1930</li> </ul> | MLSP, MFDA, NEA, MICDE, NIS, SDSP, MINA, Directorate of Immigration and Citizen Services, ILO, IOM | 2023-27    |



| Policy Priority | Strategy   | Activities  | Implementing Agency  | Time Frame |
|-----------------|--|---|--|------------|
| Outcome         | <b>Safe, Orderly and Productive Labour Migration</b> |   |  |            |
|                 | Return and Re-Integration migration                  | <ul style="list-style-type: none"> <li>Identify potential migrant returnees</li> <li>Provide psycho-social counselling to returnees</li> <li>Identify available investment opportunities for migrant workers</li> <li>Create awareness among migrant workers abroad on investment opportunities available in the country.</li> <li>Identify safe and cost-effective channels of remittances</li> <li>Establish a National and Regional Reintegration Centres</li> <li>Develop and implement a monitoring system for recording migrant workers' return and participation in national development</li> <li>Develop mechanisms to facilitate reduction in the cost of remittances</li> <li>Facilitate integration of migrant worker's children into the national education system</li> <li>Conduct tracer studies for returning migrant workers</li> </ul> | MLSP, MFDA, NEA, MWA, Private Sector, Directorate of Immigration and Citizen Services, ILO, IOM, Social Partners, DAs , CBK, KBA, LaMP, MOH, NCK | 2023-27    |
|                 | Enhanced Social Protection for Migrant Workers       | <ul style="list-style-type: none"> <li>Negotiate bilateral and multilateral agreements on social security to cover Kenyan migrant workers</li> <li>Review and strengthen existing social security policies and laws to cover Kenyan migrant workers</li> <li>Develop social security products that are attractive and safe for Kenyans in the diaspora</li> <li>Provide insurance covers to all Kenyan migrant workers</li> <li>Provide social assistance to migrant workers and their families in distress</li> <li>Undertake follow-up and post-employment assessment for Kenyans in countries of destination</li> <li>Establish a social welfare fund for Kenyan women working abroad to provide a safety net for distressed diaspora citizens.</li> </ul>   | MLSP, MFDA, NEA, NSSF, TNT& EP, AG   | 2023-27    |

| Policy Priority   | Strategy  |  | Activities   | Implementing Agency  | Time Frame             |
|---|---|--|--|--|------------------------|
| <b>Optimization of Labour Migration Benefits on Development</b> | <b>Safe, Orderly and Productive Labour Migration</b><br>Enhance competitiveness and employability of Kenyan migrant workers |  | <ul style="list-style-type: none"> <li>• Undertake employment needs assessment surveys in existing and potential labour destination countries</li> <li>• Develop guidelines on National health Professionals migration</li> <li>• Memorandum of Understandings on the skills development with the labour receiving countries</li> <li>• Identify and accredit training institutions to provide the required training</li> <li>• Design country-specific training programmes</li> <li>• Capacity building of training institutions in the country to offer skills required for the specific foreign labour market</li> <li>• Establishment of a mechanism to identify and lobby for employment placement for Kenyans in international labour markets</li> <li>• Place Kenyan migrant workers in employment abroad</li> <li>• Develop and implement a grading and certification system for semi-skilled and unskilled migrant workers for skills and experience acquired during the period of service abroad</li> <li>• Provide entrepreneurship training and financial literacy to Kenyan migrant workers</li> <li>• Develop a Qualification Framework to facilitate the portability of knowledge, skills and competencies</li> <li>• Facilitate mutual recognition of academic, professional and technical qualifications within East African Community (EAC), Inter-Governmental Authority Development (IGAD) and Common Market for Eastern and Southern Africa (COMESA) regionals</li> <li>• Negotiate mutual recognition agreements on identified professions among free mobility regimes</li> <li>• Ratify and domesticate the 2014 Addis Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and Other Academic Qualifications in Higher Education in African States</li> </ul> | MLSP, MFDA, NEA, MEACARD, MYPSP&A, PEAs, NITA, Training Institutions, KNQA, KNCCI, ILO, IOM, MOH, NCK, KMTC, KHPOA | 2023-27;<br>Continuous |



| Policy Priority | Strategy  | Activities   | Implementing Agency   | Time Frame |
|-----------------|---|--|---|------------|
| <b>Outcome</b>  | <b>Safe, Orderly and Productive Labour Migration</b><br>Capacity Building for Institutions involved in Labour Migration | Strengthen the human, financial, technological and infrastructural capacities of institutions dealing with labour migration<br>Enhance the operational capacity of the existing Labour Attaches offices and expand the scope of their services | ML&SP, MFDA, NEA, KNBS, MICDE, PEA, MWA, Labour Attaches Offices, DIS, MOH, NCK, KMTC, IOM, ILO, Other Development Partners | 2023-27    |

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*DLPS*  
*Please deal.*  
*[Signature]*  
*21/09/23*

**THE SACCO SOCIETIES REGULATORY AUTHORITY  
(SASRA)**

*[Signature]*  
*to deal with*  
*25/9/23*  
*12<sup>th</sup> June, 2023*

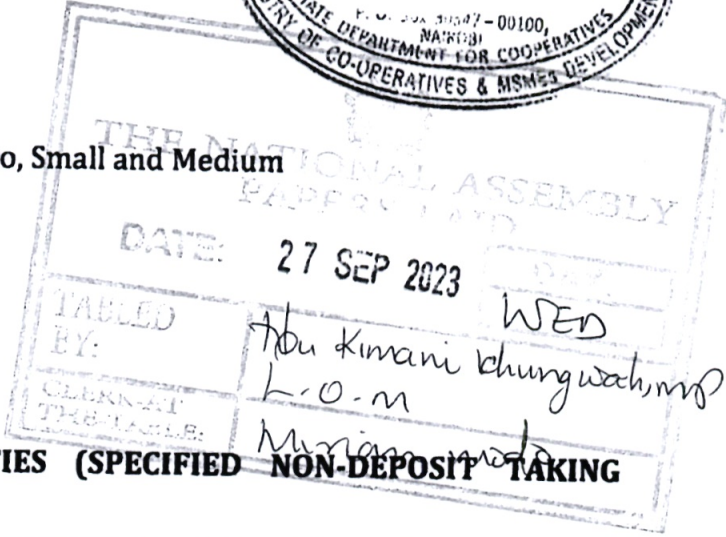
**SASRA/LEGAL/1200/93/VOL 1 (20)**

**Hon. Simon Chelugui, EGH**  
Cabinet Secretary  
Ministry for Co-operatives and Micro, Small and Medium  
Enterprises (MSME) Development  
P.O. Box 30028-00100  
**NAIROBI**



**Thru**

**Mr. Patrick Kilemi**  
Principal Secretary  
Ministry for Co-operatives and Micro, Small and Medium  
Enterprises (MSME) Development  
State Department of Cooperatives  
P.O. Box 30028-00100  
**NAIROBI**



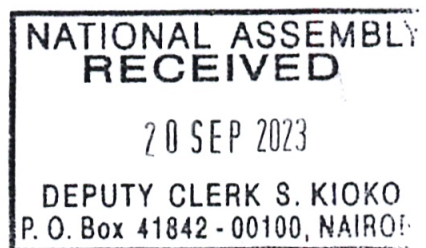
Dear *Bwana,*

**RE: PROPOSED SACCO SOCIETIES (SPECIFIED NON-DEPOSIT TAKING BUSINESS) (LEVY) ORDER, 2023**

Reference is made to a letter from the Office of the Attorney General Ref: AG/LLD/297/2/2/ VOL.I dated 2<sup>nd</sup> June, 2023 forwarding the revised Levy Order for signature to facilitate publication.

The Authority noted that there were amendments to the Order and engaged the Office of the Attorney General through Mr. Davie's Maundu to make the necessary amendments to align the Order with the draft validated by stakeholders.

SECURING SACCO FUNDS





The Authority therefore forwards three (3) Copies of the Proposed Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2023 duly signed for your further action in order to facilitate Publication of the Order.

Yours *Sincerely,*  


**PETER NJUGUNA**  
**CHIEF EXECUTIVE OFFICER**



## THE SACCO SOCIETIES REGULATORY AUTHORITY (SASRA)

Our Ref: SASRA/P&R/800/1/VOL. VIII (9)

16<sup>th</sup> February 2023

Mr. Simon K. Chelugui, EGH  
Cabinet Secretary,  
Ministry of Co-operatives & Micro, Small and Medium  
Enterprises (MSMEs) Development  
Social Security House  
P.O Box 30418 - 00100  
Nairobi.



Dear Hon. CS,

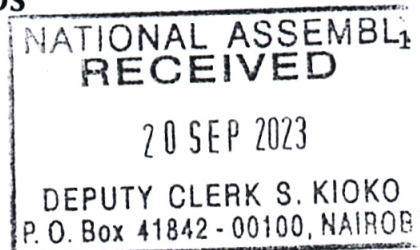
### **REQUEST FOR COMPLIANCE CERTIFICATE PURSUANT TO THE STATUTORY INSTRUMENT ACT NO. 23 OF 2013 (SIA) IN RESPECT OF THE PROPOSED SACCO SOCIETIES (SPECIFIED NON-DEPOSIT TAKING BUSINESS) (LEVY) ORDER**

Following the publication of the *Sacco Societies (Non-Deposit Taking Business) Regulations 2020*, the Authority commenced the implementation thereof with effect from 30<sup>th</sup> June 2021. As part of the implementation thereof, *Section 15 of the Sacco Societies Act N. 14 of 2008* requires that the Authority ought to impose a Sacco Societies Levy by way of an *Order* to be published in the *Kenya Gazette*, payable by SACCO Societies undertaking the specified non-deposit taking business on such base and rate; and at such time as the Authority may determine.

The Sacco Societies Levy imposed under *Section 15 of the Sacco Societies Act* is the principal source of revenue annually appropriated to fund the Authority's supervisory and regulatory activities and oversight of Regulated SACCOs in Kenya. It is against this background that the Authority commenced the stakeholders' consultation process on the imposition of the levy payable by SACCOs undertaking specified non-deposit taking business by obtaining an appropriate ministerial concurrence on 9<sup>th</sup> November 2021, and thereafter subjecting the consultation process to the requirements of the provisions of the *Statutory Instruments Act, 2013*.

In particular, the Authority prepared and published a *Regulatory Impact Statement (RIS)* on the proposed *Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order*. The RIS was thereafter duly exposed for public consultation in accordance with the notices which were published in the *Kenya Gazette Notice No. 700* dated 28<sup>th</sup> January 2022 and in the *Daily Nation Newspapers* dated Friday, 28<sup>th</sup> January 2022 in compliance with the requirements of *Section 8 of Statutory Instruments Act, 2013*. The notices provided members of the public with a total of 28 days to consider and respond to the contents of the RIS and the proposed statutory instrument therein, which is within the minimum consultations period of fourteen (14) days provided in *Section 8(4) of Statutory Instruments Act, 2013*.

SECURING SACCO FUNDS





In accordance with the requirements of *Section 8(5) of the Statutory Instruments Act, 2013*, both the RIS and the proposed statutory instrument were availed to the members of the public, free of charge on the Authority's website [www.sasra.go.ke](http://www.sasra.go.ke) from 28<sup>th</sup> January 2022 to 25<sup>th</sup> February, 2022, during which period the members of the public were to submit their comments and feedback on the RIS and proposed statutory instrument. In addition, the Authority conducted five (5) regional public stakeholders' forums across the country in accordance with the public invitation notice and schedule published in the *Daily Nation Newspapers of Friday, 4<sup>th</sup> February 2022*. The public consultations culminated in a national validation meeting which was held on Wednesday, 16<sup>th</sup> March, 2022 at the Safari Park Hotel, Nairobi.

In compliance with the requirements of *Section 8(6) of the Statutory Instruments Act, 2013*, the Authority collated and considered all the comments and submissions received during the consultation period and prepared the final draft statutory instrument namely the *Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order* in accordance with the resolutions of the validation meeting. A copy of the draft Levy Order is enclosed herewith for ease of reference.

The purpose of this letter is therefore to request your office to issue the Statutory Certificate of Compliance pursuant to the provisions of *Section 7(4) of Statutory Instruments Act, 2013* specifying that -

- a) the requirements relating to Regulatory Impact Statements in the Act and the guidelines have been complied with by the Authority; and
- b) in the Cabinet Secretary's opinion, the Regulatory Impact Statement adequately assesses the likely impact of the proposed statutory rule (*The Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order*)

Enclosed herewith for ease of reference are the Full Reports of the Consultation and Validation exercises, and the proposed statutory instrument, as well as the draft Certificate of Compliance

Yours *Sincerely,*  


**Peter Njuguna**  
**CHIEF EXECUTIVE OFFICER**

Encls:

**Principal Secretary**  
State Department of Cooperatives  
Ministry of Co-operatives & Micro, Small and Medium Enterprises (MSMEs) Development  
Social Security House  
P.O Box 40811 - 00100  
**Nairobi.**





**REPUBLIC OF KENYA**  
**MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM**  
**ENTERPRISES (MSME) DEVELOPMENT**

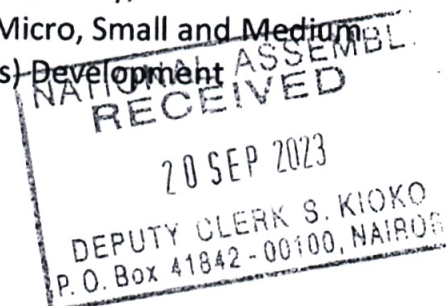
**CERTIFICATE OF COMPLIANCE**

I certify that the Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2023 complies with the provisions of section 7(1) of the Statutory Instruments Act (No.23 of 2013) and hereby state that—

1. the requirements relating to regulatory impact statements in the Statutory Instruments Act (No.23 of 2013) and the guidelines have been complied with; and
2. in my considered opinion, the regulatory impact statement adequately assesses the likely impact of the proposed Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2022.

Made under my hand on the 23<sup>rd</sup> day of August 2023.

Mr. Simon K. Chelugui, EGH  
The Cabinet Secretary,  
Ministry of Co-operatives & Micro, Small and Medium  
Enterprises (MSMEs) Development







LEGAL NOTICE NO. ....

**THE SACCO SOCIETIES ACT, 2008**

*(No. 14 of 2008)*

IN EXERCISE of the powers conferred by section 15(1) of the Sacco Societies Act, 2008, the Sacco Societies Regulatory Authority makes the following Order—

**THE SACCO SOCIETIES (SPECIFIED ON-DEPOSIT TAKING) (LEVY) ORDER, 2023**

- Citation.           1. This Order may be cited as the Sacco Societies (Specified on-Deposit Taking) (Levy) Order, 2023.
- Levy payable.       2. (1) A Sacco society undertaking a specified non-deposit taking business shall, subject to paragraph 3, pay to the Authority an annual levy to be known as the Annual Sacco Societies Levy at the rate prescribed in the Schedule.
- (2) The levy paid under subparagraph (1) shall be based on the total non-withdrawable deposits held by the Sacco society as indicated by the audited financial statements of the Sacco society for the immediately preceding financial year.
- (3) Notwithstanding any other provision of this Order, the maximum levy payable under this Order shall not exceed six million shillings.
- Assessment of levy amount.   3. The Authority shall, upon issuing a Sacco society with an authorisation certificate under regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020, assess the levy payable by that Sacco society under this Order.
- 'Time of' payment of levy.   4. The levy payable by a Sacco society shall be due and payable to the Authority—
- (a) not more than thirty days after the assessment under paragraph 3; and
- (b) after the Authority has served the Sacco society with a written notice of the payment of the levy.
- Pro-rated levy.       5. The levy payable by a Sacco society under this Order in the year on which the Sacco society has been issued with an authorisation certificate under regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020, shall be the equivalent to the pro-


rated amount of the levy payable with effect from the month following the month of the issuance of the authorisation certificate.


**SCHEDULE**  
**Rate of Annual Sacco Societies Levy**

[para. 2(1)]

| <i>S/No.</i> | <i>Rate of Annual Sacco Societies Levy</i> | <i>Period of imposition of the levy payable</i>        |
|--------------|--|--|
| 1.           | 0.10%                                      | From the 1st January, 2023, to the 31st December, 2023 |
| 2.           | 0.13%                                      | From the 1st January, 2024, to the 31st December, 2024 |
| 3.           | 0.14%                                      | From 1st January, 2025, to 31st December, 2025         |
| 4.           | 0.15%                                      | From 1st January, 2026, onwards                        |

Made on the 12<sup>th</sup> Day of June, 2023.

  
**JACK RANGUMA,**  
*Chairperson of the  
Sacco Societies Regulatory Authority.*

  
**PETER NJUGUNA,**  
*Chief Executive Officer of the  
Sacco Societies Regulatory Authority.*





THE SACCO SOCIETIES REGULATORY  
AUTHORITY  
(SASRA)

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**Nairobi, Kenya**  
Tel: +254 (20) 2935 101  
E-mail: [policy@sasra.go.ke](mailto:policy@sasra.go.ke)  
website: [www.sasra.go.ke](http://www.sasra.go.ke)

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## **REPORT ON STAKEHOLDERS' CONSULTATION**

**ON THE**

**PROPOSED SACCO SOCIETIES (SPECIFIED NON-  
DEPOSIT TAKING BUSINESS) (LEVY) ORDER,  
2022**

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## 1. BACKGROUND

In line with the Kenyan constitution 2010 and the Statutory Instrument Act, 2013 that requires regulatory authorities to prepare a regulatory impact statement for every statutory instrument that is likely to impose significant costs to those who will be directly or indirectly affected by it and also that the making of any statutory instrument such as the levy order requires public consultation and participation

The Authority Prepared a Regulatory Impact Statement (RIS) providing a detailed appraisal of the potential impact of the proposed levy order on the Non-Withdrawable Deposit Taking Saccos and their members. In addition, it included the likely costs and benefits that the imposition of the Levy will likely have on the Saccos Operations.

In the Levy Order, the Authority proposed a levy rate of 0.165% with a maximum capping of Kshs 8 million to be charged on the non-withdrawable deposits held by Non-WDT-SACCOs.

The Board of SASRA approved the Regulatory Impact Statement, the Levy Order together with the road map via board paper dated 13<sup>th</sup> July, 2021 for Stakeholders' consultation.

Before exposing the documents to the stakeholders, the Authority sought concurrence from the Cabinet Secretary Ministry of Agriculture, Livestock, Fisheries and Co-operatives and also the Principal Secretary State Department of Co-operatives. The CS and PS concurred and provided their written feedback on 16<sup>th</sup> September, 2021 effectively paving the way for preparation for the stakeholders' and public engagement process.

### 1.1 Summary of the Critical Dates

|  |   |                                 |
|--|---|---------------------------------|
| Board Approval   | 13 <sup>th</sup> July, 2021                                       |                                 |
| CS and PS Concurrence  | 16 <sup>th</sup> September, 2021                                  |                                 |
| Pre -meeting with NACOs  | 16 <sup>th</sup> December, 2021                                   |                                 |
| Written invitation of the Stakeholders on Regional Meetings                                      | 7 <sup>th</sup> February, 2022                                    |                                 |
| Webinar Meeting with County Directors of Co-operatives   | 11 <sup>th</sup> February, 2022                                   |                                 |
| Gazettement of the Levy Order in the Kenya Gazette Notice No. 700                                | 28 <sup>th</sup> January, 2022                                    |                                 |
| Exposure of RIS and Levy Order in the Authority's website for Stakeholders Comments and Feedback | 28 <sup>th</sup> January, 2022 to 25 <sup>th</sup> February, 2022 |                                 |
| Invitation of the stakeholders and the general public for comments via Daily Nation Newspaper    | 28 <sup>th</sup> January, 2022                                    |                                 |
| Deadline for Submission of Comments  | 25 <sup>th</sup> February, 2022                                   |                                 |
| Regional Stakeholders' Workshops   | Nairobi Metropolis Area (First Group)                             | 14 <sup>th</sup> February, 2022 |
|  | Nairobi Metropolis Area (Second Group)                            | 16 <sup>th</sup> February, 2022 |

|                     |                                       |                                 |
|---------------------|---------------------------------------|---------------------------------|
|                     | Western, Nyanza, Rift                 | 18 <sup>th</sup> February, 2022 |
|                     | Central, Eastern and North Eastern    | 18 <sup>th</sup> February, 2022 |
|                     | Coast                                 | 25 <sup>th</sup> February, 2022 |
|                     | Nairobi Metropolis Area (First Group) | 14 <sup>th</sup> February, 2022 |
| Validation Workshop |                                       | 16 <sup>th</sup> March, 2022    |

## 1.2 Stakeholders Engagement Channels

The Stakeholders Engagement on the Regulatory Impact Statement and Proposed levy order was conducted in four channels as follows:

1. Webinar Meeting with the County Co-operative Directors
2. Gazettement and Publication in the Authority's website
3. Delivery of physical copies to NACOs, Financial Regulators, and researchers
4. Presentation to primary Stakeholders and public through the regional stakeholders' forums.

The objective was to share with the stakeholders' the proposal, receive their feedback and input to inform the final proposal.

## 2. THE ENGAGEMENT PROCESS

### 2.1 Webinar Meeting with the County Co-operative Directors

Upon this, the Authority organized a webinar session on 11<sup>th</sup> February, 2022 with the county Co-operative Directors/ Commissioner who are the regulators of the Co-operatives at the county level. The objective of the discussion was to brief and agree on the proposed regional stakeholders' workshop schedules, invite them to the regional stakeholders meeting and also share with them the RIS and proposed Levy order with an intention of receiving their feedback.

### Gazettement and Publication in the Authority's website

The Authority published the Regulatory Impact Statement and the Levy Order in the Kenya Gazette Notice No. 700 dated 28th January, 2022 as well as the Daily Nation Newspaper dated 28th January, 2022 for public participation, comments and feedback. The objective was to meet the legal requirements in line with the Statutory Instrument Act, 2014 and also to accord Kenyans opportunity to access and download the documents from the Authority's website [www.sasra.go.ke](http://www.sasra.go.ke). The deadline for submission of comments, views, and opinions was 25<sup>th</sup> February, 2022.



## 2.2 NACOs, Financial Regulators, and Researchers

The Authority specifically targeted Stakeholders who have direct engagement with the Specified Non-Withdrawable Deposit Taking Saccos which are the primary stakeholders. The Authority wrote to this class of Stakeholders and physically delivered the engagement documents. The following is the Analysis.

| Institutions                         | Levy Rate and the Capping  | The Time   | The Base  |
|--------------------------------------|--|--|---|
| KUSCCO                               | Levy should be implemented in a span of four years<br><br>Maximum Levy payable should be Kshs 2 million for a start and graduated to Kshs 8million in four years | Give Saccos one year before implementation of the levy   | Did not comment on the Base   |
| Co-operative Insurance Company (CIC) | Concurred with the proposed Rate   | Concurred with the proposed the time   | Concurred with the proposed Deposit as the Base   |
| Co-operative Bank of Kenya           | Reduce the maximum limit of Kshs 8 million to a lower amount   | Provide adequate time before implementation of the levy to allow financial reorganization of saccos<br><br>Give a definite period in which the levy should be paid | Maintain the deposit as the base since precedence had been set with the Deposit Taking Saccos |
| Co-operative Alliance of Kenya (CAK) | Levy Should be reduced to a manageable level   |  |   |
| CBK                                  | The provide optimality of 0.165% compared to 0.175%  |  | The Base may deter Saccos from building their deposits so as to join regulatory regime        |

|                                      |  |   |  |
|--------------------------------------|--|---|--|
| Insurance Regulatory Authority (IRA) | Consider a lower levy rate   | There is need for fixed timeline on when the levy becomes payable | Consider Possibility of levying under different bases including certain exceptions   |
| Kenya Deposit Insurance              | Concurs that SASRA charges the levy based on the cost recovery approach  | No comment on time  | Concurs that the Authority uses Base. This is what KDIC uses as the base for premium assessment. Other parameters may be considered at an appropriate time |
| Competition Authority of Kenya       | The SASRA levy proposal does not pose any competition concern within the provision of the Competition Act, No. 12 of 2010. |   |  |

Nacos and Financial regulators contacted but did not respond include National Co-operative Housing Union (NACHU), Co-operative University of Kenya, Retirement Benefits Authority (RBA), Capital Markets Authority (CMA) and Council of Governors



### NACOs Pre-meetings

The NACOs were consulted by writing letters to them requesting for their feedback on the RIS and Draft Levy order. The letters were submitted on 31<sup>st</sup> January, 2022 to NACOs requesting them to provide their submissions by 25<sup>th</sup> February, 2022. Out of the six NACOs consulted, three of them provided their written feedback except NACHU and CUK while CAK opted to attend the workshops and provide their feedback in the plenary.

It is worth noting that the Authority organized a preliminary brief to the National Organization KUSCCO at Crowne Plaza on 16<sup>th</sup> December, 2021 to share with them the intention to Levy the NWDT who are their members. On the 24<sup>th</sup> January 2022, a physical meeting with the Chief Executive Officer of Cooperative Alliance of Kenya, CAK at their Karen offices was held where the Authority shared the intention and consultation road map.

### Financial Regulators and Researchers

Out of the seven (7) financial regulators consulted, four (4) institutions namely The Central Bank of Kenya (CBK), Insurance Regulatory Authority (IRA), Kenya Deposit Insurance Corporation (KDIC) and Competition Authority of Kenya (CA) provided comments and feedback. This represented 57% of response. However, Retirement Benefits Authority (RBA), Capital Markets Authority (CMA) and Unclaimed Financial Assets Authority (UFAA) did not respond.

### 2.3 Regional Consultation

As part of further stakeholder's consultation and participation, the Authority organized regional stakeholders' consultation workshops as per the schedule below which was published in the Daily Nation Newspaper on 4<sup>th</sup> February, 2022 where a total of 496 participants attended:

| SCHEDULE OF STAKEHOLDERS' REGIONAL WORKSHOPS/MEETINGS |  |  |                            |            |              |          |  |
|---|--|--|----------------------------|------------|--------------|----------|--|
| DAY, DATE AND TIME (8AM-4PM)                          | REGION   | COUNTIES/SUB COUNTIES COVERED  | VENUE                      | Attendance | No. of NWDTs |          |  |
|   |  |  |                            |            | Invited      | Attended |  |
| Monday<br>14 <sup>th</sup> February,<br>2022          | Nairobi<br>Metropolis Area<br>(First<br>Group) | Part of Nairobi County<br>( <i>Embakasi South, North, Central, East and West; Kamukunji, Makadara, Mathare, Starehe sub-counties</i> );<br>Part of Kiambu County<br>( <i>Gatundu South and</i> | Hilton<br>Hotel<br>Nairobi | 218        | 86           | 66       |  |

|   |  |   |  |            |            |                 |
|---|--|---|--|------------|------------|-----------------|
|   |  | North; Githunguri, Kiambu, Ruiru, Juja and Thika sub-counties)<br>Kajiado, Kitui, Makueni and Machakos Counties   |  |            |            |                 |
| Wednesday<br>16 <sup>th</sup> February,<br>2022 | Nairobi<br>Metropolis Area<br>(Second Group)   | Part of Nairobi County (Dagoretti North and South, Langata, Westlands, Kibra sub-counties); Part of Kiambu County (Kabete, Kiambaa, Lari, Kikuyu, Limuru sub-counties)                              | Pride Inn Westlands -Nairobi             | 158        | 71         | 47              |
| Friday<br>18 <sup>th</sup> February,<br>2022    | Western,<br>Nyanza,<br>Rift                    | Nakuru, Kakamega, Busia, Siaya, Vihiga, Nandi, Kisumu, Nyamira, Kisii, Homa Bay, Migori, Kericho, Baringo, Uasin Gishu, Elgeyo Marakwet, Bungoma, Trans-Nzoia, Narok, West Pokot, Bomet and Turkana | Sahara Gardens (Kericho)                 | 34         | 11         | 9               |
| Friday<br>18 <sup>th</sup> February,<br>2022    | Central,<br>Eastern<br>and<br>North<br>Eastern | Nyeri, Nyandarua, Murang'a, Kirinyaga, Embu, Tharaka-Nithi, Meru, Laikipia, Samburu, Isiolo, Marsabit, Wajir and Mandera  | The White Rhino Hotel -Nyeri             | 42         | 6          | 6               |
| Friday<br>25 <sup>th</sup> February,<br>2022    | Coast  | Taita Taveta, Kwale, Mombasa, Kilifi, Lamu, Tana River, Garissa   | Sarova Whitesands Beach Resort - Mombasa | 44         | 11         | 12 <sup>1</sup> |
| <b>Total</b>                                    |  |   |  | <b>496</b> | <b>185</b> | <b>140</b>      |

<sup>1</sup> Bunista NonWDT missed the Kericho meeting. They were at KUSCCO Convention therefore were invited to attend the Mombasa workshop hence making the number 12.



## Outcome of the Stakeholders Meetings

The following is a summary of channels used by stakeholders in providing their feedback.

| REGION                | CHANNELS OF GIVING FEEDBACK   |                             |                     |        |
|-----------------------|-------------------------------|-----------------------------|---------------------|--------|
|                       | Oral responses in the plenary | Feedback forms <sup>2</sup> | Written Submissions | Emails |
| Nairobi 1 (Hilton)    | 41                            | 71                          | 8                   | 4      |
| Nairobi 2 (Pride Inn) | 27                            | 59                          |                     |        |
| Nyeri                 | 12                            | 13                          |                     |        |
| Kericho               | 21                            | 11                          |                     |        |
| Mombasa               | 39                            | 23                          |                     |        |
| <b>TOTAL</b>          | <b>331</b>                    |                             |                     |        |

## Analysis of Issues Raised:

| ISSUE RAISED   | FREQUENCY  | PERCENTAGE  |
|--|------------|-------------|
| The rate is too high   | 121        | 24%         |
| The base   | 84         | 17%         |
| Whether to levy NWDTs or not   | 52         | 10%         |
| Time of implementation   | 35         | 7%          |
| The time for payment/Mode/ Frequency   | 30         | 6%          |
| SASRA To Help Saccos in Capacity Building, online returns, explain levy to members, corporate governance, enhance inspection | 28         | 6%          |
| SASRA should find alternative source of fund/ revenue  | 20         | 4%          |
| Appreciate work done by SASRA eg during onsite inspections, regulation, SASRA staff, the presentation, progress achieved     | 18         | 3%          |
| Other varied issues  | 118        | 23%         |
| <b>TOTAL</b>   | <b>505</b> | <b>100%</b> |

<sup>2</sup> Some feedback forms carried more than one issue

### 3. THE AUTHORITY'S REVISED PROPOSAL

#### 3.1 Proposed Levy Rate

From the above analysis, option 4 appears realistic as it addresses the major concerns raised by the stakeholders relating to rate and time. The Authority will also achieve its funding needs though in the long run. It is therefore proposed that the Authority shares the revised rate to stakeholders during the validation workshop as follows:

| <b>Revised Levy Rate</b> |           |
|--------------------------|-----------|
| Year 1                   | 0.10%     |
| Year 2                   | 0.13%     |
| Year 3                   | 0.14%     |
| Year 4                   | 0.15%     |
| Maximum (Kshs)           | 6 Million |

#### 3.2 Time`

- This is addressed by charging the lower interest in the first year and graduating slowly to a maximum of 0.15% after 4years. This will provide Saccos with enough room to adjust and also grow. In addition, the lag period on the Audited accounts applied provides a constant time lag.
- The applicable date to be 1<sup>st</sup> January, 2023

#### 3.3 Proposed Base

The Base to be retained as the non-withdrawable deposits held by Non-WDT-SACCOs due to the following reasons:

- To avoid discrimination since a precedence has been set by Deposit Taking Saccos
- It is the deposits that the Authority protects and it is only logical that levy be based on it
- Since the business of Saccos is Savings and Credit, it therefore follows that levy is based on the core business of the regulate
- Easy to calculate and certainty in forecasting for planning purposes unlike the fluctuating surplus
- A number of participants concurred with the base





**THE SACCO SOCIETIES REGULATORY AUTHORITY  
(SASRA)**

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**VALIDATION REPORT ON**

**ON THE**

**PROPOSED SACCO SOCIETIES (SPECIFIED NON-DEPOSIT  
TAKING BUSINESS) (LEVY) ORDER, 2022**

**April 2022**

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## **1. BACKGROUND**

In compliance with the Statutory Instrument Act, 2013, the Authority prepared Regulatory Impact Statement on the proposed Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2022 published it in its website, in the Kenya Gazette Notice No. 700 dated 28th January, 2022 as well as the Daily Nation Newspaper dated 28th January, 2022 inviting the Saccos and the general public to interrogate and provide their views and comments for consideration.

The second stage was the regional workshops across different parts of the Country to explain further on the levy order to the affected SACCOs and other stakeholders so as to facilitate informed views and comments.

The Authority received valuable feedback from the consulted stakeholders which it considered, analyzed and came up with the proposal addressing the consulted Stakeholders concerns. This was shared with them in the validation workshop of Wednesday, 16th March, 2022 at Safari Park hotel

## **2. THE VALIDATION WORKSHOP**

The validation workshop was organized as a forum to confirm to the stakeholders that their feedback/comments were collected, collated, analyzed and addressed. In addition, to share with them the Authority's response that addressed their concerns with an aim of obtaining the proposed levy approved by them.

The primary stakeholders and the general members of the public were informed of the stakeholders' validation workshop via several modes of communication including Newspapers, circulars and Special invites through letters.

The validation workshop which was held on 16th March, 2022 at the Safari Park hotel in Nairobi was attended by primary stakeholders, National Co-operatives Societies and the interested public. All the 185 NWDTs were invited from which 263 people attended representing 125 NWDTs. The list of Saccos that attended can be found in Annex I.

The validation process entailed presentation of the consultation outcome this included:

- 1) Process followed by the Authority during the consultation process
- 2) The channels availed to stakeholders for access of information and submission of their comments

- 3) Statistics of the participants consulted through various channels during the process
- 4) The feedback received from the stakeholders, how they were analyzed and addressed
- 5) The Authority's recommendations addressing the issues raised by the Stakeholders

### **3. THE PROGRAMME**

- ❖ The programme began at 8:00 am with the arrival and registration of participants conducted by the SASRA Secretariat.
- ❖ The NWDTs PCEA Ruiru led in a word of prayer.
- ❖ The MC led in the introduction of members present from various Saccos and across counties.
- ❖ The opening remarks were given by;
  - SASRA CEO
  - Nairobi County Director of Co-operatives – Madam Dolphine Aremo
  - CAK CEO – Mr. Daniel Marube
  - KUSCCO Head of Advocacy - Mercy Njeru, HSC
  - SASRA Board – Director Mburu
  - Commissioner of Co-operatives – Mr. David Obonyo
  - Commissioner representing the PS – Mr. David Obonyo
- ❖ The Commissioner for Co-operatives Mr. David Obonyo represented the PS for State Department for Co-operatives, Mr. Ali Noor Ismail, and delivered his remarks.
- ❖ Presentation by SASRA on the validation report of the Stakeholders' consultation on the proposed Levy Order NWDT SACCOs and the proposed way forward.
- ❖ There was a Plenary session
  - KUSCCO
  - CAK
  - Reli Sacco
  - AIBK Sacco
- ❖ Vote of thanks
- ❖ Lunch and departure

### **4. THE PRESENTATION**

The Authority presented the revised Proposals in the validation report of the Stakeholders' consultation on the proposed Levy Order NWDT SACCOs. These proposals were on three areas;



#### 4.1 The Base

The Base was retained as the non-withdrawable deposits due to the following reasons;

- To avoid discrimination since a precedence has been set by Deposit Taking Saccos
- It is the deposits that the Authority protects and it is only logical that levy be based on it
- Since the business of Saccos is Savings and Credit, it therefore follows that levy is based on the core business of the regulate
- Easy to calculate and certainty in forecasting for planning purposes unlike the fluctuating surplus
- A number of participants (60%) did not have an issue with the base
- The market trend this is explained by the fact that most of the Financial Regulators supported the same based on experience

#### 4.2 The Levy

The levy had been proposed at 0.165% and at validation was agreed to be 0.15% graduated over a period of four years as shown in the table.

The maximum levy payable which was previously proposed at Kshs 8 million, was revised to Kshs 6 million, a reduction of 25 percent.

| Revised Levy Rate |           |
|-------------------|-----------|
| Year 1 (2023)     | 0.10%     |
| Year 2 (2024)     | 0.13%     |
| Year 3 (2025)     | 0.14%     |
| Year 4 (2026)     | 0.15%     |
| Maximum (Ksh)     | 6 million |

#### 4.3 The Time

It was agreed that the Authority will not levy NWDTs in the current year 2022. Payment of the levy would commence on 1<sup>st</sup> January, 2023 providing a grace period of one year. The applicable Audited Accounts shall be for year 2021 providing an opportunity for Saccos to present the budget to the membership and obtain the necessary approvals.

#### 5. PLENARY

After the presentation, there was a plenary session where the participants shared their feedback on the proposal submitted by the Authority. These came from KUSCCO, the Co-operative Alliance of Kenya (CAK), the representatives of the NWDTs among others.

The proposal was then approved and proposed by Ms Seraphine Mutua, the Vice-Chair, Reli Sacco, and seconded by Mr. Stephen Ngethe, the CEO AIBK Sacco. Attached is the Validated Proposed Levy Order.



**6. ANNEXURES**

ANNEX I: THE PRESENTATION MADE AT THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI



THE SACCO SOCIETIES  
REGULATORY AUTHORITY  
(SASRA)

# STAKEHOLDERS' VALIDATION OF THE DRAFT LEVY ORDER FOR NWDT SACCOS

HELD ON 16<sup>TH</sup> MARCH, 2022  
IN NAIROBI AT SAFARI PARK HOTEL







## Background

- In line with the Kenyan constitution 2010 and the Statutory Instrument Act, 2013, the Authority engaged stakeholders in public consultation and participation process
- It was proposed in the Levy Order a levy rate of 0.165% with a maximum capping of Kshs 8 million to be charged on the non-withdrawable deposits held by Non-WDT-SACCOs.
- The Authority Prepared a Regulatory Impact Statement (RIS) providing a detailed appraisal of the potential impact of the proposed levy order on the Non-Withdrawable Deposit Taking Saccos and their members and a Draft Levy Order



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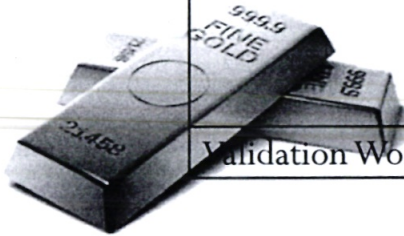






# Background

| Activities   | Dates   |                                 |
|--|---|---------------------------------|
| Concurrence from CS to engage in public consultation process   | 16 <sup>th</sup> September, 2021                                  |                                 |
| Pre -meeting with KUSCCO   | 16 <sup>th</sup> December, 2021                                   |                                 |
| Written invitation of the primary Stakeholders on Regional Meetings  | 7 <sup>th</sup> February, 2022                                    |                                 |
| Webinar Meeting with County Directors of Co-operatives   | 11 <sup>th</sup> February, 2022                                   |                                 |
| Pre-Meeting with CAK   | 24 <sup>th</sup> January 2022                                     |                                 |
| Notice on the intention to make Sacco societies (specified non-deposit taking business) (levy) Order, 2022 in the Kenya Gazette Notice No. 700 | 28 <sup>th</sup> January, 2022                                    |                                 |
| Exposure of RIS and Levy Order in the Authority's website  | 28 <sup>th</sup> January, 2022 to 25 <sup>th</sup> February, 2022 |                                 |
| Invitation of the stakeholders and public comments via daily Nation Newspaper  | 28 <sup>th</sup> January, 2022                                    |                                 |
| Deadline for Submission of Comments  | 25 <sup>th</sup> February, 2022                                   |                                 |
| Regional Stakeholders' Workshops   | Nairobi Metropolis Area (First Group)                             | 14 <sup>th</sup> February, 2022 |
|  | Nairobi Metropolis Area (Second Group)                            | 16 <sup>th</sup> February, 2022 |
|  | Western, Nyanza, Rift   | 18 <sup>th</sup> February, 2022 |
|  | Central, Eastern and North Eastern                                | 18 <sup>th</sup> February, 2022 |
|  | Coast   | 25 <sup>th</sup> February, 2022 |
| Validation Workshop  | 16 <sup>th</sup> March, 2022                                      |                                 |

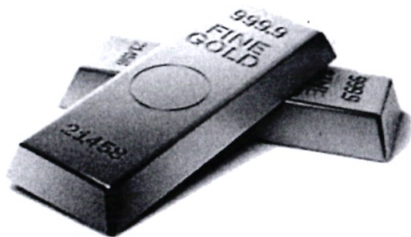






## Stakeholders Engagement Channels

1. Webinar Meeting with the County Directors of Co-operatives
2. Gazettement and Publication in the Authority's website
3. Delivery of physical copies to NACOs, Financial Regulators, and researchers
4. Presentation to primary Stakeholders and public through the regional stakeholders' forums.



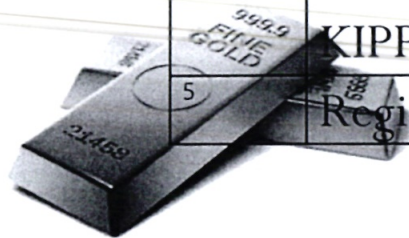
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## Stakeholders Participation

|   | Categories   | Number                  |
|---|--|-------------------------|
| 1 | Webinar Meeting  | 17 County commissioners |
| 2 | Publication in the Authority's website   | 578 Downloads           |
| 3 | Physical delivery of copies to NACOs, (KUSCCO, NACHU, CAK, CIC, Coop Bank and CUK)   | 6                       |
| 4 | Physical delivery of copies to Financial Regulators and researchers (CBK, CMA, RBA, UFAA, IRA, KDIC, CAK, KIPPRA, Council of Governors | 9                       |
| 5 | Regional stakeholders' forums.   | 496                     |



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## NACOs, Financial Regulators, and Researchers

- The NACOs and Financial Regulators were consulted by writing letters to them requesting for their feedback on the RIS and Draft Levy order.
- Out of the six NACOs consulted, three (3) provided written feedback except NACHU and CUK while CAK preferred attending the workshops and providing feedback in the plenary.
- A total of nine (9) financial regulators and researchers were consulted, Four (4) institutions namely CBK, IRA, KDIC and CAK provided comments and feedback.
- This represented 57% of response. However, Retirement Benefits Authority (RBA), Capital Markets Authority (CMA) and Unclaimed Financial Assets Authority (UFAA) did not respond.



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# NACOs, Financial Regulators, and Researchers- Feedback

| Institutions                         | Levy Rate and the Capping   | The Time  | The Base  |
|--------------------------------------|---|---|---|
| KUSCCO                               | <p>Levy should be implemented in a span of four years</p> <p>Maximum Levy payable should be Kshs 2 million for a start and graduated to Kshs 8million in four years</p> | Give Saccos one year before implementation of the levy  | Did not comment on the Base   |
| Co-operative Insurance Company (CIC) | Concurred with the proposed Rate  | Concurred with the proposed time  | Concurred with the proposed Deposit as the Base   |
| Co-operative Bank of Kenya           | Reduce the maximum limit of Kshs 8 million to a lower amount  | <p>Provide adequate time before implementation of the levy to allow financial reorganization of saccos</p> <p>Give a definite period in which the levy should be paid</p> | Maintain the deposit as the base since precedence had been set with the Deposit Taking Saccos |



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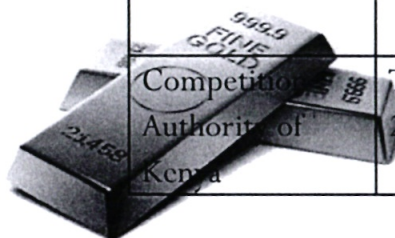






# NACOs, Financial Regulators, and Researchers

| Institutions                         | Levy Rate and the Capping  | The Time  | The Base   |
|--------------------------------------|--|---|--|
| Co-operative Alliance of Kenya (CAK) | Levy should be reviewed to a manageable level  | Provide members with time to adjust                               | Did not comment on the Base  |
| CBK                                  | The provide optimality of 0.165% compared to 0.175%  |   | The Base may deter Saccos from building their deposits so as to join regulatory regime   |
| Insurance Regulatory Authority (IRA) | Consider a lower levy rate   | There is need for fixed timeline on when the levy becomes payable | In future, consider possibility of levying under different bases including certain exceptions  |
| Kenya Deposit Insurance              | Concurs that SASRA charges the levy based on the cost recovery approach  | No comment on time  | Concurs that the Authority uses Base. This is what KDIC uses as the base for premium assessment. Other parameters may be considered at an appropriate time |
| Competition Authority of Kenya       | The SASRA levy proposal does not pose any competition concern within the provision of the Competition Act, No. 12 of 2010. |   |  |



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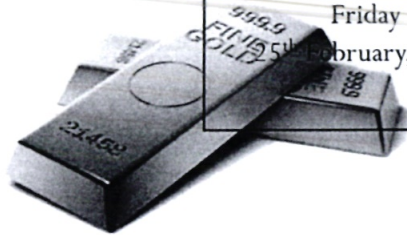






# Regional Stakeholders Consultation

| SCHEDULE OF STAKEHOLDERS' REGIONAL WORKSHOPS/MEETINGS |   |  |   |
|---|---|--|---|
| DAY, DATE AND TIME<br>(8AM-4PM)                       | REGIONS                                   | COUNTIES/SUB COUNTIES COVERED  | VENUE                                   |
| Monday<br>14 <sup>th</sup> February, 2022             | Nairobi Metropolis Area<br>(First Group)  | Part of Nairobi County ( <i>Embakasi South, North, Central, East and West; Kamukunji, Makadara, Mathare, Starehe sub-counties</i> ); Part of Kiambu County ( <i>Gatundu South and North; Githunguri, Kiambu, Ruiru, Juja and Thika sub-counties</i> )<br>Kajiado, Kitui, Makueni and Machakos Counties | Hilton Hotel Nairobi                    |
| Wednesday<br>16 <sup>th</sup> February, 2022          | Nairobi Metropolis Area<br>(Second Group) | Part of Nairobi County ( <i>Dagoretti North and South, Langata, Westlands, Kibra sub-counties</i> ); Part of Kiambu County ( <i>Kabete, Kiambaa, Lari, Kikuyu, Limuru sub-counties</i> )   | Pride Inn Westlands - Nairobi           |
| Friday<br>18 <sup>th</sup> February, 2022             | Western, Nyanza, Rift                     | Nakuru, Kakamega, Busia, Siaya, Vihiga, Nandi, Kisumu, Nyamira, Kisii, Homa Bay, Migori, Kericho, Baringo, Uasin Gishu, Elgeyo Marakwet, Bungoma, Trans-Nzoia, Narok, West Pokot, Bomet and Turkana  | Sahara Gardens (Kericho)                |
| Friday<br>18 <sup>th</sup> February, 2022             | Central, Eastern and North Eastern        | Nyeri, Nyandarua, Murang'a, Kirinyaga, Embu, Tharaka-Nithi, Meru, Laikipia, Samburu, Isiolo, Marsabit, Wajir and Mandera   | The White Rhino Hotel - Nyeri           |
| Friday<br>18 <sup>th</sup> February, 2022             | Coast                                     | Taita Taveta, Kwale, Mombasa, Kilifi, Lamu, Tana River, Garissa  | Sarova Whitesands Beach Resort -Mombasa |



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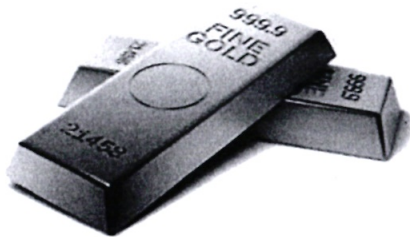






## Regional Stakeholders-Participation

| Regions               | No. of SACCOs |            | No. of People Present |
|-----------------------|---------------|------------|-----------------------|
|                       | Invited       | Attended   |                       |
| Nairobi 1 (Hilton)    | 86            | 66         | 218                   |
| Nairobi 2 (Pride Inn) | 71            | 47         | 158                   |
| Nyeri                 | 6             | 6          | 42                    |
| Kericho               | 11            | 9          | 34                    |
| Mombasa               | 11            | 12         | 44                    |
| <b>TOTAL</b>          | <b>185</b>    | <b>140</b> | <b>496</b>            |



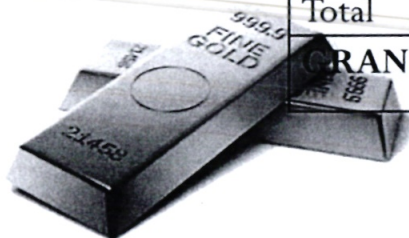
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## Regional Stakeholders Consultation-Channels

| REGIONS                  | CHANNELS OF GIVING FEEDBACK   |                |                     |        |
|--------------------------|-------------------------------|----------------|---------------------|--------|
|                          | Oral Responses in the plenary | Feedback forms | Written Submissions | Emails |
| Nairobi 1 (Hilton)       | 41                            | 71             | 8                   | 4      |
| Nairobi 2 (Pride Inn)    | 27                            | 59             |                     |        |
| Nyeri (White Rhino)      | 21                            | 13             |                     |        |
| Kericho (Sahara Gardens) | 12                            | 11             |                     |        |
| Mombasa (White sands)    | 39                            | 23             |                     |        |
| Total                    | 140                           | 177            | 8                   | 4      |
| <b>GRAND TOTAL</b>       |                               |                | <b>329</b>          |        |



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## Regional Stakeholders Consultation-Issues Raised

| Issue Raised   | Frequency  | Percentage  |
|--|------------|-------------|
| High Levy Rate   | 121        | 24%         |
| The Base   | 84         | 17%         |
| Whether to levy NWDTs or not   | 52         | 10%         |
| Time of implementation   | 35         | 7%          |
| The time for payment/ Mode/ Frequency  | 30         | 6%          |
| SASRA to Help Saccos in Capacity Building, online returns, explain levy to members, corporate governance, enhance inspection | 28         | 6%          |
| SASRA should find alternative source of fund/ revenue  | 20         | 4%          |
| Appreciate work done by SASRA eg during onsite inspections, regulation, SASRA staff, the presentation, progress achieved     | 18         | 3%          |
| Other various issues   | 118        | 23%         |
| <b>TOTAL</b>   | <b>505</b> | <b>100%</b> |



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# SAMPLE ISSUES RAISED



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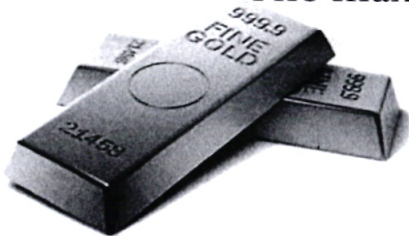






## Issues on The Proposed Levy Rate

- The rate was perceived to be high
- SASRA did not acknowledge the fact that Saccos have just come into a new regulatory regime and incurred a lot of costs such application fees, license fees, preparation of business plans etc
- Saccos already incurring costs since the new regulatory regime has activities that require additional costs such as contracting of the listed Auditors among others
- Consider a graduated rate
- The maximum rate of Kshs 8million is high



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## Issues on the Proposed Time

- Proposed time is too soon
- Saccos require time to adjust because of the costs they have incurred due to transition
- Time should not be backdated but payment should start on the approval date
- Time is required to budget for the levy and seek members approval in the AGM



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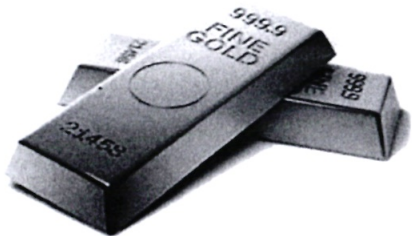






## Issues on The Proposed Base

- The proposal will reduce the members deposit
- Saccos will be discouraged to grow deposits so that they don't pay higher levies
- Deposits are from members income which has already been taxed
- Deposits change as members leave the Sacco

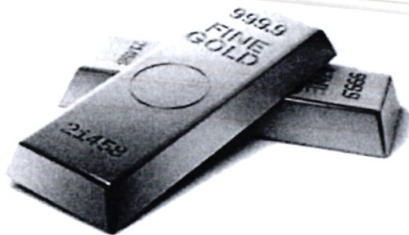


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# THE AUTHORITY'S RECOMMENDED PROPOSAL



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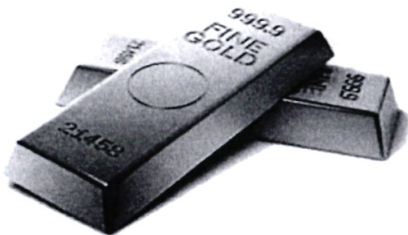






## The Time

- The Authority will not levy NWDTs in the current year 2022
- The applicable date to be 1<sup>st</sup> January, 2023 and shall not be backdated
- The applicable Audited Accounts shall be for year 2021 providing an opportunity for Saccos to present the budget to the membership and obtain the necessary approvals



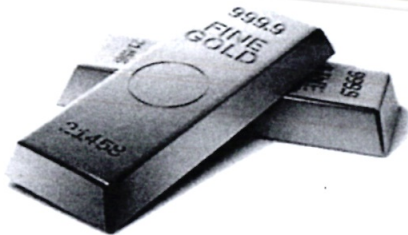
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## The Rate

- The rate is significantly reduced from 0.165% in year one to only 0.10% to be graduated to 0.15% within a period of 4 years
- In year one NWDTs will be paying only 0.1% which is 57% of the current rate of 0.175% paid by NDTs
- The 0.15% to be paid in the fourth year is a 14% reduction from what the NDTs are currently paying



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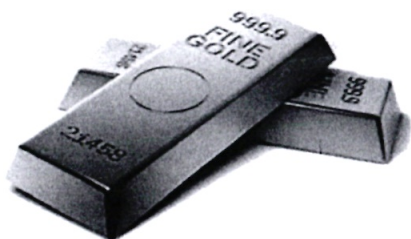






## The Rate

- This will provide Saccos with enough room to adjust and also grow.
- The maximum has been reduced from Kshs 8million to Kshs 6million representing 25% reduction
- This is a 60% of the Kshs 10million capping for the Deposit Taking Saccos.



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## The Base

The Base to be retained as the non-withdrawable deposits held by Non-WDT-SACCOs due to the following reasons:

- To avoid discrimination since a precedence has been set by Deposit Taking Saccos
- It is the deposits that the Authority protects and it is only logical that levy be based on it
- Since the business of Saccos is Savings and Credit, it therefore follows that levy is based on the core business of the regulate
- Easy to calculate and certainty in forecasting for planning purposes unlike the fluctuating surplus
- A number of participants (60%) did not have an issue with the base
- To conform to the market trend: this is explained by the fact that most of the Financial Regulators supported the same based on experience



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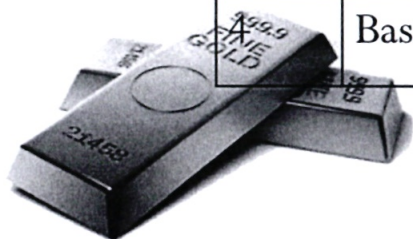






## How Does the Recommended Levy Fit into issues raised

|   | Comments                 | Authority's Response   |
|---|--------------------------|--|
| 1 | High Levy Rate of 0.165% | Reduced to 0.10% in year one and a gradual four-year implementation plan proposed        |
| 2 | Maximum Levy payable     | Revised to Kshs 6million from the earlier proposal of Kshs 8million (a reduction of 25%) |
| 3 | Time                     | To commence 1 <sup>st</sup> January, 2023 thus providing a grace period of one year      |
|   | Base                     | Retained Non-Withdrawable Deposits   |



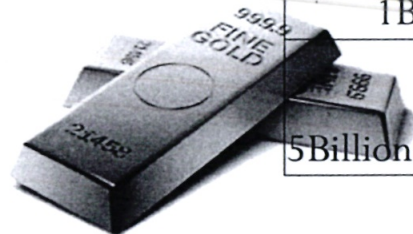
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## Effect of The Recommended Levy

| Sacco Deposit      | Levy Payable (Kshs) at 0.165% in year 1 | Levy Payable (Kshs) at 0.10% in year 1 | Savings   | % Reduction |
|--------------------|---|--|-----------|-------------|
| 100Million         | 165,000                                 | 100,000                                | 65,000    | 40%         |
| 250Million         | 412,500                                 | 250,000                                | 162,500   |             |
| 500Million         | 825,000                                 | 500,000                                | 325,000   |             |
| 1Billion           | 1,650,000                               | 1,000,000                              | 650,000   | 25%         |
| 5Billion and above | 8M                                      | 6Million                               | 2,000,000 |             |



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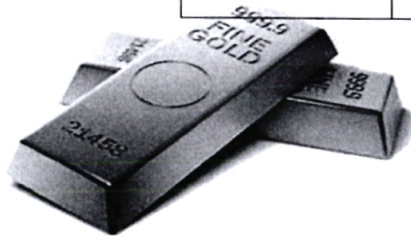






## Effect of the Proposed Levy

| Deposit Range in Kshs Million | Saccos No. | Total Deposits (Kshs Million) | Average Deposit (Million) | Average Levy at 0.165% | Average Levy at 0.1% | Savings   | %savings |
|-------------------------------|------------|-------------------------------|---------------------------|------------------------|----------------------|-----------|----------|
| 0-250                         | 110        | 16,539                        | 150                       | 248,089                | 150,357              | 97,732    | 40%      |
| 250-500                       | 38         | 13,172                        | 347                       | 571,938                | 346,629              | 225,309   |          |
| 500-1Billion                  | 20         | 14,942                        | 747                       | 1,232,680              | 747,079              | 485,601   |          |
| 1b-4.85Billion                | 15         | 28,570                        | 1,905                     | 3,142,651              | 1,904,637            | 1,238,014 |          |
| Above 4.85b                   | 2          | 10,342                        | 5,171                     | 8M                     | 6M                   | 2m        | 25%      |
|                               | <b>185</b> | <b>83,623</b>                 |                           |                        |                      |           |          |



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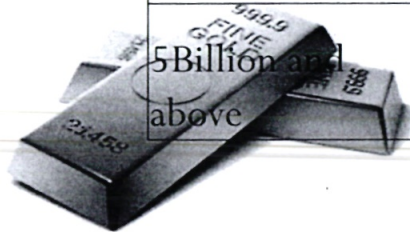






## Effect of The Proposed Levy

| Sacco Deposit         | Levy Payable (Kshs) at years<br>0.165% in four years | Levy Payable (Kshs)<br>at 0.10% in four | Savings   | % Reduction |
|-----------------------|--|---|-----------|-------------|
| 100Million            | 788,589  | 477,933                                 | 310,656   | 40%         |
| 250Million            | 1,971,473  | 1,194,832                               | 776,641   |             |
| 500Million            | 3,942,946  | 2,389,664                               | 1,553,282 |             |
| 1Billion              | 7,885,891  | 4,779,328                               | 3,106,563 | 25%         |
| 5Billion and<br>above | 32Million  | 24Million                               | 8Million  |             |

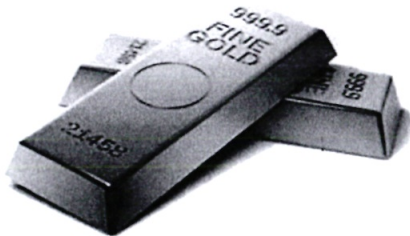






## Implication of The Recommended Rate

- The Authority shall operate on a deficit as the optimal levy level of 0.165% has been revised
- Consequently the available option is to engage the government on funding which is very unlikely.
- The Authority will therefore be forced to revise its budget to operate within the available resources implying that not all services will be provided for instance, the frequency of onsite inspection may change Proposed Levy Rate



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## The Recommended Levy

| Revised Levy Rate |           |
|-------------------|-----------|
| Year 1 (2023)     | 0.10%     |
| Year 2 (2024)     | 0.13%     |
| Year 3 (2025)     | 0.14%     |
| Year 4 (2026)     | 0.15%     |
| Maximum (Ksh)     | 6 Million |



Effective 1<sup>st</sup> January, 2023 based on 2021 Audited Financial Statements

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# What are the next Steps?

Step 1

Consult the Other Remaining Regions as we continue receiving feedbacks

Step 2

Consolidate and Consider the Provided feedback and Comments

Step 3

Organize a Validation workshop to consider how the Authority has addressed the feedback

Submit to the Principal Secretary and Cabinet Secretary for concurrence

Step 4

Cabinet Secretary to submit to the Kenya Gazette for Gazettement

Step 5

Submitted to the National Assembly and Senate within 7days of publication

Step 6







# THE SACCO SOCIETIES REGULATORY AUTHORITY

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***SECURING SACCO FUNDS***





ANNEX II: VALIDATED PROPOSED LEVY ORDER

**Legal Notice No.**

**SACCO SOCIETIES ACT**

*(NO. 14 OF 2008)*

**IN EXERCISE** of the powers conferred by section 15(1) of the Sacco Societies Act (*No. 14 of 2008*), the Sacco Societies Regulatory Authority makes the following Order—

**THE SACCO SOCIETIES (SPECIFIED NON-DEPOSIT  
TAKING BUSINESS) (LEVY) ORDER, 2022**

Citation and  
Commencement

- 1** (1) This Order may be cited as the Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2022.
- (2) This Order shall come into force on 1<sup>st</sup> January, 2023

Interpretation.

- 2** In this Order unless the context otherwise requires—

*No. 14 of 2008.*

“Act” means the Sacco Societies Act;

“Authority” means the Sacco Societies Regulatory Authority established under section 4 of the Act;

“Authorization” means granting an approval to Saccos to conduct specified non deposit taking Sacco business in accordance with regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020;

*L.N No. 82 of 2020.*

“Levy” has the meaning assigned to it under section 2 of the Act; and

“Specified non-deposit taking business” has the meaning assigned to it under regulation 4 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020.

*L.N No. 82 of 2020.*

Levy payable

- 3 (1) A Sacco society undertaking a specified non-deposit taking business shall subject to paragraph 4, pay to the Authority annual Sacco societies levy at the rate prescribed herein, based on the total non-withdrawable deposits held by the Sacco society as indicated in the last audited financial statements of the Sacco society.

| <b>Rate of the Sacco societies levy payable</b> | <b>Period of imposition of the rate Sacco societies levy payable</b>  |
|---|---|
| 0.10%   | From 1 <sup>st</sup> January, 2023 to 31 <sup>st</sup> December, 2023 |
| 0.13%   | From 1 <sup>st</sup> January, 2024 to 31 <sup>st</sup> December, 2024 |
| 0.14%   | From 1 <sup>st</sup> January, 2025 to 31 <sup>st</sup> December, 2025 |
| 0.15%   | From 1 <sup>st</sup> January, 2026 onwards                            |

- (2) Despite sub-paragraph (1) the maximum levy payable under this Order shall not exceed six million shillings.

Assessment of Levy Amount  
(L.N No. 82 of 2020)

- 4 The Authority shall upon issuance of an authorization certificate pursuant to regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations 2020, assess the levy payable under paragraph 3 of this Order.

Time for levy payment

- 5 The levy shall become due and payable to the Authority not later than thirty days after an assessment by the Authority, and service of an



assessment notice on a Sacco society undertaking a specified non-deposit taking business.

Pro-rated Levy

- 6 The levy payable by a Sacco society undertaking a specified non-deposit taking business on the year of first issuance of authorization certificate shall be the equivalent of the pro-rated amount of the levy payable with effect from the month immediately following the month of the issuance of the authorization.

**Made at Nairobi this 6<sup>th</sup> day of May, 2022**

**Chairman**

**Chief Executive Officer**

### ANNEX III: ATTENDANCE LIST

LIST OF NWDTS THAT ATTENDED THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI

|                   |                         |                       |                        |                |
|-------------------|-------------------------|-----------------------|------------------------|----------------|
| 1. PCEA RUIRU     | 2. BANDS                | 3. BORNEKA            | 4. MZIMA SPRINGS       | 5. MKU         |
| 6. DUDU           | 7. KEN TOURS            | 8. 3N                 | 9. UNIFYING            | 10. RAMCO      |
| 11. EAGLES EYE    | 12. DAVIS AND SHIRTLIFF | 13. BAT               | 14. FORWARD TRAVELLERS | 15. ESTA       |
| 16. KIAMBU CHANIA | 17. UNITED WOMEN        | 18. ABC EMPOWERMENT   | 19. COOP BANK          | 20. CIC        |
| 21. MAKTABA       | 22. BLUE EAGLE          | 23. AIBK              | 24. FARMERS CHOICE     | 25. UTABIBU'   |
| 26. NYUMBA        | 27. NENO                | 28. UBORA             | 29. BARABARA           | 30. USIU A     |
| 31. KASNEB        | 32. ENERGY              | 33. NAIROBI WATER     | 34. UKAGUZI            | 35. MAJANEES   |
| 36. KENCHIC       | 37. TORCH               | 38. KUMBUKUMBU        | 39. KIJABE             | 40. MASTERWAYS |
| 41. MIKEBE        | 42. HEART               | 43. UOKOAJI           | 44. WASCOM             | 45. BALOZI     |
| 46. FAULU BANK    | 47. ACK THIKA TALENTS   | 48. MULTIPLE          | 49. KENYA USA DIASPORA | 50. SAUTI      |
| 51. UMOJA WENDANI | 52. TETRA PACK          | 53. BE SMART          | 54. VERONA HURUMA      | 55. BIBLIA     |
| 56. QUEENSWAY     | 57. FUGO                | 58. EQUITY            | 59. BUNISTA            | 60. MATIBABU   |
| 61. RELI          | 62. KINGA               | 63. COTTS             | 64. TOTAL              | 65. MINET      |
| 66. EMBASSAVA     | 67. KABARAK UNIVERSITY  | 68. STOKE UK DIASPORA | 69. FAMILY             | 70. ADVENTIST  |
| 71. KENYA RE      | 72. KANISA              | 73. BRAEMEG           | 74. ZHOGHORI           | 75. SHAMIRI    |
| 76. MADISON       | 77. GRAIN BULK          | 78. LOMPASAGO         | 79. SMART SAVERS       | 80. KILELE     |
| 81. AIRLINK       | 82. REMBO SHUTTLE       | 83. COMMUNICATION     | 84. UNGA               | 85. HOECHEM    |
| 86. POLYTECH      | 87. LSK                 | 88. BANKI KUU         | 89. EXAM               | 90. EPZA       |
| 91. UBORA         | 92. TRAMOM              | 93. KIDAPU            | 94. CHESS              | 95. PESA       |
| 96. UNBOUND       | 97. KICO                | 98. RADIO GUARD       | 99. MATAARA            | 100. PANDA     |
| 101. WASADO       | 102. NIMEPATA           | 103. MTN              | 104. HARAMBEE          | 105. GATHERS   |
| 106. BESTROCK     | 107. BALLOT             | 108. UAMINIFU         | 109. KEMRI             | 110. BESCO     |
| 111. PCEA         | 112. SAWA               | 113. TRANSGLOBE       | 114. KMA               | 115. KAG       |
| 116. UTAFITI      | 117. PEFA               | 118. FINNLAY          | 119. BAMBURI WANCHI    | 120. NJIWA     |
| 121. PARLIAMENT   | 122. MHASIBU            | 123. MOFAA            | 124. NENDENI           | 125. KENYA RE  |



LIST OF INSTITUTIONS THAT ATTENDED THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI

|    | <b>INSTITUTION INSITUTIONS</b>                      | <b>REPRESENTATIVE</b>  |
|----|---|--|
| 1  | The PS, SDC   | Represented by the Commissioner for Co-operative Developmet Mr. David Obonyo |
| 2  | Commissioner for Co-operatives                      | Mr. David Obonyo   |
| 3  | Ministry  | Margaret Kamau   |
| 4  | Cooperative Alliance of Kenya                       | Mr. Daniel Marube-CEO  |
| 5  | Nairobi County Director for Co-operatives           | Madam Dolphine Aremo-Director for Co-operatives Nairobi County               |
| 6  | Kiambu County Director for Co-operatives            | Ms. Abigail Omoyi- Director for Co-operatives Kiambu County                  |
| 7  | Kirinyaga County Director for Co-operatives         | Edward Nyaga   |
| 9  | Nakuru County SCCO                                  | Hanifa Wabomba   |
| 10 | Machakos County Director for Co-operatives          | David Nzomo  |
| 11 | Kenya Union of Savings and Credit Co-operatives Ltd | Head of Advocacy - Mercy Njeru, HSC  |
| 12 | National Cooperative Housing Union Ltd              | John Ndege   |
| 13 | CIC   |  |
| 14 | Co-operative Bank of Kenya                          | Dennis Lusenaka  |
| 15 | Co-operative University of Kenya                    |  |
| 16 | NWDTS representation                                | 268  |



**THE SACCO SOCIETIES REGULATORY AUTHORITY  
(SASRA)**

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P. O. Box 25089-00100,  
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Tel: +254 (20) 2935 100  
E-mail: [policy@sasra.go.ke](mailto:policy@sasra.go.ke), Website: [www.sasra.ge.ke](http://www.sasra.ge.ke)

**VALIDATION REPORT ON**

**ON THE**

**PROPOSED SACCO SOCIETIES (SPECIFIED NON-DEPOSIT  
TAKING BUSINESS) (LEVY) ORDER, 2022**

April 2022



## **CONTENTS**

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## **1. BACKGROUND**

In compliance with the Statutory Instrument Act, 2013, the Authority prepared Regulatory Impact Statement on the proposed Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2022 published it in its website, in the Kenya Gazette Notice No. 700 dated 28th January, 2022 as well as the Daily Nation Newspaper dated 28th January, 2022 inviting the Saccos and the general public to interrogate and provide their views and comments for consideration.

The second stage was the regional workshops across different parts of the Country to explain further on the levy order to the affected SACCOs and other stakeholders so as to facilitate informed views and comments.

The Authority received valuable feedback from the consulted stakeholders which it considered, analyzed and came up with the proposal addressing the consulted Stakeholders concerns. This was shared with them in the validation workshop of Wednesday, 16th March, 2022 at Safari Park hotel

## **2. THE VALIDATION WORKSHOP**

The validation workshop was organized as a forum to confirm to the stakeholders that their feedback/comments were collected, collated, analyzed and addressed. In addition, to share with them the Authority's response that addressed their concerns with an aim of obtaining the proposed levy approved by them.

The primary stakeholders and the general members of the public were informed of the stakeholders' validation workshop via several modes of communication including Newspapers, circulars and Special invites through letters.

The validation workshop which was held on 16th March, 2022 at the Safari Park hotel in Nairobi was attended by primary stakeholders, National Co-operatives Societies and the interested public. All the 185 NWDTs were invited from which 263 people attended representing 125 NWDTs. The list of Saccos that attended can be found in Annex I.

The validation process entailed presentation of the consultation outcome this included:

- 1) Process followed by the Authority during the consultation process
- 2) The channels availed to stakeholders for access of information and submission of their comments



- 3) Statistics of the participants consulted through various channels during the process
- 4) The feedback received from the stakeholders, how they were analyzed and addressed
- 5) The Authority's recommendations addressing the issues raised by the Stakeholders

### **3. THE PROGRAMME**

- ❖ The programme began at 8:00 am with the arrival and registration of participants conducted by the SASRA Secretariat.
- ❖ The NWDTs PCEA Ruiru led in a word of prayer.
- ❖ The MC led in the introduction of members present from various Saccos and across counties.
- ❖ The opening remarks were given by;
  - SASRA CEO
  - Nairobi County Director of Co-operatives – Madam Dolphine Aremo
  - CAK CEO – Mr. Daniel Marube
  - KUSCCO Head of Advocacy - Mercy Njeru, HSC
  - SASRA Board – Director Mburu
  - Commissioner of Co-operatives – Mr. David Obonyo
  - Commissioner representing the PS – Mr. David Obonyo
- ❖ The Commissioner for Co-operatives Mr. David Obonyo represented the PS for State Department for Co-operatives, Mr. Ali Noor Ismail, and delivered his remarks.
- ❖ Presentation by SASRA on the validation report of the Stakeholders' consultation on the proposed Levy Order NWDT SACCOs and the proposed way forward.
- ❖ There was a Plenary session
  - KUSCCO
  - CAK
  - Reli Sacco
  - AIBK Sacco
- ❖ Vote of thanks
- ❖ Lunch and departure

### **4. THE PRESENTATION**

The Authority presented the revised Proposals in the validation report of the Stakeholders' consultation on the proposed Levy Order NWDT SACCOs. These proposals were on three areas;

#### **4.1 The Base**

The Base was retained as the non-withdrawable deposits due to the following reasons;

- To avoid discrimination since a precedence has been set by Deposit Taking Saccos
- It is the deposits that the Authority protects and it is only logical that levy be based on it
- Since the business of Saccos is Savings and Credit, it therefore follows that levy is based on the core business of the regulate
- Easy to calculate and certainty in forecasting for planning purposes unlike the fluctuating surplus
- A number of participants (60%) did not have an issue with the base
- The market trend this is explained by the fact that most of the Financial Regulators supported the same based on experience

#### **4.2 The Levy**

The levy had been proposed at 0.165% and at validation was agreed to be 0.15% graduated over a period of four years as shown in the table.

The maximum levy payable which was previously proposed at Kshs 8 million, was revised to Kshs 6 million, a reduction of 25 percent.

| <b>Revised Levy Rate</b> |           |
|--------------------------|-----------|
| Year 1 (2023)            | 0.10%     |
| Year 2 (2024)            | 0.13%     |
| Year 3 (2025)            | 0.14%     |
| Year 4 (2026)            | 0.15%     |
| Maximum (Ksh)            | 6 million |

#### **4.3 The Time**

It was agreed that the Authority will not levy NWDTs in the current year 2022. Payment of the levy would commence on 1<sup>st</sup> January, 2023 providing a grace period of one year. The applicable Audited Accounts shall be for year 2021 providing an opportunity for Saccos to present the budget to the membership and obtain the necessary approvals.

### **5. PLENARY**

After the presentation, there was a plenary session where the participants shared their feedback on the proposal submitted by the Authority. These came from KUSCCO, the Co-operative Alliance of Kenya (CAK), the representatives of the NWDTs among others.



The proposal was then approved and proposed by Ms Seraphine Mutua, the Vice-Chair, Reli Sacco, and seconded by Mr. Stephen Ngethe, the CEO AIBK Sacco. Attached is the Validated Proposed Levy Order.

**6. ANNEXURES**

ANNEX I: THE PRESENTATION MADE AT THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI





THE SACCO SOCIETIES  
REGULATORY AUTHORITY  
(SASRA)

# STAKEHOLDERS' VALIDATION OF THE DRAFT LEVY ORDER FOR NWDT SACCOS

HELD ON 16<sup>TH</sup> MARCH, 2022  
IN NAIROBI AT SAFARI PARK HOTEL







## Background

- In line with the Kenyan constitution 2010 and the Statutory Instrument Act, 2013, the Authority engaged stakeholders in public consultation and participation process
- It was proposed in the Levy Order a levy rate of 0.165% with a maximum capping of Kshs 8 million to be charged on the non-withdrawable deposits held by Non-WDT-SACCOs.
- The Authority Prepared a Regulatory Impact Statement (RIS) providing a detailed appraisal of the potential impact of the proposed levy order on the Non-Withdrawable Deposit Taking Saccos and their members and a Draft Levy Order



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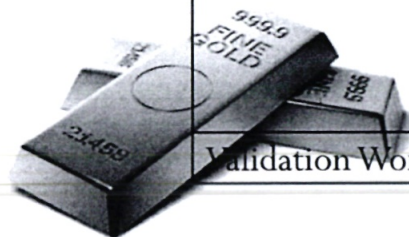






# Background

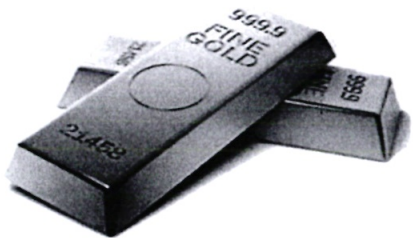
| Activities   | Dates   |                                 |
|--|---|---------------------------------|
| Concurrence from CS to engage in public consultation process   | 16 <sup>th</sup> September, 2021                                  |                                 |
| Pre -meeting with KUSCCO   | 16 <sup>th</sup> December, 2021                                   |                                 |
| Written invitation of the primary Stakeholders on Regional Meetings  | 7 <sup>th</sup> February, 2022                                    |                                 |
| Webinar Meeting with County Directors of Co-operatives   | 11 <sup>th</sup> February, 2022                                   |                                 |
| Pre-Meeting with CAK   | 24 <sup>th</sup> January 2022                                     |                                 |
| Notice on the intention to make Sacco societies (specified non-deposit taking business) (levy) Order, 2022 in the Kenya Gazette Notice No. 700 | 28 <sup>th</sup> January, 2022                                    |                                 |
| Exposure of RIS and Levy Order in the Authority's website  | 28 <sup>th</sup> January, 2022 to 25 <sup>th</sup> February, 2022 |                                 |
| Invitation of the stakeholders and public comments via daily Nation Newspaper  | 28 <sup>th</sup> January, 2022                                    |                                 |
| Deadline for Submission of Comments  | 25 <sup>th</sup> February, 2022                                   |                                 |
| Regional Stakeholders' Workshops   | Nairobi Metropolis Area (First Group)                             | 14 <sup>th</sup> February, 2022 |
|  | Nairobi Metropolis Area (Second Group)                            | 16 <sup>th</sup> February, 2022 |
|  | Western, Nyanza, Rift   | 18 <sup>th</sup> February, 2022 |
|  | Central, Eastern and North Eastern                                | 18 <sup>th</sup> February, 2022 |
|  | Coast   | 25 <sup>th</sup> February, 2022 |
| Validation Workshop  | 16 <sup>th</sup> March, 2022                                      |                                 |





## Stakeholders Engagement Channels

1. Webinar Meeting with the County Directors of Co-operatives
2. Gazettement and Publication in the Authority's website
3. Delivery of physical copies to NACOs, Financial Regulators, and researchers
4. Presentation to primary Stakeholders and public through the regional stakeholders' forums.



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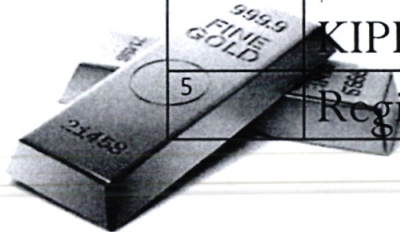






## Stakeholders Participation

|   | Categories   | Number                  |
|---|--|-------------------------|
| 1 | Webinar Meeting  | 17 County commissioners |
| 2 | Publication in the Authority's website   | 578 Downloads           |
| 3 | Physical delivery of copies to NACOs, (KUSCCO, NACHU, CAK, CIC, Coop Bank and CUK)   | 6                       |
| 4 | Physical delivery of copies to Financial Regulators and researchers (CBK, CMA, RBA, UFAA, IRA, KDIC, CAK, KIPPRA, Council of Governors | 9                       |
| 5 | Regional stakeholders' forums.   | 496                     |





## NACOs, Financial Regulators, and Researchers

- The NACOs and Financial Regulators were consulted by writing letters to them requesting for their feedback on the RIS and Draft Levy order.
- Out of the six NACOs consulted, three (3) provided written feedback except NACHU and CUK while CAK preferred attending the workshops and providing feedback in the plenary.
- A total of nine (9) financial regulators and researchers were consulted, Four (4) institutions namely CBK, IRA, KDIC and CAK provided comments and feedback.
- This represented 57% of response. However, Retirement Benefits Authority (RBA), Capital Markets Authority (CMA) and Unclaimed Financial Assets Authority (UFAA) did not respond.



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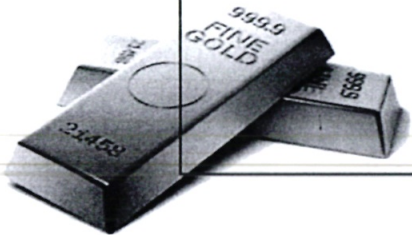






# NACOs, Financial Regulators, and Researchers- Feedback

| Institutions                         | Levy Rate and the Capping  | The Time   | The Base  |
|--------------------------------------|--|--|---|
| KUSCCO                               | Levy should be implemented in a span of four years<br><br>Maximum Levy payable should be Kshs 2 million for a start and graduated to Kshs 8million in four years | Give Saccos one year before implementation of the levy   | Did not comment on the Base   |
| Co-operative Insurance Company (CIC) | Concurred with the proposed Rate   | Concurred with the proposed time   | Concurred with the proposed Deposit as the Base   |
| Co-operative Bank of Kenya           | Reduce the maximum limit of Kshs 8 million to a lower amount   | Provide adequate time before implementation of the levy to allow financial reorganization of saccos<br><br>Give a definite period in which the levy should be paid | Maintain the deposit as the base since precedence had been set with the Deposit Taking Saccos |



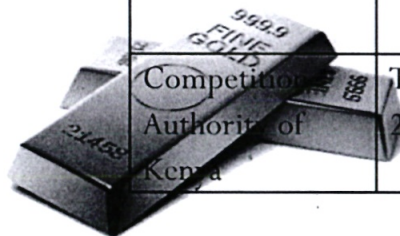
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# NACOs, Financial Regulators, and Researchers

| Institutions                         | Levy Rate and the Capping  | The Time  | The Base   |
|--------------------------------------|--|---|--|
| Co-operative Alliance of Kenya (CAK) | Levy should be reviewed to a manageable level  | Provide members with time to adjust                               | Did not comment on the Base  |
| CBK                                  | The provide optimality of 0.165% compared to 0.175%  |   | The Base may deter Saccos from building their deposits so as to join regulatory regime   |
| Insurance Regulatory Authority (IRA) | Consider a lower levy rate   | There is need for fixed timeline on when the levy becomes payable | In future, consider possibility of levying under different bases including certain exceptions  |
| Kenya Deposit Insurance              | Concurs that SASRA charges the levy based on the cost recovery approach  | No comment on time  | Concurs that the Authority uses Base. This is what KDIC uses as the base for premium assessment. Other parameters may be considered at an appropriate time |
| Competition Authority of Kenya       | The SASRA levy proposal does not pose any competition concern within the provision of the Competition Act, No. 12 of 2010. |   |  |



Securing Sacco Funds







# Regional Stakeholders Consultation

SCHEDULE OF STAKEHOLDERS' REGIONAL WORKSHOPS/MEETINGS

| DAY, DATE AND TIME (8AM-4PM)                 | REGIONS                                | COUNTIES/SUB COUNTIES COVERED  | VENUE                                   |
|--|--|--|---|
| Monday<br>14 <sup>th</sup> February, 2022    | Nairobi Metropolis Area (First Group)  | Part of Nairobi County ( <i>Embakasi South, North, Central, East and West; Kamukunji, Makadara, Mathare, Starehe sub-counties</i> ); Part of Kiambu County ( <i>Gatundu South and North; Githunguri, Kiambu, Ruiru, Juja and Thika sub-counties</i> )<br>Kajiado, Kitui, Makueni and Machakos Counties | Hilton Hotel Nairobi                    |
| Wednesday<br>16 <sup>th</sup> February, 2022 | Nairobi Metropolis Area (Second Group) | Part of Nairobi County ( <i>Dagoretti North and South, Langata, Westlands, Kibra sub-counties</i> ); Part of Kiambu County ( <i>Kabete, Kiambaa, Lari, Kikuyu, Limuru sub-counties</i> )   | Pride Inn Westlands - Nairobi           |
| Friday<br>18 <sup>th</sup> February, 2022    | Western, Nyanza, Rift                  | Nakuru, Kakamega, Busia, Siaya, Vihiga, Nandi, Kisumu, Nyamira, Kisii, Homa Bay, Migori, Kericho, Baringo, Uasin Gishu, Elgeyo Marakwet, Bungoma, Trans-Nzoia, Narok, West Pokot, Bomet and Turkana  | Sahara Gardens (Kericho)                |
| Friday<br>18 <sup>th</sup> February, 2022    | Central, Eastern and North Eastern     | Nyeri, Nyandarua, Murang'a, Kirinyaga, Embu, Tharaka-Nithi, Meru, Laikipia, Samburu, Isiolo, Marsabit, Wajir and Mandera   | The White Rhino Hotel - Nyeri           |
| Friday<br>18 <sup>th</sup> February, 2022    | Coast                                  | Taita Taveta, Kwale, Mombasa, Kilifi, Lamu, Tana River, Garissa  | Sarova Whitesands Beach Resort -Mombasa |



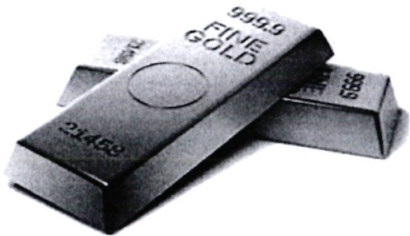
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## Regional Stakeholders-Participation

| Regions               | No. of SACCOs |            | No. of People Present |
|-----------------------|---------------|------------|-----------------------|
|                       | Invited       | Attended   |                       |
| Nairobi 1 (Hilton)    | 86            | 66         | 218                   |
| Nairobi 2 (Pride Inn) | 71            | 47         | 158                   |
| Nyeri                 | 6             | 6          | 42                    |
| Kericho               | 11            | 9          | 34                    |
| Mombasa               | 11            | 12         | 44                    |
| <b>TOTAL</b>          | <b>185</b>    | <b>140</b> | <b>496</b>            |



Securing Sacco Funds

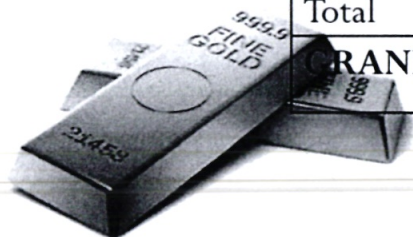






## Regional Stakeholders Consultation-Channels

| REGIONS                  | CHANNELS OF GIVING FEEDBACK   |                |                     |        |
|--------------------------|-------------------------------|----------------|---------------------|--------|
|                          | Oral Responses in the plenary | Feedback forms | Written Submissions | Emails |
| Nairobi 1 (Hilton)       | 41                            | 71             | 8                   | 4      |
| Nairobi 2 (Pride Inn)    | 27                            | 59             |                     |        |
| Nyeri (White Rhino)      | 21                            | 13             |                     |        |
| Kericho (Sahara Gardens) | 12                            | 11             |                     |        |
| Mombasa (White sands)    | 39                            | 23             |                     |        |
| Total                    | 140                           | 177            | 8                   | 4      |
| <b>GRAND TOTAL</b>       | <b>329</b>                    |                |                     |        |



Securing Sacco Funds







## Regional Stakeholders Consultation-Issues Raised

| Issue Raised   | Frequency  | Percentage  |
|--|------------|-------------|
| High Levy Rate   | 121        | 24%         |
| The Base   | 84         | 17%         |
| Whether to levy NWDTs or not   | 52         | 10%         |
| Time of implementation   | 35         | 7%          |
| The time for payment/Mode/ Frequency   | 30         | 6%          |
| SASRA to Help Saccos in Capacity Building, online returns, explain levy to members, corporate governance, enhance inspection | 28         | 6%          |
| SASRA should find alternative source of fund/ revenue  | 20         | 4%          |
| Appreciate work done by SASRA eg during onsite inspections, regulation, SASRA staff, the presentation, progress achieved     | 18         | 3%          |
| Other varied issues  | 118        | 23%         |
| <b>TOTAL</b>   | <b>505</b> | <b>100%</b> |



Securing Sacco Funds







# SAMPLE ISSUES RAISED



Securing Sacco Funds





## Issues on The Proposed Levy Rate

- The rate was perceived to be high
- SASRA did not acknowledge the fact that Saccos have just come into a new regulatory regime and incurred a lot of costs such application fees, license fees, preparation of business plans etc
- Saccos already incurring costs since the new regulatory regime has activities that require additional costs such as contracting of the listed Auditors among others
- Consider a graduated rate
- The maximum rate of Kshs 8million is high



Securing Sacco Funds

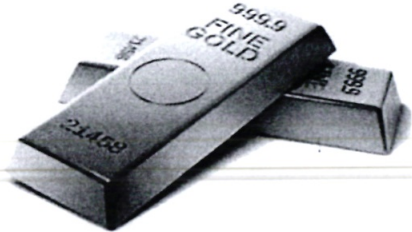






## Issues on the Proposed Time

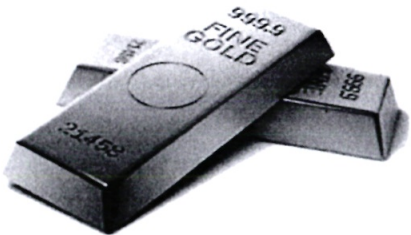
- Proposed time is too soon
- Saccos require time to adjust because of the costs they have incurred due to transition
- Time should not be backdated but payment should start on the approval date
- Time is required to budget for the levy and seek members approval in the AGM





## Issues on The Proposed Base

- The proposal will reduce the members deposit
- Saccos will be discouraged to grow deposits so that they don't pay higher levies
- Deposits are from members income which has already been taxed
- Deposits change as members leave the Sacco



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# THE AUTHORITY'S RECOMMENDED PROPOSAL



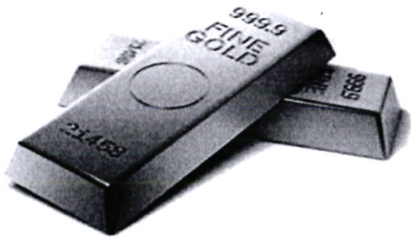
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## The Time

- The Authority will not levy NWDTs in the current year 2022
- The applicable date to be 1<sup>st</sup> January, 2023 and shall not be backdated
- The applicable Audited Accounts shall be for year 2021 providing an opportunity for Saccos to present the budget to the membership and obtain the necessary approvals



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## The Rate

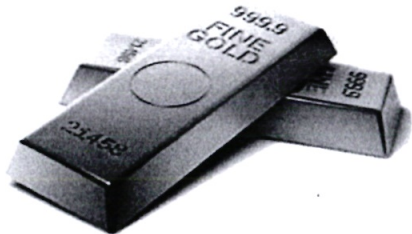
- The rate is significantly reduced from 0.165% in year one to only 0.10% to be graduated to 0.15% within a period of 4 years
- In year one NWDTs will be paying only 0.1% which is 57% of the current rate of 0.175% paid by NDTs
- The 0.15% to be paid in the fourth year is a 14% reduction from what the NDTs are currently paying





## The Rate

- This will provide Saccos with enough room to adjust and also grow.
- The maximum has been reduced from Kshs 8million to Kshs 6million representing 25% reduction
- This is a 60% of the Kshs 10million capping for the Deposit Taking Saccos.



Securing Sacco Funds







## The Base

The Base to be retained as the non-withdrawable deposits held by Non-WDT-SACCOs due to the following reasons:

- To avoid discrimination since a precedence has been set by Deposit Taking Saccos
- It is the deposits that the Authority protects and it is only logical that levy be based on it
- Since the business of Saccos is Savings and Credit, it therefore follows that levy is based on the core business of the regulate
- Easy to calculate and certainty in forecasting for planning purposes unlike the fluctuating surplus
- A number of participants (60%) did not have an issue with the base
- To conform to the market trend: this is explained by the fact that most of the Financial Regulators supported the same based on experience



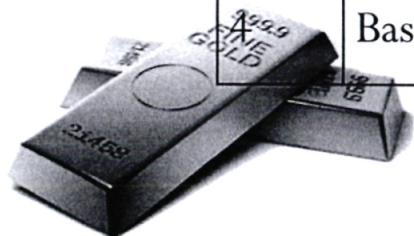
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## How Does the Recommended Levy Fit into issues raised

|   | Comments                 | Authority's Response   |
|---|--------------------------|--|
| 1 | High Levy Rate of 0.165% | Reduced to 0.10% in year one and a gradual four-year implementation plan proposed        |
| 2 | Maximum Levy payable     | Revised to Kshs 6million from the earlier proposal of Kshs 8million (a reduction of 25%) |
| 3 | Time                     | To commence 1 <sup>st</sup> January, 2023 thus providing a grace period of one year      |
|   | Base                     | Retained Non-Withdrawable Deposits   |



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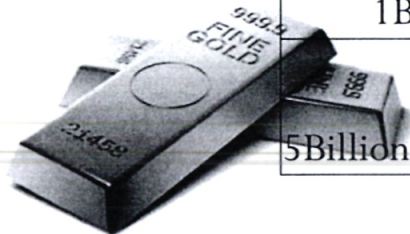






## Effect of The Recommended Levy

| Sacco Deposit      | Levy Payable (Kshs) at 0.165% in year 1 | Levy Payable (Kshs) at 0.10% in year 1 | Savings   | % Reduction |
|--------------------|---|--|-----------|-------------|
| 100Million         | 165,000                                 | 100,000                                | 65,000    | 40%         |
| 250Million         | 412,500                                 | 250,000                                | 162,500   |             |
| 500Million         | 825,000                                 | 500,000                                | 325,000   |             |
| 1 Billion          | 1,650,000                               | 1,000,000                              | 650,000   | 25%         |
| 5Billion and above | 8M                                      | 6Million                               | 2,000,000 |             |



Securing Sacco Funds

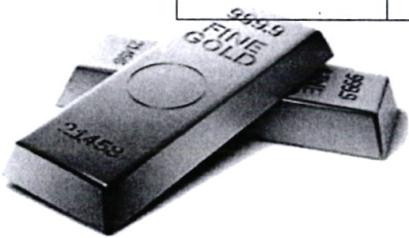






## Effect of the Proposed Levy

| Deposit Range in Kshs Million | Saccos No. | Total Deposits (Kshs Million) | Average Deposit (Million) | Average Levy at 0.165% | Average Levy at 0.1% | Savings   | %savings |
|-------------------------------|------------|-------------------------------|---------------------------|------------------------|----------------------|-----------|----------|
| 0-250                         | 110        | 16,539                        | 150                       | 248,089                | 150,357              | 97,732    | 40%      |
| 250-500                       | 38         | 13,172                        | 347                       | 571,938                | 346,629              | 225,309   |          |
| 500-1 Billion                 | 20         | 14,942                        | 747                       | 1,232,680              | 747,079              | 485,601   |          |
| 1b-4.85 Billion               | 15         | 28,570                        | 1,905                     | 3,142,651              | 1,904,637            | 1,238,014 |          |
| Above 4.85b                   | 2          | 10,342                        | 5,171                     | 8M                     | 6M                   | 2m        | 25%      |
|                               | <b>185</b> | <b>83,623</b>                 |                           |                        |                      |           |          |



Securing Sacco Funds







## Effect of The Proposed Levy

| Sacco Deposit      | Levy Payable (Kshs) at 0.165% in four years | Levy Payable (Kshs) at 0.10% in four years | Savings   | % Reduction |
|--------------------|---|--|-----------|-------------|
| 100Million         | 788,589                                     | 477,933                                    | 310,656   | 40%         |
| 250Million         | 1,971,473                                   | 1,194,832                                  | 776,641   |             |
| 500Million         | 3,942,946                                   | 2,389,664                                  | 1,553,282 |             |
| 1Billion           | 7,885,891                                   | 4,779,328                                  | 3,106,563 | 25%         |
| 5Billion and above | 32Million                                   | 24Million                                  | 8Million  |             |



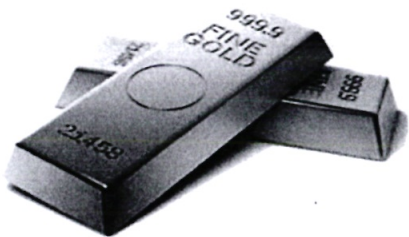
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## Implication of The Recommended Rate

- The Authority shall operate on a deficit as the optimal levy level of 0.165% has been revised
- Consequently the available option is to engage the government on funding which is very unlikely.
- The Authority will therefore be forced to revise its budget to operate within the available resources implying that not all services will be provided for instance, the frequency of onsite inspection may change Proposed Levy Rate



Securing Sacco Funds



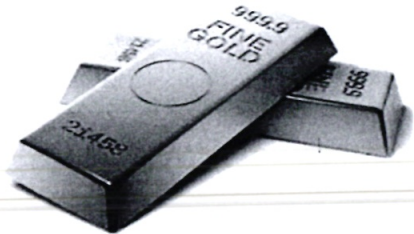




## The Recommended Levy

| Revised Levy Rate |           |
|-------------------|-----------|
| Year 1 (2023)     | 0.10%     |
| Year 2 (2024)     | 0.13%     |
| Year 3 (2025)     | 0.14%     |
| Year 4 (2026)     | 0.15%     |
| Maximum (Ksh)     | 6 Million |

Effective 1<sup>st</sup> January, 2023 based on 2021 Audited Financial Statements



Securing Sacco Funds





# What are the next Steps?

## Step 1

Consult the Other Remaining Regions as we continue receiving feedbacks

## Step 2

Consolidate and Consider the Provided feedback and Comments

## Step 3

Organize a Validation workshop to consider how the Authority has addressed the feedback

Submit to the Principal Secretary and Cabinet Secretary for concurrence

Cabinet Secretary to submit to the Kenya Gazette for Gazettement

Submitted to the National Assembly and Senate within 7days of publication

## Step 4

## Step 5

## Step 6







# THE SACCO SOCIETIES REGULATORY AUTHORITY

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***SECURING SACCO FUNDS***



ANNEX II: VALIDATED PROPOSED LEVY ORDER

**Legal Notice No.**

**SACCO SOCIETIES ACT**

*(NO. 14 OF 2008)*

**IN EXERCISE** of the powers conferred by section 15(1) of the Sacco Societies Act (*No. 14 of 2008*), the Sacco Societies Regulatory Authority makes the following Order—

**THE SACCO SOCIETIES (SPECIFIED NON-DEPOSIT  
TAKING BUSINESS) (LEVY) ORDER, 2022**

Citation and  
Commencement

- 1** (1) This Order may be cited as the Sacco Societies (Specified Non-Deposit Taking Business) (Levy) Order, 2022.
- (2) This Order shall come into force on 1<sup>st</sup> January, 2023

Interpretation.

- 2** In this Order unless the context otherwise requires—

*No. 14 of 2008.*

“Act” means the Sacco Societies Act;

“Authority” means the Sacco Societies Regulatory Authority established under section 4 of the Act;

“Authorization” means granting an approval to Saccos to conduct specified non deposit taking Sacco business in accordance with regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020;

*L.N No. 82 of 2020.*



“Levy” has the meaning assigned to it under section 2 of the Act; and

“Specified non-deposit taking business” has the meaning assigned to it under regulation 4 of the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020.

*L.N No. 82 of 2020.*

Levy payable

- 3** (1) A Sacco society undertaking a specified non-deposit taking business shall subject to paragraph 4, pay to the Authority annual Sacco societies levy at the rate prescribed herein, based on the total non-withdrawable deposits held by the Sacco society as indicated in the last audited financial statements of the Sacco society.

| <b>Rate of the Sacco societies levy payable</b> | <b>Period of imposition of the rate Sacco societies levy payable</b>  |
|---|---|
| 0.10%   | From 1 <sup>st</sup> January, 2023 to 31 <sup>st</sup> December, 2023 |
| 0.13%   | From 1 <sup>st</sup> January, 2024 to 31 <sup>st</sup> December, 2024 |
| 0.14%   | From 1 <sup>st</sup> January, 2025 to 31 <sup>st</sup> December, 2025 |
| 0.15%   | From 1 <sup>st</sup> January, 2026 onwards                            |

- (2) Despite sub-paragraph (1) the maximum levy payable under this Order shall not exceed six million shillings.

Assessment of Levy Amount  
(L.N No. 82 of 2020)

- 4** The Authority shall upon issuance of an authorization certificate pursuant to regulation 5 of the Sacco Societies (Non-Deposit Taking Business) Regulations 2020, assess the levy payable under paragraph 3 of this Order.

Time for levy payment

- 5** The levy shall become due and payable to the Authority not later than thirty days after an assessment by the Authority, and service of an

assessment notice on a Sacco society undertaking a specified non-deposit taking business.

Pro-rated Levy

- 6 The levy payable by a Sacco society undertaking a specified non-deposit taking business on the year of first issuance of authorization certificate shall be the equivalent of the pro-rated amount of the levy payable with effect from the month immediately following the month of the issuance of the authorization.

**Made at Nairobi this 6<sup>th</sup> day of May, 2022**

**Chairman**

**Chief Executive Officer**



### ANNEX III: ATTENDANCE LIST

LIST OF NWDTS THAT ATTENDED THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI

|                   |                         |                       |                        |                |
|-------------------|-------------------------|-----------------------|------------------------|----------------|
| 1. PCEA RUIRU     | 2. BANDS                | 3. BORNEKA            | 4. MZIMA SPRINGS       | 5. MKU         |
| 6. DUDU           | 7. KEN TOURS            | 8. 3N                 | 9. UNIFYING            | 10. RAMCO      |
| 11. EAGLES EYE    | 12. DAVIS AND SHIRTLIFF | 13. BAT               | 14. FORWARD TRAVELLERS | 15. ESTA       |
| 16. KIAMBU CHANIA | 17. UNITED WOMEN        | 18. ABC EMPOWERMENT   | 19. COOP BANK          | 20. CIC        |
| 21. MAKTABA       | 22. BLUE EAGLE          | 23. AIBK              | 24. FARMERS CHOICE     | 25. UTABIBU'   |
| 26. NYUMBA        | 27. NENO                | 28. UBORA             | 29. BARABARA           | 30. USIU A     |
| 31. KASNEB        | 32. ENERGY              | 33. NAIROBI WATER     | 34. UKAGUZI            | 35. MAJANEES   |
| 36. KENCHIC       | 37. TORCH               | 38. KUMBUKUMBU        | 39. KIJABE             | 40. MASTERWAYS |
| 41. MIKEBE        | 42. HEART               | 43. UOKOAJI           | 44. WASCOM             | 45. BALOZI     |
| 46. FAULU BANK    | 47. ACK THIKA TALENTS   | 48. MULTIPLE          | 49. KENYA USA DIASPORA | 50. SAUTI      |
| 51. UMOJA WENDANI | 52. TETRA PACK          | 53. BE SMART          | 54. VERONA HURUMA      | 55. BIBLIA     |
| 56. QUEENSWAY     | 57. FUGO                | 58. EQUITY            | 59. BUNISTA            | 60. MATIBABU   |
| 61. RELI          | 62. KINGA               | 63. COTTS             | 64. TOTAL              | 65. MINET      |
| 66. EMBASSAVA     | 67. KABARAK UNIVERSITY  | 68. STOKE UK DIASPORA | 69. FAMILY             | 70. ADVENTIST  |
| 71. KENYA RE      | 72. KANISA              | 73. BRAEMEG           | 74. ZHOGHORI           | 75. SHAMIRI    |
| 76. MADISON       | 77. GRAIN BULK          | 78. LOMPASAGO         | 79. SMART SAVERS       | 80. KILELE     |
| 81. AIRLINK       | 82. REMBO SHUTTLE       | 83. COMMUNICATION     | 84. UNGA               | 85. HOECHEM    |
| 86. POLYTECH      | 87. LSK                 | 88. BANKI KUU         | 89. EXAM               | 90. EPZA       |
| 91. UBORA         | 92. TRAMOM              | 93. KIDAPU            | 94. CHESS              | 95. PESA       |
| 96. UNBOUND       | 97. KICO                | 98. RADIO GUARD       | 99. MATAARA            | 100. PANDA     |
| 101. WASADO       | 102. NIMEPATA           | 103. MTN              | 104. HARAMBEE          | 105. GATHERS   |
| 106. BESTROCK     | 107. BALLOT             | 108. UAMINIFU         | 109. KEMRI             | 110. BESCO     |
| 111. PCEA         | 112. SAWA               | 113. TRANSGLOBE       | 114. KMA               | 115. KAG       |
| 116. UTAFITI      | 117. PEFA               | 118. FINNLAY          | 119. BAMBURI WANCHI    | 120. NJIWA     |
| 121. PARLIAMENT   | 122. MHASIBU            | 123. MOFAA            | 124. NENDENI           | 125. KENYA RE  |

LIST OF INSTITUTIONS THAT ATTENDED THE VALIDATION WORKSHOP ON 16/3/22 IN NAIROBI

|    | <b>INSTITUTION INSITUTIONS</b>                      | <b>REPRESENTATIVE</b>  |
|----|---|--|
| 1  | The PS, SDC   | Represented by the Commissioner for Co-operative Developmet Mr. David Obonyo |
| 2  | Commissioner for Co-operatives                      | Mr. David Obonyo   |
| 3  | Ministry  | Margaret Kamau   |
| 4  | Cooperative Alliance of Kenya                       | Mr. Daniel Marube-CEO  |
| 5  | Nairobi County Director for Co-operatives           | Madam Dolphine Aremo-Director for Co-operatives Nairobi County               |
| 6  | Kiambu County Director for Co-operatives            | Ms. Abigail Omoyi- Director for Co-operatives Kiambu County                  |
| 7  | Kirinyaga County Director for Co-operatives         | Edward Nyaga   |
| 9  | Nakuru County SCCO                                  | Hanifa Wabomba   |
| 10 | Machakos County Director for Co-operatives          | David Nzomo  |
| 11 | Kenya Union of Savings and Credit Co-operatives Ltd | Head of Advocacy - Mercy Njeru, HSC  |
| 12 | National Cooperative Housing Union Ltd              | John Ndege   |
| 13 | CIC   |  |
| 14 | Co-operative Bank of Kenya                          | Dennis Lusenaka  |
| 15 | Co-operative University of Kenya                    |  |
| 16 | NWDTS representation                                | 268  |