



PCEA Regulated Non-Withdrawable Deposit Taking

Sacco Limited

STRATEGIC PLAN 2022-2026

October 2021

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2022-2026**

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ACKNOWLEDGEMENT

The PCEA REGULATED NWDT SACCO LTD Strategic Plan 2022-2026 was prepared through a participatory process. Preparation of this plan was possible through the support of all Board of Directors. We particularly appreciate the leadership of Chairman of the Board of Directors Rev Alfred Mugendi Kanga. The contribution of members of the Board of Directors are highly appreciated. This included Ev Samuel Gitonga (Vice Chairman), Rev Reuben Gitau Nganga (Treasurer), Rev Nellyflossy Kageni Kahura (Hon Secretary), Rev. Dr. John Gicheru Macharia, Late Rev. Dr. Charles Kibicho Kariuki, Rev Jennifer Njeri Muchemi, Rev David Ndungu Muchangi and Ev. Peter Kamau Kio. The members of Supervisory Committee are appreciated for their active participation and advice. The Supervisory Committee members included Ms. Miriam Wangui Gachoro (Chairperson) Rev. George Kahuhu Ngatia (Secretary), and Rev. Festus Kaburu Gitonga.

Our sincere thanks also to SACCO staff members who in one way or another supported the development of this plan. Key staff involved included Ruth Njeri Maina, Martha Wanjiku Kinuthia, Martha Mueni Mworio and Shadrack Kimani Mungai. The Board is also indebted to the contribution of Eld Kefa Wamichwe for facilitating the consultation workshops and consolidating this plan.

Ev .Samuel Gitonga

Chairman.

Business Development and Education Committee



Photo of PCEA REGULATED NWDT SACCO LTD Board members, Supervisory Committee and staff who attended SP workshop at PCEA Lay training, on 29th July 2021

PLAN APPROVAL

The PCEA REGULATED NWDT SACCO LTD Strategic Plan, 2022 – 2026 is the result of hard work and many meetings by Business Development and Education Committee (BDEC) through the guidance of a consultant.

The plan revision process provided an opportunity for in-depth self-examination regarding our goals and means of their accomplishment. The strategies formulated are geared towards optimizing strategic goal achievement, using the identified SACCO strength and opportunities. Mitigation of all risks including those associated with our weaknesses and external threats have been addressed.

The PCEA REGULATED NWDT SACCO LTD Board of Directors held the Strategic Plan validation meeting on 12th October 2021 where they gave their input and proposed areas of amendments. Following the amendments, the Board approved the document and authorized the Board Chairman and Honorary Secretary to sign the plan document. The plan will be operational for the next five years and will be due for revision before the end of 2026.

Following this approval, the undersigned hereby approves this Strategic Plan. We call upon all the stakeholders to actively participate in the implementation of this strategic plan as we strive to attain the SACCO vision.

Rev. Alfred Mugendi Kanga
Chairman - BOD

Rev. Nellyflossy Kageni Kahura
Honorary Secretary

Signed _____

Date: _____

EXECUTIVE SUMMARY

PCEA REGULATED NWDT SACCO LTD recognizes the importance of using modern management approaches and prioritizes the use of Strategic Plan to guide all its operations. The SACCO developed its first strategic plan in 2014 covering a period of three years from 2014 to 2016. The second plan covered the year 2016-2021. With the coming to an end of the second plan period, the Board of Directors embarked on the process of the revision of the plan to cover the next five years from 2022 to 2026.

The plan development uses participatory approach involving the Board of Directors, Supervisory Committee members and staff. The revised plan targets recovery from COVID-19, innovative use of ICT for rapid growth of the membership, increased shareholding, and diversification of products. It also aims to improve service delivery as a strategy to have an edge over other similar competing organizations.

The plan development was informed by several government regulatory frameworks that included SACCO Society Act of 2008, the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020 and the guidelines on good governance practices for deposit taking SACCO societies (2015) among others.

The Strategic Plan vision is to be a world class SACCO with economically empowered membership. It will be achieved through pooling resources and promoting faithful management of savings to avail affordable credit and higher returns to members. The plan has four strategic objectives that includes;

- (i) To increase membership and shareholding by 30%
- (ii) To strengthen management to maximize on profit and reduce defaulters
- (iii) To provide timely and affordable credit
- (iv) To diversify investments and products for higher returns. Each strategic objective has a detailed implementation matrix that outline activities, verifiable indicators, resources required, timeframe and responsible persons.

The plan adopts the new governance structure as recommended by SASRA that has three levels namely;

- (i) The Shareholders Annual General Meeting (supreme organ)
- (ii) The Board of Directors and its committees comprising of elected members during an AGM and the Supervisory Committee which report directly to the AGM
- (iii) The SACCO staff that are hired by the Board of Directors to handle the day – to – day SACCO operations.

The plan Monitoring and Evaluation (M&E) section provides tools for measuring accomplishments and detecting the need for adjustments. M&E will be done systematically to ensure the plan implementation is on course and remains relevant to the needs of the Society.

ABBREVIATIONS

AGM	Annual General Meeting
BDEC	Business development and education Committee
BOD	Board of Directors
BOSA	Back Office Service Activities
COVID	Corona Virus Disease
CRMC	Credit and Risk Management Committee
FAC	Finance and Administration Committee
GA	General Assembly (of PCEA)
HQ	Headquarters (of PCEA in Nairobi)
ICT	Information Communication Technology
KSh	Kenya Shilling
KUSCCO	Kenya Union of Savings and Credit Cooperative societies
NTS	Niokolee Tafadhali
PCEA	Presbyterian Church of East Africa
PESTEL	Political Economic Social Technological Environmental and Legal
SACCO	Savings and Credit Cooperative Society
SASRA	Sacco Societies Regulatory Authority
SC	Supervisory Committee
SME	Small and Micro Enterprises
SWOT	Strengths Weaknesses Opportunities and Threats
IEC	International Electronic Commission

INTRODUCTION

1.1 Overview of SACCO in Kenya

The Kenyan Co-operative sector is rated the best with the highest resource mobilization in Africa and seventh in the world according to a survey carried out by the International Co-operative Alliance (ICA). Savings and Credit Co-operative Societies (SACCOs) have provided special purpose vehicles for community based resources mobilization and gateways to economic prosperity for families in the lower and middle-income categories. Many SACCOs handle large sums of members funds in the form of deposits, shares and interest. The SACCO sub-sector therefore occupies a strategic position in the socio-economic development of Kenya. The co-operative values and principles have withstood the test of time and offer the best model for fighting poverty and inequality in society. Co-operatives are therefore the best vehicle for driving socio-economic development in the country.

1.2 Registration of SACCO

PCEA REGULATED NWDT SACCO LTD was registered with the Kenya Government in October 1985, as is required under the Kenyan laws, for such societies. This cooperative society is a voluntary association of members and institutions from Presbyterian Church of East Africa (PCEA) and other like-minded persons, groups and institutions who wish to work together to promote their economic interests through pooling of resources together. The members are widely spread all over Eastern Africa and abroad mainly where PCEA has its ministry. The head office of the SACCO is located at Nairobi South C, Muhoho Avenue, Jitegemea House.

1.3 SACCO regulatory framework in Kenya

1.3.1 SACCO Society Act of 2008

The current legal regulatory framework of SACCO societies in Kenya is SACCO Society Act of 2008. The act also created Sacco Societies Regulatory Authority (SASRA) formally operationalized in 2010 to license, standardize, regulate and control the operations of deposit taking SACCOs. The Act is therefore intended to enhance transparency, accountability, and good corporate governance in the management of SACCOs. In addition, the Act provides for protection of members deposits by creating a Deposit Guarantee Fund. The authority therefore ensures that all deposit taking SACCOs are licensed and observe prudential standards that are set.

1.3.2 The Sacco Societies (Non-Deposit Taking Business) Regulations, 2020

The Sacco Societies (Non-Deposit Taking Business) Regulations, 2020 vide the Legal Notice No. 82 of 2020 prescribes the prudential and market conduct measures to be complied with by all SACCO Societies undertaking the specified non-deposit taking business popularly known as BOSA (Back Office Service Activities).

1.3.3 The guidelines on good governance practices for deposit taking SACCO societies (2015)

The purpose of the Guideline is to facilitate and enable Sacco Boards, individual directors,

chief executive officers and staff to implement and promote proper standards of conduct and sound governance practices. It further seeks to guide them and ensure that they exercise their duties and responsibilities effectively and diligently.

1.4 Impact of COVID-19

1.4.1 Impact of COVID 19 on Kenya Macro-economy

Kenya's economy grew by 5.4 percent in 2019 and was projected to grow by 6.2 percent in 2020 (Kenya Financial Stability Report Oct 2020). However, the COVID-19 pandemic weakened Kenya's economic growth outlook in 2020. This was mainly attributed to the COVID-19 containment measures by the Government. These measures disrupted supply chains and impacted negatively on household livelihoods, resulting in subdued aggregate demand.

Overall, Kenya's financial system is expected to remain stable and resilient in 2021, underpinned by adequate capital and liquidity buffers to weather the negative impact of COVID-19. These are complemented by a robust regulatory oversight, and reliable and efficient financial market infrastructure. However, economic slowdown due to COVID- 19, rising credit risks, declining profitability, concentration risk in the capital market, weak balance sheets for listed corporates and State-Owned Enterprises (SOEs), and corporate governance challenges may undermine financial sector stability.

Agriculture and Small & Micro Enterprises (SMEs) sectors have been affected most by COVID-19 pandemic, making it difficult for members to service their loans. SACCOs societies restructured loans totaling KSh 4.7 billion in 3 months to June 2020, reflecting the difficulties members were facing in loan repayment.

1.4.2 Impact of COVID-19 on SACCO Sector operations

Historically, several SACCOs have experienced challenges that have stunted the growth of the SACCO movements such as non-remittance of dues by employers, failure of members to pay back their loans among others. However, the novel Coronavirus has taken unprecedented and most likely the largest test to the survival of SACCOs. The key impacts include;

- i Held Annual General/Delegate Meetings virtually: In 2020and 2021 it was not possible to hold physical Annual General Meeting for most of the Saccos due to Covid containment measures issued by the Government. Virtual meetings were held using Online Platforms and not all members were able to attend due to technological challenges. This negatively impacted the SACCO in communicating new strategies and products was not clear.
- i Low recruitment of new members: The containment measures hindered marketing to potential members
- i Reduced Interest on Deposits.
- iv Insecurity of employment affected loan demand by employees
- v Loss of Jobs by some members: Due to poor economic performance resulting to job redundancies.

Despite the negative impact, it also accelerated innovation in the SACCO movement that includes;

- i. Increased Use of Online Services: Due to reduced movement and need for provision of services, the SACCO enhanced the use of digital online services during application and disbursement of loans.
- ii. Use of innovative approaches to reduce cost of operation: To reduce expenditure and maximize on profit the SACCO enhanced the use of digital online services, virtual meetings while communicating to members.

1.5 SACCO Governance.

The supreme Authority of the SACCO (as provided for in SACCO Societies Regulations 2020) is vested in members who jointly and severally protect, preserve, and exercise such authorities in General Meetings. The other Organs of the SACCO includes;

- a. The Board of Directors: Manage the affairs of SACCO society as directed by the Co-operative Societies Act, Co-operative Rules and By-laws of the society and the directives of the Annual General Meeting and other regulatory bodies.
- b. The Supervisory Committee (SC): It is responsible to shareholders on ensuring the Cooperative remains safe and sound through internal and external audit. Also ensure the protection of the shareholders' interests and regulatory compliance.
- c. Finance and Administration Committee (FAC): The Committee is responsible to the Board on all matters of financial management and human resource management.
- d. Credit and Risk Management committee (CRMC): This is the arm of the Board that is responsible for all issues relating to availing of credit and ensure adequate provisions for potential loss is maintained.
- e. Business development and education Committee (BDEC): This committee deals with issues of investment within the SACCO. It also deals with education of members, marketing, enhancing awareness of members on the Society and its products, capacity building and marketing.

1.6 The objectives of the society

The objectives for which the Society was established are:

- i. To encourage thrift among its members by affording them an opportunity for accumulating their savings.
- ii. To create a source of funds from which loans can be availed to them exclusively, for provident and productive purposes, at a fair and reasonable rate of interest.
- iii. To offer the members complementary savings and credit services and other financial products such as front office services.
- iv. To ensure progress of its members by educating them continuously on proper use of credit.
- v. To ensure safety and soundness of members funds through an appropriate insurance scheme.
- vi. To perform all those functions and exercise those powers designated for Savings and Credit co-operatives Society under the applicable laws for the benefit of the members.

1.7 Products portfolio

- i. Emergency loans - Emergency loans are defined by purpose and must be accompanied by supporting documents. The repayment period is 12 months.
- ii. Normal loans - Normal loans are granted for a period of 48 months to members who don't have any other outstanding loans. These are given for development purposes.
- iii. Rudi tena loans - these are granted to the members who already have loans with the sacco. the member is charged 5% of the remaining balance.
- iv. Rudi nyumbani loans - These are granted to members to buy their loans off from other financial institutions like banks, microfinance etc.
- v. Refinancing loans - These are granted to members who already have loans with the sacco but have not completed the project they had started with the initial loan (normal loan and rudi tena loans). The repayment is within the remaining period of existing loan.
- vi. Institutional loans - These are given to corporate members, that is, parishes, congregations, church institutions and Registered groups that has joined the Sacco. Repayment period is 36 Months.
- vii. Normal plus loans - This product is given five times of member's savings whose repayment period is 60 months. It is granted to members who don't have any other existing loans.
- viii. Rudi tena plus - This product just as the normal plus its repayable within 60 months and given five times of members savings but it differs with the normal plus in that it is granted to a member who has an existing loan whereby the existing loan balance is offset and charged 7.5%.
- ix. Refinancing plus loans -This is a refinancing loan granted to members who have not completed their projects after taking rudi tena plus or normal plus loans. Repayment is within the remaining period of the existing loan.
- x. Deposit boost loans - This is a loan given to members who want to boost their deposits. It does not require guarantors since the member is not paid the money, but it's added to his/her deposits. in case one needs a loan, the amount cannot be considered until the loan applied to boost is fully paid.
- xi. Mobile loan (Niokolee Tafadhali - NTS): This is a short term loan applied and disbursed through mobile application at 6% pm. Repayable over one month with a maximum repayment period of 3 months.
- xii. Super Savers Loan-This is a new product for members who have attained savings of above Ksh 1,000,000.00. The loan is given up to 6 times with a repayment period of 72 months and land is considered as collateral. Members in this category are encouraged to form clusters to ease guarantorship.

1.0 SITUATIONAL ANALYSIS

1.1 Assessment of previous plan achievement

A review was conducted on achievements of activities proposed in previous strategic plan covering 2017-2021. For each strategy all activities were assessed and evaluated on basis of whether 100% implemented, partial implementation or not done. Details for each activity are in appendix 1. The table below shows the summary of the assessment.

Strategic objective	Achievement Frequency			Percentage of Achievement		
	100%	Par-tial	Not done	100%	Par-tial	Not done
SO1: Increase members' assets by 50% over the plan period	1	4	3	12.5	50.0	37.5
SO2: Improve lives by providing increasing credit and increasing it by 50% pa	2	3	0	40.0	60.0	0.0
SO3: Reduce possible loss through improved debt management and reduce non-performing loans by 50%	3	2	1	50.0	33.3	16.7
SO4: Enhance capacity of members and of the Society	6	4	3	46.2	30.8	23.1
SO5: Come up with new Innovations to widen services	0	1	0	0.0	100.0	0.0
SO6: Enhance Networking and Partnerships	0	2	0	0.0	100.0	0.0

1.2 Key achievement during previous plan

- i. Growth of membership
- ii. Growth of loan portfolio
- iii. Increased interest on deposits
- iv. Adoption of technology
- v. Mobile banking
- vi. Refurbishment of offices
- vii. Procured and installed financial management system
- viii. Developed 14 policy documents and by-laws
- ix. Automation of payment system
- x. Launched housing financing attracting borrowers
- xi. Attracting church-based institutions to join SACCO
- xii. Support from GA office

1.2 Analysis of internal factors impacting on SACCO through SWOT

Strength	Weakness
<ul style="list-style-type: none"> • Ease of managing contributions and loan repayments by the Employer • Supportive and willing Membership to save through the society • Established brand name of the SACCO • Policies are in place in form of basic guidelines and bylaws • Goodwill by Church leadership • Loyalty and trust from members • Willingness of members to adopt new technology 	<ul style="list-style-type: none"> • Delayed remittances of monthly deductions by some employers. • Inadequate marketing structures in the field. • Some members unwilling to guarantee others due to some past defaults in payments
Opportunity	Threats
<ul style="list-style-type: none"> • Innovation to mitigate impact of COVID-19 • Goodwill from government • Increased adoption of use of ICT on information sharing, trading, and marketing. • Trusted brand name of PCEA • Improved access to low interest loans eg. KUS-CCO • Increased potential members through expansion of the church and starting of new Church institutions • Implementation of SASRA regulations 	<ul style="list-style-type: none"> • Political uncertainties • New entrants in SACCO market • Sustained occurrence of pandemic e.g., COVID-19 • Unpredictable Economic Conditions

1.3 Analysis of external factors impacting on SACCO through PESTEL.

Political factors: A stable political environment will spur growth of the society as well as positive interventions by the government in the cooperative movement.

Economic factors: The rate of economic growth, interest rates, and the inflation rate will have direct impact on the level of investment by the members. In addition, these factors will influence the choice of alternative investment portfolios' that can bring higher and stable returns to the shareholders.

Social factors: Rapid influence of community cultural values and health consciousness, career attitudes and emphasis on safety are likely to influence the investment priorities of members and their demand for support from the society.

Technology factors: The use of technology has gained ground in the country and rate of adoption of this technology will determine the competition edge of the society among its competitors. Deliberate effort should be used to acquire relevant technologies to propel the society.

Environmental factors: Kenya being an Agri-Based Economy is easily impacted by drastic environmental change eg. climate change. The current drought reduces members demand on developmental financial demand and concentrate on domestic needs that

would not be an issue with good rains. The success of the current Governments effort towards irrigation will improve development growth stability and demand for capital.

Legal factors: Government legislation particularly that relates to business development and taxation can have considerable impact on operation of a society. It is hoped that the government will continue to develop legal frameworks that are supportive to the growth of SACCOs.

1.4 Stakeholders analysis

Name	Role	Their expectation
Shareholders	<ul style="list-style-type: none"> Fully support SACCO Prompt payment of monthly contributions Taking loans Prompt repayment of loans Attending AGM and education meetings 	<ul style="list-style-type: none"> Professional services Need focused products Sound management and quality assurance Effective feedback Attractive profit from investment

Name	Role	Their expectation
GA office	<ul style="list-style-type: none"> Goodwill 	<ul style="list-style-type: none"> Professionalism and delivery
Presbyteries & Parishes	<ul style="list-style-type: none"> Encouraging staff and members to join SACCO Goodwill Timely remittances of SACCO deductions 	<ul style="list-style-type: none"> Need focused products Sound management and quality assurance
PCEA Institutions	<ul style="list-style-type: none"> Encourage members to join SACCO Goodwill Timely remittances of SACCO deductions 	<ul style="list-style-type: none"> Competitive services and products
Strategic Partners	<ul style="list-style-type: none"> Potential investors Co-funding Capacity building 	<ul style="list-style-type: none"> Competitive services and products Success in business High returns
Government (National and County)	<ul style="list-style-type: none"> Regulations and Licensing Oversight Enabling environment 	<ul style="list-style-type: none"> Compliance Trickledown effect Job creation
Institutional staff	<ul style="list-style-type: none"> Good will 	<ul style="list-style-type: none"> Clear communication Integrity

SACCO staff	<ul style="list-style-type: none"> Professional service delivery Integrity in all services 	<ul style="list-style-type: none"> Goodwill Commensurate remuneration
Suppliers and Creditors	<ul style="list-style-type: none"> Timely supply of goods and services Quality 	<ul style="list-style-type: none"> Good documentation and reporting Prompt payments
Board of Directors	<ul style="list-style-type: none"> Strategic leadership and management of society Compliance with regulatory framework 	<ul style="list-style-type: none"> Sustained growth Profitability of society Shareholder's satisfaction

1.5 Risk analysis

Type of risk	Description	Risk level	Mitigation
Credit risk	Default in loan payment	High	Adequate credit policies and procedures
Operation	Lack of operational policies and procedures	High	Adequate policies and compliance
Technology	Failure to keep up with technology	Medium	Invest in modern ICT based innovations (e.g. mobile loan/ Apps)
Market	Fluctuation in money market	Medium	Sound decisions backed by data
Legal and Regulatory	Noncompliance leading to penalties	High	Compliance
Liquidity	Depreciation of Ksh, inflation, and interest rates	High	Prudent lending and investment
Reputation	Loss of reputation from stakeholder's and sector	Medium	Ensure transparency and proper communication system Prudent customer care
Financial	Debts and penalties	High	Timely compliance with financial obligations
Cyber crime	Hacking	High	Regular system update, firewall and enhanced security features and training of users

1.6 Rationale of the strategic plan

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. PCEA REGULATED NWDT SACCO LTD developed its first strategic plan in 2014 covering a period of three years from 2014 to 2016. The second plan covered 2016-2021. With the coming to an end of the second plan period, the Board of Directors embarked on the process of the developing the plan to cover the next five years from 2022 to 2026.

The plan development uses participatory approach involving Board of Directors, Supervisory Committee and staffs. The revised plan targets recovery from COVID-19, innovative use of ICT for rapid growth of the membership, increased shareholding and diversification of products. It also aims to improve service delivery as a strategy to have an edge over other similar competing organizations.

1.0 THE PLAN VISION,MISSION AND IMPLEMENTATION STRATEGIES

Vision

A world class SACCO with economically empowered membership

Mission

To pool resources and faithfully manage our savings for availing affordable credit and higher returns

1.1 Plan vision, mission and core values

Core values

Our core values are:

- Integrity
- Considerate
- Faithful stewardship
- Quality services
- Customer focused
- Accountability
- Competence
-

1.2 Plan objectives

Strategic objectives

The following Strategic Objectives will guide the direction of the Society in the plan period:

- To increase membership and shareholding by 30%
- To strengthen management to maximize on profit and reduce default rates
- To provide timely and affordable credit
- To diversify investments and products for higher returns

1.3 Strategic objectives and key activities

Strategic Objective 1: To increase membership and shareholding by 30%

- Marketing and awareness
- Training and education on investment through SACCO
- Develop electronic and manual IEC material

Strategic Objective 2: To strengthen management to maximize on profit and reduce default rate.

- a. Build management capacity
- b. Enhance management systems
- c. Mainstream use of ICT in all operations
- d. Strengthen credit management

Strategic Objective 3: Provide timely and affordable credit:

- a. Avail credit to qualified applicants
- b. Streamline use of ICT on loan application

Strategic Objective 4: Diversification of investments and products for higher returns

- a. Introduce more products
- b. Invest in high return and low risk markets
- c. Develop networks and partnership for diversification of products

4.0 PLAN IMPLEMENTATION MATRIX

Strategic Objective 1: Membership and shareholding growth by 30%

Strategy	activity	Verifiable indicator	Resources	Timeframe	Responsible person
Marketing and awareness	Segmentation and mapping of potential members	Report	Human budget	Jan 2022	BDEC
	Visit institutions, Parishes & other targeted constituencies to register additional 30% new members	Record of new registration	Human Meeting hall budget	Quarterly	BDEC
	Exhibitions during Church functions e.g., GA, GAC and Group Conferences	Report	Human Exhibition material	Twice a year	BDEC
	Use mass media (e.g. Kirk TV) to market SACCO	Report	Funds	Annual	BDEC
Education on investment through SACCO	Education in atleast 8 centres every year	Report	Human Meeting hall budget	By Aug every year	BDEC
	Education during AGM and Church forums	Report	Facilitator	Once a year	BDEC
	Virtual education	Report	Human capital	Twice a year	BDEC
Enhance retention of members	Revive 90% of dormant members	Report	Human capital	By Dec 2023	BDEC

Strategy	Activity	Verifiable indicator	Resources	Timeframe	Responsible person
	Develop customer complaint and feedback mechanism	Report	Human	By Dec 2022	BDEC
	Develop customer exit questionnaire	Exit assessment tool	Human	By Dec 2021	Manager
	Develop customer friendly products	Report	Human capital	Yearly	BDEC
Develop electronic and manual IEC material	Improve website and update monthly	Operational website	Finances and human	By end of June 2022	Manager
	Monthly update of Facebook and other social media networks to market SACCO	Operational social media	Finances and human	From January 2022	ICT Manager

Strategic Objective 2: Enhance management to maximize on profit and reduce defaulters

Strategy	Activity	Verifiable indicator	Resources	Timeframe	Responsible person
Build staff capacity	Assessment on critical areas for staff development	Report	Human	By Dec 2021	FAC
	Develop special staff education and training fund	Report	Finances	By June 2022	FAC
	Train at least one staff per year	No of staff trained and certificate	Funds trainee	Every year	FAC
	Support staff self-training	No of staff trained	Funds	From June 2022	FAC
	Organize team building and bonding forums for staff and Management	Report	Funds venue	Yearly	FAC
	Induction of new board Members	Report	Funds venue	Yearly	Board
Enhance management systems	Upgrade financial management system	Report	Funds	By Dec2022	FAC
	Revise Business plan	Revised BP	Funds	By December 2023	BDEC
	Revise HR manual	Manual	Funds	By December 2022	FAC
	Develop customer service charter	Manual	Funds	By December 2022	FAC

Strategy	Activity	Verifiable indicator	Resources	Timeframe	Responsible person
	Initiate ISO certification process	Report	Funds and human capital	From July 2022	FAC
	Develop and implement staff monitoring and evaluation tools	Manual and appraisal forms	Funds	By December 2021	FAC
Mainstream use of ICT in all operations	Develop potential members database	Database	Personnel	By December 2022	FAC
	Enhance website interactivity and content	Active Website	Funds	By June 2022	FAC
	Develop IT system for credit access evaluation	Report	Technical Personnel	By December 2022	FAC
Strengthen credit management	Enforce credit and lending policies	Policy document	Human	Continuous	CRMC
	Monthly reporting of non-performing loans	Report	Human	Continuous	CRMC
	Information sharing with other service providers including CRB and SASRA	Report	Human	Continuous	CRMC
Provide adequate SACCO office space	Construct/ Hire additional Offices	Physical Facility	Funds	December 2024	FAC

Strategic Objective 3: Provide timely and affordable credit

strategy	activity	Verifiable Indicator	Resources	Timeframe	Responsible person
Avail credit to qualified applicants	Monthly meeting for approval of loans	Report	Funds	Monthly	CRMC
	Encourage formation of Guarantor clusters	Report on existing clusters	Non	Annually	BDEC
	Issue authority to staff to approve loans below 100, 000 based on an agreed ratio	Report	Human capital	From June 2022	CRMC

Objective 4: strategies: Diversification of investments and products for higher returns

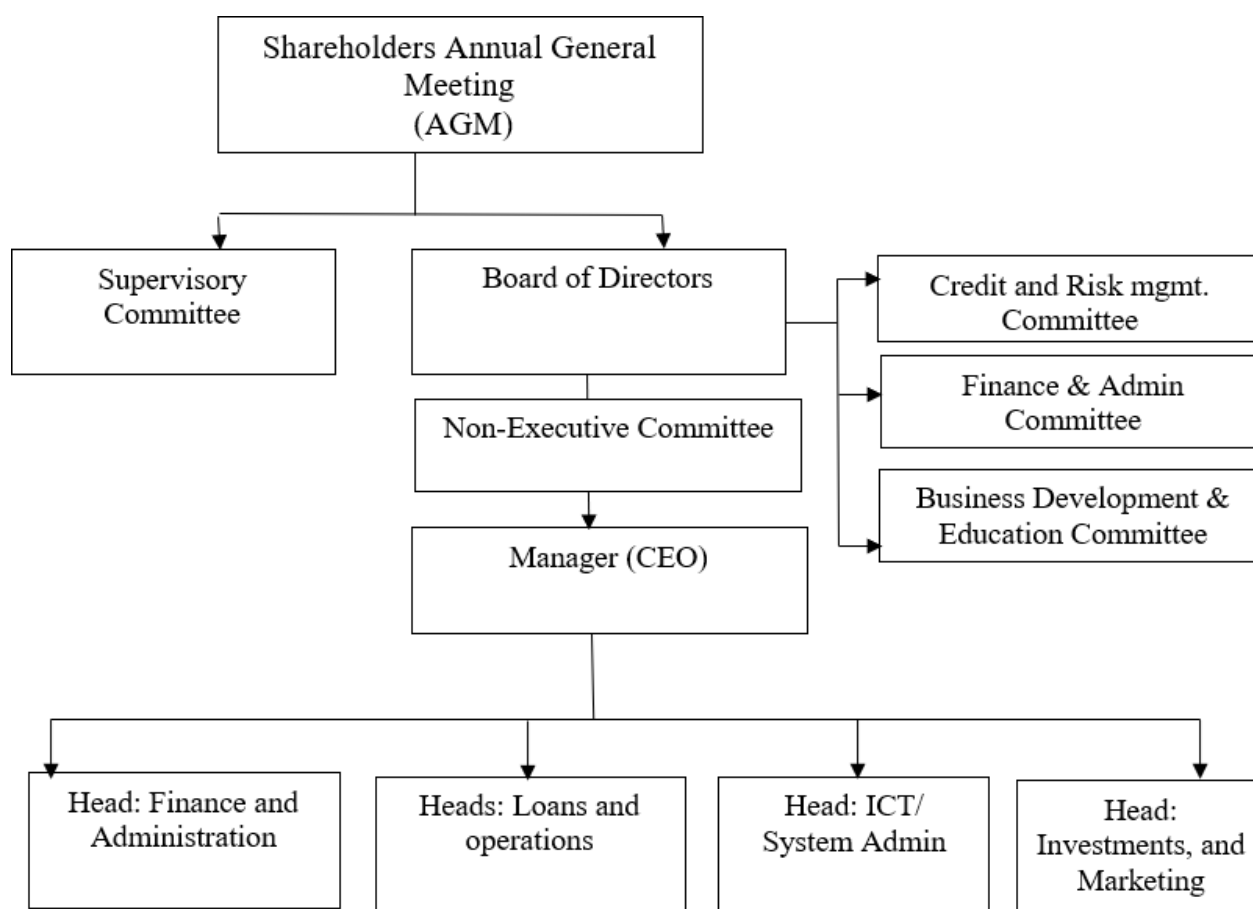
strategy	Activity	Verifiable indicator	Resources	Timeframe	Responsible person
Introduce more products	Feasibility studies of new Products	Report	Funds	By June 2022	BDEC
	Launch of a new product every Year	Report	Funds	From Dec 2022	BDEC
	Annual Review of impact of new product	Report	Funds	Dec every year	BDEC
Invest in high return and low risk markets	Identify and invest in high return and low risk markets	Quarterly Report	Funds	Quarterly	BDEC
Develop networks and partnership for diversification of products	Develop two products business partnership alliance for value addition on product Range	Partnership Agreement	Funds	Dec 2023	BDEC

strategy	activity	Verifiable indicator	Resources	Timeframe	Responsible person
	Benchmark with high performing SACCOS	Report	Funds	From January 2022	BDEC
	Implement one benchmark activity every year	Report	Funds	Annually	BDEC
Recover debts incurred during COVID-19 pandemic period	Document all debts incurred	Report	Human	From Jan 2022	SC
	Develop and enforce debts recovery agreement with debtors	Report	Human	From Dec 2022	CRMC
	Monthly monitoring of debts recovery and action taken	Report	Human	From Jan 2022	CRMC

5.0 GOVERNANCE STRUCTURE

The basic structure of co-operative leadership and management has three levels.

- The Shareholders Annual General Meeting (supreme organ)
- The Board of Directors and Its committees comprising of elected members during AGM.
- The Supervisory committee which report directly to the AGM
- The SACCO staff that are hired by the Board of Directors to handle the day – to -day SACCO operations



6.0 MONITORING AND EVALUATION

The Monitoring and Evaluation (M&E) are important tools for measuring accomplishments and detecting the need for adjustments. M&E will be done systematically to ensure the plan implementation is on course and remains relevant to the needs of the Society. Establishment of clear reporting schedules and feedback mechanism will be necessary and will involve actions to be undertaken on specified monitoring results in terms of resources adjustments, change strategy or review of programme activity. Key personnel will be identified and trained to improve M&E skills.

The following tools and procedures will be standardized and adopted for M&E: -

- Monthly Loan Tracking Reports –
- Monthly, quarterly, and annual Trial Balance, Profit and Loss Accounts, and Balance Sheet.
- Annual performance benchmarking and appraisal
- Annual work plans
- Quarterly progress reports
- Mid-term internal evaluation
- Annual reports
- Summative external evaluation

Operating Guidelines, Policies and Procedure Manuals

The following guidelines, policies and procedure manual are recommended to be revised within the plan period.

1. Board of Directors Charter
2. Business plan
3. Disaster management and business continuity policy
4. Dividend policy
5. Election policy
6. Finance and accountability policy
7. Human resource policy manual
8. ICT policy
9. Information preservation policy
10. Investment policy
11. Liquidity and assets liability management policy and procedure manual
12. Procurement system and procedure manual
13. Risk management policy
14. Savings policy

APPENDIX 1: ANALYSIS OF ACHIEVEMENT OF PREVIOUS PLAN

Strategic Objective 1: Increase members' assets by 50% over the plan period

Strategy	Activities	Output/Targets	LEVEL OF PERFORMANCE		
			100% achieved	Partially done	Not done
1.1 Manage Savings	- Improvements on means of depositing and withdrawing, so that modern technology is used	Improve collections through other Means eg M-Pesa and Mobile banking 1/1/2016		X	
	- Invest funds for those who are retired and a system	Invest by 31/12/2016			X
1.2 Investment	- Invest in real estates - Register a housing cooperative	Already Done	X (HOUSING)		X Real estate
	- Improve on fixed asset base – buy flats, land or money market.	On-going		X	
	- Help members get medical insurance covers	Produce insurance concept and costs by 31/12/2010			X
	- Investigate more ways of investing			X	
	- Diversify membership to include PCEA Presbyteries, parishes, congregations, groups, institutions and individual membership	Produce marketing strategy by December 2010 marketing		X	
			1	4	3

Strategic Objective 2: Improve lives by providing and increasing credit by 50% pa over the plan period.

Strategy	Activities	Output/Targets	LEVEL OF PERFORMANCE		
			100% achieved	Partially done	Not done
2.1 Availing Credit	Form cluster groups for guaranteeing	Members to group themselves in Parishes or Congregation.		X	
	Increase/diversification products	Already in place the current ones being Rudi tena plus and Normal plus loan.	X		
	Merging with other small saccos in our church and providing credit and advisory services to them	On Going		X	
	Creation of a world wide website to allow us to reach to our members world wide	Already in place :www.pceasacoltd.co.ke		X	
	Enhancing awareness of available products	On going	X		

Strategic Objective 3: Reduce possible loss through improved debt management and non- performing loans by 50%

Strategy	Activities	Output/Targets	100% achieved	Partially done	Not done
3.1 <u>Improve our debts collection strategies.</u>	- Credit control policies-history of loan repayment and guarantee position	Already in place		X	
	- Consider engaging a debt collector	Ensure defaulters are Followed			X
	- Maintain close collaboration with GA officials	On going	X		
	- Do analysis of non-paying institutions	Already in place	X		
	- Review the strategies of handling debts	Penalties to be charged on all non-paying institution and individual as per sacco policy31/12/2015	X		
	- <i>Interrogating and analyze</i> track record of certain members on their credit worthiness	Already in place through CRB		X	

Strategic Objective 4: Enhance capacity of members and of the Society


Strategy	Activities	Output/ Targets	100% achieved	Partial-ly done	Not done
4.1 Marketing	Brochures to be produced all year round to enable information dispatch	Already in Place	X		
	Regional representatives to be engaged in the 2 nd year to ease collection of debts and information dispatch	Not yet in place By 30 th June 2015			X
	Charge the presbytery, parish and church accountants to aid in debt collection and recruit new members	Already in Place		X	
	Create a website for ease of information	Already in Place	X		
	Staff training every year after needs assessment	Already in Place		X	
	Management training twice a year	Already in Place		X	
4.2 Capacity Building of members, management and staff	Member's education once a year	Already in Place	X		
	- Network with other institutions so that people can access money where they are	Already in Place	X		
4.2 Enhance capacity of the organization	- The system in place will give on- time reports	Already in Place		X	
	- Improvement of hardware upgraded versions	Already in Place	X		
	- Take advantage of the fiber optic cable to be used for modern communication	By 31 st 12 2016			<u>X</u>
	- Have a page on the diary for SACCO	Already in Place	X		
	-Produce a calendar - Improve on marketing strategies	Not in Place 31-12-2015			X

Strategic Objective 5: Come up with new Innovations to widen services

Strategy	Activities	Output/Tar-gets			
5.1 Research and Innovation	Research on more products and their introduction to the members such as purchase of tanks, furniture's and other assets	In Progress		X	

Strategic Objective 6: Enhance Networking and Partnerships

Strategy	Activities	Output/Targets			
6.1 Networking and Partnering	Join networks of Cooperative institutions to tap into their shared Wealth eg KUSCCO	In Progress		X	
	Partner with Cooperatives of similar interests to have joint activities for mutual benefits	In Progress		X	



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