



COUNTY GOVERNMENT OF BOMET

DEPARTMENT OF AGRICULTURE, LIVESTOCK,
AND CO-OPERATIVES DEVELOPMENT

**THE BOMET COUNTY
CO-OPERATIVES' DEVELOPMENT
POLICY**

*"Promoting Co-operatives for Socio -Economic Transformation
of Bomet County"*

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ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolution
ASDSPH	Agriculture Support Development Support Program Phase II
BPO	Business Process Out-sourcing
CAK	Cooperative Alliance of Kenya
CoG	Council of Governors
CoK 2010	Constitution of Kenya (2010)
DoTTCDI	Department of Trade, Tourism, Cooperative Development and Industrialization
ECCOS	Ethics Commission for Cooperative Societies
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICA	International Cooperative Alliance
ICT	Information and Communication Technology
KNBS	Kenya National Bureau of Statistics
KUSCCO	Kenya Union of Savings and Credit Cooperatives
Ltd	Limited
MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
NACHU	National Cooperative Housing Union
NACOs	National Cooperative Organizations
PPP	Public Private Partnerships
SACCOs	Savings and Credit Cooperatives
SASRA	SACCO Societies Regulatory Authority
UN	United Nations
USAID	United States Agency for International Development
AHADI	Agile and Harmonized Assistance for Devolved Institutions
WOCCU	World Council of Credit Unions

FOREWORD

The development of the Bomet County Cooperative Development Policy marks a pivotal step in the County Government’s commitment to harnessing cooperatives as a key driver of inclusive economic growth and development. Anchored in the Bomet County Integrated Development Plan (CIDP) 2022–2027, this policy aims to foster a dynamic and sustainable cooperative movement that uplifts the socio-economic well-being of residents while adapting to evolving governance systems, legal frameworks, and regulatory standards.

At its core, the policy seeks to revitalize and strengthen the performance of existing cooperative societies by promoting savings mobilization, improving access to affordable credit, and rejuvenating cooperative-managed input supply systems—particularly among agro-commodity-based co-operatives. More broadly, it envisions transforming the cooperative sector into a vibrant economic engine, one that significantly contributes to the County’s overall development trajectory.

Recognizing that a well-managed and economically sustainable cooperative sector flourishes within a supportive legal and regulatory environment, the County Government has domesticated relevant cooperative legislation to reflect the unique realities of devolved governance. In pursuit of greater efficiency, effectiveness, and competitiveness, the policy outlines strategic interventions, including enhanced funding for cooperative programs, increased staffing, and robust capacity-building initiatives across all tiers of the cooperative ecosystem.

Nonetheless, the sector continues to face persistent challenges. These include outdated agricultural practices and technologies, limited access to capital, weak product development, and inadequate marketing strategies. Furthermore, gaps in cooperative education and information dissemination have contributed to low member awareness and a tendency to retain obsolete operational models, impeding innovation and limiting economic

potential. Overcoming these challenges demands targeted legal, regulatory, and governance reforms, alongside deeper collaboration among the County Government, cooperative societies, and development partners.

While the County Government remains steadfast in its commitment to creating an enabling environment for cooperatives to thrive, the success of this policy ultimately rests on the willingness of cooperatives to embrace self-regulation, strengthen internal governance, and enhance their operational capacities.

I therefore call upon all cooperative societies and stakeholders to actively support and participate in the implementation of this policy. By working together, we can unlock the full potential of cooperatives to mobilize both human and financial capital for sustainable investment. Let us build a resilient and prosperous cooperative sector—one that elevates livelihoods and drives broad-based economic transformation, in line with the central theme of this policy: cooperative development as a catalyst for shared prosperity.



HON. CPA BENARD CHERUIYOT

*County Executive Committee Member Department of Agriculture,
Livestock, and Cooperative Development*

PREFACE

The development of the Bomet County Cooperative Development Policy represents a significant milestone in strengthening the cooperative sector as a catalyst for socio-economic transformation. This policy is the product of wide-ranging consultations with stakeholders—including cooperative societies, government institutions, and development partners—to ensure it is comprehensive, actionable, and attuned to the evolving needs of the cooperative movement in Bomet County.

For decades, the cooperative sector has been a cornerstone of economic empowerment in Kenya, particularly within rural communities. However, cooperatives continue to face persistent challenges, including weak governance structures, limited access to capital, constrained market opportunities, and outdated production practices. This policy provides a strategic framework to address these constraints and enhance the sector’s contribution to inclusive and sustainable economic growth.

This policy operationalizes the National Cooperative Development Policy (Sessional Paper No. 4 of 2020). Certain definitional elements and strategic directions have been adopted and localized to reflect the devolved mandate and context of Bomet County

Anchored in the Bomet County Integrated Development Plan (CIDP) 2022–2027, the policy seeks to cultivate an enabling environment in which cooperatives can flourish. It prioritizes legal and regulatory reforms, expanded financial inclusion, institutional capacity building, and the adoption of modern technologies to drive operational efficiency and competitiveness. Through this policy, the County Government reaffirms its commitment to nurturing a cooperative movement that is autonomous, well-governed, and economically resilient.

The policy also underscores the critical role of partnerships—among cooperatives, public institutions, the private sector, and development organizations—in driving sustainable development and shared prosperity.

I sincerely acknowledge the invaluable contributions of all stakeholders involved in shaping this policy. Their insights and recommendations have ensured that it speaks directly to the realities and aspirations of the cooperative sector. Special appreciation is extended to the technical team for their leadership in research, drafting, and review, and to cooperative leaders who generously shared firsthand perspectives on both challenges and opportunities.

It is my hope that this policy will serve as a guiding blueprint for cooperative development in Bomet County—advancing a resilient, inclusive, and thriving cooperative sector. I urge all stakeholders to actively participate in its implementation and join hands in realizing our shared vision of economic growth and improved livelihoods through cooperative enterprise.



CPA BENARD KOROS

Chief Officer, Department of Cooperatives, Value Addition and Marketing.

ACKNOWLEDGEMENT

The County Government of Bomet sincerely acknowledges the leadership, commitment, and collective effort of all individuals and institutions that contributed to the successful formulation of this Cooperative Development Policy.

Special appreciation is extended to H.E. Prof. Hillary Barchok, Governor of Bomet County, for his visionary leadership and unwavering support towards strengthening the cooperative sector as a key driver of inclusive economic growth. We further acknowledge the strategic guidance of Hon. CPA Benard Cheruiyot, County Executive Committee Member (CECM), whose oversight and policy direction greatly enriched this process.

We are grateful for the technical leadership provided by CPA Bernard Koros, Chief Officer, and Dr. Philip Cheruiyot, Director of Cooperatives, whose coordination, professionalism, and dedication ensured the successful development of this Policy.

Special recognition is accorded to the technical team comprising Paul Langat, CPA Fredrick Koskei, Joseph Ngeno, Clement Chirchir, and Elkana Rotich, among other officers, for their invaluable technical input, data analysis, stakeholder engagement, and drafting support throughout the policy development process.

The County Government further acknowledges the strategic policy guidance and technical advisory support provided through the Council of Governors, with special recognition of Haron Ngeno as the representative, which enriched inter-county learning, policy alignment, and best practice sharing during the policy formulation process.

The County Government also sincerely appreciates the support of its key development partners, notably World Vision Kenya – Badaptai and the Co-operative Bank of Kenya, whose technical assistance, capacity-building support, and strategic insights significantly enriched the policy formulation process.

We further acknowledge the invaluable contribution of cooperative leaders and members across Bomet County, whose practical experiences, perspectives, and recommendations ensured that this Policy remains responsive to grassroots realities and sector needs.

Finally, we appreciate the continued collaboration with the National Government, particularly the Office of the Commissioner for Cooperatives, for ensuring alignment with national legislation and cooperative development frameworks.

The collective contribution of all these stakeholders has resulted in a strengthened, inclusive, and forward-looking Cooperative Development Policy that will guide the sustainable growth of the cooperative sector in Bomet County.

EXECUTIVE SUMMARY

The Bomet County Cooperative Development Policy provides a strategic framework for fostering a dynamic, inclusive, and sustainable cooperative movement to catalyze socio-economic development. Aligned with the Bomet County Integrated Development Plan (CIDP) 2022–2027, the policy focuses on strengthening governance systems, reforming legal and regulatory frameworks, and improving financial access for cooperative societies.

Since independence, cooperatives have played a central role in Kenya’s economic empowerment, particularly in rural development. In Bomet County, cooperatives continue to be instrumental in key sectors such as agriculture, finance, and trade. However, persistent challenges—including weak governance structures, inadequate capital, low regulatory compliance, and outdated production technologies—have hindered their full potential. By aligning with constitutional provisions and devolved governance structures, this policy aims to modernize and reposition the cooperative sector to meet current and emerging needs.

Bomet County boasts abundant natural, social, and human capital, creating a conducive environment for cooperative growth. The cooperative sector is broad and diversified, spanning agriculture, financial services, transport, consumer goods, industrial production, and multipurpose cooperatives. Despite this potential, the sector faces structural and operational challenges such as poor infrastructure, limited credit access, weak marketing systems, and governance deficiencies. A performance review underscores the need for targeted policy interventions to improve value addition, marketing strategies, financial management, and institutional governance.

This policy outlines a comprehensive approach to strengthening the legal and regulatory framework guiding cooperative operations. Key policy interventions include:

- **Governance and Compliance:** Strengthening compliance with cooperative bylaws and regulations, including regular audits and capacity-building for cooperative leadership.
- **Production, Value Addition, and Marketing:** Enhancing competitiveness through improved production techniques, value addition initiatives, and effective market linkages.
- **Financial Access and Investment:** Expanding access to finance through innovative financing mechanisms and the establishment of cooperative investment strategies.
- **Education, Training, and Information:** Promoting cooperative education, leadership development, and information sharing to build capacity and professionalize the sector.
- **ICT Integration:** Leveraging Information and Communication Technology (ICT) to streamline cooperative operations, improve transparency, and enhance efficiency.
- **Cross-Cutting Issues:** Mainstreaming gender equality, youth empowerment, environmental sustainability, and innovation into cooperative activities.

To ensure coordinated implementation, the policy clearly defines the roles of key stakeholders, including the National Government, County Government, regulatory agencies (such as SASRA and the Cooperative Tribunal), non-state actors, and intergovernmental coordination bodies. Major institutional developments envisioned under the policy include:

- **Bomet County Directorate for Cooperative Development** to spearhead policy implementation and sector oversight.

- **Bomet County Cooperative Development Forum** to facilitate stakeholder dialogue and collaboration.
- **Alternative Dispute Resolution (ADR) Committee** to provide efficient and amicable solutions to cooperative conflicts.
- **County Cooperative Development and Enterprise financing Model** to support cooperative financing and investment.
- **Monitoring and Evaluation (M&E) Framework** to assess policy outcomes, inform future reviews, and guide adaptive management.

This policy serves as a strategic blueprint for revitalizing the cooperative movement in Bomet County. Its success depends on the collective commitment of all stakeholders—government institutions, cooperative societies, private sector actors, and development partners. By promoting self-regulation, enhancing governance, and ensuring financial sustainability, the policy seeks to position cooperatives as a cornerstone of Bomet County’s economic development and a catalyst for improved livelihoods and shared prosperity.

CHAPTER ONE

INTRODUCTION

1.1 Background

Cooperatives have long played a vital role in driving socio-economic transformation across the world. In recognition of their contribution to inclusive growth and sustainable livelihoods, the United Nations (UN) declared 2012 the International Year of Cooperatives, underscoring their role in promoting sustainable development, poverty reduction, and social cohesion. Building on this global recognition, the International Cooperative Alliance (ICA), through its *Blueprint for a Cooperative Decade (2011–2020)*, envisioned cooperatives as the fastest-growing, most sustainable, and people-centered form of enterprise globally. This vision—commonly referred to as the 2020 Vision—sought to position cooperatives as leaders in economic, social, and environmental sustainability.

Regionally, ICA-Africa, through its *Cooperative Development Strategy (2017–2020)*, reaffirmed the pivotal role of cooperatives as engines for poverty alleviation, social inclusion, and job creation across the continent. The strategy recognized Africa’s cooperative movement as a powerful tool for addressing systemic inequalities, improving livelihoods, and promoting self-reliance. It emphasized strengthening cooperative governance, enhancing capacity, and improving market access to enable cooperatives to compete effectively in liberalized and globalized economies.

Despite these efforts, cooperatives in Africa—including Kenya—continue to face persistent challenges that limit their full potential. These challenges include weak institutional governance, limited access to finance, low adoption of technology, inadequate training, and policy misalignments between national and sub-national governments. The ICA-Africa framework thus calls for locally tailored cooperative policies that build on global and regional experiences while addressing the unique realities of local contexts.

At the national level, Kenya’s cooperative sector has evolved significantly, guided by successive policies and legislation designed to harness cooperative potential for socio-economic growth. From the early post-independence era—anchored on Sessional Paper No. 10 of 1965 on *African Socialism and Its Application to Planning in Kenya*—cooperatives were viewed as instruments for Africanizing the economy and empowering local citizens. The Cooperative Societies Act of 1966

facilitated the establishment of producer and marketing cooperatives, enabling smallholder farmers to access markets and financial services.

Over the years, key policy documents such as Sessional Paper No. 1 of 1970, Sessional Paper No. 4 of 1987, and Sessional Paper No. 6 of 1997 progressively redefined the role of government from direct management to regulation and facilitation. The Cooperative Societies Act No. 12 of 1997, later amended in 2004, emphasized member autonomy while preserving mechanisms for oversight and accountability. The introduction of the Sacco Societies Act, 2008 provided a regulatory framework for deposit-taking savings and credit cooperatives, further strengthening the financial cooperative movement.

A significant shift occurred with the Constitution of Kenya (2010), which ushered in devolved governance. Article 174 of the Constitution emphasized equitable development, self-governance, and community participation—principles that resonate strongly with cooperative values. Consequently, cooperative development functions were devolved to the county governments, while regulatory functions such as registration, inquiries, and audit registration remained with the Commissioner for Cooperatives at the national level. This created a shared governance model that requires strong intergovernmental coordination to ensure harmony, efficiency, and service delivery.

In alignment with these changes, the National Cooperative Development Policy (2020) under the theme “*Promoting Cooperatives for Socio-Economic Transformation*” was formulated to realign cooperative development with the principles of devolution, equity, inclusion, and sustainability. The policy provides a national framework upon which counties are expected to build localized cooperative policies tailored to their economic and social contexts.

At the county level, Bomet County has embraced cooperatives as a key driver of inclusive economic growth, poverty reduction, and job creation, particularly in the agricultural and agro-processing sectors. The county’s cooperative movement plays a pivotal role in mobilizing savings, enhancing market access, promoting value addition, and strengthening community resilience. Cooperatives in Bomet are particularly active in tea, dairy, coffee, horticulture, savings and credit, and emerging areas such as transport, housing, and youth-led innovation enterprises.

However, the sector continues to face challenges that mirror both national and regional patterns—such as limited capacity for value addition, weak governance, low youth participation, inadequate marketing structures, and

insufficient access to finance. The Bomet County Cooperative Policy therefore seeks to address these gaps by providing a structured framework for promotion, regulation, capacity building, innovation, and partnership in line with both national policy direction and global cooperative principles.

The formulation of this policy is also guided by the County Integrated Development Plan (CIDP 2023–2027), the Bomet County Cooperative Strategic Plan, and the Medium-Term Plan IV (2023–2027) of Kenya’s Vision 2030. These frameworks emphasize inclusive growth, agricultural transformation, and value addition—objectives that align with cooperative enterprise development.

Ultimately, the Bomet County Cooperative Policy aims to create a dynamic, sustainable, and well-governed cooperative sector that upholds cooperative values, self-help, democracy, equity, equality, and solidarity—while promoting innovation, market competitiveness, and social well-being. The policy builds upon global and regional cooperative experiences but is uniquely tailored to Bomet’s socio-economic realities, positioning cooperatives as engines of grassroots economic empowerment and county-level transformation.

1.2 Rationale for the Policy

The formulation of the Bomet County Cooperative Policy is anchored in the recognition that cooperatives are critical vehicles for achieving inclusive economic growth, poverty reduction, and community empowerment. Despite their significant contribution to the county’s economy, especially in agriculture, finance, trade, and social welfare, the sector continues to face structural, operational, and governance challenges that limit its full potential. This policy therefore provides a comprehensive and harmonized framework to strengthen cooperative governance, enhance competitiveness, and align county-level interventions with national and global cooperative development priorities.

1.2.1 Policy Alignment with the Devolved Governance Framework

The promulgation of the Constitution of Kenya (2010) marked a paradigm shift in cooperative governance by devolving the promotion and development of cooperatives to the county governments, while retaining regulatory functions such as registration, audit certification, and inquiries at the national level under the Commissioner for Cooperatives.

In practice, however, overlaps and gaps have persisted. Counties, including Bomet, have continued to promote, process documentation, and

facilitate registration of cooperatives on behalf of the Commissioner, support the conduct of audits, and undertake limited inquiries and inspections. This dual structure has created ambiguities in roles, weakened accountability, and constrained the efficiency of cooperative service delivery.

This policy seeks to clarify and institutionalize county responsibilities within the framework of intergovernmental cooperation, ensuring effective coordination between the two levels of government. It provides for the establishment of a County Directorate of Cooperatives with defined units for:

- (a) Cooperative Management and Development – focusing on promotion, registration facilitation, compliance, and governance;
- (b) Value Addition and Marketing – driving enterprise growth, innovation, and market linkages; and
- (c) Audit and Supervision,--supporting financial integrity and compliance through strengthened audit oversight at the county level.

This arrangement ensures that the county can exercise its devolved mandate effectively while maintaining synergy and compliance with national cooperative laws and standards.

1.3.2 Addressing Sectoral Challenges and Opportunities

Bomet County has one of the most vibrant cooperative movements in the South Rift region, with active societies in tea, dairy, coffee, horticulture, savings and credit (SACCOs), and transport cooperatives. Despite this progress, the sector faces multiple constraints that undermine growth and sustainability. These include:

- (a) Weak governance and leadership structures, with limited accountability mechanisms.
- (b) Low levels of value addition, innovation, and market diversification.
- (c) Inadequate capacity building and limited technical skills among cooperative officers and leaders.
- (d) Poor access to affordable finance and weak linkages with financial institutions.
- (e) Low participation of youth and women in cooperative leadership and membership.

- (f) Limited digital transformation and poor adoption of ICT in cooperative management.

Conversely, Bomet County also presents unique opportunities for cooperative expansion. The county's fertile agricultural base, expanding road network, growing urban markets, and active micro and small enterprises create fertile ground for cooperative-led value chains in agro-processing, marketing, housing, and renewable energy. The policy therefore seeks to leverage these opportunities by strengthening cooperative institutions as vehicles for agribusiness transformation, job creation, and inclusive wealth generation.

1.3.3 Enhancing Policy Coherence and Institutional Coordination

The absence of a county-specific cooperative policy has led to fragmented interventions, inconsistent support programs, and limited integration of cooperative priorities within the broader County Integrated Development Plan (CIDP) and Medium-Term Expenditure Framework (MTEF).

This policy provides an integrated framework that:

- (a) Aligns cooperative development with CIDP 2023–2027, Vision 2030, and the National Cooperative Development Policy (2020)
- (b) Promotes institutional coordination among county departments, cooperative societies, development partners, and private sector actors;
- (c) Establishes mechanisms for intergovernmental consultation on shared functions such as registration, audits, and inquiries; and
- (d) Strengthens data management and monitoring systems through a county-based cooperative information system.

1.3.4 Promoting Inclusivity and Sustainability

In keeping with cooperative values and national development priorities, this policy places a strong emphasis on inclusivity, gender equity, youth participation, and environmental sustainability. It encourages the creation of youth- and women-led cooperatives, integration of climate-smart practices, and adoption of digital tools for transparency and accountability.

By embedding sustainability principles into cooperative governance, the policy aims to contribute to the realization of Sustainable Development Goals (SDGs), notably SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production), within the context of Bomet County's development agenda.

1.3.5 Strengthening Monitoring, Evaluation, and Learning

The policy establishes a Results-Based Monitoring and Evaluation Framework (RBMEF) to track progress, assess outcomes, and guide continuous improvement. It introduces a County Cooperative Scorecard with measurable indicators aligned to CIDP outcomes, ensuring that cooperative development contributes meaningfully to county performance reporting and accountability mechanisms.

The Bomet County Cooperative Policy is designed to create a robust, responsive, and sustainable cooperative ecosystem that reflects the county's economic priorities while aligning with national and international cooperative principles. It serves as a strategic instrument for empowering communities, promoting enterprise competitiveness, and advancing equitable development across Bomet County.

1.4 Policy Context and Linkages

The Bomet County Cooperative Policy is framed within a multi-level development and governance architecture that connects global aspirations, national priorities, and county-level strategies. It recognizes that cooperative development is both a local and global agenda that thrives on values of inclusivity, sustainability, and economic empowerment. The policy therefore ensures that cooperative growth in Bomet County aligns with international conventions, national legislation, and county planning frameworks for coherence, synergy, and sustainability.

1.4.1 Global Context

Globally, cooperative development has been recognized as a catalyst for inclusive economic transformation and social resilience. The United Nations (UN), through its declaration of the International Year of Cooperatives (2012), emphasized the centrality of cooperatives in achieving sustainable development, reducing inequality, and promoting shared prosperity.

Further, the Sustainable Development Goals (SDGs) provide a global framework that underscores the relevance of cooperatives in achieving:

- SDG 1:** No Poverty – by promoting financial inclusion and livelihood security;
- SDG 5:** Gender Equality – through equitable participation in cooperative governance and enterprise ownership;
- SDG 8:** Decent Work and Economic Growth – by creating employment and entrepreneurship opportunities;

SDG 12: Responsible Consumption and Production – through sustainable resource management and value addition; and

SDG 13: Climate Action – by fostering environmentally sustainable practices

The policy also draws from the International Cooperative Alliance (ICA) Blueprint for a Cooperative Decade (2013–2020), which positions cooperatives as sustainable enterprises built on strong member engagement, resilience, and social accountability. Bomet County’s cooperative strategy thus mirrors these global ideals by embedding sustainability, inclusivity, and innovation in local cooperative development.

1.4.2 Regional Context (Africa and East Africa)

At the regional level, the ICA-Africa Cooperative Development Strategy (2017–2020) and the African Union Agenda 2063 underscore the role of cooperatives in achieving people-driven and inclusive development across the continent. Cooperatives are recognized as tools for:

- (a) Expanding access to markets and finance;
- (b) Promoting youth and women participation in enterprise development; and
- (c) Driving rural industrialization and value chain integration.

Within the East African Community (EAC), the EAC Cooperative Development Policy Framework promotes harmonization of cooperative laws, cross-border trade facilitation, and integration of cooperative systems to enhance competitiveness in the regional market.

Bomet County, strategically located along key agricultural and trade corridors, stands to benefit from these regional initiatives by strengthening cooperative linkages in agribusiness, cross-county value chains, and cooperative-based trade networks across the South Rift and neighboring counties.

1.4.3 National Context

At the national level, the Constitution of Kenya (2010) provides the overarching framework for cooperative development.

- (a) Article 43 recognizes economic and social rights, which cooperatives directly promote through collective enterprise and resource mobilization.

- (b) Article 174 establishes devolution as a mechanism to enhance participation and equitable development.
- (c) Fourth Schedule allocates “promotion and regulation of cooperative societies” as a function of county governments.

This policy further aligns with the National Cooperative Development Policy (2020), which seeks to reposition cooperatives as key enablers of Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). It builds on this national policy by contextualizing its principles and strategies to address county-specific needs in cooperative governance, value addition, and marketing.

Other key national linkages include:

- (a) Cooperative Societies Act (Cap 490) – provides the legal framework for registration, management, and regulation of cooperatives.
- (b) Sacco Societies Act (2008) – governs SACCO operations and supervision under SASRA.
- (c) Public Finance Management Act (2012) – guides prudent use of cooperative funds and integration into the county fiscal framework.
- (d) Kenya Vision 2030 – identifies cooperatives as vital drivers of inclusive economic growth and poverty reduction.
- (e) National ICT Policy (2020) and Data Protection Act (2019) – guide digital transformation and data security in cooperative management systems.

By aligning with these national instruments, the policy ensures that Bomet County operates within the legal, fiscal, and institutional parameters set by the national government while maximizing local innovation and flexibility.

1.4.4 County Context

At the county level, cooperative development is a strategic pillar of Bomet County’s Integrated Development Plan (CIDP 2023–2027) and the Bomet County Economic Recovery and Transformation Framework (2022–2025). These frameworks identify cooperatives as key enablers of:

- (a) Agricultural productivity and value addition;
- (b) Inclusive financial systems through SACCOs and investment cooperatives;

- (c) Youth and women empowerment;
- (d) Market linkages and enterprise competitiveness; and
- (e) Rural industrialization and job creation.

The County Directorate of Cooperatives currently comprises three operational units:

- (a) **Cooperative Management and Development** – responsible for promotion, registration facilitation, compliance monitoring, and governance support;
- (b) **Value Addition and Marketing** – focusing on enterprise development, cooperative branding, and market access initiatives; and
- (c) **Audit and Supervision** – ensuring financial accountability, transparency, and prudent management of cooperative resources.

This policy builds upon these institutional structures to strengthen service delivery, enhance compliance, and promote a vibrant cooperative ecosystem that contributes directly to Bomet’s agricultural transformation and socio-economic resilience.

1.4.5 Policy Coherence and Integration

To ensure effective implementation, this policy establishes horizontal and vertical linkages with other county and national frameworks, including:

- (a) County Agricultural Policy – promoting integration of cooperative agribusiness models;
- (b) County Enterprise Development and Trade Policy – supporting market-driven cooperatives and SME linkages;
- (c) County Youth and Gender Policies – mainstreaming inclusion in cooperative leadership and participation;
- (d) County Climate Change Action Plan – embedding climate-smart cooperative practices; and
- (e) County Monitoring and Evaluation Framework – ensuring that cooperative performance is measured and reported through county performance indicators and scorecards.

Through these linkages, the policy ensures that cooperative development is not implemented in isolation but as an integral part of Bomet County’s inclusive, resilient, and innovation-driven economic growth

agenda.measurable intent, guiding principles, and relevance to Bomet County’s socio-economic goals.

1.5 Policy Goal, Objectives, and Guiding Principles

1.5.1 Policy Goal

The overarching goal of the Bomet County Cooperative Policy is to promote a vibrant, inclusive, and sustainable cooperative sector that enhances socio-economic development, strengthens value addition and market competitiveness, fosters innovation, and upholds cooperative values and principles in line with global best practices and national legislation.

This goal is anchored on the belief that cooperatives are the cornerstone of Bomet County’s economic empowerment, providing platforms for collective investment, wealth creation, employment, and social transformation—particularly among farmers, women, youth, and marginalized groups.

1.5.2 Policy Objectives

The specific objectives of this policy are to:

- (a) **Strengthen Institutional and Legal Frameworks**
To establish a clear, efficient, and coordinated cooperative governance system that delineates roles between the national and county governments, federations, and unions, ensuring accountability and minimizing duplication of functions.
- (b) **Enhance Cooperative Governance and Member Empowerment**
To promote democratic management, integrity, transparency, and capacity development among cooperative leaders and members for effective and ethical decision-making.
- (c) **Promote Value Addition, Marketing, and Enterprise Development**
To position cooperatives as business-oriented entities that drive agro-industrialization, enhance competitiveness, and expand access to domestic, regional, and international markets.
- (d) **Expand Financial Inclusion and Access to Credit**
To facilitate affordable and sustainable financial services for cooperatives through the County Cooperative Revolving Fund, strategic partnerships, and linkages with financial institutions.

(e) Integrate Information and Communication Technology (ICT)

To accelerate digital transformation within cooperatives through adoption of ICT systems, digital payments, e-governance tools, and data-driven decision-making—aligned with the Kenya Data Protection Act (2019) and National ICT Policy (2020).

(f) Mainstream Cross-Cutting Issues

To embed gender equality, youth empowerment, environmental sustainability, and health promotion within all cooperative frameworks, programs, and operations, ensuring equitable participation and inclusive growth.

(g) Foster Collaboration and Networking

To strengthen inter-cooperative linkages, public-private partnerships (PPPs), and county–national–regional cooperation for knowledge sharing, resource mobilization, and market expansion.

(h) Institutionalize Results-Based Monitoring and Evaluation (M&E)

To implement a Cooperative Scorecard Framework with SMART indicators that track performance, promote accountability, and align cooperative outcomes with the County Integrated Development Plan (CIDP) and the national Bottom-Up Economic Transformation Agenda (BETA)

1.6.1 Policy Context and Justification

Cooperatives have long served as key instruments for socio-economic empowerment in Kenya, enabling citizens to pool resources, enhance productivity, and access markets. In Bomet County, cooperatives are particularly central to the agriculture-based economy, with strong representation in dairy, tea, coffee, pyrethrum, horticulture, and savings and credit sectors. These cooperatives collectively contribute to household income generation, employment creation, and community development.

However, despite their significant role, many cooperatives in Bomet County face systemic challenges that limit their potential contribution to inclusive growth and sustainable development. These challenges underscore the need for a comprehensive policy to provide a strategic framework for coordination, regulation, capacity development, and innovation across the cooperative sector.

1.6.2 Key Challenges Necessitating the Policy

- (a) **Weak Governance and Leadership Structures**

Many cooperatives in Bomet operate without clear governance frameworks, leading to poor decision-making, mismanagement of member funds, and declining trust among members. Election irregularities, lack of succession planning, and inadequate leadership training have further weakened institutional stability
- (b) **Low Levels of Member Awareness and Participation**

Limited cooperative education has resulted in passive membership engagement, low attendance in general meetings, and poor oversight of management committees. This has eroded the democratic character that defines cooperative enterprises.
- (c) **Inadequate Financial Management Systems**

Several cooperatives rely on manual record-keeping and lack sound financial control mechanisms. This has led to inefficiencies, audit delays, and in some cases, financial malpractices that diminish member confidence.
- (d) **Limited Access to Credit and Capitalization**

Cooperative enterprises struggle to expand due to insufficient capital and limited access to affordable financing. The absence of an operational County Cooperative Revolving Fund further restricts growth opportunities, especially for emerging youth and women-led cooperatives.
- (e) **Poor Value Addition and Market Linkages**

Most cooperatives continue to sell raw produce with minimal processing or branding, resulting in low returns to farmers. Weak linkages with buyers, limited adoption of aggregation centers, and lack of market intelligence constrain competitiveness.
- (f) **Underutilization of ICT and Innovation**

The cooperative sector has not fully embraced digital tools for operations, marketing, or communication. Many societies lack online visibility, management information systems (MIS), and data-driven performance tracking, hindering modernization.
- (g) **Limited Integration of Cross-Cutting Issues**

Gender imbalance in leadership, low youth involvement, and inadequate focus on environmental sustainability remain

pressing gaps. Most cooperative programs have not integrated climate-smart, inclusive, or health-promoting strategies.

(h) **Weak Institutional Coordination and Policy Gaps**

Absence of a harmonized county-level cooperative policy has led to fragmented interventions, duplication of roles, and inconsistent regulation. Coordination between the Department of Cooperatives, National Cooperative Development Authority (CDA), and SACCO Societies Regulatory Authority (SASRA) remains weak.

1.6.3 Strategic Policy Response

This policy provides a strategic framework for addressing the above challenges by:

- (a) Institutionalizing cooperative governance reforms, including leadership capacity building, ethical codes, and audit compliance mechanisms.
- (b) Establishing a County Cooperative Financing Model to provide accessible credit, promote investment partnerships, and enhance financial inclusion among cooperatives.
- (c) Mainstreaming ICT adoption, including cooperative management information systems (CoopMIS), e-learning, and digital marketing tools.
- (d) Promoting value addition and market-oriented cooperatives through linkages with county aggregation centers, industrial parks, and the national Export Promotion and Branding Agency (EPB).
- (e) Integrating gender, youth, and environmental sustainability into cooperative programs in alignment with the Kenya Vision 2030, SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action).
- (f) Aligning county cooperative priorities with the Bottom-Up Economic Transformation Agenda (BETA) to ensure inclusive growth in agribusiness, value chains, and financial empowerment

1.6.4 Alignment with National and County Priorities

This policy is fully aligned with:

- (a) The Constitution of Kenya (2010) – Articles 174 and 186 on devolution and participatory development.
- (b) The Cooperative Societies Act (Cap 490) – guiding cooperative registration and governance.
- (c) The County Governments Act (2012) – emphasizing integrated development planning.
- (d) The Kenya Vision 2030 – under the Social and Economic Pillars.
- (e) The Bottom-Up Economic Transformation Agenda (BETA) – which prioritizes agricultural productivity, MSME growth, and cooperative-led value chains.
- (f) The Bomet County Integrated Development Plan (CIDP III, 2023–2027) – which identifies cooperatives as a key driver for inclusive socio-economic growth and industrialization

1.6.5 Expected Long-Term Impact

Through this policy, Bomet County aims to achieve:

- (a) A vibrant, transparent, and self-sustaining cooperative movement that supports economic empowerment.
- (b) Enhanced value addition and market competitiveness across agricultural and non-agricultural cooperatives.
- (c) Inclusive participation of youth, women, and marginalized groups in the cooperative ecosystem.
- (d) Improved household incomes and rural livelihoods, contributing to poverty reduction and social equity.
- (e) Alignment of cooperative growth with climate resilience, digital transformation, and national economic priorities

1.7 Legal and Policy Framework

1.7.1 Overview

The cooperative movement in Kenya operates within a well-established legal and policy framework anchored in the Constitution of Kenya (2010), which provides for devolution, participatory governance, and socio-economic inclusion. This framework defines the roles of both national and county governments in promoting cooperative development, ensuring accountability, and enhancing citizen participation in economic transformation.

For Bomet County, this framework guides the formulation and implementation of a localized cooperative policy that reflects the county's unique socio-economic realities while remaining consistent with national and international obligations.

1.7.2 Constitutional Foundations

The Constitution of Kenya (2010) lays the cornerstone for cooperative governance and development through several key provisions:

- (a) Article 6(2): Establishes the distinct and interdependent relationship between the national and county governments, ensuring cooperation in service delivery, including cooperative development.
- (b) Article 174 (c), (d), and (e): Emphasizes the objects of devolution—promoting social and economic development, enhancing participation of the people in governance, and recognizing the rights of communities to manage their own affairs.
- (c) Fourth Schedule, Part 2 (7): Assigns county governments the responsibility for trade development and regulation, including cooperative societies and fair trading practices
- (d) Article 43 (1)(a): Guarantees every person the right to economic and social development, to which cooperative enterprises significantly contribute.

In essence, these provisions empower county governments, including Bomet, to establish institutional mechanisms, policies, and programs to regulate and promote cooperative enterprises within their jurisdictions.

1.7.3 National Legislative and Policy Instruments

Several national laws and policies directly shape the cooperative sector, forming the legal foundation upon which Bomet County's cooperative policy builds

- (a) The Cooperative Societies Act (Cap 490, Revised 2012)
Provides the principal legal framework for the registration, management, supervision, and dissolution of cooperative societies. It outlines members' rights, responsibilities, and governance structures, promoting democratic management and accountability.
- (b) The Cooperative Societies (Amendment) Act, 2004
Introduced key governance reforms, including provisions for

auditing, dispute resolution, and government intervention in cases of mismanagement.

- (c) The Sacco Societies Act, 2008 (as amended in 2022)
Establishes the Sacco Societies Regulatory Authority (SASRA) to license, regulate, and supervise deposit-taking Saccos. The Act promotes financial stability, prudential management, and protection of member savings.
- (d) The Public Finance Management Act (2012)
Guides the establishment and management of the County Cooperative Revolving Fund, ensuring prudent utilization of public funds channeled toward cooperative development.
- (e) The County Governments Act (2012)
Provides a framework for devolution, emphasizing citizen participation, integrated planning, and coordination of county development functions, including cooperative enterprise support.
- (f) The National Cooperative Policy (2020) – *Promoting Cooperatives for Socio-Economic Transformation*
This policy redefines the role of cooperatives within a devolved context, emphasizing autonomy, innovation, digitalization, and value addition. It calls for counties to develop localized cooperative policies aligned with devolved governance.
- (g) The Micro and Small Enterprises Act (2012)
Supports linkages between cooperatives and micro, small, and medium enterprises (MSMEs), fostering value chain integration and entrepreneurship development.
- (h) The Vision 2030 and Bottom-Up Economic Transformation Agenda (BETA, 2023–2027)
These frameworks position cooperatives as vehicles for inclusive growth, value addition, and access to markets, especially in the agriculture, manufacturing, and financial sectors.

1.7.4 International and Regional Frameworks

Bomet County’s cooperative policy is also informed by global and continental frameworks that emphasize democratic governance, inclusivity, and sustainability

International Cooperative Alliance (ICA) Principles (1995 Revision)

The policy is anchored on the seven ICA principles:

- (a) Voluntary and open membership
- (b) Democratic member control
- (c) Member economic participation
- (d) Autonomy and independence
- (e) Education, training, and information
- (f) Cooperation among cooperatives
- (g) Concern for community

These principles provide universal values for guiding cooperative operations within Bomet County

United Nations Sustainable Development Goals (SDGs, 2015–2030)

Cooperatives align directly with SDGs 1 (No Poverty), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production), and 13 (Climate Action). Bomet’s cooperative development strategy integrates these targets into program design and implementation

African Union Agenda 2063

Agenda 2063 envisions “an Africa of inclusive growth and sustainable development.” Cooperatives are recognized as vital instruments for achieving inclusive industrialization and rural transformation.

ICA-Africa Cooperative Development Strategy (2017–2020)

Emphasizes the need for Africa-specific strategies that enhance cooperative governance, financial access, and innovation—principles that this county policy domesticates.

1.7.5 Institutional Framework

Implementation of cooperative functions in Bomet County will be coordinated through a structured institutional setup:

Institution	Mandate / Function
County Department of Cooperatives, Value Addition, and Marketing	Overall coordination of cooperative promotion, registration, regulation, capacity building, and value addition programs.
Cooperative Development	County-level advisory body providing policy oversight, review, and coordination

Institution	Mandate / Function
Committee (CDC)	with sectoral agencies.
Cooperative Audit Unit	Ensures regular financial audits, compliance monitoring, .
Linkages with National Agencies (SASRA, CDA, CAK)	For regulatory compliance, market access, and consumer protection.

1.8 Guiding Principles of the Policy

1.8.1 Overview

The guiding principles provide the moral and operational foundation for implementing the Bomet County Cooperative Policy. They ensure that cooperative development is inclusive, sustainable, transparent, and aligned with global cooperative values, Kenya’s constitutional principles, and the county’s socio-economic vision.

These principles are adapted from the International Cooperative Alliance (ICA) standards, the Constitution of Kenya (2010), the National Cooperative Policy (2020), and the Bomet County Integrated Development Plan (CIDP III, 2023–2027). Together, they establish the framework through which cooperatives can thrive as democratic, member-owned, and socially responsible enterprises contributing to shared prosperity.

1.8.2 Key Guiding Principles

Principle	Description	Relevance to Bomet County
1. Inclusivity and Equity	Ensuring equal participation of all members regardless of gender, age, or socio-economic background. The policy commits to gender balance in cooperative leadership, youth empowerment, and support for persons with disabilities.	Aligns with Article 27 and 56 of the Constitution and county priorities on social inclusion. Reinforces the Assembly’s recommendation for gender quotas and youth innovation grants.
2. Democratic Member Control	Cooperatives shall be governed by their members through transparent and participatory decision-making processes. Each member has equal voting	Promotes accountability and ownership within county cooperatives, ensuring leadership legitimacy and reducing political

Principle	Description	Relevance to Bomet County
	rights and responsibilities.	interference.
3. Transparency and Accountability	Cooperative governance and operations must be open, auditable, and subject to public scrutiny. Financial records and decisions must be regularly disclosed to members.	Strengthens member confidence, deters mismanagement, and supports the Assembly's call for a Cooperative Scorecard with measurable performance indicators.
4. Sustainability and Climate Responsibility	Cooperative development shall prioritize environmental stewardship, sustainable production, and climate-smart agricultural practices.	Reflects Bomet's agricultural orientation and vulnerability to climate change. Integrates environmental conservation into cooperative operations, echoing county climate adaptation goals.
5. Innovation and Technology Adoption	Encouraging cooperatives to embrace digital systems, data management, and e-marketing tools to enhance competitiveness and efficiency.	Supports the county's ICT transformation agenda and links to the Assembly's recommendation for ICT-based M&E and cooperative digitization.
6. Member Empowerment and Capacity Building	Building member skills through education, leadership training, and entrepreneurial development to enhance cooperative performance.	Ensures that cooperatives become learning organizations capable of adapting to market dynamics and technological change.
7. Financial Prudence and Self-Reliance	Promoting financial discipline, savings mobilization, and internal resource generation to ensure sustainability and reduce overreliance on external aid.	Reinforces financial resilience and encourages diversification of income streams, particularly through value addition.
8. Value Addition and Market Orientation	Encouraging cooperatives to move up the value chain by engaging in processing, branding, and export marketing to maximize returns for members.	Anchors the county's strategic focus on agro-based industrialization and horticultural export development.
9. Collaboration	Fostering synergies with	Enhances cooperative

Principle	Description	Relevance to Bomet County
and Partnerships	government agencies, development partners, research institutions, and the private sector for technical and financial support.	linkages with key actors, including the Directorate of Cooperatives, SASRA, and national trade institutions.
10. Health, Safety, and Member Welfare	Cooperatives shall integrate health and wellness programs (e.g., insurance, preventive healthcare, HIV/AIDS awareness, and mental health support) into their structures.	Responds to the Assembly's recommendation to mainstream health programs within cooperative systems and aligns with SDG 3 (Good Health and Well-being).
11. Integrity and Good Governance	Upholding ethical leadership, rule of law, and zero tolerance for corruption within cooperative management.	Reinforces the county's commitment to clean administration and responsible leadership in line with Chapter Six of the Constitution.
12. Inter-Cooperative Solidarity	Promoting cooperation among cooperatives for shared learning, joint ventures, and mutual growth across sectors and sub-counties.	Builds a cohesive cooperative ecosystem within Bomet County, fostering economies of scale and county-wide impact.

CHAPTER TWO

SITUATION ANALYSIS

2.1 County Profile

Bomet County is located in the former Rift Valley Province between latitudes 0°29' and 1°03' South and longitudes 35°05' and 35°35' East. It borders Kericho, Narok, and Nyamira counties and covers approximately 2,498.2 km². The county's strategic positioning and rich agricultural potential provide a strong foundation for cooperative growth and development.

2.1.1 Location and Administrative Units

- (a) **County Headquarters:** Bomet Town
- (b) **Sub-Counties:** Bomet Central, Bomet East, Chepalungu, Sotik, Konoin
- (c) **Wards:** 25 across five constituencies
- (d) **Major Urban Centres:** Bomet Town, Sotik Town

The sub-county and ward administrative structure enhances service delivery, extension services, and cooperative outreach.

2.1.2 Topography and Drainage

The county features a mix of gently undulating highlands and flat lowlands, with elevations ranging from 1,800 to 3,000 metres above sea level. The northern and northeastern zones rise towards the Mau Ridges, while the southern regions slope gently towards the lowlands.

Key rivers include:

Kipsonoi, Chemosit, Nyongores, Amalo, Tebenik and Kiptiget. These water bodies support agriculture, livestock, and cooperative value chain activities.

2.1.3 Climate and Ecological Conditions

Climate

Rainfall: 1,000–1,400 mm annually (lower highlands highest)

Temperature: 16°C–24°C

Rainfall Pattern: Mainly April–May with a short dry period in January–February

The dependable climate supports year-round agriculture—key for cooperative enterprise sustainability.

Agro-Ecological Zones

The county comprises nine AEZs—LH0, LH1, LH2, LH3, UH1, UM1, UM2–3, UM3, and UM4—each with distinct agricultural potential and opportunities for cooperative specialization.

2.1.4 Population Size and Composition

2019 Population: 875,689

50.4% female

49.6% male

Growth Rate: 2.2% annually

Fertility Rate: 5.7 (above national average)

Projected Population:

2022: 935,428

2027: 1,044,186

2032: 1,165,588

The growing population increases demand for cooperative services, financial inclusion, and employment opportunities.

2.1.5 Administrative and Political Units

5 sub-counties (constituencies)

25 wards

66 locations

177 sub-locations

1,977 villages

These administrative structures support coordination of cooperative development initiatives across the county.

2.1.6 County Resources

Bomet County's natural capital includes:

Mau and Chepalungu forests (21% forest cover)

Agricultural lands (56%)

Grasslands (10%)

Diverse flora and fauna

Numerous rivers and water bodies

These resources underpin agricultural productivity and cooperative-based livelihoods.

2.1.7 Transport and Infrastructure

Total road network: 7,573.8 km

Classified roads: 1,996.5 km

Unclassified roads: 5,577.3 km

Class B roads (KeNHA): 71 km

Class C roads (KURA/KeRRA): ~463 km

The extensive rural road network facilitates movement of agricultural produce, enhancing cooperative market access.

2.2.8 Natural, Social and Human Capital

Natural Capital

Includes forests, rivers, agricultural land, and grasslands that provide essential ecosystem services critical for cooperative enterprises.

Health Infrastructure: 200 health facilities

7 public hospitals

2 mission hospitals

24 health centres

143 dispensaries

Private clinics and company-run dispensaries

Education Infrastructure

ECDE Centres: 1,219 public, 356 private

Primary Schools: 628 public, 258 private

Secondary Schools: 242 public, 16 private

VTCs: 30 functional

Tertiary Institutions: 2 university campuses, 4 teacher colleges, 1 TTI, 14 private colleges

These systems contribute to a skilled and informed population capable of driving cooperative governance and productivity.

2.3 Overview of the Cooperative Sector: Governance and Productivity Analysis

2.3.1 Sector Profile

Kenya is globally recognized as one of the most vibrant cooperative economies. In alignment with this national landscape, Bomet County hosts a dynamic and diverse cooperative sector comprising 740 registered cooperatives as of December 2024. These cooperatives operate across agriculture, finance, transport, trade, housing, and emerging value chains, contributing significantly to: Resource mobilization, Financial inclusion, Value addition and market access, Employment creation and Empowerment of smallholder producers

This strong foundation provides a strategic opportunity for the County Government to modernize and harmonize the cooperative policy framework to enhance sector efficiency, governance, and productivity.

2.3.2 Distribution and Activity Levels of Cooperatives

The cooperative movement in Bomet County is geographically widespread across all sub-counties. The distribution by cooperative category is presented in Appendix I.

2.3.3 Governance Status of Cooperatives

Despite significant progress, governance challenges remain a major determinant of cooperative performance:

a) Dormancy and Weak Institutional Structures

Out of the 740 registered cooperatives, **335 are completely dormant**, primarily due to weak leadership, inadequate governance systems, low member participation, and failure to comply with regulatory requirements.

Many cooperatives lack regular audits, structured elections, and effective oversight mechanisms.

b) Seasonal or Irregular Operations

Of the 405 cooperatives considered active, only about 270 operate consistently throughout the year. Productivity fluctuates due to poor record-keeping, limited business planning capacity, market seasonality, and weak internal controls.

c) Variations in Governance Performance

Financial SACCOs and dairy cooperatives demonstrate relatively stronger governance capacity and compliance with statutory requirements.

Emerging cooperatives, such as apiculture, poultry, artisan groups, and small-scale investment cooperatives, exhibit governance vulnerabilities, inadequate capitalization, and low institutional resilience

2.3.4 Implications for Policy

The observed governance and productivity challenges underline the necessity for a modernized county cooperative policy that will:

Strengthen leadership, regulatory compliance, and corporate governance systems.

Revive dormant cooperatives through restructuring, capacity building, and targeted support.

Improve productivity by enhancing value addition, market access, and innovation.

Promote sustainable year-round operations across all cooperative categories.

Foster strategic partnerships for investment, technology transfer, and market expansion.

Full operationalization of this policy will strengthen, revive, and stabilize the cooperative sector, enabling it to deliver greater socio-economic benefits to the people of Bomet County.

2.4 Policy, Legal and Regulatory Framework

Cooperatives in Bomet County operate under national laws and policies, including:

- (a) Sessional Paper No. 6 of 1997
- (b) Cooperative Societies Act, Cap 490 (Revised 2012)
- (c) Cooperative Societies Rules, 2005
- (d) SACCO Societies Act, 2008
- (e) SACCO Societies Regulations, 2010/2020
- (f) Constitution of Kenya, 2010
- (g) County Governments Act, 2012

- (h) Intergovernmental Relations Act, 2013
- (i) National Cooperative Development Policy (2020)

The Cooperative Societies Act establishes the three-tier system:

- (a) Primary cooperatives
- (b) Secondary cooperatives
- (c) Apex organizations

The SACCO Societies Act provides a specialized regulatory framework for SACCOs.

2.5: Institutional Framework

In Kenya, cooperative development operates within a shared regulatory environment involving both the national and county governments. The State Department for Cooperatives administers national cooperative affairs through the Office of the Commissioner for Cooperative Development and the SACCO Societies Regulatory Authority (SASRA). These institutions provide policy direction, regulation, and standardization across the cooperative sector.

Although the Constitution of Kenya (2010) established a devolved system of governance, certain cooperative functions remain in transition between the two levels of government. In practice, county governments promote, process, and supervise cooperative activities, while the Commissioner for Cooperative Development retains statutory responsibilities such as registration of cooperatives, registration of audits, and approval of borrowing powers.

The Fourth Schedule of the Constitution delineates responsibilities as follows:

- National Government: Policy formulation, capacity building, setting norms and standards, and providing technical assistance.
- County Governments: Implementation of cooperative development activities, member mobilization, and capacity enhancement at the local level.

Under the current Executive Order of the County Government of Bomet, cooperative functions are administered through the Department of Agriculture, Livestock, and Cooperatives. The County Government is responsible for promoting the formation of cooperative societies, receiving and processing registration applications for onward submission to the Commissioner for Cooperatives, facilitating routine audits, and conducting

preliminary inspections and inquiries at the local level. However, the authority for final registration, authentication of audit reports, and the conduct of formal statutory inquiries remains vested in the office of the Commissioner for Cooperatives, pending the development and mutual agreement of operational modalities between the two levels of government

To streamline coordination and minimize duplication, this Policy establishes a Roles and Responsibilities Matrix to define the mandates of the national government, county government, SASRA, and cooperative unions and federations. Table 2.1 presents these roles and responsibilities:

Table 2.1: Roles and Responsibilities Matrix for Cooperative Development

Institution/Entity	Mandate/Functions	Remarks/Status
National Government (State Department for Cooperatives)	<ul style="list-style-type: none"> - Formulate national cooperative policy and legislation. - Set norms, standards, and performance benchmarks. - Provide technical assistance and capacity building to counties. - Facilitate intergovernmental coordination and international representation. 	Provides overall policy direction and regulatory harmonization across the country.
Office of the Commissioner for Cooperative Development	<ul style="list-style-type: none"> - Register cooperatives based on applications processed by counties. - Register cooperative audit reports submitted from counties. - Conduct statutory inquiries and inspections where necessary. - Approve borrowing powers for cooperatives beyond statutory limits. 	Retains these statutory functions temporarily, pending intergovernmental agreement on full devolution. Works in collaboration with county cooperative offices.

Institution/Entity	Mandate/Functions	Remarks/Status
County Government of Bomet (Department of Agriculture, Livestock, and Cooperatives)	<ul style="list-style-type: none"> - Maintain the national cooperative register. - Promote formation of cooperatives and process registration applications for submission to the Commissioner. - Facilitate audits by ensuring cooperatives engage qualified auditors and submit reports for registration. - Undertake preliminary inspections and inquiries at the county level and recommend action to the Commissioner. - Support cooperative education, capacity building, and market linkage. - Monitor compliance with cooperative by-laws and county policies. - Maintain a county-level cooperative database and provide annual sector reports. 	Exercises operational and promotional roles while collaborating with the Commissioner for statutory approvals. The County will establish a formal Directorate of Cooperatives to strengthen local oversight.
SACCO Societies Regulatory Authority (SASRA)	<ul style="list-style-type: none"> - Regulate and supervise deposit-taking and non-deposit-taking SACCOs. - Issue licenses, enforce prudential standards, and protect member savings. - Support financial soundness and 	National financial regulator under the SACCO Societies Act, 2008. Coordinates with both levels of government

Institution/Entity	Mandate/Functions	Remarks/Status
Cooperative Federations and Unions	<p>compliance.</p> <ul style="list-style-type: none"> - Represent and advocate for primary cooperatives. - Offer training, marketing, and financial linkages. - Promote collaboration among cooperatives and support compliance with standards. 	Serve as umbrella bodies enhancing self-regulation and sectoral coordination.
Primary Cooperative Societies	<ul style="list-style-type: none"> - Mobilize membership and manage enterprise operations. - Comply with county cooperative principles, by-laws, and reporting obligations. - Prepare and submit annual audit reports through the county office. - Uphold ethical standards and democratic governance. 	Operate at the grassroots under supervision of county cooperative officers and oversight from relevant agencies

This matrix recognizes the current shared and transitional responsibilities between the national and county governments. Counties, including Bomet, promote, facilitate, and process cooperative operations, while the Commissioner for Cooperative Development retains statutory powers for registration, audit registration, formal inquiries, and approval of borrowing powers.

This arrangement shall remain in effect until the Intergovernmental Technical Committee on Devolution of Cooperative Functions establishes an agreed framework for the full transfer of these functions in line with the Constitution of Kenya (2010) and the principles of devolution and cooperative governance.

2.6 Intergovernmental Coordination Mechanism

Effective cooperative development in Kenya requires structured collaboration between the national and county governments, as well as with sectoral regulators such as SASRA, federations, and unions. In recognition of the shared and transitional nature of cooperative functions, the Bomet County Cooperative Policy establishes a formal Intergovernmental Coordination Mechanism to ensure coherence, avoid duplication, and enhance accountability in cooperative governance.

2.6.1 Purpose

The purpose of the Intergovernmental Coordination Mechanism is to:

- Promote alignment between national and county cooperative policies and regulations.
- Facilitate seamless information flow and technical collaboration among stakeholders.
- Ensure that cooperative registration, audits, inspections, and inquiries are efficiently coordinated.
- Support joint capacity-building initiatives and performance monitoring across the cooperative sector.

2.6.2 Structure of Coordination

The coordination mechanism for cooperative development shall operate through a Joint Cooperative Technical Committee (JCTC) established jointly by the Council of Governors and the County Government of Bomet to strengthen intergovernmental collaboration in the cooperative sector.

Composition of the Joint Cooperative Technical Committee (JCTC)

The Committee shall comprise the following representatives:

County Executive Committee Member (CECM) responsible for Cooperatives – Chairperson

Council of Governors (CoG) – Member (Intergovernmental Representative)

Office of the Commissioner for Cooperative Development – National Government Representative

County Department of Agriculture, Livestock, and Cooperatives – Secretariat

SACCO Societies Regulatory Authority (SASRA) – Member

Cooperative Unions and Federations in Bomet County – Member
County Treasury – Member (Financial Oversight and Policy Alignment)

Directorate of Economic Planning – Member (CIDP and Development Planning Alignment)

2.6.3 Functions of the Joint Co-operative Technical Committee (JCTC)

The Joint Cooperative Technical Committee (JCTC) shall be responsible for the following:

- (a) **Policy Harmonization:** Reviewing and aligning national and county cooperative policies, regulations, and operational guidelines.
- (b) **Registration Coordination:** Overseeing the cooperative registration process to ensure proper verification, compliance, and timely forwarding of documentation to the Commissioner.
- (c) **Audit Oversight:** Monitoring the completion, submission, and follow-up of cooperative audit reports and facilitating action by the Commissioner where required.
- (d) **Inspection and Inquiry Collaboration:** Coordinating joint inspections and inquiries where county-level findings require national government intervention.
- (e) **Capacity Building:** Designing and implementing joint training, sensitization, and professional development programs for cooperative officers, board members, and auditors.
- (f) **Data Sharing and Reporting:** Synchronizing cooperative databases between county and national systems to enhance reporting accuracy, planning, and sector performance analysis.
- (g) **Conflict Resolution:** Providing an intergovernmental platform for resolving disputes arising from overlapping mandates or jurisdictional challenges.
- (h) **Performance Review:** Conducting annual reviews of cooperative development performance and recommending policy, legal, or administrative adjustments

2.6.4 Reporting and Accountability

The JCTC shall convene quarterly coordination meetings and prepare bi-annual progress reports submitted to both the County Executive Committee Member (CECM) for Agriculture, Livestock, and Cooperatives and the State Department for Cooperatives. These reports shall highlight progress in registration, audits, capacity building, and cooperative performance within Bomet County.

Additionally, an Annual Cooperative Sector Review Forum shall be convened jointly by the County Government and relevant agencies to present sectoral achievements, share lessons, and set priorities for the subsequent year.

2.6.5 Future Transition

This coordination mechanism shall remain operational until the full devolution of cooperative regulatory functions is formally agreed upon by the two levels of government. Upon such agreement, Bomet County will institutionalize a fully autonomous County Directorate of Cooperatives mandated to undertake registration, audit approvals, inquiries, and oversight functions within the county in accordance with national standards and best practices.

The establishment of the Intergovernmental Coordination Mechanism reflects Bomet County's commitment to cooperative sector integrity, regulatory harmony, and the principles of devolution. By institutionalizing structured collaboration, the County ensures that cooperative services remain seamless, transparent, and efficient, ultimately enhancing member confidence and sustainable economic growth.

2.7 Establish County Directorate of Cooperatives

The County Government of Bomet recognizes the cooperative movement as a key driver of inclusive economic growth, social empowerment, and community resilience. To effectively promote and regulate cooperative development in alignment with the devolved governance framework, the County shall strengthen and institutionalize the **County Directorate of Cooperatives** as the primary coordinating and implementing agency for cooperative affairs.

2.7.1 Mandate

The Directorate of Cooperatives shall be responsible for the overall coordination, promotion, and regulation of cooperative societies within Bomet County. Its mandate includes:

- (a) Promoting the formation, registration, and governance of cooperative societies.
- (b) Supporting value addition, enterprise development, and market access for cooperatives.
- (c) Facilitating cooperative audits, compliance, and performance monitoring.
- (d) Building capacity among cooperative members, managers, and officers.
- (e) Coordinating with the Office of the Commissioner for Cooperative Development and other national agencies to ensure conformity with legal and policy frameworks.

2.7.2 Directorate Structure

The Directorate shall be established within the Department designated through an Executive Order and shall be headed by the Director of Cooperatives, who shall report administratively to the Chief Officer and functionally to the County Executive Committee Member (CECM) responsible for the respective portfolio.

The Directorate shall consist of the following three core units:

(a) Cooperative Management and Development Unit

Mandate:

To promote the registration, good governance, compliance, and day-to-day operations of cooperative societies within Bomet County.

Key Responsibilities:

- (a) Mobilize and sensitize communities on cooperative formation and registration requirements.
- (b) Verify and process registration documents for forwarding to the Commissioner for Cooperative Development.
- (c) Support governance training for cooperative leaders and management committees.
- (d) Monitor compliance with cooperative laws, by-laws, and policy provisions.
- (e) Facilitate the conduct of annual general meetings and elections.
- (f) Handle preliminary inquiries and routine inspections at county level, escalating complex cases

- (g) Maintain and update the county cooperative database in coordination with the national registry.
- (h) Liaise with the County Attorney's office in legal matters affecting cooperative operations.

Expected Outputs:

- (a) Efficiently registered and compliant cooperative societies.
- (b) Improved governance and transparency in cooperative management.
- (c) Enhanced cooperative data accuracy and reporting

(b) Value Addition and Marketing Unit

Mandate:

To strengthen cooperative enterprises through value addition, market development, and innovation-driven initiatives that enhance member incomes and market competitiveness.

Key Responsibilities:

- (a) Identify and support value addition opportunities within cooperative value chains (e.g., dairy, coffee, horticulture, poultry).
- (b) Facilitate the establishment of aggregation, processing, and packaging hubs in partnership with cooperatives.
- (c) Promote cooperative marketing through fairs, exhibitions, and linkages with local, regional, and export markets.
- (d) Develop and implement cooperative enterprise incubation and business development services.
- (e) Facilitate access to financial and technical support through partnerships with development agencies, financial institutions, and private investors.
- (f) Support branding, certification, and traceability initiatives to enhance product quality and market credibility.
- (g) Provide market intelligence and performance tracking to inform cooperative business decisions.

Expected Outputs:

- (a) Increased cooperative participation in value addition and enterprise development.

- (b) Improved market access and competitiveness of cooperative products.
- (c) Stronger cooperative-business linkages and innovation capacity.

(c) Audit and Compliance Unit

Mandate:

To safeguard cooperative members' interests by ensuring sound financial management, transparency, and accountability in all cooperative societies within the county.

Key Responsibilities:

- (a) Facilitate annual audits of cooperative societies in accordance with the Cooperative Societies Act.
- (b) Maintain an updated schedule of registered audits and ensure their submission to the Commissioner for record.
- (c) Monitor financial compliance and provide technical backstopping to cooperatives with audit queries.
- (d) Conduct spot checks, forensic audits, and investigations in liaison with the Commissioner's office.
- (e) Provide training on financial management, record-keeping, and internal control systems
- (f) Analyze audit findings to inform policy adjustments and governance interventions.
- (g) Maintain audit records and share periodic summaries with the Joint Cooperative Technical Committee (JCTC).

Expected Outputs:

- (a) Improved financial integrity and accountability among cooperatives.
- (b) Timely completion and registration of audits.
- (c) Reduced incidences of financial mismanagement and disputes.

2.7.3 Coordination and Reporting

The Directorate shall work closely with the Joint Cooperative Technical Committee (JCTC) to harmonize cooperative registration, audit oversight, and inspection reports.

Each unit shall prepare quarterly and annual reports outlining progress, challenges, and recommendations. The Directorate shall consolidate these into an Annual Cooperative Sector Report for submission to the CECM and onward to the county assembly..

2.7.4 Future Institutional Development

In the long term, and subject to intergovernmental agreements, the County shall progressively assume additional regulatory responsibilities such as:

- (a) Registration of Cooperatives (currently undertaken by the Commissioner).
- (b) Registration and approval of audits.
- (c) Approval of cooperative borrowing powers.
- (d) Full authority to conduct and register inspections and inquiries.

This transition will occur through joint frameworks with the national government, ensuring legal conformity and continuity of services to cooperative members.

Table 2.2. provides clear Roles and Transition Matrix for the Bomet County Directorate of Cooperatives, showing current responsibilities, statutory functions held by the Commissioner, and transitional responsibilities for future devolution. This table will directly follow Section 2.7 and make the institutional setup fully actionable.

Table 2.2: Roles and Transition Matrix – County Directorate of Cooperatives and Commissioner

Function Activity	Current Responsibility (County Directorate)	Statutory Responsibility (Commissioner)	Transitional / Future Responsibility
Cooperative Registration	Promotes formation, mobilizes members, processes and forwards	Registers cooperatives officially and maintains national cooperative	Upon devolution, Bomet County will assume full registration authority, subject to national

Function Activity	Current Responsibility (County Directorate)	Statutory Responsibility (Commissioner)	Transitional / Future Responsibility
	registration applications to Commissioner.	register.	standards.
Audit Facilitation	Ensures cooperatives engage auditors, coordinates submission of audit reports.	Registers audits officially in national records.	County Directorate to assume registration once functions are devolved, maintaining national conformity.
Inspections and Inquiries	Conducts preliminary inspections and minor inquiries at cooperative level.	Conducts statutory inspections and formal inquiries, especially for serious breaches.	County Directorate to take over full inspection and inquiry mandate once devolution is formalized.
Approval of Borrowing Powers	Monitors cooperative finances and recommends borrowing requests to Commissioner.	Approves cooperative borrowing powers exceeding statutory limits.	County Directorate will eventually approve borrowing powers independently under devolved authority.
Governance & Compliance Monitoring	Monitors adherence to cooperative by-laws, policy compliance, and internal governance.	Provides oversight guidance and escalates serious non-compliance.	County Directorate continues with operational role, with authority gradually strengthened through policy

Function Activity	Current Responsibility (County Directorate)	Statutory Responsibility (Commissioner)	Transitional / Future Responsibility
			instruments.
Cooperative Promotion & Capacity Building	Leads awareness campaigns, training, and sensitization programs.	Advises and supports capacity-building programs at county and national level.	Fully county-led with ongoing coordination with national programs.
Value Addition & Enterprise Development	Implements value addition, marketing initiatives, enterprise support, and market linkages.	Provides technical support and policy guidance where necessary.	Fully county-managed, in alignment with national quality and marketing standards.
Data Management & Reporting	Maintains county cooperative database, submits progress reports to Commissioner.	Maintains national cooperative registry, consolidates reports from all counties.	County database eventually integrates with national registry under devolution framework.

2.8 Bomet Cooperative Sector Performance Review

The cooperative sector in Bomet County continues to play a central role in socioeconomic transformation by providing opportunities for income generation, financial inclusion, and inclusive participation in economic activities. Cooperatives have significantly contributed to household income improvement, job creation, poverty reduction, and overall wealth creation across multiple value chains.

As at December 2024, the County had 740 registered cooperative societies with a combined membership of more than 200,000 individuals. The cumulative share capital amounted to approximately KSh 500 million, while the overall annual turnover reached KSh 3.5 billion, underscoring the sector's strategic role as a driver of equitable and inclusive economic growth.

Agriculture-based cooperatives remain the backbone of the local economy. They facilitate:

- (a) Collection, bulking, and aggregation of produce
- (b) Access to irrigation and agro-processing services
- (c) Marketing of key commodities—including dairy, livestock, horticulture, bananas, macadamia, and poultry
- (d) Provision of affordable farm inputs, enabling uptake of improved production technologies

While Savings and Credit Cooperative Societies (SACCOs) have shown strong growth—leveraging access to approximately KSh 6 billion in grants—a number of producer and marketing cooperatives continue to face structural and operational challenges such as:

- (a) Limited access to high-quality farm inputs
- (b) Weak or fragmented marketing systems
- (c) Delayed or inconsistent payments for produce

Despite these constraints, cooperatives remain a vital vehicle for rural employment creation and economic empowerment. They provide structured platforms for participation by women, youth, the elderly, and persons living with disabilities, thereby advancing social inclusion and community development.

Bomet County's cooperative sector is active in the following areas:

- (a) Agriculture
- (b) Financial services
- (c) Production and labour
- (d) Mutual guarantee and insurance
- (e) Retail and wholesale trade
- (f) Housing
- (g) Public services

The County is further promoting emerging sectors including:

- (a) Horticulture
- (b) Matatu and Boda-Boda transport cooperatives
- (c) Value addition cooperatives

- (d) Investment cooperative unions
- (e) Diversified non-traditional cooperative ventures

Overall, cooperatives in Bomet County continue to strengthen economic resilience, expand livelihood opportunities, and promote decent and dignified work, reinforcing their position as a cornerstone of sustainable local development.

2.8.1 Agricultural-Based Cooperatives

Agriculture remains the dominant sector for cooperative development in Bomet County. Key categories include:

- a) Dairy Cooperatives
- b) Ranching Cooperatives
- c) Beekeeping Cooperatives
- d) Banana Cooperatives
- e) Poultry Cooperatives
- f) Macadamia Nuts Cooperatives
- g) Coffee Cooperatives
- h) Horticultural Cooperatives

These cooperatives provide aggregation, market access, extension support, quality assurance, and linkages for value chain upgrading.

2.8.2 Financial and Other Forms of Cooperatives

Beyond agriculture, Bomet County embraces a diverse portfolio of cooperative models tailored to emerging opportunities and sector-specific needs.

a) Savings and Credit Cooperative Societies (SACCOs)

SACCOs mobilize member savings and provide affordable credit, enhancing household financial security and supporting enterprise growth. Nationally (2024), Kenya recorded:

13,200 SACCOs, including 177 FOSAs

KSh 682 billion in savings and deposits

KSh 441 billion in loans

KSh 601 billion in assets

5 million active members

Within Bomet County, SACCOs represent the largest and fastest-growing category, playing a pivotal role in deepening financial inclusion.

b) Diaspora Cooperatives

Guided by the Kenyan Diaspora Policy (2014), diaspora cooperatives mobilize remittances for investment.

National trends indicate:

First diaspora SACCO registered in 2012 (USA-based)

17 diaspora SACCOs registered by 2017

There is an emerging need to sensitize Bomet residents living abroad to organize diaspora cooperatives that support local investment and wealth creation.

c) Investment Cooperatives

These cooperatives pool resources for joint investment in real estate, agribusiness, stocks, and other ventures, thereby democratizing access to high-return investment opportunities.

d) Housing Cooperatives

Focused on affordable housing, these cooperatives support land acquisition, housing development, and access to mortgage facilities at favorable terms.

e) Transport Cooperatives

Predominantly formed by Matatu and Boda-Boda operators, these cooperatives provide access to financing, vehicle maintenance, insurance, and collective bargaining power.

f) Consumer Cooperatives

Organized to procure consumer goods in bulk, these cooperatives reduce costs and ensure consistent supply of quality products.

g) Industrial Cooperatives

These support artisans and small-scale manufacturers by facilitating access to equipment, promoting value addition, enabling market linkages, and supporting product standardization.

h) Mining Cooperatives

Formed in areas with small-scale mining, these cooperatives promote safety, improve extraction efficiency, and strengthen market access.

i) Tourism Cooperatives

These support eco-tourism, cultural tourism, and community-based hospitality enterprises.

j) Multipurpose Cooperatives

Engaged in several economic activities simultaneously, they diversify revenue streams and enhance member benefits.

k) Solar Power Cooperatives

Established to invest in rural renewable energy systems, especially solar, thereby reducing dependence on the national grid.

l) Worker-Based Cooperatives

Owned and managed by workers, these cooperatives ensure equitable profit-sharing and collective decision-making, particularly in the informal sector.

2.9 Kenya's Cooperative Movement Structure

2.9.1 Background

Kenya's cooperative movement historically operated under a four-tier structure comprising primary cooperatives, secondary cooperatives (unions), national cooperative organizations (NACOs), and an apex body. This structure supported specialized service delivery, economies of scale, coordinated national development, and international representation.

Over time, structural challenges necessitated reforms. The movement has since adopted a modernized and functionally strengthened four-tier framework:

- (a) Primary Cooperatives
- (b) Secondary Cooperatives / Unions
- (c) Federations
- (d) Apex Organization

This framework aligns with international best practices and enhances governance, service delivery, and coordination. Kenya maintains active affiliations with the International Cooperative Alliance (ICA) and the World Council of Credit Unions (WOCCU).

First Tier: Primary Cooperatives

Primary cooperatives form the foundation of the movement. Membership is restricted to individual persons who share common socio-economic objectives. These cooperatives—typically single-purpose—are prevalent in dairy, coffee, livestock, fisheries, horticulture, and mineral value chains.

County governments play a critical role in nurturing primary cooperatives to enhance grassroots empowerment and sustainability within the cooperative system.

Second Tier: Secondary Cooperatives (Unions)

Secondary cooperatives, or unions, comprise two or more primary cooperatives. They:

Provide economies of scale

Offer bulk procurement services

Deliver education, training, and technical support

Strengthen bargaining power for marketing and input sourcing

They are governed democratically by elected representatives from affiliated primary cooperatives.

Third Tier: Federations

Federations are national-level, sector-specific bodies whose membership includes primary and secondary cooperatives. They provide specialized services such as:

- a) Maintenance of proper records and accounts
- b) Advancement of ICT and cooperative innovation
- c) Education and training services
- d) Promotion and enforcement of ethical standards
- e) Facilitation of regional and international affiliations
- f) Development of cooperative standards
- g) Engagement in non-competing supportive business activities

Examples include KUSCCO and NACHU.

Fourth Tier: Apex Organization

The apex body represents the entire cooperative movement. In Kenya, this role is undertaken by the Cooperative Alliance of Kenya (CAK). Its responsibilities include:

- a) Policy advocacy and representation
- b) Promotion of collaboration within the cooperative ecosystem
- c) Advisory support to national and county governments
- d) Protection of cooperative principles and values
- e) Facilitation of regional and global linkages

Membership is limited to federations, though non-sectoral secondary cooperatives may be admitted under specific criteria.

2.9.2 Cooperative Companies

To enhance competitiveness and comply with regulatory requirements, some cooperatives have established subsidiary companies. These provide avenues for raising external capital through IPOs or private placements.

However, governance weaknesses have been noted, particularly where:

Ownership structures are unclear

A key challenge has been that Directors were being listed in their personal capacity, yet they are required to be listed as representatives of their respective cooperative entities. This policy therefore clarifies that Directors must be recorded in their representative capacity, reflecting the cooperative they serve.”

Outgoing directors resist transfer of authority

Members lack visibility into company performance

To safeguard members' assets, there is need to institutionalize clear governance frameworks, define ownership at inception, and strengthen oversight and reporting mechanisms.

2.9.3 Holding Cooperatives

Some cooperatives have formed holding entities that serve as strategic investment vehicles rather than operational producers. Examples include:

Co-op Holding Cooperative Society Ltd (major shareholder of the Co-operative Bank of Kenya)

Cooperative Insurance Services Ltd (principal shareholder of CIC Insurance Group)

These entities ensure cooperative representation in key financial and insurance sectors. Future holding cooperatives must uphold cooperative values and remain aligned with the sector's strategic goals.

2.9.4 Dual Registration of Cooperatives

Historically, some cooperatives registered as both societies and companies to meet market and regulatory needs. This dual registration has, however, created governance ambiguities, including manipulation of regulatory provisions to benefit directors at the expense of democratic participation.

Given the current legal option for cooperatives to form subsidiary companies, dual registration is no longer justified. Cooperatives are encouraged to maintain distinct legal structures that preserve cooperative identity, transparency, and member rights.

2.9.5 Protection of Cooperative Identity

There has been misuse of cooperative-related terms—particularly “Cooperative” and “SACCO”—by non-cooperative entities seeking public credibility. Despite legal provisions prohibiting such misuse, enforcement has been inadequate.

To protect the integrity of the cooperative movement, the policy calls for:

Strengthened enforcement of penalties against unauthorized use of protected terms

Public awareness on legitimate cooperative registration

Enhanced regulatory oversight to prevent consumer deception

Preserving cooperative identity is essential for safeguarding public trust and ensuring sector credibility

2.10 Cooperative Governance and Compliance

2.10.1 Cooperative Governance

Governance refers to the system of rules, practices, and processes by which an organization is directed and controlled. In the cooperative context, governance entails balancing the interests of various stakeholders, including members, boards, management, customers, suppliers, financiers, government, and the wider community.

Effective governance in cooperatives spans all areas of management, from strategic planning and internal controls to performance measurement, ethical conduct, and corporate transparency. Over the years, the government has introduced legal and policy interventions to strengthen corporate governance within the cooperative movement.

Despite these efforts, weak governance continues to persist in some cooperative organizations, often resulting in mismanagement of resources, financial irregularities, and, in some cases, the collapse of societies. Key symptoms of poor governance include:

- Ineffective or compromised leadership;
- Micromanagement by boards, undermining operational autonomy;
- Unethical business practices;
- Weak financial oversight and poor risk management;
- Limited or tokenistic member participation in decision-making.

To address these challenges, several institutions have been established. Notably:

- The Ethics Commission for Cooperative Societies (ECCOS) was created within the State Department for Cooperatives under the Public Officers Ethics Act, 2003, to promote and enforce ethical governance. However, ECCOS has struggled to effectively discharge its mandate, partly due to structural and operational limitations.
- The Cooperative Tribunal, established under the Cooperative Societies Act, is mandated to resolve disputes within the movement. Following the promulgation of the Constitution of Kenya (CoK), 2010, the Tribunal was transferred to the Judiciary and now operates as a circuit court. However, limited capacity and resources have constrained its ability to deliver timely and efficient justice to cooperative stakeholders.

Addressing governance challenges in the cooperative sector requires strengthening institutional capacity, enhancing legal enforcement mechanisms, and promoting a culture of transparency, accountability, and member empowerment.

2.8.2 Cooperative Compliance

Cooperatives in Kenya are grappling with several challenges that require attention:

a) Non-Remittances by Employers and Marketing Agencies

A major challenge faced by cooperatives in Kenya is the non-remittance of members' deductions by employers and marketing agencies. When employers fail to remit deductions, members are unable to access credit facilities or other benefits that are essential to the cooperative's objectives. This issue not only reduces savings within the cooperative but also diminishes trust and discourages future contributions from members, ultimately undermining the financial stability of affected societies.

Under Section 35 of the Cooperative Societies Act, the Commissioner is empowered to facilitate the recovery of withheld funds. This includes issuing demand notices and, if necessary, agency notices to employers. However, the process has proven challenging. Some appointed agents are reluctant to enforce these notices, and in certain cases, employers and cooperatives enter into consent agreements that bypass the law's enforcement mechanisms. As a result, compliance remains inconsistent,

and there is currently no robust mechanism in place to ensure full adherence to the law, leaving a significant gap in the recovery process.

b) Refund of Deposits

Cooperatives operate under the principle of open and voluntary membership, which includes the right for members to exit freely without coercion. Current legislation outlines procedures for a member's exit from a cooperative and their entitlement to a refund of deposits upon cessation of membership. However, in practice, some cooperatives fail to refund deposits in a timely manner, causing undue hardship for exiting members and their families.

While some cooperatives withhold deposits to protect the general welfare of the remaining members—especially in cases where refunds could jeopardize the financial health of the society—this is still a violation of members' rights. Moreover, there are no sanctions in place for cooperatives that default on deposit refunds, nor is there a protective mechanism to ensure that the interests of the remaining members are safeguarded in the event of mass withdrawals. This lack of clear recourse or protection contributes to member dissatisfaction and undermines trust in the cooperative model.

c) Common Bond and Membership Equity

Historically, cooperatives were formed by individuals with a common bond, such as those from a specific locality, involved in the same trade, or employed by the same organization. Over time, as competition increased, many cooperatives began to recruit members beyond their original common bond to remain competitive. However, in an effort to preserve their original identity, some cooperatives classified new members separately, thereby denying them certain rights afforded to the original members.

This practice conflicts with the core cooperative principles of democratic control, equality, and equity, which mandate that all members have equal rights and responsibilities, regardless of their origin or membership status. This discrepancy not only violates the principles of democratic governance but also undermines the core values of inclusivity and fairness within the cooperative model.

2.11 Education, Training and Information Management

Education, training, and information are central to the Cooperative principles, as they empower members and strengthen the leadership, management, and employee capacity within cooperative societies. This principle aims to ensure that individuals involved in cooperatives are well-equipped to carry out their roles effectively, fostering competent leadership and informed decision-making across all levels.

Historically, education and training within the cooperative sector have been uncoordinated due to a lack of standardized guidelines and adequate training materials. A significant milestone in addressing this gap was the establishment of the Cooperative University of Kenya (CUK) in 1952. Initially a department within the Ministry of Cooperative Development, the institution has played a pivotal role in training staff from cooperative societies, government departments, and the informal sector in essential managerial and supervisory skills.

In 1995, the Cooperative College of Kenya Act No. 490A elevated the college to a Semi-Autonomous Government Agency (SAGA), allowing it to operate as a specialized education and research training institution. By November 2011, it achieved University College status, and in 2016, it was officially chartered. The Institute of Cooperative Development within the university is tasked with delivering cooperative education, research, and consultancy services to the sector.

Despite these efforts, there remains a low capacity within the cooperative movement, which has hindered effective service delivery to members. In addition, many cooperatives have struggled to embrace creativity and innovation, which are essential for the long-term growth and competitiveness of any organization. Some cooperatives have become vulnerable to exploitation by opportunistic service providers, disrupting the stability and efficiency of their operations.

To address these issues, the government has supported the registration of the Kenya Society of Professional Co-operators, aimed at promoting professionalism and setting clear standards for service delivery within the cooperative sector. This initiative is crucial in fostering a culture of excellence and ensuring that cooperatives provide high-quality services to their members.

Another pressing challenge facing the cooperative sector is the lack of credible data, which impedes effective policy formulation and decision-making. Continuous research into emerging technologies, market trends, and sector-specific issues is essential for improving the operational

capacity and competitiveness of cooperatives. The absence of research and development (R&D) has left many cooperatives struggling to keep up with industry advancements, limiting their ability to innovate and expand their product offerings.

While the national government holds the responsibility of building the capacity of county officers to carry out their mandates, county governments must also prioritize the development of cooperative staff at the local level. This ensures that cooperatives, both at the grassroots and national levels, can effectively meet the needs of their members and thrive in an increasingly competitive environment.

2.12 ICT in Cooperatives

Adoption of Modern Information and Communication Technology (ICT) in Cooperatives

The adoption of modern Information and Communication Technology (ICT) in the cooperative sector is increasingly transforming business operations, enabling cooperatives to conduct activities online. Today, processes such as membership registration, shares and savings subscriptions, and other administrative functions are being carried out virtually, reducing the need for physical meetings and manual paperwork. This shift to digital operations has undoubtedly enhanced efficiency and convenience, offering members and cooperatives greater flexibility in managing their affairs.

However, this digital transformation also introduces new challenges. The virtual nature of these operations is not yet fully supported by regulatory frameworks, making it difficult to effectively monitor and enforce compliance. The lack of specific regulations to govern online activities within the cooperative sector increases the vulnerability to fraudulent activities. Cybercriminals may exploit gaps in the regulatory structure, potentially leading to financial losses for cooperatives and their members. To address these risks, it is essential to cascade the ICT Act to the cooperative sector by developing and enforcing targeted regulations that safeguard against online fraud and ensure the security and integrity of digital operations.

At the same time, many small and medium-sized cooperatives (SMEs) face barriers to adopting ICT due to the high capital requirements for ICT infrastructure and the ongoing costs associated with maintaining software licenses and hardware. As a result, these cooperatives often continue to rely on manual systems, which can be inefficient and prone to errors. The lack of access to affordable technology solutions further exacerbates the

digital divide between larger cooperatives that have embraced ICT and their smaller counterparts.

To ensure that all cooperatives can benefit from technological advancements, it is crucial to develop supportive policies that facilitate the adoption of cost-effective ICT solutions, especially for small and medium-sized cooperatives. This could include subsidized technology programs, training for cooperative members and staff, and collaborations with technology providers to lower implementation costs.

2.13 Cross cutting issues

For cooperative societies in Bomet County to thrive in emerging high-growth sectors, it is imperative that they embrace new initiatives and innovative ventures. The sustainability and expansion of the cooperative movement in the region depend on strategic interventions that address a range of key, cross-cutting issues. These include:

1. **Gender Mainstreaming:** Ensuring equal participation and leadership opportunities for both women and men is essential for the inclusive growth of cooperatives. Gender mainstreaming will empower women, unlock their potential, and enhance the overall productivity and cohesion of cooperative societies.
2. **Climate Change Adaptation:** Cooperatives must adopt sustainable practices that mitigate the effects of climate change. This can include promoting environmentally friendly farming techniques, encouraging the use of renewable energy sources, and supporting eco-friendly initiatives in agricultural and industrial activities. Cooperatives need to be proactive in adopting climate-smart approaches to safeguard the environment and secure the livelihoods of their members.
3. **Waste Disposal and Management:** Efficient waste disposal and management systems are vital for ensuring the long-term viability of cooperative societies. Cooperatives should explore innovative ways to reduce waste, recycle, and contribute to cleaner, greener environments, all while enhancing the health and quality of life of their members and communities.
4. **Health Challenges:** Addressing the prevalence of diseases such as HIV/AIDS, as well as emerging health threats like COVID-19, requires a comprehensive approach. Cooperatives should play a key role in health education, prevention strategies, and the provision of healthcare services to their members. This could

involve establishing partnerships with local health organizations and ensuring that health-related resources are accessible to all.

By addressing these critical challenges, cooperatives in Bomet County can position themselves for sustained growth and resilience, while contributing to the overall development of the region.

CHAPTER THREE

POLICY INTERVENTIONS

3.1 Introduction

This chapter outlines the **policy interventions** designed to address the challenges hindering the growth and development of cooperatives in Bomet County. These interventions are aligned with national policies and tailored to the county's unique context, in compliance with **Article 186** and the **Fourth Schedule** of the **Constitution of Kenya, 2010**. The chapter presents key policy themes, specific objectives for each theme, and the actions required to achieve these objectives.

By adopting these policies, the aim is to create a conducive environment for cooperatives to thrive, foster economic resilience, and contribute to the overall development of the county.

3.1.1 Policy on Alignment and Strengthening Legal and Regulatory Framework for Cooperatives

A well-defined policy, legal, and regulatory framework is critical to ensuring the sustainable growth of the cooperative sector in Bomet County. This policy aims to strengthen governance, enhance financial management, and promote the operational autonomy of cooperatives, while ensuring accountability and adherence to ethical practices. Key actions under this policy include:

1. **Establishing Ethical Guidelines:** Develop and enforce standards on ethics, leadership accountability, and performance evaluation to foster transparency and integrity within cooperative societies.
2. **Strengthening Procurement and Financial Reporting:** Enhance procurement processes to ensure fairness and transparency, while improving financial reporting practices to promote financial discipline and accountability.
3. **Promoting Cooperative Independence:** Encourage cooperatives to adopt clear strategies for self-sufficiency and independence in their operations, reducing reliance on external funding and ensuring long-term sustainability.
4. **Structured Development Plans and HR Policies:** Mandate cooperatives to adopt structured development plans, comprehensive human resource policies, and strategies for

environmental sustainability to ensure their growth is aligned with local, national and global best practices.

This policy approach will ensure that the cooperative movement in Bomet County is well-regulated, transparent, and positioned for long-term success, benefiting all stakeholders involved.

Policy Direction:

The County Government of Bomet will establish a robust legal and policy framework that aligns with national legislation and regulations, creating a supportive environment for the sustainable development of cooperatives. The framework will ensure that cooperatives in the county are legally recognized, properly regulated, and empowered to contribute to the local economy.

Policy Interventions:

1. Development and Enactment of the Bomet County Cooperatives' Societies Bill:

Develop and pass the Bomet County Cooperatives' Societies Bill, in alignment with national cooperative laws. This bill will provide legal backing for cooperative operations, ensuring that all cooperative models, including emerging ones, are legally recognized and supported. It will also establish incentives for cooperatives' growth and sustainability.

2. Formulation of County-Specific Cooperative Regulations:

Formulate Bomet County-specific regulations for cooperatives, in compliance with national government policies. These regulations will outline compliance standards, governance frameworks, and best practices, promoting effective management, transparency, and accountability within the cooperative sector.

Expected Outcomes

- Strengthened Cooperative Governance and Accountability
- Enhanced Financial Integrity and Transparent Procurement
- Increased Operational Autonomy and Long-Term Sustainability
- Institutionalization of Structured Development Planning and HR Management
- A Robust and Enabling Legal Framework
- Improved Regulatory Compliance and Sector Oversight
- A More Vibrant, Transparent, and Competitive Cooperative Sector

3.1.2 Policy on Cooperative Movement Structure

Policy Objective

To establish a robust institutional framework for the effective management, growth, and sustainability of cooperative societies in Bomet County.

Policy Direction

To create an enabling environment for cooperative development through structured governance, active stakeholder engagement, and alignment with both national and county economic development goals.

Policy Interventions

a) Establish the Bomet County Directorate for Cooperative Development

Create a dedicated Directorate with technical officers at the county level, and decentralized support units at sub-county and ward levels. These officers will be assigned by cooperative sub-sectors, ensuring specialized support, monitoring, and capacity building.

b) Form the Bomet County Cooperative Development Forum

Establish a county-wide forum to facilitate regular dialogue, consultation, and collaboration among cooperative societies. This platform will enhance coordination, information sharing, and collective policy input from cooperative stakeholders.

c) Strengthen Cooperative Structures Across All Levels

Reinforce the organizational tiers of the cooperative movement—primary cooperatives, unions, federations, and apex bodies—to improve internal governance and promote cooperation, consultation, and coordination between county and national institutions

d) Mainstream Cooperatives Across County Departments

Promote cooperatives as a central socio-economic model across all county sectors. Integrate cooperative models into development planning and service delivery to drive inclusive economic growth and advance county and national development priorities.

Expected Outcomes:

- Strengthened Institutional Capacity for Cooperative Development
- Improved Coordination and Stakeholder Engagement

- Strong and Cohesive Cooperative Structures
- Mainstreaming of Cooperatives in County Economic Development
- Enhanced Sustainability and Growth of Cooperative Enterprises
- Elevated County Contribution to the National Cooperative Agenda

3.1.3 Policy on Cooperative Governance and Enforcement

Policy Objective

To establish a strong governance framework for cooperatives by promoting ethical leadership, regulatory compliance, professionalism, and alignment with national cooperative policies.

Policy Direction

The County Government shall develop and enforce governance frameworks that promote transparency, accountability, efficiency, and ethical conduct within cooperative societies. This will include fostering harmonized cooperation with the national government to ensure consistency and sustainability in cooperative governance.

Policy Interventions

i. Legal and Regulatory Framework

- (a) Develop and enact county-level laws and regulations to address persistent governance challenges within the cooperative sector.
- (b) Mandate cooperatives to revise and align their by-laws with updated national and county laws.
- (c) Legislate a cap on maximum shareholding per individual to prevent dominance and promote equity and inclusivity.
- (d) Ensure strict compliance with cooperative legislation, rules, and bylaws concerning member rights, obligations, and responsibilities.
- (e) Require cooperatives that register companies to do so as subsidiaries, with consolidated financial reporting and aligned directorship structures.
- (f) Establish and enforce penalties for non-compliance to promote discipline and safeguard cooperative assets.

ii. Ethical Standards and Professionalism

- (a) Institutionalize ethical codes of conduct and enforce good governance practices across all cooperative societies.
- (b) Promote professionalism by supporting leadership training, capacity building, and governance education programs.
- (c) Progressively set minimum academic and professional qualifications for individuals seeking elective positions within cooperative leadership structures.
- (d) Mandate cooperative boards to undertake feasibility studies and risk assessments prior to initiating major investments.

iii. Dispute Resolution and Compliance Enforcement

- (a) Establish a County Alternative Dispute Resolution (ADR) Committee to serve as the primary body for resolving cooperative-related conflicts and internal disputes.
- (b) Build capacity among county cooperative officers to conduct compliance audits, performance inspections, and review all the required returns.
- (c) Allocate adequate resources to enforcement units to ensure effective supervision and adherence to statutory obligations.
- (d) Where needed, deploy technical experts for a specified period to cooperatives with weak managerial structures to strengthen operational efficiency.

iv. Financial and Membership Regulations

- (a) Introduce mandatory minimum share capital requirements for all cooperative members to enhance financial stability.
- (b) Develop enabling legislation that allows external investment in cooperatives without compromising member control.
- (c) Enact legal provisions on share premiums to facilitate additional capital mobilization by cooperatives.

Expected Outcomes

Strengthened Legal and Regulatory Compliance

Enhanced Ethical Leadership and Professionalism

Effective Dispute Resolution and Enforcement Mechanisms

Improved Financial Discipline and Member Protection

Increased Transparency, Accountability, and Trust in Cooperatives

Harmonized Governance Between County and National Governments

3.1.4 Policy on Cooperative Education, Training, Capacity Building and Information Management

Policy Objective

To enhance knowledge, skills, and awareness among cooperative members, leaders, and stakeholders to strengthen the sustainability, growth, and competitiveness of cooperatives in Bomet County.

Policy Direction

The County Government will play a proactive and facilitative role in ensuring that cooperative members, leaders, and stakeholders have access to high-quality education, structured training, and timely information. Through targeted and inclusive interventions, cooperatives will become more professional, innovative, and capable of driving sustainable economic development across the county.

Policy Interventions

Capacity Building and Training

- (a) Require all cooperatives to allocate a designated percentage of their annual revenue to education, training, and capacity-building programs.
- (b) Establish partnerships with institutions of higher learning and other accredited bodies to enhance cooperative education and technical training.
- (c) Develop structured, tiered training curricula for cooperative members, leaders, and employees based on roles, responsibilities, and literacy levels.
- (d) Collaborate with the County Department of Education and Vocational Training to roll out customized cooperative courses in Vocational Training Centres (VTCs), focusing on technical and extension services for cooperatives.
- (e) Enhance inter-governmental cooperation with the national government for coordinated and resourced capacity-building initiatives.

- (f) Institutionalize mandatory pre-cooperative stage training for prospective members and leaders to ensure informed participation and responsible membership.
- (g) Allocate and provide county-level funding support for ongoing education and refresher programs for cooperative boards, management, and county officers.
- (h) Require cooperative societies to ensure each member participates in at least one annual training or sensitization session.

Information Access and Participation

- (i) Promote equitable participation in general meetings, elections, and cooperative decision-making to uphold democratic principles.
- (ii) Facilitate continuous data collection and maintain an updated record of cooperative statistics in collaboration with the national database.
- (iii) Establish the Bomet County Cooperative Information Centre as a central hub for cooperative data management, research, training materials, and public information access.

Strategic Collaboration and Standards

- (a) Collaborate with development partners, universities, NGOs, and training institutions to support cooperative education and innovation.
- (b) Ensure compliance with international standards and best practices in cooperative education and promote partnerships with the private sector and international development agencies to build a modern, competitive cooperative sector.

Expected Outcomes:

- Improved Knowledge, Skills, and Professionalism Across the Cooperative Sector
- Stronger and More Sustainable Cooperative Enterprises
- Enhanced Access to Education and Capacity-Building Opportunities
- Increased Democratic Participation and Member Engagement
- Strong and Transparent Cooperative Information Systems
- Increased Collaboration and Innovation in the Cooperative Sector
- Strengthened Cooperative–Government Synergy

3.1.5 Policy on Diversification, Productivity, Value Addition, and Marketing

Policy Direction

The County Government shall establish an enabling environment that supports cooperative enterprises to adopt innovative practices, diversify their ventures, and access local and global markets. Cooperatives are expected to embrace best practices, ensure compliance with market standards, and drive inclusive economic growth. This approach aims to boost competitiveness, support livelihoods, and foster socio-economic transformation across the county.

Policy Interventions

a) Promote Diversification Beyond Traditional Sectors

- (i) Encourage cooperative formation in emerging and high-growth sectors such as agribusiness, technology, renewable energy, and financial services.
- (ii) Support producer and service cooperatives, including those in manufacturing, value addition, transport, healthcare, and tourism, with targeted incentives which may include but not limited to: financial support, guarantee on affordable line of credits and technical support.
- (iii) Recognize and facilitate adoption of innovative cooperative models, including online platform cooperatives, worker cooperatives, and social enterprises, ensuring they receive legal recognition and support mechanisms for sustainability.

b) Revive and Strengthen Agro-Based and Other Cooperatives

Provide financial aid, technical support, and capacity-building programs to enhance the viability and performance of agro-based and sector-specific cooperatives.

c) Promote Aggregation and Post-Harvest Handling

- (i) Facilitate training on aggregation models, collective marketing, and post-harvest management to improve pricing, efficiency, and reduce losses.
- (ii) Promote access to storage facilities and shared infrastructure to support cooperative productivity and cost-effective supply chain management.

d) Enhance Value Addition for Product Competitiveness

(i) Support for Value-Adding Cooperatives: Active and fully compliant cooperatives that have demonstrated substantial investment in value addition shall be eligible for County Government support. This support may include financing, provision of equipment, and technical training in processing, packaging, and branding to enhance their competitiveness and sustainability.

(ii) Enforcement of Quality and Safety Standards: To guarantee that products originating from Bomet County meet the highest quality and safety standards, the County Government, working in collaboration with national quality regulatory agencies, shall ensure that all cooperative products comply with applicable national and international standards. This measure aims to strengthen market access and improve product competitiveness at local, regional, and global markets.

e) Facilitate Market Information Sharing and Linkages

Develop platforms to provide real-time market information, connect cooperatives with buyers, exporters, and trade partners, and inform cooperative decision-making through market research.

f) Promote Compliance with Market Standards and Certifications

The County Government, in collaboration with relevant regulatory agencies, shall provide training on industry standards, facilitate access to certification processes, and establish a robust quality control mechanism to ensure consistent regulatory compliance across all cooperative sectors.

g) Link Cooperatives to Digital and E-Commerce Platforms

Support the development of digital marketing strategies and facilitate cooperative access to e-commerce platforms to expand market reach, visibility, and competitiveness.

h) Ensure Ethical Trading Practices in Local and Export Markets

- i. Enforce fair-trade practices within its mandate and, where required, collaborate with national regulatory agencies to safeguard cooperative interests in both domestic and export markets. Additionally, support cooperatives in complying with applicable international protocols and market requirements to enhance global competitiveness.
- ii. Promote transparent and fair pricing models and encourage cooperatives to build long-term trust-based relationships with buyers and stakeholders.

Expected Outcomes:

- Expanded Cooperative Participation in Emerging and High-Growth Sectors
- Revitalized Agro-Based and Sector-Specific Cooperatives
- Improved Aggregation, Collective Marketing, and Post-Harvest Efficiency
- Strengthened Value Addition and Product Competitiveness
- Enhanced Access to Market Information and Strategic Linkages
- Greater Compliance with Market Standards and Certification Requirements
- Expanded Digital Market Presence and E-Commerce Integration
- Ethical, Transparent, and Fair Trading Environments
- Inclusive Socio-Economic Transformation Across the County

3.1.6 Policy on Financial access for investments and strategic partners**Policy Objective**

To enhance financial access for cooperative investments and foster strategic partnerships that promote sustainable growth and long-term viability of the cooperative sector.

Policy Direction

The County Government shall establish dedicated financial mechanisms and promote strategic collaborations to strengthen the financial base of cooperative societies in Bomet County. These measures aim to improve capitalization, increase operational capacity, and expand the economic benefits accruing to cooperative members. The County will also position cooperatives as investment-ready enterprises capable of leveraging both public and private sector resources for development.

Policy Interventions**i. Financial framework**

The County Government shall strengthen cooperative access to financing by aligning the existing financial support frameworks and the Bomet County Enterprise Fund. Where necessary, the County Government shall review, harmonize, or consolidate existing legislative and regulatory instruments to ensure coherence, avoid duplication, and promote efficient funding in accordance with the Public Finance Management Act.

ii. Development of Regulatory Guidelines

The County Government shall formulate comprehensive guidelines to govern the administration, allocation, and utilization of government funds. These guidelines will ensure transparency, accountability, and fiscal sustainability, and will outline clear criteria for selecting cooperatives for funding, as well as mechanisms for monitoring fund utilization to promote refinancing opportunities and incentivize improved performance.

iii. Promotion of Investment through Strategic Partnerships

The County Government shall facilitate investment opportunities by fostering strategic collaborations with cooperative societies, development partners, and impact investors. These collaborations shall aim to enhance cooperative growth and competitiveness, and may include, though not limited to direct investment, financial support, and technical assistance.

iv. Annual Budget Allocation for Cooperative Development

The County Government shall allocate an annual budget to the Directorate of Cooperatives to support capacity building, feasibility studies, technical assistance, and the provision of financial support for viable and high-impact cooperative ventures.

v. Support for Public-Private Partnerships (PPPs)

Encourage PPP frameworks to fund large-scale cooperative investment projects requiring substantial capital and technical expertise, especially in sectors like agro-processing, infrastructure, and technology.

vi. County Guarantee Mechanism for External Financing

Introduce a county-backed guarantee scheme to enhance cooperatives' ability to secure external financing from banks and financial institutions for bankable and viable investment projects.

vii. Strengthening of Deposit-Taking and Non-Deposit-Taking SACCOs

Collaborate and establish a memorandum of understanding with national regulatory agencies (e.g., SASRA) to enhance the governance, financial stability, and compliance capacity of both deposit-taking and non-deposit-taking SACCOs in the county.

Expected Outcomes

By implementing these interventions, the County Government aims to:

- i. Build a robust financial ecosystem for cooperative development.

- ii. Stimulate private sector confidence in investing with cooperatives.
- iii. Improve credit access and operational liquidity for cooperatives.
- iv. Enable cooperatives to contribute meaningfully to the county's economic transformation agenda

3.1.7 Policy on Information and Communication Technology (ICT) in Cooperatives

Policy Objective

To accelerate the digital transformation of cooperatives by integrating Information and Communication Technology (ICT) solutions that enhance operational efficiency, transparency, financial accessibility, market reach, and overall governance, while ensuring compliance with legal and cybersecurity standards. This will strengthen the sustainability and competitiveness of cooperative enterprises in Bomet County.

Policy Direction

The County Government shall prioritize ICT adoption across the cooperative sector by:

- Promoting secure digital financial services and e-commerce platforms.
- Supporting automated record-keeping systems and cloud-based solutions.
- Enhancing digital skills and capacity of cooperative members, staff, and leadership.
- Aligning all ICT interventions with the Kenya Data Protection Act (2019), the National ICT Policy, and best cybersecurity practices.
- Encouraging public-private partnerships and strategic investments to enable cooperatives to leverage emerging digital opportunities for inclusive growth.

Policy Interventions

a) Promotion of Digital Financial Services

- Facilitate access to mobile banking, e-wallets, and digital payment platforms for all cooperative transactions.
- Encourage strategic partnerships between cooperatives and financial institutions to expand digital financial inclusion.
- Promote secure, cost-effective digital transaction services tailored for cooperative needs, ensuring compliance with national data protection and cybersecurity standards.

b) Adoption of Automated Record-Keeping Systems

- Support the transition from manual to digital record-keeping systems to improve accountability, accuracy, and operational efficiency.
- Provide technical assistance and incentives for cooperatives to adopt cloud-based data management solutions.
- Integrate automated auditing and financial reporting tools to enhance transparency and compliance.
- Ensure all digital systems are legally compliant, encrypted, and protected against unauthorized access, in line with the Data Protection Act, 2019.

c) Enhancing E-Commerce and Market Linkages

- Partner with service providers to develop and support cooperative-owned e-commerce platforms for increased product visibility and direct-to-consumer sales.
- Facilitate training on digital marketing, branding, and online sales strategies to expand market penetration.
- Invest in digital infrastructure, including stable internet access, to enable seamless online operations, particularly in rural cooperative networks.
- Ensure all online platforms implement data protection measures to safeguard member and customer information.

d) ICT Training and Capacity Building

- Develop and implement structured ICT training programs to improve digital literacy among cooperative members, leaders, and staff.
- Provide resources, mentorship, and technical support to enable effective use of digital tools for management, governance, and growth.
- Collaborate with ICT service providers, development partners, and training institutions to offer subsidized software, hardware, and secure digital solutions tailored for cooperative operations.
- Train members on cybersecurity best practices and compliance with national ICT and data protection regulations.

Expected Outcomes

The implementation of this policy will:

- Strengthen operational efficiency, transparency, and accountability within cooperatives.
- Expand financial access and inclusion through secure digital platforms.
- Enhance market competitiveness and sales performance via online presence and e-commerce solutions.
- Build a digitally empowered, innovative, and future-ready cooperative sector.
- Ensure all ICT systems and platforms comply with national data protection laws and cybersecurity standards, safeguarding members' personal and financial data.

3.1.8 Cross-Cutting Initiatives

Policy Objective

To ensure sustainable growth, resilience, and inclusive development of cooperative societies by integrating gender equity, youth empowerment, environmental sustainability, and health and well-being into governance, operations, and strategic planning.

Policy Direction

The County Government shall mainstream gender, youth, environmental, and health considerations across all cooperative frameworks. This will:

- Promote inclusive participation in cooperative governance and decision-making.
- Encourage climate-smart production and sustainable operations.
- Enhance the health and welfare of cooperative members and their communities.
- Strengthen the long-term viability, competitiveness, and social impact of cooperatives in Bomet County.

Policy Interventions

a) Gender and Youth Mainstreaming

- Align cooperative leadership and governance structures with the Constitution of Kenya gender quotas to ensure equitable representation.
- Promote women and youth participation through targeted capacity-building programs, mentorship, and financial support.
- Support the creation and growth of women-led and youth-driven cooperatives, providing incubation services, technical assistance, and access to credit.
- Establish mentorship, peer networks, and entrepreneurial platforms to cultivate leadership, business acumen, and innovation among women and youth.
- Allocate resources from the County Cooperative Fund for youth innovation grants and initiatives that enhance engagement in cooperative enterprises.

b) Environmental Sustainability

- Encourage adoption of climate-smart agricultural practices, including agroforestry, sustainable land management, water conservation, and resilient crop varieties.
- Promote responsible waste management, recycling, and reduced use of harmful agricultural inputs.
- Support cooperatives in implementing climate adaptation strategies, including early warning systems, community reforestation programs, and disaster risk mitigation.
- Provide incentives for cooperatives that adopt eco-friendly technologies and sustainable production models, reducing their environmental footprint.

- Mainstream environmental performance indicators into cooperative reporting to track climate resilience and sustainability outcomes

c) Health and Well-being

- Integrate preventive health measures, including awareness campaigns, routine screenings, vaccination drives, and HIV/AIDS programs, into cooperative member services.
- Facilitate partnerships with healthcare providers to deliver affordable medical services, insurance options, and wellness programs for members and families.
- Enforce workplace health and safety standards, including mental health support, hygiene protocols, and occupational risk mitigation.
- Encourage cooperatives to invest in community health initiatives, such as nutrition programs, public sanitation, and disease prevention, particularly in underserved rural areas.

Expected Outcomes

- Enhanced inclusivity and equity in cooperative participation and leadership for women and youth.
- Strengthened climate resilience and improved environmental stewardship in cooperative operations.
- Improved health outcomes for cooperative members, families, and communities, leading to increased productivity and social well-being.
- Bomet County cooperatives positioned as socially responsible, environmentally conscious, and people-centered enterprises, serving as models for sustainable development and inclusive growth.

Table 3.1 summarizes the Cross-Cutting Initiatives for Bomet County cooperatives, showing intervention areas, specific actions, responsible units, and measurable outcomes.

Table 3.1: Cross-Cutting Initiatives – Bomet County Cooperatives

Cross-Cutting Area	Policy Interventions / Actions	Responsible Unit / Actor	Measurable Outcomes
Gender & Youth Empowerment	<ul style="list-style-type: none"> - Align cooperative governance with constitutional gender quotas. - Promote women and youth participation via mentorship, capacity-building, and financial support. - Support women-led and youth-driven cooperatives through incubation, technical assistance, and access to credit. - Allocate youth innovation grants from the County Cooperative Fund. - Establish mentorship and networking platforms. 	Cooperative Management & Development Unit County Directorate of Cooperatives County Cooperative Fund	<ul style="list-style-type: none"> - % of women and youth in leadership positions. - Number of women-led/youth-driven cooperatives supported. - Number of youth innovation grants awarded. - Number of mentorship/peer networking programs implemented.

Cross-Cutting Area	Policy Interventions / Actions	Responsible Unit / Actor	Measurable Outcomes
Environmental Sustainability / Climate-Smart Practices	<ul style="list-style-type: none"> - Promote climate-smart agriculture: agroforestry, sustainable land and water management, resilient crop varieties. - Encourage responsible waste management and reduced harmful inputs. - Implement climate adaptation strategies: early warning systems, community reforestation, disaster risk reduction. - Provide incentives for eco-friendly and sustainable cooperative operations. - Track environmental performance indicators in reporting. 	Value Addition & Marketing Unit Cooperative Management & Development Unit Environmental Affairs Liaison (if applicable)	<ul style="list-style-type: none"> - % of cooperatives adopting climate-smart practices. - Number of cooperatives implementing sustainable waste management. - Number of reforestation/community climate adaptation projects. - Reduction in ecological footprint of cooperative operations.
Health & Well-	- Integrate	Cooperative	- Number of health

Cross-Cutting Area	Policy Interventions / Actions	Responsible Unit / Actor	Measurable Outcomes
being	<p>preventive health measures: awareness campaigns, screenings, vaccination drives, HIV/AIDS programs.</p> <ul style="list-style-type: none"> - Partner with healthcare providers to provide affordable medical services and health insurance. - Enforce workplace health and safety standards, including mental health and hygiene protocols. - Promote community health initiatives: nutrition, sanitation, disease prevention. 	<p>Management & Development Unit Audit & Compliance Unit Local Health Authorities / Partner NGOs</p>	<p>campaigns and screenings conducted.</p> <ul style="list-style-type: none"> - % of cooperative members with access to health insurance. - Number of cooperatives implementing workplace health & safety plans. - Community health impact indicators (e.g., improved sanitation, reduced disease incidence).

CHAPTER FOUR

INSTITUTIONAL IMPLEMENTATION FRAMEWORK

4.1 Introduction

This policy is grounded in the provisions of the Constitution of Kenya, 2010 (CoK, 2010), which recognizes that cooperative development is a shared function between the National Government and County Governments, as outlined in the Fourth Schedule. The policy reflects a commitment to cooperative federalism and devolution, guided by the national values and principles of governance articulated in Article 10.

In this context, the policy acknowledges the following key constitutional principles:

- (a) **Devolution of Authority and Resources:**
The National Government shall devolve adequate powers, functions, and resources necessary for cooperative development to the lowest possible levels, consistent with the spirit of subsidiarity and the national values under Article 10.
- (b) **Transfer of Power to Lower Levels of Government:**
The County Government recognizes the importance of delegating cooperative functions to sub-county and ward levels, ensuring community-based management and effective grassroots participation in cooperative development.
- (c) **Functional Assignment:**
The National Government is responsible for the development of national cooperative policy, while the County Governments are tasked with the regulation, promotion, and oversight of cooperative societies within their jurisdictions.
- (d) **Capacity Building and Technical Support:**
The National Government retains the function of providing capacity building, technical support, and policy guidance to counties in the cooperative sector, ensuring uniformity in development outcomes.
- (e) **Jurisdictional Variations:**
Recognizing that some cooperatives operate across counties or countrywide, the policy acknowledges the need for collaborative regulation by both national and relevant county governments to ensure consistency and compliance.

(f) Uniform Norms and Standards:

The policy underscores the role of the National Government in developing uniform national norms and standards for cooperative supervision, to be adopted and enforced by County Governments in their regulatory frameworks.

(g) Intergovernmental Collaboration:

The cooperative sector shall be governed through a consultative and cooperative intergovernmental framework, guided by mutual respect and the principle of cooperative governance, ensuring synergy between the two levels of government.

(h) Role of Government in the Cooperative Sector:

While cooperatives are private member-based organizations, they serve the public good. Thus, the government's role shall be to create an enabling environment, facilitate regulatory oversight, and safeguard member interests, without interfering with the autonomy of cooperative enterprises.

4.2 Role of National Government

In line with the provisions of the Constitution of Kenya, 2010, this policy recognizes the following as core functions of the National Government and its relevant agencies in promoting and regulating the cooperative sector:

- (a) Formulation of national cooperative policies and the overarching legal framework for the development and regulation of the cooperative sector;
- (b) Registration and deregistration (cancellation) of cooperative societies;
- (c) Registration and custody of audited financial statements of cooperative societies;
- (d) Maintenance of a register of approved audit firms eligible to provide services to cooperatives;
- (e) Development and enforcement of cooperative management and governance standards;
- (f) Coordination of intergovernmental relations mechanisms within the cooperative sector;
- (g) Conducting inquiries, inspections, and investigations into cooperative affairs, including enforcement of surcharges and penalties;

- (h) Oversight of apex organizations, federations, and cross-county cooperative societies, in consultation with county governments;
- (i) Promotion of good governance, ethics, and accountability within cooperative societies;
- (j) Formulation and regulation of standards for cooperative education, training, and capacity development;
- (k) Provision of capacity-building support and technical assistance to county governments;
- (l) Establishment and operationalization of a national e-Portal for registration, data management, and service delivery in the cooperative sector;
- (m) Promotion of public-private partnerships (PPPs) and facilitation of regional and international cooperation in cooperative development; and
- (n) Establishment and maintenance of a National Cooperative Research and Information Centre to support evidence-based policy and innovation.

4.3 Role of County Government

As per the devolved functions assigned under the Fourth Schedule of the Constitution, the County Government of Bomet shall be responsible for the following roles in the supervision, development, and regulation of cooperative societies within its jurisdiction:

- (a) Implementation of national cooperative policy and formulation of county-specific legislation and regulations aligned to national frameworks;
- (b) Promotion, facilitation, and registration of cooperative societies operating within the county;
- (c) Licensing of cooperative businesses in accordance with relevant county laws;
- (d) Provision of audit services and enforcement of financial accountability standards in cooperatives;
- (e) Conduct of regular inspections into the operations and affairs of cooperative societies;

- (f) Promotion of cooperatives involved in value addition, facilitation of appropriate technology adoption, and sharing of relevant market information
- (g) Collection, analysis, and dissemination of data on cooperative activities in the county;
- (h) Establishment and maintenance of County Cooperative Information Centers for knowledge sharing and public access;
- (i) Enforcement of compliance with cooperative legislation and applicable regulations;
- (j) Facilitation of partnerships and stakeholder linkages for cooperative development and growth;
- (k) Promotion of good governance and ethical leadership in cooperative management structures;
- (l) Support and implementation of cooperative revival, restructuring, and growth programmes;
- (m) Promotion of inclusivity and equitable representation in cooperatives, with a focus on women, youth, and marginalized groups;
- (n) Provision of advisory services to cooperatives to support effective management and operations;
- (o) Enforcement of national and county-level management standards in cooperatives
- (p) Promotion of cooperative research, development, and data-driven decision-making;
- (q) Integration of cooperative education into county learning institutions to nurture future cooperative leaders; and
- (r) Promotion of cooperative innovation and support for new cooperative ventures across economic sectors.

4.4 National Agencies for Cooperative

4.4.1 SACCO Societies Regulatory Authority (SASRA)

The Sacco Societies Regulatory Authority (SASRA) was established under the Sacco Societies Act, 2008 to provide prudential regulation and supervision of deposit-taking SACCOs (DT-SACCOs) in Kenya. This mandate aligns with internationally recognized best practices, which require deposit-taking financial institutions to operate under robust

regulatory frameworks to safeguard member deposits and promote financial stability.

In recognition of the evolving nature of SACCO operations—particularly the transition from Back Office Services Activities (BOSA) to Front Office Services Activities (FOSA)—there is a need to avoid regulatory overlap and ensure a seamless supervisory environment. To this end, the role of SASRA will be expanded to accommodate the growing complexity and scale of SACCO operations. This will facilitate efficient oversight, promote compliance with prudential standards, and support the sustainable growth of the financial cooperative sector.

4.4.2 Ethics Commission for Cooperative Societies

The Ethics Commission for Cooperative Societies (ECCOS) is an unincorporated body established under sub-regulation (2) of the Public Officers Ethics Regulations (2003). The Commission is tasked with overseeing the ethical conduct of officers within cooperative societies, as outlined in the Cooperative Societies Act. This includes the members of the governing bodies of cooperative societies, ensuring that they uphold high standards of integrity, transparency, and accountability in the management and operation of cooperatives.

4.4.3 Cooperative Tribunal

The Cooperative Tribunal, established under the Cooperative Societies Act Cap 490, plays a vital role in arbitrating and resolving disputes within the cooperative movement. In alignment with the Constitution of Kenya 2010 (CoK 2010), the Tribunal has been integrated into the judicial structure, ensuring it continues to serve the interests of the cooperative movement. Despite this structural change, the Tribunal will be restructured to enhance its efficiency and make its services more accessible to the public.

In addition to the Tribunal, the government will promote the use of the Alternative Dispute Resolution (ADR) mechanism as the primary approach for resolving disputes within cooperatives. Recognized by the CoK 2010 as an effective and efficient method, ADR offers several advantages: it is cost-effective, less confrontational, and flexible in its procedures. This fosters reconciliation and helps preserve future relationships between the parties involved, making it a suitable first line of action for cooperative disputes.

4.4.4 Role of Other State Agencies

This policy recognizes the role of other state agencies responsible for the implementation of national government policies and legislation. These agencies are essential to the successful and smooth execution of this policy, especially in areas where strategies may overlap or intersect with various sectors. The County Government will implement this policy in accordance with the National Cooperative Development Policy and national legislation. County cooperative actions shall conform to national frameworks, in line with Article 189(1)(a) of the Constitution. In turn, other national policies and legislation will acknowledge and integrate relevant aspects of this policy that align with their mandates.

To facilitate this, the following actions will be undertaken:

- (a) The National Government will establish an inter-governmental coordination unit within the State Department responsible for Cooperatives, ensuring seamless implementation and collaboration across all involved sectors.
- (b) County Governments The County Government shall allocate resources through its approved budgets and planning instruments. Where applicable, funding support from the national government may be sought through intergovernmental agreements or conditional grant arrangements under the Public Finance Management Act.

4.5 Role of Non-State Actors

This policy acknowledges the crucial role of non-state stakeholders in the development of cooperatives. These actors will collaborate with the government to mobilize cooperative members and resources, promote awareness of the policy, and engage in capacity-building efforts for both co-operators and regulators. Non-state stakeholders will actively participate in the public consultation process, supporting member education and involvement in various aspects of governance.

Development partners will play a complementary role in advancing the goals and objectives of this policy, contributing to its successful implementation. To streamline these partnerships, the Cooperative Directorate will serve as the coordinating body for all non-governmental organizations (NGOs) seeking to collaborate with the cooperative movement in the county, ensuring effective management of donor funding and developmental initiatives.

4.6 Intergovernmental Co-ordinating Unit

The County Government shall actively participate in intergovernmental coordination structures established by the State Department for Cooperatives, pursuant to the National Cooperative Development Policy and the Intergovernmental Relations Act. Participation shall include consultative forums, alignment of county policy priorities with national frameworks, and promotion of cross-county cooperative collaboration. This unit will play a pivotal role in promoting harmonization and fostering linkages between the cooperative movement and the national and county governments through regular forums. The unit will undertake the following actions:

- (a) Develop mechanisms that allow the apex body to gain visibility through roundtable discussions with the Council of Governors (CoG) and other relevant national government forums;
- (b) Encourage formal and recognized participation of the cooperative movement in key government structures that promote social and economic development agendas;
- (c) Foster strategic partnerships between the cooperative movement, national government ministries and agencies, CoG structures, individual county governments, and other relevant stakeholders;
- (d) Support initiatives aimed at promoting inter-county business trade through cooperative marketing, enhancing cross-county collaboration and economic integration;
- (e) Address and resolve issues related to unfair taxation imposed on cooperatives within the county, ensuring equitable and supportive fiscal policies for the sector.

4.7 Monitoring and Evaluation (M&E) Framework

Monitoring and Evaluation (M&E) is a critical component of implementing the Bomet County Cooperative Policy. It provides continuous, real-time data on the performance and impact of cooperative initiatives, enabling the County Government, the cooperative movement, and stakeholders to respond promptly to emerging challenges. Effective M&E ensures evidence-based decision-making, accountability, and continuous learning for sustainable cooperative development.

The County Government will adopt a Results-Based Monitoring and Evaluation Framework (RBMEF), complemented by a Cooperative

Scorecard that tracks SMART (Specific, Measurable, Achievable, Relevant, Time-bound) indicators across key policy areas. The framework will be aligned with the County Integrated Development Plan (CIDP) outcomes, ensuring seamless integration into broader county performance reporting.

Objectives of the M&E Framework

Track the implementation progress of policy actions and identify emerging challenges.

Assess the effectiveness, efficiency, relevance, and sustainability of cooperative development initiatives.

Provide real-time feedback for decision-making and policy adjustment.

Enhance transparency, accountability, and learning among stakeholders.

Facilitate integration with county-wide development indicators under the CIDP.

Key Components of the M&E Framework

Component	SMART Indicator(s)	Frequency	Lead Agency
Legal Reforms	% of cooperatives compliant with revised laws; # of bylaws updated	Annual	Directorate of Cooperatives
Institutional Strengthening	# of cooperative officers recruited/trained; # of governance forums held; % of cooperatives with operational boards	Bi-annual	County Directorate of Cooperatives
Financial Access	Volume of funds disbursed from Cooperative Fund; % of cooperatives accessing credit; loan default rates	Quarterly	Directorate of Cooperatives
Education & Capacity Building	% of cooperatives trained; # of vocational training centers offering cooperative courses; # of members attending workshops	Annual	County Dept. of Education
ICT Integration	% of cooperatives with	Annual	ICT

Component	SMART Indicator(s)	Frequency	Lead Agency
	digital records; # of digital training sessions held; % adoption of e-commerce and digital financial platforms		Directorate
Gender & Youth Inclusion	% of women/youth in leadership; # of inclusive policies adopted; % women/youth membership in cooperatives	Bi-annual	Gender & Youth Directorate
Environmental Sustainability	# of cooperatives adopting climate-smart practices; waste management compliance; reduction in ecological footprint	Annual	Environment Dept.
Health & Well-being	# of cooperatives implementing health programs; health insurance coverage rate; # of preventive campaigns conducted	Annual	Dept. of Health Services
Market & Enterprise Development	Value of cooperative exports; # of cooperatives accessing new markets; increase in sales revenue	Annual	Value Addition & Marketing Unit
Governance & Compliance	% of cooperatives audited annually; # of compliance reports issued; # of inquiries and inspections completed	Annual	Audit & Compliance Unit

Governance of M&E

A County Cooperative M&E Committee shall be established, linked to the County Statistics and Planning Unit, to harmonize data collection, validate reports, and recommend corrective actions.

The Committee will coordinate with the Intergovernmental Coordinating Unit to ensure alignment with national cooperative standards and reporting requirements.

Each Directorate/Unit is responsible for collecting, analyzing, and reporting data within its mandate.

Reporting Mechanisms

Quarterly Progress Reports by all responsible units, submitted to the County Directorate of Cooperatives.

Annual Implementation Review Report, presented to the County Assembly and made publicly accessible.

Mid-term Evaluation at 2.5 years, assessing progress against the Cooperative Scorecard indicators.

Final Evaluation at 5 years to guide policy revision, inform budget allocations, and strengthen strategic planning.

4.8 Policy Review

This policy shall be subject to a comprehensive review every five years to ensure its continued relevance, effectiveness, and alignment with national and county development priorities. In addition, interim adjustments may be undertaken as necessary, informed by robust monitoring and evaluation (M&E) outcomes, stakeholder consultations, and emerging sectoral or contextual shifts.

APPENDICES

APPENDIX I: *Distribution of Active Cooperatives by Sub-county*

Cooperative Category	Sotik	Chepalungu	Bomet East	Bomet Central	Konoin	Total
Dairy	46	22	8	11	5	92
Horticulture	3	6	5	11	5	30
Coffee	7	8	3	2	0	20
Food Processing	1	2	0	1	1	5
Tea	2	0	0	1	6	9
Cereals	5	1	0	0	1	7
Transport SACCOs	16	9	1	6	1	33
Financial SACCOs	39	63	7	15	16	140
Multipurpose	9	14	5	7	5	40
Housing	3	1	0	1	1	6
Apiculture	1	2	0	0	1	4
Energy	0	0	0	0	1	1
Artisans	3	1	0	0	0	4
Fisheries	0	1	0	2	0	3
Tourism	0	1	0	0	0	1
Investment	1	1	0	0	2	4
Poultry	2	3	1	0	0	6
Total	138	135	30	57	45	405

Appendix II: Simplified Implementation Matrix for Policy Interventions

1. Policy on Alignment & Strengthening Legal and Regulatory Framework for Cooperatives

Policy Objective	Strategies (Implementation Actions)	Indicators	Actors	Timelines
Strengthen legal, regulatory, and governance frameworks for cooperatives	<ul style="list-style-type: none"> Develop and enact Bomet County Cooperatives' Societies Bill. 	<ul style="list-style-type: none"> County Cooperative Bill enacted. 	County Directorate of Cooperatives	Short–Medium Term
	<ul style="list-style-type: none"> Formulate county-specific cooperative regulations. 	<ul style="list-style-type: none"> Regulations gazetted. 	County Assembly County Attorney	
	<ul style="list-style-type: none"> Establish ethical guidelines and leadership accountability standards. 	<ul style="list-style-type: none"> % of cooperatives compliant with ethical and reporting standards. 		
	<ul style="list-style-type: none"> Strengthen procurement, reporting, and transparency systems. 	<ul style="list-style-type: none"> No. of cooperatives with HR and development plans. 		
	<ul style="list-style-type: none"> Mandate structured development plans and HR policies. 			

2. Policy on Cooperative Movement Structure

Policy Objective	Strategies	Indicators	Actors	Timelines
Establish an effective	<ul style="list-style-type: none"> Establish County 	<ul style="list-style-type: none"> Directorate operationalized. 	County Directorate of	Short Term and

Policy Objective	Strategies	Indicators	Actors	Timelines
institutional framework for cooperative development	Directorate for Cooperative Development. • Create Cooperative Development Forum. • Strengthen cooperative structures from primary to apex. • Mainstream cooperatives across all county departments.	• No. of forums held annually. • % increase in functional cooperative structures. • Cooperative integration in county plans.	Cooperatives County Departments Cooperative Leaders	Ongoing

3. Policy on Cooperative Governance & Enforcement

Policy Objective	Strategies	Indicators	Actors	Timelines
Promote ethical leadership, compliance, professionalism & dispute resolution	• Enact governance laws and align bylaws. • Set shareholding caps. • Enforce penalties for non-compliance. • Institutionalize ethics codes &	• % of cooperatives with aligned bylaws. • No. of compliance audits conducted. • No. of disputes resolved via ADR. • Minimum share capital	Directorate of Cooperatives Audit & Compliance Unit ADR Committee SASRA (where relevant)	Medium Term

Policy Objective	Strategies	Indicators	Actors	Timelines
	<p>leadership qualifications.</p> <ul style="list-style-type: none"> • Establish ADR Committee. • Strengthen compliance audits and inspections. • Introduce minimum share capital requirements. 	<p>policy adhered to.</p>		

4. Policy on Cooperative Education, Training, Capacity Building & Information Management

Policy Objective	Strategies	Indicators	Actors	Timelines
Enhance skills, knowledge & information access for cooperative competitiveness	<ul style="list-style-type: none"> • Mandatory training budgets. • Partnerships with universities/TVE Ts. • Develop tiered training curriculum. • Roll out cooperative courses in VTCs. • Mandatory pre-cooperative training. • Annual member 	<ul style="list-style-type: none"> • % of cooperatives allocating training funds. • No. of trained leaders/members. • Information Centre operationalized. • Annual training completion rates. 	<p>County Directorate of Cooperatives County Dept. of Education Universities/TVETs NGOs</p>	<p>Short–Medium Term</p>

Policy Objective	Strategies	Indicators	Actors	Timelines
	sensitization programs. • Establish Cooperative Information Centre.			

5. Policy on Diversification, Productivity, Value Addition & Marketing

Policy Objective	Strategies	Indicators	Actors	Timelines
Promote diversification, value addition & market competitiveness	<ul style="list-style-type: none"> • Support cooperatives in emerging sectors. • Revive agro-based cooperatives through technical and financial support. • Promote aggregation & post-harvest management. • Support processing, packaging & branding. • Provide market information platforms. • Facilitate certification & 	<ul style="list-style-type: none"> • No. of cooperatives in new sectors. • Increase in value-added products. • Reduction in post-harvest losses. • No. of cooperatives certified for quality standards. • Market linkages established. 	Directorate of Cooperatives Value Addition & Marketing Unit Private Sector Export Agencies	Medium–Long Term

Policy Objective	Strategies	Indicators	Actors	Timelines
	quality compliance. • Link cooperatives to digital and e-commerce platforms.			

6. Policy on Financial Access for Investments & Strategic Partnerships

Policy Objective	Strategies	Indicators	Actors	Timelines
Enhance cooperative access to finance & investment opportunities	<ul style="list-style-type: none"> • Strengthen financial support frameworks & enterprise fund. • Develop guidelines for funding allocation & use. • Foster strategic partnerships & PPPs. • Annual budget allocation for cooperative development. • County-backed guarantee mechanism. • Strengthen SACCOs through MoUs with regulators. 	<ul style="list-style-type: none"> • % of cooperatives accessing funding. • Amount disbursed annually. • No. of PPP agreements signed. • No. of cooperatives benefiting from guarantee scheme. • SACCO compliance rates. 	Directorate of Cooperatives County Treasury SASRA Development Partners	Medium–Long Term

7. Policy on ICT Integration in Cooperatives

Policy Objective	Strategies	Indicators	Actors	Timelines
Accelerate digital transformation & ICT adoption	<ul style="list-style-type: none"> Promote digital financial services. 			
	<ul style="list-style-type: none"> Support automated record-keeping systems. 	<ul style="list-style-type: none"> No. of cooperatives using digital platforms. % using automated record systems. 	Directorate of Cooperatives ICT Department Private ICT Firms	Short– Medium Term
	<ul style="list-style-type: none"> Expand e-commerce and digital marketing. 	<ul style="list-style-type: none"> E-commerce transactions per cooperative. 		
	<ul style="list-style-type: none"> Provide ICT training and digital literacy programs. 	<ul style="list-style-type: none"> No. trained in ICT & cybersecurity. 		
<ul style="list-style-type: none"> Ensure compliance with Data Protection Act & cybersecurity standards. 				

8. Cross-Cutting Initiatives (Gender, Youth, Environment, Health)

Policy Objective	Strategies	Indicators	Actors	Timelines
Promote equity, sustainability & well-being in cooperative	Gender & Youth: quotas, mentorship, youth grants, incubation support.	<ul style="list-style-type: none"> % of women & youth in leadership. No. of climate-smart initiatives. 	Cooperative Management Unit Environmental Affairs County Health Dept.	Continuous

Policy Objective	Strategies	Indicators	Actors	Timelines
systems	<p>Environment: climate-smart agriculture, waste management, eco-friendly practices.</p> <p>Health: preventive health, insurance, workplace safety, community health programs.</p>	<ul style="list-style-type: none"> • No. health campaigns conducted. • Cooperative environmental & health scores. 	NGOs	

APPENDIX III: Costed Implementation Matrix for Policy Interventions

Policy Objective	Strategies (Implementation Actions)	Appox.Cost (Ksh.)	Funding Sources	Timelines 2023-2027
Strengthen legal, regulatory, and governance frameworks for cooperatives	<ul style="list-style-type: none"> • Develop and enact Bomet County Cooperatives' Societies Bill. 	5.9	Bugetery Allocation	Short–Medium Term
	<ul style="list-style-type: none"> • Formulate county-specific cooperative regulations. 			
	<ul style="list-style-type: none"> • Establish ethical guidelines and leadership accountability standards. 			
	<ul style="list-style-type: none"> • Strengthen procurement, reporting, and transparency systems. 			
	<ul style="list-style-type: none"> • Mandate structured development plans and HR policies. 			

2. Policy on Cooperative Movement Structure

Policy Objective	Strategies	Appox.Cost (Ksh.)	Funding Sources	Timelines
Establish an effective institutional framework for cooperative development	<ul style="list-style-type: none"> • Establish County Directorate for Cooperative Development. • Create Cooperative Development 	Formerly adopt current approved staff establishment		Short Term and Ongoing

Policy Objective	Strategies	Appox.Cost (Ksh.)	Funding Sources	Timelines
	Forum. Strengthen cooperative structures from primary to apex. • Mainstream cooperatives across all county departments.			

3. Policy on Cooperative Governance & Enforcement

Policy Objective	Strategies	Appox.Cost (Ksh.)	Funding Sources	Timelines
Promote ethical leadership, compliance, professionalism & dispute resolution	<ul style="list-style-type: none"> • Enact governance laws and align bylaws. • Set shareholding caps. • Enforce penalties for non-compliance. • Institutionalize ethics codes & leadership qualifications. • Establish ADR Committee. • Strengthen compliance audits and inspections. • Introduce minimum share capital requirements. 	6		Medium Term

4. Policy on Cooperative Education, Training, Capacity Building & Information Management

Policy Objective	Strategies	Appox.Cost (Ksh.)	Funding Sources	Timelines
Enhance skills, knowledge &	<ul style="list-style-type: none"> • Mandatory training 	35		Short–Medium

Policy Objective	Strategies	Appox. Cost (Ksh.)	Funding Sources	Timelines
information access for cooperative competitiveness	budgets. <ul style="list-style-type: none"> • Partnerships with universities/TVETs. • Develop tiered training curriculum. • Roll out cooperative courses in VTCs. • Mandatory pre-cooperative training. • Annual member sensitization programs. • Establish Cooperative Information Centre. 			Term

5. Policy on Diversification, Productivity, Value Addition & Marketing

Policy Objective	Strategies	Appox. Cost (Ksh.)	Funding Sources	Timelines
Promote diversification, value addition & market competitiveness	<ul style="list-style-type: none"> • Support cooperatives in emerging sectors. • Revive agro-based cooperatives through technical and financial support. • Promote aggregation & 	160		Medium–Long Term

Policy Objective	Strategies	Appox.Cost (Ksh.)	Funding Sources	Timelines
	post-harvest management. <ul style="list-style-type: none"> • Support processing, 220 packaging & branding. <ul style="list-style-type: none"> • Provide market information platforms. • Facilitate certification & quality compliance. • Link cooperatives to digital and e-commerce platforms. 			

6. Policy on Financial Access for Investments & Strategic Partnerships

Policy Objective	Strategies	Appox.Cost (Ksh.)	Actors	Timelines
Enhance cooperative access to finance & investment opportunities	<ul style="list-style-type: none"> • Strengthen financial support frameworks & enterprise fund. • Develop guidelines for funding allocation & use. • Foster strategic partnerships & 	52.5		Medium–Long Term

Policy Objective	Strategies	Appox.Cost (Ksh.)	Actors	Timelines
	PPPs. <ul style="list-style-type: none"> • Annual budget allocation for cooperative development. • County-backed guarantee mechanism. • Strengthen SACCOs through MoUs with regulators. 			

7. Policy on ICT Integration in Cooperatives

Policy Objective	Strategies	Appox.Cost (Ksh. M)	Funding Sources	Timelines
Accelerate digital transformation & ICT adoption	<ul style="list-style-type: none"> • Promote digital financial services. • Support automated record-keeping systems. • Expand e-commerce and digital marketing. • Provide ICT training and digital literacy programs. • Ensure compliance with Data Protection Act & cybersecurity standards. 	14		Short–Medium Term

8. Cross-Cutting Initiatives (Gender, Youth, Environment, Health)

Policy Objective	Strategies	Appox. Cost (Ksh.)	Funding Sources	Timelines
Promote equity, sustainability & well-being in cooperative systems	<p>Gender & Youth: quotas, mentorship, youth grants, incubation support.</p> <p>Environment: climate-smart agriculture, waste management, eco-friendly practices.</p> <p>Health: preventive health, insurance, workplace safety, community health programs.</p>	6		Continuous