

SPEECH BY CABINET SECRETARY FOR COOPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) DEVELOPMENT MR. SIMON K. CHELUGUI, EGH DURING BANDARI DT SACCO ANNUAL CHAMAS CONFERENCE & MSME TRADE EXPO THEMED “DRIVING GROWTH, PROFITABILITY AND SUSTAINABILITY IN TURBULENT MACRO-ECONOMIC TIMES” HELD AT THE WILD WATERS CONFERENCE CENTRE, NYALI, MOMBASA ON 4TH JUNE 2023

The Chairman, Bandari DTS,

The CEO, Bandari DTS,

Board members, Bandari DTS,

SACCO leaders,

Distinguished Guests

Ladies and Gentlemen,

Today, we gather here to embark on a remarkable journey to shape the future of our blue economy through Co-operatives. I am delighted to join you during this important conference to identify blue economy investment opportunities. This is a time that calls for our individual and collective reflection, determination and shared vision for a sustainable future of our cooperatives.

As we navigate through the turbulent macroeconomic times, characterised by shifting tides, unpredictable markets and global uncertainties, we must unite our efforts to drive growth and profitability in a sustainable manner using the cooperative model.

Dear Co-operators,

Co-operatives have continued to play an important role on aggregation, primary processing, transport, marketing, savings mobilization and financial inclusion with loud footprints in all sectors of the economy.

That is why the government has focused on cooperatives and MSMES to stimulate the economy and bring down the cost of living, eradicate hunger, create jobs, expand the tax base, and improve foreign exchange balance for inclusive growth.

I note with satisfaction the role Bandari DT Sacco is playing in the economy at the Coast with an asset base of Kes. 12 billion, a membership of over

23,000 members and 800 chamás. You have utilized this strength to provide affordable financial services to business start-ups and low-income earners at the bottom of the economic pyramid. This is a welcome step that will complement the government's Bottom-up Economic Transformation Agenda (BETA).

Distinguished Guests,

The ecosystem that you have created to link chamás to strategic partners in the blue economy space coupled with the innovative solutions that I have seen on exhibition here today is encouraging. I encourage the board and management to continue building robust networks with potential investors to propel your members' participation and contribution in the blue economy.

Ladies and Gentlemen,

The blue economy presents untapped potential of our ocean, lakes, rivers and coastal areas. These assets hold tremendous promise for economic development, job creation as well as environmental conservation.

My Ministry stands at the forefront of harnessing the potential of the blue economy and will collaborate with other relevant state agencies to protect and conserve the delicate ecosystem as we reap the benefits which must go hand in hand to ensure sustainability.

To-date, my Ministry has registered 60 new cooperative societies in the blue economy space. These co-operatives will aggregate Beach Management Units (BMUs) comprising of our youth and fishing folk and women

participating along the value chain. In collaboration with our partner state department for Blue Economy a total of 445 cooperatives will be registered in the blue economy sub sector.

Profitability in the blue economy will be achieved through strategic partnership investments. This means that our cooperatives will exploit our marine resources in a responsible way to ensure that fishing practices are sustainable with minimal pollution and earnest protection of the ecosystem.

Dear Co-operators,

My ministry holds sustainability of our blue economy resources at the heart of our vision for the sector. We will champion conservation efforts focusing

on working with the local communities, scientists and environmental groups to preserve biodiversity, combat climate change and restore degraded habitats. This will include the use of eco-friendly technologies and practices, reduction of waste, minimization of single-use plastics and promotion of recycling.

Further our cooperatives will be expected foster environmental innovation, sustainable aquaculture, offshore renewable energy and marine biotechnology to drive growth in the sub sector.

My Ministry will ensure that there is strong governance and cooperation from all actors in the blue economy space. We will engage and share knowledge, exchange best practices and harmonize working relationships with our stakeholders. We will create a legal framework that ensures fair and

equitable access to the marine resources while protecting the shared marine heritage for generations to come.

We will empower the marine communities, provide training and support to foster sustainable livelihoods that promote social inclusivity to alleviate poverty, listen to their voices, engage their traditional knowledge, and ensure their active participation in the decision-making processes shape their future.

Ladies and Gentlemen,

My Ministry will achieve this by providing an enabling environment through policy, legal and institutional reforms. The Ministry has carried out various

reforms to foster the growth, profitability and sustainability in the cooperative sub sector including:

- (i) the Legislative agenda focusing on the review of the Co-operative Societies Act to align the co-operative function to the devolved system of governance and emerging business and management practices. A draft Co-operatives Bill has been developed and is at Cabinet before presentation to Parliament for enactment;
- (ii) amendment of the Sacco Societies Act to establish the Central Liquidity and Shared Services Facility to provide for inter-cooperative short-term borrowing, access to National Payment System and provision of common shared services to the Saccos;
- (iii) Coffee Cherry Advance Revolving Fund and Farm Inputs Subsidy Programme established and operationalized under the New KPCU;

- (iv) digitization and modernization of coffee factories;
- (v) modernization of New KCC plant and equipment. The purpose of this reform is to stabilize producer milk prices and provide for strategic food reserves by mopping excess milk in the market during glut and to supply back the same to the market during dry seasons
- (vi) prioritization of 16 value chains (maize and other cereals, tea, fish, artisanal mining, coffee, cotton and pyrethrum, livestock, rice, sugarcane, dairy, Saccos, housing and investment, transport, horticulture, diaspora and edible oils) which will form the basis of transforming our economy in BETA.

Ladies and Gentlemen,

In conclusion, let us seek to be guided by the principles of innovation, strategic collaboration, partnerships and intentional stewardship. We have to be the custodians of our blue economy resources and safeguard them for generations to come. I have unwavering faith in our collective abilities and am confident that our dedication, passion and shared vision will support us to navigate our cooperative institutions through the turbulent macroeconomic shocks and steer them to a future full of prosperity and sustainability.

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