



International Co-operative
Alliance – Africa
A Region of the International
Co-operative Alliance

Report On:

Consultative Meeting on the Promotion of National Co-operative Banks



Theme: *“Fostering Financial Inclusion in Africa through National Cooperative Banks”*

18th – 19th October, 2017
Intercontinental Hotel
Nairobi: Kenya

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Acknowledgement

The Alliance Africa acknowledges the continued support of our partner We Effect and other sponsors to the development and growth of cooperatives in Africa.



Abbreviations and Acronyms

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| SACCOS | Savings and Credit Cooperative Societies |
| USD | United States Dollars |
| GDP | Gross Domestic Product |
| KCBL | Kilimanjaro Cooperative Bank Limited |
| WRS | Warehouse Receipt System |
| HIV | human immunodeficiency virus |
| AIDs | Acquired immunodeficiency syndrome |
| CFIs | Cooperative Financial Institutions |
| ACFSMC | All-China Federation of Supply and Marketing Cooperatives |
| IAS | International Accounting Standards |
| IMFC | Insituto Movilizador Fondos Cooperativos |
| NCCA | National Council for Cooperative Affairs |
| KFCBL | Kagera Farmers' Cooperative Bank Limited |
| TCDC | Tanzania Cooperative Development Commission |
| CBDA | Cooperative Banks Development Agency |
| SASRA | Sacco Society Regulatory Authority |
| NACHU | National Cooperative Housing Union |

1.0 Background Information

Under the overarching banner of Propelling Co-operatives in Africa to End Poverty, the Alliance Africa held consultations with national and regional co-operative banks and Savings and Credit Cooperative Societies (SACCOS) which support co-operatives to access finances, as well as stakeholders supporting co-operatives in Africa, and delved into the topic of “Fostering Sustainable Financial Inclusion in Africa through National Cooperative Banks”.

The main aim of this consultation was to bring on board Alliance Africa members, governments, partners, stakeholders and collaborators on the current priorities facing African financial markets and how national cooperative banks could address their challenges while contributing to financial inclusion with the goal of Promoting National Co-operative Banks across Africa. The vision is to establish a pan African cooperative bank in Africa.

Globally, co-operatives contribute significantly to socio-economic development of nations. In total, slightly above 1 billion people are involved in co-operative business worldwide. Statistics from the International Co-operative Alliance indicate that the world’s 300 largest cooperative enterprises have collective revenues of USD 1.6 trillion, which is comparable to the GDP of the world’s ninth largest economy, Spain. Further, co-operatives employ at least 100 million people worldwide, and it has been estimated that the livelihoods of nearly half of the world’s population are secured by co-operative enterprises.

The above global statistics are a testimony of the unique nature of the co-operative business model, which has withstood the test of time, even during very adverse economic periods. It is a model that is value-based and principle-driven and as such, it is a suitable vehicle for socio-economic development of any country. In Kenya for instance, the co-operative movement is a success story in financial empowerment; It is an integral part of the Government's economic strategy on poverty reduction, employment creation and equitable distribution of resources in line with the goals of Kenya Vision 2030. The model has been applied successfully in virtually all sectors of the economy with impressive results in mobilization of both human and financial capital.

The consultative meeting drew 36 participants who are experts in the financial sector from, Argentina, China, France, Democratic Republic of Congo, Ethiopia, Kenya, Nigeria, South Africa, Swaziland, South Sudan, Tanzania and Zimbabwe.

1.1 Objectives of the Consultative Meeting

- Understand the historical challenges of national cooperative banks in Africa,
- Identify the current needs for country cooperative banks,
- Suggest means and ways of accelerating the promotion of national cooperative banks across Africa.

2.0 Introductions

In her welcoming remarks, the Regional Director of the Alliance Africa **Dr. Chiyoge B Sifa (Mrs)** noted that financial inclusion in Africa through National Cooperative Banks is critical and it is a key enabler of economic growth and development. Sub-Saharan Africa is among the geographic regions with the lowest level of financial inclusion at 34 percent according to the World Bank 2014 Global Index database. Given clear links among access to finance, growth, income smoothing, and poverty reduction, many countries are now adopting the goal of universal financial access. Dr. Chiyoge further noted that, moving beyond the micro credit only approach, financial inclusion has become recognized to include a variety of products and services as well as the cost-effective provision of such services by a spectrum of financial service providers. Recognizing that 2.5 billion adults worldwide are ‘unbanked’ and that close to 200 million micros to medium enterprises in developing economies do not have access to affordable financial services and credit, the World Bank Group has laid out a vision for achieving universal financial access by 2020 (World Bank, 2015).

Cooperatives have unique principles, values and governance structures that make them better placed to reach the financially excluded people who are the most vulnerable to economic instability. She concluded her remarks by asserting that the consultative meeting provides an excellent occasion for participants to reflect on the achievements made by the existing financial providers such as the cooperative banks and challenges that remain unresolved. This will promote the establishment of National Cooperative Banks where none exist and revive the discussions to advocate for the establishment of an African Cooperative Bank for greater financial inclusion. Efforts need to be sustained to further increase access by expanding financial inclusion to socially inclined business models such as the cooperative enterprise.

The Alliance Africa President **Mr. Stanley Muchiri** represented by **Mr. Japheth Magomere**; a board member of the Alliance Africa reminded participants that Financial inclusion is distinctly

moving up the reform agenda, both at the international level and in individual countries of Africa. The post-2015 Development Agenda puts financial inclusion as a key objective for United Nations member countries. To date governments across the world have set financial inclusion as a formal target. He reiterated others speakers in emphasizing the comparative advantage of cooperatives as a unique present opportunity to resolve the challenges brought about by financial exclusion. Co-operatives are enterprises created by and for people to serve their members' economic and social needs. Based on values such as; self-help, democracy, equality, and solidarity cooperatives are also guided by unique principles and governance structures. Through co-operatives, disadvantaged people can create their own economic opportunities; participate in decision making processes for issues that concern them, and turn individual risk into collective risk, more so for people embracing the cooperative business model. He then finally welcomed the **Guest of Honor; the Principal Secretary State Department of Cooperatives in the Ministry of Industry Trade and Cooperatives Kenya Mr. Ali Noor Ismail** to address the participants and open the meeting.



In his remarks **Mr. Ismail** welcomed participants to Kenya in his humorous Kiswahili version of 'karibuni Kenya, Kenya hakuna Matata' meaning welcome to Kenya and Kenya has no problems. He noted that the meeting is taking place when the people of Kenya are exercising their democratic and constitutional rights and he assured participants that all was safe and they should enjoy the visit. He acknowledged that the long-term dream of the African co-operative movement is to establish an African Co-operative Bank and those other nations and Regions especially in the developed world have done it with great success. He believes that Africa can learn from these best practices and build

on what the continent has achieved so far from the existing National Co-operative Banks in Africa.

Referring to the Alliance Cooperative monitor, he asserted that, co-operatives contribute significantly to socio-economic development of nations. In total, slightly above 1 billion people are involved in co-operative business worldwide. Statistics from the International Co-operative Alliance indicate that the world's 300 largest cooperative enterprises have collective revenues of USD 1.6 trillion, which is comparable to the GDP of the world's ninth largest economy, Spain. Further, co-operatives employ at least 100 million people worldwide, and it has been estimated that the livelihoods of nearly half of the world's population are secured by co-operative enterprises. This is a testimony of the unique nature of the co-operative business model, which has withstood the test of time, even during very adverse economic periods. In Kenya for instance, the co-operative movement is a success story in financial empowerment; It is an integral part of the Government's economic strategy on poverty reduction, employment creation and equitable distribution of resources in line with the goals of Kenya Vision 2030. The model has been applied successfully in virtually all sectors of the economy with impressive results in mobilization of both human and financial capital.

An analysis of successful case studies and global practices will provide an insight into the direction Africa needs to take especially the learning from South Korea, Argentina and Japan. In the meantime, and as we work towards the achievement of the above goals, let us ensure that the co-operative members are mainstreamed into the existing financial institutions that offer affordable services.

Financial access and inclusion ought to be a priority in driving economic growth. In Kenya for instance, there are over 4,500 active financial co-operatives which are commonly referred to as Savings and Credit Co-operatives (SACCOs). In total, they have mobilized deposits to the tune of over Kshs.600 billion with an asset base of over Kshs.820 billion and a loan portfolio of over Ksh. 500 billion. It is worth noting that the huge deposits that have been mobilized by financial co-operatives in Kenya, coupled with the diverse loan products that they offer have provided affordable credit to the majority of the citizens of this country. However, co-operatives have limited capitalization, making it a challenge to meet the long-term credit finance needs of the rural folks at affordable prices. Additionally, lack of collateral remains a huge hindrance to financial access and inclusion especially for women and Youth, who, in most cases have no legal property rights.

The Kenya co-operative movement is lucky to have a co-operative Bank as well as SACCOs with a wide outreach to smallholder farmers and fisher-folk in the rural areas. These have enhanced their outreach through establishment of branch networks. The electronic and mobile money transfer services have revolutionized access to finances in Kenya by enhancing efficiency in service delivery.

Apart from having several branches locally, the Co-operative Bank of Kenya is also in the process of filling such gaps by opening branches in the neighboring Regions, starting with South Sudan and focusing on other strategic countries. He commended them for these efforts and noted that this is not adequate, it is imperative for governments to support this noble initiative by Alliance Africa to promote the establishment of National Co-operative Banks in strategic countries across the African Region.

Finally, Mr. Ismail commended the Alliance Africa for coming up with this brilliant idea on establishment of National Co-operative Banks in African countries and he declared the meeting officially open.

3.0 Organization

The Consultative meeting was organized in two days. The first day focused on the introductions, giving rationale for the meeting in the form of the history and prospects of Cooperative Banks in Africa. Case studies on the existing Cooperative banks were shared and an articulation of the achievements and the possible challenges the institutions are facing given. The session was consequently followed by presentations from selected countries in Europe, Asia and America.



The second day started with a recap of day one, the role of governments in the Cooperative Banking Agenda and discussions in working groups on the strategies for Cooperative Banks. Finally, the day ended with receiving feedback from the working groups and a conference communique was delivered by the secretariat highlighting the commitments made by

the participants present in the consultative meeting.

3.1 Presentations Day One: History and Prospects of Cooperative Banks in Africa by Dr. Jeremiah Nyatichi

The consultative meeting was enriched by a background paper on the history and prospects of cooperative banks in Africa presented by Dr. Jeremiah Nyatichi. In his Presentation, he asserted that Co-operative finance can be traced back to the start of modern co-operatives where the founding fathers of co-operatives raised capital to enable them start co-operative business. It was, therefore, not by chance that the first principle of the early co-operatives, particularly the Rochdale Society of Equitable Pioneers, stated that capital should be of their own providing and bear a fixed rate of interest. A major consideration to that principle was due to the difficult conditions under which they operated since their suppliers were also their bankers and they took advantage of giving credit to co-operatives to overcharge them. The main purpose of that principle was to address the dependency of the wage workers for their livelihood and that of their families upon the owners of capital. It may, therefore, be important, as we set out to establish National Co-operative Banks, to reflect and understand that the message of 1844 is about community and accumulation but not social democratic politics and dependency. This will help us build organizations that will lead away from dependency and help promote the culture of self-reliance within the co-operative movement in Africa.

Co-operative capital is vital to the success of any business, but the co-operative ownership model introduces unique considerations. The principle of co-operation, particularly democratic member control and member economic participation, influences the choice of capital structure. In the survey conducted in 2015 by the Alliance's Blue-Ribbon Commission on Co-operative Capital, it was evident that access to capital will help healthy co-operatives continue to thrive, with downstream benefits to members and citizens around the world. The 2015 Alliance's Blue-Ribbon Commission on Co-operative Capital survey findings. There is need to: Attracting additional investment, Cooperative Control is critical, Development of a private equity fund, Grants and Concessional loans and creating an Enabling Capital Framework.

The Alliance Africa May 2014 Leaders meeting formed a technical team (subcommittee) to collect factual information about previous national cooperative banks that ever existed in Africa. The technical team was mandated to understand the historical challenges of national and regional co-operative banks in Africa, Identify the need for promoting (National Co-operative Banks and

eventually) an African Co-operative Bank and ascertain who offers financial services in Africa.

A situational analysis indicates that there are 442 commercial banks that serve Africa of which: 40 are Central banks; Major banks are subsidiaries of international banks. Kenya has 43 commercial banks, Tanzania 35 and Egypt has 23 commercial banks. The priority/objective of the 402 commercial banks is profit making. There is a big gap in financial inclusion that the cooperatives need to fill as there is only one cooperative bank in the whole continent, two community banks Kilimanjaro cooperative bank limited and Kagera Farmers' cooperative bank limited. The Cooperative bank of South Sudan (a subsidiary of the cooperative bank of Kenya), cooperative bank Oromia (Regional) and Cooperative bank Uganda (in development)

In terms of capital outlay, the standard bank group is the largest bank with an asset base of USD 181,940,000 serving about 21 countries while Eco-bank has an asset base of USD 26,841,102 and operates in 31 countries. An extrapolation shows that a Pan African co-operative bank will require an asset base of USD 208,781,102 to cover 54 countries. Most countries have a low cooperative presence and penetration. The role of African governments becomes imperative here as they can capitalize the envisaged Pan African Cooperative Bank.

3.2 Case Studies: Discussion on the Existing Cooperative Banks in Africa- Achievements and Challenges

Kilimanjaro Cooperative Bank Limited (KCBL) case by Ms. Tumaini Hashim Yarumba

The Kilimanjaro Cooperative Bank was established in 1999 by co-operative societies in Kilimanjaro Region because they were not accessing the financial services offered by the existing commercial banks in the region. The co-operative sector and especially farmers were considered not credit worthy and a high risk if availed with credit for their agricultural activities.

The objective of the bank was to lend to the public, particularly in rural areas for the advancement of crop production, marketing and other services - including social activities of the rural population. The bank majors in the Warehouse Receipt System (WRS) and farmers have been able to access funds for agricultural inputs to improve the quality of their produce/crops, store the produce and sell when they are ready and when prices are favorable. When produce is safely stored, the farmer can bargain for proper price. The WRS is gaining popularity and there is now an agitation for the establishment of a Commodity Exchange facility.

As a co-operative bank, KCBL does adhere to the co-operative principles. Its primary concern is caring for its members. For example: its co-operative shareholders are given preferential treatment. When they deposit at KCBL, they receive a slightly higher interest than an ordinary depositor. When they get a credit facility, they are charged a slightly lower interest rate than other borrowers.

Besides KCBL banking products, The Warehouse Receipt System (WRS) is very special to the success of the bank. When the bank realized that the ordinary farmers did not have a title deed for his/her land or house that he/she could use as collateral to access credit, KCBL motivated by the principles and values upon which it was founded, introduced the Warehouse Receipt System in the 1998/1999 coffee season. This is a clear indication that a Co-operative Bank can be innovative and introduce something of considerable value.

The Warehouse Receipt System has not only revolutionized the bank but also made it easy for farmers to access credit without much hindrances, there is improved quality in the production, economic activities have increased, improved livelihood to members and some societies/farmer groups now have access to international markets. Amidst the successes there exist challenges ranging from governance, government interference, mindset of some farmers, poor quality of warehouses used, unavailability of reliable markets, unfair competition, unstable commodity prices, HIV and AIDs and lack of capitalization and high costs of Information Communication Technologies.

Cooperative Banks Development Agency: South Africa Case by Mr. Timothy Mutyavaviri

The Cooperative Banks Development Agency is under the National Treasury of South Africa. The Agency was established through an act of parliament; the Cooperative Bank Act no. 40 of 2007. The agency started operating in the financial year 2009/2010 with the sole mandate of supervision and capacity building. Currently the agency has three departments; capacity building, Central support services and Corporate wing. The primary target market for the agency are registered cooperative banks where it has been mandated to build a strong and vibrant financial cooperative banking sector in South Africa.

In South Africa, there 26 CFIs and 3 Cooperative Banks. The model is a bit different from other countries as the Savings and Credit Cooperative Societies grow into Cooperative banks. The

cooperative movement started in the earlier 1990s and the asset base is growing at a rate of 70%.

The Cooperative movement in South Africa is faced with both internal and external challenges. The internal challenges range from lack of computerization, very weak capital base within the movement, low management and poor technical skills, poor corporate governance, poor marketing of the CFIs model and uninformed membership due to lack of member education. The external challenges include: high unemployment levels which reduce the capital available for saving, competition from commercial banks, policy makers are biased towards the commercial banks, absence of a vibrant representative body for the cooperative business model and lack of dedicated insurance for cooperatives.

In their recommendation, South Africa emphasized the need of a cooperative training academy for member education, establishment of a banking platform to allow CFIs connect to the National Payment System that provides for an accounting system trail, Mentorship and coaching, and need for more branding in terms of the cooperative image and identity.

3.3 Case Studies: Cooperative Banks from Selected countries in Asia, Europe and America China Case by Mr. Tang Yicheng: All-China Federation of Supply and Marketing Cooperatives (ACFSMC)

ACFSMC was founded in 1954 and has been an important force in developing the rural economy by promoting increase of agricultural production, ensuring the supply of agricultural production, ensuring the supply of agricultural means of production and bridging the market between urban and rural areas. ACFSMC is a 5-tier structure consisting of a national apex plus 32 provincial, 335 prefectures, 2404 county federations and 29,000 primary cooperatives. ACFSMC has one cooperative enterprise-China Coop Group, 16 affiliated institutes and 14 associations and societies. The number of employees in the whole system is 2.16 million people.

ACFSMC provides farmers with a number of services in production, management, finance, purchasing and community. They have 170,000 farmers' specialized cooperatives, 370,000 multi-function service centers and 2226 leading enterprises related to agricultural production. New commercial activities have been created with e-commerce changing the business model and rule of the market in China. ACFSMC saw the great potential and invested 20 million Yuan to build the e-commerce enterprise in 2015- China Coop E-commerce Corporation. In 2016, the turnover of the online business reached 60.3 billion Yuan. E-commerce has become a new business model of supply and marketing cooperatives.

ACFSMC are currently exploring rural financial service and credit since there is still lack of this facility in many rural areas. This will be done by establishing an underwriting/guarantee company to help farmers and agricultural enterprises to get more credit and loans from the bank easily and a Micro credit /lending company where they will combine some social capital to establish the micro credit company which will provide the loan to the farmers or micro and small enterprises without loan collateral. They are also developing the mutual fund cooperatives where ACFSMC will help the farmers' specialized cooperatives to operate the mutual fund.

Financial service in rural areas in China has been diversified by introducing different entities. The main organization is the commercial bank owned by the government. Due to lack of collateral by most of the farmers the bank cannot satisfy their financial needs. Chinese government finds great importance to the development of cooperative finance and therefore provides favorable environment for ACFSMC to explore this field.

The cooperative financial service is of 3 types: mutual fund based on farmers' specialized cooperative (This type is very popular in Shandong province in the East part of China where agricultural production is on large scale and advanced), mutual fund supported by the system of supply and marketing cooperatives and mutual fund supported by the joint association in which the supply and marketing cooperatives plays an important role.

Much as the farmers who are members of the specialized cooperative need to launch the mutual fund they lack the experience in this field. The supply and marketing cooperatives help to organize and register with the government. The Cooperatives also build a financing mechanism with the commercial bank through two forms: Cooperatives guarantees the bank and the cooperative members can get micro loans from the bank or the bank grants the cooperative wholesale credit for lending to cooperatives. The loan is wholesaled to the cooperative and cooperative do retail business and the cooperative is responsible to repay the whole loan on time. It is evident that the financing capacity of the cooperative and farmers is strengthened through this collaboration between the bank and cooperative. Since it is difficult to meet the financial demand of the same kind of cooperatives at the same time, some cooperatives have launched a financial platform to regulate the supply and demand among the different cooperatives.

France Case by Mr. Luc Boscaro: Credit Cooperatif France

In France, the cooperative movement is fairly active with around 23,000 entities, 26.1 million members, more than 1 million salaried employees and 307 billion cumulated revenues evidencing a constant growth for the last 10 years. Cooperative movement is very active in some specific areas: 40 % of the French agribusiness, 30 % of the French retail trade and 60% of the retail banking industry.

There are 5 cooperative groups among the top 15 organizations in the agribusiness sector in France, 2 cooperatives groups in the top 6 are in mass retail distribution and 3 cooperatives groups in the top 5 are in the banking industry. Among the top 10 biggest cooperative groups, 52,000 jobs have been created and extending to the top 100 cooperative units, average employment growth rate between 2012 and 2014 amounted to 7%.

There are 4 Cooperative Banks within the top 7 Commercial banks in France and the 3rd largest European bank in total assets is a French cooperative bank called Credit Agricole (with 1 699 Billion Euros). European co-operative banks behave differently from traditional European commercial bank but French cooperative banks display the same features that their French commercial banks peers on some indicators. Cooperative banks have lower but less volatile efficiency indicators compared to commercial banks.

Regarding efficiency ratios of co-operative banks in particular: smaller European co-operative banks have higher technical efficiency ratios than the larger ones. French specificities focus on the legal framework along the cooperatives' history; cooperative banks have been one of the most successful experiences in many countries. Because of their specific activities, they have been competing very quickly with other "traditional banks" and had to adjust their operating mode in order to maintain and develop their services.

Depending on the countries and the banks, the strategies have been different, but, to some extent, they share the impact of their financial features. This is so true that some proposals have been made to leave cooperative banks aside from cooperative legislation. In practice, we observe that several legislations make a special treatment for cooperative banks (note for instance EC regulation or OHADA's inform act on cooperatives). When they deal only with general cooperative provisions, they refer explicitly to cooperative banks. French cooperative law is very fragmented, and special cooperative legislation provide for many special provisions.

The general cooperative law has been published in 1947, amended several times, notably in 1992 and 2014. The originality of French cooperative law is the weight of special cooperative laws: many special provisions had been adopted before 1947 and these specificities have not been reduced. French Cooperative banks do not derogate to this overall picture, reinforced by a special regulation for each cooperative bank and no general provisions. This situation has even been reinforced in the last decade, because of supra-national regulation: accounting regulation and post-crisis regulation.

The main difference between members and clients of a cooperative bank remains in the possibility for the member to contribute to elaborate new financial or banking products and to be part of the banks' governance scheme. Therefore, it can be said that members of a cooperative bank have more rights than clients of a cooperative bank. What about the rights of a cooperative bank's member compared to another cooperative's member? As a matter of principle, cooperative banks' legislation refers to the general cooperative law of 1947. However, each cooperative banking group is submitted to a specific legal provision generating explicit derogation to the common framework, it is difficult to draw general conclusions. However, we find a common feature to the various situations. All the derogations to the general cooperative law concern a financial aspect, either the remuneration of capital, or the attribution of voting rights proportionate to the subscribed capital. In other words, the high weight of capital in cooperative banks influences its operating mode. Apart from that, the members' rights are very similar to another cooperatives' practice. The subscribed capital remains the way to acquire membership, and the attractiveness to get more equity is found in other securities.

Credit Agricole, Credit Mutuel and BPCE are legally defined in the French Monetary and Financial Code. It provides, for each of them, a central entity detailing the status and the powers for each of them. However, a common can be found: each central entity represents the affiliated cooperative banks towards Banking Authorities. As a supplement to all applicable financial or banking legal or statutory provisions, each central entity has the power to impose general decisions to the affiliated cooperative banks. In addition, each central is empowered to sanction executive managers of "non-compliant" cooperative banks, or the cooperative banks themselves, in case of bridge of any European regulation and even internal group's procedures... It also has the power to merge entities or to order their end in place of the members' extraordinary general meeting. A central entity has also the power to impede a cooperative bank to raise additional capital or to distribute any remuneration to its members. Indeed, these powers granted to the central entities deprive the

members of affiliated cooperative of their own powers.

In June 2002, IAS 32's first draft was associating cooperatives' shares to "debt" and not "core capital" due to cooperatives' obligation to proceed to reimbursement at first request of the member, with no possibility to refuse said reimbursement. In 2003, French cooperative banks opposed that cooperative shares are not debt but equity using the following stands: Shares issued represent members' contributions to the cooperative, not genuine "debts" or "advances" as the risks taken by the cooperative might result in the impossibility to reimburse the shares subscribed. Secondly, the remuneration of shares is decided by the annual general meeting if sufficient profit is made; there is no obligation to pay a predefined interest amount as with bonds. Thirdly, there is a floor of the equity under which shares cannot be reimbursed to the members of the cooperative. Fourthly, the amount of equity to be subscribed by a member is often proportionate with its activity with the cooperative. Finally, reimbursement of cooperative shares is made after checking the financial situation of the member towards its cooperative. Reserves of a cooperative cannot be distributed to the members, while they can disappear from the balance sheet of traditional capitalistic companies. To make a long story short, French cooperative Banks introduced "an unconditional right to refuse the reimbursement of their shares" to keep them assimilated as core equity.

Originally, cooperatives were bound to the so-called "exclusivism principle", which required that they run transactions with their members only. Within the French cooperative Law, the principle has been amended in 1992 and finally in 2014, to become a priority to transactions with members. Therefore, the French cooperative banks deliver services to their members, but not only to them. In addition, they are not supposed to provide better services to them than to other clients.

In the democratic member control, the principle is difficult to demonstrate because of the pyramidal organizations of most entities. Because of the diversity of shares issued and the rights attached to each of them. At a first glance, the members of the cooperative are called for the members' meeting, elect the members for each level up to the board and may remove them. We can talk about democratic control. However, central entities can dismiss elected members and banking regulator refuses to empower a formally elected member. This weakens drastically "democratic control" As such; the cooperative law remains theoretically applicable but is unable to produce its usual effects.

Joint ownership is a strong cooperative principle in French law, especially through the "undividable

reserves". This principle is fully respected into cooperative banks, and the success of these banks created very high reserve levels that allowed the cooperative banks to play a significant role into the reconstruction of the banking sector in the 90s and the 2000s. However, one could raise that it is difficult to separate the joint ownership from the democratic control. Indeed, the least control the members get on the business of the cooperative, the least they can be considered joint owner. A new threat recently appeared from the European Banking Authority: the regulator could jeopardize cooperatives' governance model as the spirit of a recent law is to deny access to the board of directors to the cooperative members arguing that there could be potential conflict of interests.

In Low remuneration of capital, there is no derogation in the cooperative bank legislation to the general cooperative law. Therefore, the remuneration of the subscribed capital may not be up to an official rate stated by the ministry for economy, and this rate has become so low that it has been slightly amended. Cooperatives banks are allowed to pay an interest of two points up to the original rate. The general cooperative law has introduced different classes of shares in 1992 but all of them are submitted to the same constraints.

Most cooperative banks derogate to the general cooperative provision of disinterested winding up. The 1947's general cooperative law states that if assets remain after the winding-up, they must be granted to a company referenced as belonging to the social and solidarity economy. French cooperative banks are submitted to special provisions which require that the net asset is allocated to another cooperative bank within the same group. Therefore, the special law derogates the general one, and does not take part to the integration of cooperative into social and solidarity economy (though, by law, cooperative banks belong to this circle). The only conclusion that we may draw is that, legally speaking, nothing allows to disqualify cooperative banks as cooperatives...The assessment of their practices is another subject and only members can address it, even though French regulator took provision for it and, since July 2014, all cooperatives are now bound to an external audit of their cooperative practice.

Case from South America by Dr. Ricardo Lopez: Argentina

The history of credit cooperativism started in Argentina with the establishment of a quasi-mutual functioning from the earlier twentieth century to around 1958. From 1958 to 1979, the quasi banking operation started with the creation of the Instituto Movilizador Fondos Cooperativos (IMFC)

accounts in sight thereafter a national Clearing house was created. This also led to the creation of credit institutions, Small and Medium Enterprises, persons and entities of social nature. From 1979, the creation of cooperative banks was instituted and they become operational.

In 1958, there existed 197 entities and 124 of them operated in greater Buenos Aires. The Quasi mutual operation closed down based on the operatives on equity and ignorance forms of savings. This was due to cultural or social institutions of the Jewish community in 1958. The table bellows show the developments of cooperative institutions in Argentina.

| Total number of banks and cooperative banks - 1978/2005 (as of December 31) | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Year | 1978 | 1979 | 1980 | 1981 | 1982 | 1985 | 1987 | 1989 | 1991 | 1995 | 1999 | 2005 |
| Total Banks | 156 | 218 | 213 | 205 | 203 | 197 | 177 | 176 | 167 | 127 | 92 | 90 |
| Coop banks | 39 | 83 | 79 | 76 | 75 | 63 | 53 | 49 | 44 | 10 | 2 | 1 |

The Cooperative Funds Mobilization Institute (IMFC) New operation and expansion of the Credit Bureaus was initiated with the law of financial institutions of 1977. The law Prohibited the operations of credit unions, authorizing the transformation of credit unions into commercial banks under a cooperative legal form. 273 of the existing 375 credit unions opted to transform themselves into 77 cooperative banks. In 1979, 44 credit bureaus from Greater Buenos Aires and La Plata merged to form Banco Credit coop C.L. It is the only cooperative bank in Argentina with 262 subsidiaries in 187 cities with 150 payment office and 715 Automatic box/Automated Teller Machines. The cooperative bank has Correspondents in 69 countries 5,400 employees 3,300 Leaders 983,000 associates.

3.4 Presentations Day Two: The Role of Governments in the Cooperative Banking Agenda

Government of Zimbabwe, Ministry of Small and Medium Enterprises and Cooperative Development by Dr. Evelyn Ndlovu

The Mandate of the government in the development of cooperative banks is to craft programs and strategies that aim to grow the socio-economic environment of its people. Government forms part of the key partners as they shape the environment in which cooperatives are formed, flourish and developed.

The Government of Zimbabwe does not have a cooperative bank but the government is keen in developing regulatory frameworks to promote the establishment of this banks. These frameworks range from licensing for cooperative banks, mechanisms for monitoring and advocacy for the buy-in into the idea of establishing a Cooperative bank. The government is also keen in offering support services for the idea to actualize. The Support services include: Training, supervision, technical support, access to technology and access to bank credit lines. The government of Zimbabwe is keen to ensure that a wide range of financial products and services are available, accessible and appropriate to meet the unique needs of low income groups in our societies.

The idea of promoting national cooperative banks is well timed as the banks will not only facilitate the smooth consumption by low income earners but also enhance efficiency and welfare of the groups by providing avenues for saving and secure savings.

Government of Nigeria, Federal Department of Cooperatives by Eng. Akintola Akintye Alabi

In his presentation, Eng. Akintola noted that it is incontrovertible and there remains a vast chasm of needs in the cooperative sector across Africa. The consultative meeting hopefully, will elicit appropriate actions and galvanize common purpose towards meeting the major needs of the Cooperative Sector in Africa and capacitate our people; the members for acquiring basic cooperative education and strategies for evolving or maintaining viable national cooperative banking in our respective countries. The attainment of this goal will definitely pave way for achieving easier and broad-based access to credit for cooperative societies in Africa at such a time as this when many African countries are experiencing economic challenges. He reemphasized that the subject is apt,

timely and well-targeted.

Africa; our respective countries must learn from successful experiences – how other countries developed and financed their cooperative sector to feed themselves and achieve economic growth through cooperatives. China, Vietnam, Brazil and Thailand have seen dramatic growth in their agricultural sectors over the last three decades through the use of the Cooperative Banking Model. Vietnam and China took 40% of their population out of poverty in 10 Years through aggressive investment and growth of their cooperative sector. Investing in the cooperative banking sector will help in developing/capitalizing the cooperative societies which will in turn significantly reduce rural-urban migration and make the sector to contribute significantly to the National GDPs.

The below screenshot is the overview of cooperatives in Nigeria.

| Cooperative Structure | Number of Societies | Membership | Capitalization |
|-----------------------|---------------------|------------|-----------------|
| Primary Society | 60,000 | 12,000,000 | 600,000,000,000 |
| Credit Union | 15,000 | 400,000 | 300,000,000,000 |
| State Apex | 6 | 12,000 | 240,000,000,000 |

The issue of cooperative banking is now once upon a time! Nigeria once had it, but they lost it ostensibly because they allowed non- co-operators to be at the helm of affairs of the erstwhile cooperative bank. The lack of cooperative spirit in these handlers made them miscalculate in their decisions that led to the swallowing up of the cooperative bank during the saga of 25 billion Naira minimum capitalizations of Nigerian Banks.

The Nigerian cooperative sector has now woken up from its long slumber and realized that there can be no meaningful sectoral growth without a cooperative bank in place. The sector, through the National Council for Cooperative Affairs (NCCA) has recently resolved to bring back cooperative banking; albeit working round and within the existing Nigerian banking laws. The strategy is to progressively encourage cooperative unions and sub-apexes to own and operate microfinance banks

nationwide, all of which will then metamorphose into one big cooperative bank at the appropriate time.

The Government of Nigeria has come up with unified banking software (REACH) that offers wide area network for all financial cooperatives in the country. Over 600 societies have been enlisted on the newly promoted unified cooperative financial data management platforms. Over 100 cooperative unions have started microfinance bank operations in the country and more are expected to be licensed from time to time. The ownership and operation of a National cooperative bank is compulsory and desirable as it will bridge the identified gap in development, financial inclusivity, improved livelihoods and more robust contribution of our sector to national GDP across the continent. Workable models need to be shared across borders to speedup action and offer lifeline development and growth to the people through the implementation of the national Cooperative Banks.

Tanzania Cooperative Development Commission Case by Mrs Elizabeth Makwabe

When Tanganyika (later become Tanzania) attained political independence in 1961 the ruling Party's constitution stated that it was the duty of the Government to assist in the formation and maintenance of co-operative organizations. Co-operatives have since then been visualized as a highly valued source of economic and political power. Consequently, a number of important post-independence laws have been enacted to influence the establishment and development of co-operatives in the country.

Tanzania had a cooperative bank but it was later disbanded, and there was a gap between the supply of financial services to the poor and the actual demand thus there is need to reinstate the bank to meet the demands of the farmers and cooperatives in the rural areas. In the wake of these challenges, co-operators in Kilimanjaro and Kagera Regions decided to establish banks in their regions to cater for their needs in financial services. Currently there are two Regional Cooperative Banks. One is based in Moshi, Kilimanjaro Region in Northern Tanzania, called the Kilimanjaro Co-operative Bank Limited (KCBL). Another is located in Bukoba, Kagera Region called Kagera Farmer's Co-operative Bank Limited (KFCBL) but regulated by the Bank of Tanzania.

Currently there is a move to make sure that co-operatives in Tanzania attain the lost glory it had in the past. The Tanzania Co-operatives Development Commission (TCDC), has vowed to see this

great transformation. To start with all co-operatives will be given chances and training to have good governance, member empowerment, they must have a new mind set on what co-operatives are and who owns the societies. These steps will in turn make them realize the importance of the co-operative societies as economic entities. It will be easier to mobilize capital for the establishment of the National Bank. The Bank will be established as an apex national level bank for the development of the cooperative sector.

The role of the Tanzania Government in the National Co-operative Banking agenda will consist of encouraging the emergence of development of not only the National Co-operative Bank itself but also other financial cooperatives including regional banks and savings and credit cooperatives. The Government will also verify that the bank adequately meets, with full safety, the needs of the people with regard to financial products and services, supervise and ensure member empowerment is done, and play a supervisory role as per the existing co-operative laws in the country enunciate.

Ministry of Finance; National Treasury Republic of South Africa Case by Mr. Ngoni Mangoyi

Co-operative banking in South Africa is regulated by the Co-operative Banks Act of 2007; the Act makes provision for the registration of co-operative banks and the registration of co-operative financial institutions (CFIs). For a co-operative bank to be registered, it has to meet the requirements of having at least 200 members and R1 million (approximately \$75 380) in deposits and if one of the requirements is not met, then the institution will be registered as a CFI.

Prior to the enactment of the Co-operative Bank Act, financial sector co-operatives used to operate under an exemption notice issued by the Minister of Finance. In terms of the exemption notice, the Registrar of Banks (Registrar) would not take responsibility for regulating financial sector co-operatives as they were expected to be regulated through pre-approved self-regulatory bodies. The Registrar approved 3 self-regulatory bodies between 1998 and 2002. However, 2 of the self-regulatory bodies had collapsed due to insufficient skills to manage them. After the collapse of the self-regulatory bodies, the financial services co-operatives were accepting deposits outside any formal regulatory framework.

The Government of South Africa formulates policies and establish legal frameworks in which cooperative institutions can sustainably operate. In 2007, the enactment of the cooperative banks act led to the establishment of the Cooperative Banks Development Agency (CBDA). The Agency is

mandated to: supporting, promoting and developing co-operative banking, appointing a supervisor in accordance and supporting the supervisor in exercising and performing his or her powers and functions, promoting the establishment of representative bodies and support organizations, registering and regulating representative bodies; accrediting and regulating support organizations, provide financial support to co-operative banks through loans or grants, assist co-operative banks with liquidity management and facilitate, promote and fund education, training and awareness in connection with, and research into, any matter affecting the effective, efficient and sustainable functioning of co-operative banks.

Ministry of Commerce, Industry & Trade Department of Cooperatives by Ms. Khanyile Thembelihle,

The Department is mandated by Government of Swaziland to support and facilitate the development of Cooperative Societies through promotion, business training and supervision. We are also mandated to assist cooperatives to overcome many of the business constraints they face, through creation of an enabling and conducive environment for their growth. The primary objective is to help cooperative members improve the quality and standards of their lives.

The government also through the department helps to supervise cooperative activities in the country to ensure that compliance to the cooperative act, business and cooperative principles and values are adhered to. In awareness creation, the department ensures that dissemination of cooperative information is transmitted to the cooperative members and the general public through print media and digital media, educational meetings and cooperative promotion through education and training.

Further, the Government has provided an enabling environment for the creation and promotion of training institutions. The cooperative college of Swaziland offers courses in educating and addressing the challenges facing the society by equipping people with lifelong cooperative skills.

Ministry of Industry, Trade and Cooperatives; State Department of Cooperatives Case by Mr. JK Mwangi

The current status of the cooperatives in Kenya shows tremendous growth since its history. In the colonial era, the sector moved from being exclusive white-owned state-dependent organizations to the introduction of black-owned cooperatives to raise the middle class to counter popular uprising. In

the post-colonial era, the sector has moved from being state-dependent to an independent era where it now operates as a successful business entity. There are over 22,000 registered cooperatives with about 14 million members in Kenya. The assets of the Cooperative movement stand at over Ksh. 790 billion currently with total deposits of about Ksh. 600 billion and about 600 billion loans extended to members. 45% of the cooperatives in Kenya are in the Savings and Credit Cooperatives, 20% in marketing, 10% are currently in housing, 5% comprise of youth cooperatives and 5% other forms of cooperatives for instance transport.

The Cooperative Bank of Kenya was registered in 1967 to cater for the financial interests of the cooperative societies. There before Cooperative Credit Schemes which were introduced by the Government of Kenya were the avenues used to advance credit to the cooperative members, while the Cooperative Saving Schemes were to provide saving facilities to cooperative members. With the aim of strengthening the cooperative activities in the country, the government of Kenya further introduced various products to cater for the growing needs of the members. The Union Banking Sections were introduced to cater for crop payments. The government also gave grants to the farmers through this facility. In 1992, the Union Banking Sections were transformed by the Government to be Savings and Credit Cooperatives Societies (SACCOS). In the same year the Government allowed the SACCOS to be formed by rural famers. The policy was that all SACCOS were to have accounts with the cooperative bank of Kenya only.

Around 1995, Front Office Services Activities (FOSA) came into being after the Bretton Woods institutions suspended lending to the Government of Kenya. These were simple bank like activities in SACCOS offering savings and credit facilities to members. Later the government transformed them into Deposit taking SACCOS regulated by SASRA via an Act of parliament.

The Kenya Housing sector is growing at a fast rate and the demand for houses has become vital. The housing Cooperatives in Kenya are now providing huge financial mobilization for the development of houses. There are currently 440 housing cooperatives (Sacco's) (248 active) under the umbrella of National Cooperative Housing Union (NACHU). With the development of the movement, it's a guarantee that low income earners can access affordable and decent housing. Cooperatives have also invested in commercial buildings countrywide. The Government has developed a diaspora policy to guide tapping remittances from abroad. !5 diaspora SACCOs have been registered in the four continents and have over 200,000 members.

The major role of the government of Kenya in supporting the flourishing of the cooperative movement include: formulation of enabling policies which provide major development goals and objectives and various expectations from the sector. The government also conducts situational analysis and mapping of the challenges that affect the sector and devise ways to resolve them. Then provide implementation matrix, monitoring and evaluation of the sector in accordance to the vision 2030.

In addition, the government facilitates information and awareness creation amongst cooperative members. This is done through establishment of education and training departments in the state department of cooperatives, partnering with the sector in holding cooperative days, shows, seminars, forums, and tours. The state also mandates the sector to have policies including the Human Resource to train and develop both the board and staff.

Finally, the state intervenes when the sector is faced with uncertainties to provide both financial assistance and technical to the cooperative organizations and members. For instance, the SACCOS and housing Coops were faced with unfavorable taxation on their housing projects and the state has granted tax relief. The movement is also in consultation with the government to be granted a full-fledged ministry for the cooperative development.

4.0 Discussions in Working Groups on Strategies for Cooperative Banks

In the afternoon of the second day, the participants were grouped into three working groups to internalize the presentations given and come up with strategies for the promotion of national cooperative banks. The working groups were guided by the following questions:

- Is there a Need for a National Co-operative Bank in your countries?
- What value does a national cooperative bank add to the cooperative members?
- Which is the best mode?

-National Co-operative Banks: with members' equity

-National Cooperative Banks: with primary cooperatives, national government, development partners and individual members.

- What should The Alliance Africa do to fast track this?
- What should the co-operative movement do?
- What should the government do to fast track this?
- The role of partners/ other banks outside Africa in promoting National Co-operative Banks/ Africa Co-operative Development Bank.



The discussions ended with each working group presenting their findings. From the deliberations, the consultative meeting communique (see Annex 1) was developed and read before the participants who assented to it.

5.0 Summary and Closing

In her closing remarks, the Regional Director of the Alliance Africa Dr. Chiyoge B Sifa (Mrs) noted that the consultative meeting was productive and conveyed her sincere gratitude to the speakers, experts and all participants for their dedication during the meeting. She particularly commended the staff, members and government officials present for sacrificing their time diligently to make the meeting a success.

The director reemphasized how the financial and economic context as well as demographic and social trends in Africa represents both a challenge and an important impetus. She noted that there is a strong case for enhanced financial policies, especially to enable cooperatives support improved financial inclusion in Africa. The opportunity should not be wasted and she was certain that the

ministerial conference to be held next year will provide an excellent opportunity to reinforce this message at the highest national policy level. Finally, she asserted that the contribution of the consultative meeting will remain critical, as we strive to achieve the Alliance Africa dream of establishing a pan African cooperative bank and wished International participants a safe trip back home and for the locals a pleasant weekend.

Annex 1: Consultative Meeting Communique

Communique: Issued at the Close of the Consultative Meeting on the Promotional of National Cooperative Banks Held on 18-19th October 2017 at Intercontinental Hotel in Nairobi Kenya

The Meeting on the Promotion of National Cooperative Banks was organized and held at the Intercontinental Hotel in Nairobi Kenya, to consult with the Alliance Africa Members, governments, partners, stakeholders and collaborators on the current priorities that face the Africa financial markets and how National Cooperative Banks could address these challenges while contributing to financial inclusion with the dream of establishing a Pan African Cooperative Bank.

The theme of the meeting was **Fostering Sustainable Financial Inclusion in Africa through National Co-operative Banks**. The opening message was delivered by the Permanent Secretary Ministry of Industry, Trade and Cooperatives Kenya; Mr. Ali Noor Ismael and a key note address on the history and prospects of cooperative banks in Africa, delivered by Dr. Jeremiah Nyatichi.

Papers were presented on the following sub-themes:

1. Case Studies: Discussions on the Existing Cooperative Banks in Africa; Achievements and Challenges,
2. Case Studies on Cooperative Banks from selected Continents in Asia, Europe and America
3. The Role of Government in the Cooperative Banking Agenda.

The consultative meeting specially deliberated on the currents needs for country Cooperative Banks and recommend ways of accelerating the promotion of National Cooperative Banks in Africa.

The 36 participants present in the consultative meeting observed that:

- There is need for the promotion of National Cooperative Banks; as there is only one in Africa or where there are community banks little attention is given to them.
- Promotion of National Cooperative banks will foster economic growth as it is an innovation that all African countries need to have.
- In the formation of National Cooperative Banks, cooperative values and principles need to be adhered for them to remain relevant to the members.
- Because of the uniqueness of the cooperative business model, there is:
 - ❖ Need for investment into cooperatives
 - ❖ Cooperatives need to be well managed by ensuring that we get people with wisdom and the right skills to manage and run them
 - ❖ More people must be encouraged to join cooperatives, as cooperative wealth lies in its members
- All stakeholders need to work together to support cooperative development in the continent
- National Cooperative apexes need to lobby their governments to create laws and policies that support the development of cooperatives.
- Governments may offer grants or long-term soft loans that are redeemable
- Financial services are essential to develop the rural areas as was witnessed by the case represented by Kilimanjaro Cooperative Bank, France, China and Argentina.
- Unemployment is a universal challenge and it affects the way cooperatives operate. But again, it has been acknowledged that cooperatives more-so the agriculture based coops who solely focus on farmers could be a solution to this challenge e.g. the Case of China.
- Cooperative law needs to be harmonized to provide for the many special needs of

cooperatives.

- Cooperative banks should be submitted to a specific legal provision generating explicit derogation to the common framework of cooperatives.
- Members are critical in cooperative business transactions and for the success of cooperative banks; observance of the ‘undividable reserves’ is critical, as high reserves will facilitate better services to members. Case of France.
- It has been observed that governments play a critical role in the promotion of cooperatives by formulating an enabling policy regime
- Cooperatives are found in all sectors of the economy the governments need to recognize them as distinct key enablers of poverty reduction
- Cooperative governance is a major challenge in most countries, therefore the government needs to step up the training, capacity building and mentorship programs for improved leadership in the sector
- State interventions are critical especially when different sectors face uncertainties like drought
- Governments through participatory mechanisms with cooperative stakeholders to develop favorable laws and policies governing the operation of cooperatives.

In light of the observations made during this consultative meeting, we the participants are:

Aware that:

- There is need for National cooperative banks.
- The National Cooperative Banks should be established on cooperative principles and values; taking into account the critical role of other stakeholders.

Acknowledge that:

- Cooperative members could gain big benefits from national cooperative banks, including: offering friendly financial services such as credit services on favorable terms to its members, obtain quality services that is not exploitative, provide opportunity for members to own the banks, provide room for decision making, financial literacy, exposure and networks

Take Note of the Alliance Africa’s commitment:

- To contribute to achieving the SDGs through its "Blueprint for a Cooperative Decade" thus there is need for continued lobbying to echo its developmental issues
- To synthesize best practices on what has been done in other countries for adoption
- The Alliance Africa to develop a proposal to the AU Chairperson
- Documentation of the available models
- Set a common framework on how National Banks should operate
- There is need to have different models of the National Cooperative Banks for each country to adopt the one that best suits their needs.

Take Note of the Government’s commitment:

- To develop programs for the flourishing of cooperatives
- To act as a trustee during the formation of National Cooperative Banks

- To develop policies in collaboration with cooperative stakeholders for the growth of the cooperative movement.

Take Note of the Members' commitment:

- To raise Members' awareness
- To Mobilize members to patronize their banks and lobby for the adoption of the idea to various stakeholders

Take Note of the Partners' commitment:

- Provide technical support where necessary such Capacity Building, Secondment and IT support
- Support National Cooperative Banks with long-term affordable soft loans or grants or be minority shareholders

We the Participants adopt the Communique:

Proposer: **Timothy Mutyavaviri** from South Africa

Second: **Hosea Erasmo** from Tanzania

END

Annex 2: Evaluation Analysis Report

The theme of this Conference was clearly defined.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 11 | 61.1 | 61.1 |
| | Agree | 7 | 38.9 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

Participation and interaction were encouraged.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 6 | 33.3 | 33.3 |
| | Agree | 12 | 66.7 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

The topics covered were relevant to me

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 6 | 33.3 | 33.3 |
| | Agree | 12 | 66.7 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

The content was organized and easy to follow

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 6 | 33.3 | 33.3 |
| | Agree | 11 | 61.1 | 94.4 |
| | Neutral | 1 | 5.6 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

The materials distributed were helpful.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 1 | 5.6 | 5.6 |
| | Agree | 2 | 11.1 | 16.7 |
| | Agree | 13 | 72.2 | 88.9 |
| | Neutral | 2 | 11.1 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

This Conference experience will be useful in my work

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|---------|---------------|--------------------|
| Valid | Strongly Agree | 9 | 50.0 | 50.0 |
| | Agree | 9 | 50.0 | 100.0 |
| | Total | 18 | 100.0 | 100.0 |

The presenters were knowledgeable about the conference topics.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Agree | 7 | 38.9 | 38.9 | 38.9 |
| Valid Agree | 11 | 61.1 | 61.1 | 100.0 |
| Valid Total | 18 | 100.0 | 100.0 | |

The presenters were well prepared.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Agree | 4 | 22.2 | 22.2 | 22.2 |
| Valid Agree | 13 | 72.2 | 72.2 | 94.4 |
| Valid Neutral | 1 | 5.6 | 5.6 | 100.0 |
| Valid Total | 18 | 100.0 | 100.0 | |

The Conference objectives were met.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Agree | 5 | 27.8 | 27.8 | 27.8 |
| Valid Agree | 13 | 72.2 | 72.2 | 100.0 |
| Valid Total | 18 | 100.0 | 100.0 | |

The time allotted for the conference was sufficient.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Agree | 6 | 33.3 | 33.3 | 33.3 |
| Valid Agree | 11 | 61.1 | 61.1 | 94.4 |
| Valid Neutral | 1 | 5.6 | 5.6 | 100.0 |
| Valid Total | 18 | 100.0 | 100.0 | |

The meeting room and facilities were adequate and comfortable.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Agree | 5 | 27.8 | 27.8 | 27.8 |
| Valid Agree | 11 | 61.1 | 61.1 | 88.9 |
| Valid Neutral | 1 | 5.6 | 5.6 | 94.4 |
| Valid Disagree | 1 | 5.6 | 5.6 | 100.0 |
| Valid Total | 18 | 100.0 | 100.0 | |

12. What did you like most about this Conference?

- National co-operative bank formation
- Platform for dialogue between cooperators on the need to have the national co-operative banks as well as experience sharing
- Conference was well organized and topics were relevant and timely
- Objective of the meeting

- Discussions and keeping time
- One on one consultation
- Presentations and Case studies
- The array of facilitators and experience

13. What aspects of the Conference could be improved?

- Have more meetings
- Interpretations for those not familiar with English
- The change of the venue from one place to another within a short notice
- Presentations should be improved

14. How do you hope to change your practice as a result of this Conference?

- Come up with a white paper on National Cooperative Bank for South Africa
- Implement the ideas/advises given during the meeting to improve operations
- Amend legislations to introduce statutory instruments to improve service
- Fostering more inclusion in finance rather than sectoral focus
- Sensitization of co-operatives in starting a national coop bank

15. This Conference is best suited for which position in your organization?

Management / policy maker

Management board / team

Registrar of co-operatives and policy makers of federations

Leaders and technical people

Registrars and commissioners

Ministers and PSs

Technical officers and programme officers

16. What additional topics would you like to have in the next Conference?

- Regional co-operative bank formation in Africa
- Empowering existing cooperative banks
- Corporate governance within the movement
- Services and products to be developed by co-op banks
- Different co-op bank models challenge and success
- Modalities for developing draft memorandum or proposals for consideration
- Progress in national agendas of the establishment of coop banks

Annex 3: Participant List

| Country | Names | Organization | Email Address |
|--------------|------------------------------|---|--|
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| | | | |
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