



REPUBLIC OF KENYA



Savings and Credit Cooperative Societies (SACCOs)

Inclusion Grant Guidelines

(July 2024)

TABLE OF CONTENTS

| | |
|---|----|
| LIST OF ABBREVIATIONS AND ACRONYMS | 3 |
| A. BACKGROUND INFORMATION | 4 |
| B. DEVELOPMENT OBJECTIVE OF THE PROJECT | 4 |
| C. PURPOSE OF THE INCLUSION GRANT GUIDELINES | 4 |
| D. ELIGIBILITY CRITERIA | 7 |
| Annex 1: Inclusion Grant Application Template | 13 |



LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---------------|--|
| AGM | Annual General Meeting |
| CDDC | Community Driven Development Committee |
| CIG | Common Interest Group |
| CPC | County Project Coordinator |
| CPSC | County Project Steering Committee |
| CTAC | County Technical Advisory Committee |
| FI | Financial Institution |
| FIMG | Financial Inclusion Matching Grant |
| FPOs | Farmer Producer Organization |
| GPS | Geographical Positioning System |
| KCSAP | Kenya Climate Smart Agriculture Project |
| MoALD | Ministry of Agriculture and Livestock Development |
| MOU | Memorandum of Understanding |
| NTAC | National Technical Advisory Committee |
| SACCO | Savings and Credit Cooperatives |
| NARIGP | National Agricultural & Rural Inclusive Growth Project |
| NAVCDP | National Agriculture and Value Chain Development |
| NPCU | National Project Coordination Unit |

A. BACKGROUND INFORMATION

The National Agricultural Value Chain Development Project (NAVCDP) is a World Bank funded Project implemented by the Ministry of Agriculture and Livestock Development (MoALD) through the State Department for Crop Development (SDCD). The NAVCDP is implemented in thirty four (34) counties covering the following areas: Mt. Kenya (Kirinyaga, Nyandarua Kiambu, Murang'a, Embu, Meru, Nyeri & Tharaka Nithi); Lower Eastern (Machakos, Makueni, Kitui); North Rift (Trans Nzoia, Nandi, Uasin Gishu); Central Rift (Narok, Nakuru, Bomet, Kericho & Kajiado) Nyanza (Kisii, Migori, Nyamira, Kisumu, Siaya & Homa Bay); Western (Kakamega, Busia ,Vihiga & Bungoma) and Coast (Kwale, Kilifi, Taita Taveta, and Tana River) and Nairobi. The project (NAVCDP) uses the Community Driven Development (CDD) and a value chain approach.

The project is designed to scale up earlier investments under NARIGP and KCSAP with a focus to strengthen commercial orientation, inclusive of women, and enhance resilience and adaptation.

B. DEVELOPMENT OBJECTIVE OF THE PROJECT

The Project Development Objective (PDO) is to increase market participation and value addition for targeted farmers in selected value chains in project areas.

The project supports beneficiaries through four (4) financing windows namely: inclusion grant, financial matching grant, working capital to FPOs and Farm Led Irrigation Development Investment (FLID) for CIGs/VMGs, SACCOs and FPOs, respectively. This is to enable the farmer organizations to access capital for the purposes of commercializing and expanding their enterprises.

C. PURPOSE OF THE INCLUSION GRANT GUIDELINES

These guidelines have been prepared in reference to the community finance manual and they describe all procedures and systematic processes that the SACCOs and project stakeholders must follow in order to effectively and efficiently benefit and access inclusion grants from the NAVCDP. The purpose of the guidelines is (a) to provide standard operating procedures for implementing the inclusion grants and (b) enhance the understanding and requirements of the various key stakeholders involved in the



administration and implementation of the grant to ensure it meets the objectives of the project.

The project provides an inclusion grant for institutional strengthening to the following categories of SACCOS.

i. Newly Registered SACCOS

The Inclusion grant covers new SACCO initial set-up costs, including; office furniture, stationery, computer and printer, office rent and bookkeeper for a year and mobilization of CIGs/VMGs into SACCOS. The inclusion grant is disbursed through the CDDCs. In order to qualify for an Inclusion Grant, a newly registered SACCO must have: -

- Certificate of registration
- Registered by-laws
- Governance structures
- Inducted management committee members
- Mobilized and registered at least 60 members and have a target to recruit an additional 500 members after implementation of the inclusion grant
- Willingness to open the common bond to accommodate project cig/vmg members
- Conducted the first agm
- Committee members who have already signed wealth declaration forms
- Opened an operational bank account
- Opened a designated bank account for the project
- Signed a moa with the cddc.
- Willingness to provide the cddcs with office space and book keeping services.

The eligible SACCO will qualify for inclusion grants not exceeding KES. 1,000,000

ii. Existing SACCOS

The inclusion grant under this category will apply to SACCOS mobilized in the new wards. The funds will be utilized to enhance the capacity of the existing SACCOS. The project will conduct a Capacity Needs Assessment (CNA) to identify gaps on the establishment. To meet the eligible criteria an existing SACCO must have:

- A certificate of registration and by-laws
- Have been in existence for not more than three (3) years

- Have at least 3 key SACCO policies
- Have a sound management committee structure and induction training done
- Have at least 250 active members
- Have held AGM and conducted at least the current financial audit
- Have conducted a CNA and have a report of the findings and recommendations
- Committee members have signed wealth declaration forms
- Have an operational SACCO bank account
- Be ready to open a designated bank account for the project
- Be willing to open the common bond to accommodate project CIG/VMG members.
- Have signed a MOA with CDDC

The eligible SACCO will qualify for Inclusion Grant not exceeding KES 700,000 based on specific needs prioritized under the CNA.

Inclusion Grants Funds Flow

The successful IG proposals shall be funded through a CDDC designated project account.

- The CPCU will disburse the funds to the respective CDDC account.
- The CDDC officials will transfer the funds to the SACCO designated project account
- SACCO officials in liaison with CPCU shall initiate the procurement process of the items described and approved in the IG proposal budget.
- The balance for recurrent expenditure such as salaries will remain in the SACCO account for utilization by the SACCO.

Inclusion Grant Implementation Procedures

- i. Once the Inclusion Grants funds are disbursed, the SACCO shall avail an approved work plan showing the items to be procured and their budget
- ii. In liaison with CPCU undertake procurement
- iii. Adhere to good practices in line with the procurement Act/regulations and the World Bank guidelines
- iv. Record the procured items into the inventory/asset register
- v. Prepare and submit a procurement report to CPCU and the general members
- vi. Cause the tangible asset(s) to be insured
- vii. Cause the preparation of books of accounts in order to account for the funds



D. ELIGIBILITY CRITERIA

A SACCO will be eligible for the inclusion grant upon meeting the criteria set out by the project as follows:

1. Be legally registered by the commissioner for Cooperative Development
2. Must have conducted the First General Meeting (GM);
 - Election of SACCO management & supervisory committees
 - Constitution of the office (election of the 4 executive, 3 credit, 3 education, 3 and an officer (staff member) tender subcommittee) – The 4 executive subcommittee members are the signatories of the SACCO bank accounts, any 3 can sign but treasurer is a mandatory signatory.
 - Resolution to open SACCO bank account with the appointed bankers
 - Approved budget
3. Open a SACCO bank account and a designated project bank account. The following are the requirements to open a bank account;
 - The certified minutes for the general meeting by the County Cooperative Officer
 - Introductory letter from the County Cooperative Officer
 - Certificate of registration
 - KRA PIN
 - Any other document required by the bank.
4. Meet governance compliance requirement as set out in the relevant regulations for the inclusion grant. **Attachments to the proposal:**
 - Indemnity
 - Wealth declaration form for the officials
 - Up to date financial records
 - Any other relevant requirements
5. Must be ready to admit both individual and corporate members (e.g. CIGs/VMGs/POs).

6. Must Sign a tripartite agreement with the respective CDDC and County government as per prescribed template.
7. Apply for inclusion grant using the prescribed application template in three (3) copies. (Annex 1). **Attachments to the proposal:**
 - Registration certificate
 - Account details
 - Certified Minutes for general meeting
 - Document to show proof affiliation of CIG/VMGs to the SACCO
 - Document to demonstrate SACCO contribution of at least 10%
 - Minutes of management committee meeting with an agenda of applying for inclusion grant.
8. The inclusion grant (startup kit) will be applied for the following;
 - Member mobilization (Refer to Table 1 below)
 - Stationery
 - Office bookkeeper (salary for 12 months)
 - Office furniture (executive table, chair)
 - Fire proof/burglary cabinet
 - Automation: Computer & Printer,
 - API integration /internet connectivity/Bulk SMS
 - Office rent (12 months)
9. Procurement of computer/printer, office furniture and fire proof cabinet.

The above items will be procured centrally by the CPCU as per the specification provided by NPCU. The amount will be deducted from the sum total of the inclusion grant budget.

10. Member mobilization funds will be administered at CPCU level.

This amount will also be deducted from the sum total inclusion grant budget before disbursement to the CDDC and then the SACCOs. Member mobilization and registration into the SACCOs will adopt the communitization approach where all the other project community institutions and stakeholders, including; existing SACCOs and FPOs committee members, CDDC leaders, lead farmers, CIG/VMG leaders and members will be engaged in the process.



The balance of inclusion grant amount will be allocated to cover the office rent and bookkeeper salary for a year, respectively; *API integration /internet connectivity/SMS bundles* and stationery and will be disbursed to the SACCO project account by their respective CDDC.

11. Own contribution: The SACCO will be required to contribute 10% of total budget. The contribution will either be in cash or in kind. Any contribution in kind shall require proof of payment and should be within the current year of inclusion grant application.e.g. the salary to the book keeper and or office rent.

Table 1: Notes on CIG/VMG members' mobilization to join SACCOS

| S/N | Activity | No. of promoters | Facilitation (Lunch/Transport) (Ksh) | No. of Days | Total (Ksh) | Remarks |
|--------------|---|------------------|--------------------------------------|-------------|----------------|---|
| 1 | Mobilization by the management committee and promoters, CIGs/VMG leaders/leader farmer/CDDC's | 22 | 1,000 | 12 | 264,000 | Comprehensive programme for members recruitment per subcounty |
| 2 | Evaluation meetings for the management committee and the County crack teams/CAFO/CCIDO | 11 | 1,550 | 5 | 85,250 | Comprehensive programme for members recruitment per subcounty |
| TOTAL | | | | | 350,000 | |

12. The eligible SACCOS will qualify for Inclusion Grant not exceeding Ksh. 1M (for new SACCOS) and Ksh. 700,000 (for existing SACCOS) - Refer to Table 2 below for new SACCOS. For existing SACCOS, the support will be determined by the identified capacity gaps as the CN

Table 2: SACCO Establishment Costs

| Item/Activities | Proposed Budget(Ksh) | Own Contr. | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Inclusion Grant Request |
|--|----------------------|------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------|
| Rent | 60,000 | 6,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Bookkeeper Salary | 300,000 | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 300,000 |
| Internet connectivity and SMS Bundles | 36,000 | 3,600 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| API Integration (B2C/B2B). | 10,000 | 1,000 | 10,000 | | | | | | | | | | | | 10,000 |
| Stationary | 14,000 | 1,400 | 14,000 | | | | | | | | | | | | 14,000 |
| Member Mobilization | 350,000 | 35,000 | 350,000 | | | | | | | | | | | | 350,000 |
| Office Furniture | 70,000 | 7,000 | 70,000 | | | | | | | | | | | | 70,000 |
| Computer & Printer | 120,000 | 12,000 | 120,000 | | | | | | | | | | | | 120,000 |
| Fire/burglar proof Cabinet | 40,000 | 4,000 | 40,000 | | | | | | | | | | | | 40,000 |
| Total | 1,100,000 | 100,000 | 637,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 1,000,000 |



Inclusion Grant Application Procedure

Each eligible SACCO will: -

1. Develop a proposal for funding in a prescribed format (Annex 1)
2. Forward the proposal to CDDC for appraisal and recommendation.
3. CDDC forwards proposal (within a maximum of 5 working days) to CPSC for approval through the CPCU
4. CPSC approves/rejects the proposal
5. For the approved proposal, the CPSC gives recommendations for inclusion grant disbursement.
6. Inclusion Grant Funds Flow:
 - i) Successful IG proposals shall be funded through a CDDC designated project account
 - ii) The CPCU will disburse the prescribed items budget to the respective CDDC account
 - iii) The CDDC officials will transfer the funds to the SACCO designated project account by a cheques or EFT within five working days from the date of receipt from CPCU as per the signed MOU.
 - iv) SACCO officials shall initiate the procurement process of the items described and approved in the IG proposal budget.
7. The SACCO tender subcommittee should procure the listed items in the proposal as per the SACCO procurement policy within 14 days.
8. The SACCO management committee shall file monthly status reports on Inclusion Grant implementation to the CPCU and copy the CDDC using the reporting template.
9. Once the funds are disbursed under the inclusion grant to the SACCO the following procedures shall apply:
 - i) Approved work plan describing the items to be procured and their budget shall be approved by the CPC

- ii) Adherence to the SACCO policies, Procurement Act / regulations and the world bank guidelines
- iii) Posting of the procured items into the inventory/asset register
- iv) Preparation and submission of procurement report to CPCU
- v) Ensure that all the tangible assets are insured
- vi) Ensure that the books of accounts are prepared in order to account for the funds



Annex 1: Inclusion Grant Application Template

INSERT YOUR SACCO LOGO HERE

Name of the SACCO:

Physical Location: Trading Centre/Town, Ward, Sub-county, County,

GPS Location:

Postal Address:

Contact Person(s):

Type of Grant: Inclusion Grant

Amount Applied for: (both in words and figures)

Submitted to: CPCU..... COUNTY

Compiled and submitted by:

SACCO Chairman:

Name:ID No.

Mobile number Signature:

SACCO Secretary:

Name:ID No.

Mobile number..... Signature:

SACCO Treasurer:

Name:ID No.

Mobile number..... Signature:

Date:

| <p>Sacco Introduction and Background</p> | <ul style="list-style-type: none"> • SACCO Name, Registration No, Date of registration, Certificate Number • Common bond of membership, • Total Membership (M, F, Y), indicate the number –CIGs, VMGs and PO (as a corporate)? • Current status, activities and services offered to members • Vision, Mission and Values | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-----------------|------------|----|----|----|----|----|----|----|----|----|-----|-----|-----|-------------------------|--|-----------------|-----------------|------------|----|----|----|----|----|----|----|----|----|-----|-----|-----|-------------------------|---|------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---|-------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <p>The objectives and justification of the Inclusion Grant applied for</p> | <ul style="list-style-type: none"> • Provide the objectives and justification for requesting for the Inclusion grant (1 paragraph). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Proposed items/activities to be financed</p> | <ul style="list-style-type: none"> • Give details of the items/activities to be financed using the inclusion grant • Indicate the period/duration that these items will be bought and when activities will be implemented <table border="1" data-bbox="405 967 1989 1407"> <thead> <tr> <th></th> <th>Item/Activities</th> <th>Proposed Budget</th> <th>Own Contr.</th> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> <th>M7</th> <th>M8</th> <th>M9</th> <th>M10</th> <th>M11</th> <th>M12</th> <th>Inclusion Grant Request</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rent</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Bookkeeper Salary</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | | | | | | | | | | | | | Item/Activities | Proposed Budget | Own Contr. | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Inclusion Grant Request | 1 | Rent | | | | | | | | | | | | | | | | 2 | Bookkeeper Salary | | | | | | | | | | | | | | | |
| | Item/Activities | Proposed Budget | Own Contr. | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 | Inclusion Grant Request | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Rent | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Bookkeeper Salary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



| | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|---------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | 3 | Internet connectivity and SMS Bundles | | | | | | | | | | | | | | | | |
| | 4 | API Integration (B2C/B2B) | | | | | | | | | | | | | | | | |
| | 5 | Stationary | | | | | | | | | | | | | | | | |
| | 6 | Member Mobilization | | | | | | | | | | | | | | | | |
| | 7 | Office Furniture | | | | | | | | | | | | | | | | |
| | 8 | Computer & Printer | | | | | | | | | | | | | | | | |
| | 9 | Fire/burglar proof Cabinet | | | | | | | | | | | | | | | | |
| | | Total | | | | | | | | | | | | | | | | |
| Request for Inclusion Grant | We SACCO limited do hereby request for an inclusion grant of Ksh (In words.....) | | | | | | | | | | | | | | | | | |

We certify that the preceding information is true.

SACCO Chairman: Signature.....Date.....

SACCO Secretary: Signature.....Date.....

SACCO Treasurer: Signature.....Date.....

(For official use only)

Forwarded by (Ward name)..... CDDC

CDDC ChairmanSignature

Date..... Official Stamp

Comments by the CPCU:

.....
.....
.....

Recommended: Yes No Date of Meeting:

.....

CPC NameSignature

(Attachment ...CPCU minutes of meeting)

Comments by the CTAC:

.....
.....
.....

Recommended: Yes No

Date of meeting:



Chairman Name: Signature:

(Attachment – CTAC minutes)

Comments by the CPSC:

.....
.....
.....

Approved by the CPSC: Yes No

Chairman Name.....Signature.....

Date: Official rubber stamp:

(Attachment – CPSC Minutes)

Annexures: All the attachment



Savings and Credit Cooperative Societies (SACCOs)