



# **ACCOSCA**

**8<sup>TH</sup> LEADERSHIP FORUM**

**ACCRA – GHANA**

**MARCH 5 -10, 2017**



# TOPIC

- **HOW TO MIBILIZE SACCOS TO BECOME SELF FINANCED AND TO GET BETTER RETURNS FOR MEMBERS**



# INTRODUCTION

**The SACCO System is a Movement** that operates with certain defined principles and practices. This demands that they work together to foster the growth and development of the member, the community and the country as a whole using savings as a tool for human development



# INTRODUCTION

## THE INDUSTRY EXISTS:

- As a unique financial institution promoting the interest of members at all levels
- To inculcate the habit of savings in members.
- To develop internal systems to promote growth
- To protect their image
- To unite strongly to protect the interest of the Movement / Industry



# PROMOTION OF SACCOs

- In some countries in Africa SACCOs are promoted by:
- Interested Donors or Partners
- The Government
- By NGOs
- By the SACCO Apex Institutions supported financially by Interested Partners



# PROMOTION OF SACCOs

- The motive for promoting SACCOs may differ from one institution to the other. The question is, who should be responsible to promote growth and development, educate members and the public, protect the image and represent the SACCO Movement in a given country?



# THE LEAGUE

- In almost all the Africa Countries, this is seen to be the role of the National Association/ the League. The major challenge facing most of the member countries is which comes first:



# THE LEAGUE

- Building strong SACCOs before creating a League
- Creating a League to be responsible for SACCO promotion and development
- Developing a League alongside the development of SACCOs





# THE LEAGUE

- **Who decides? Can it be sustained in the years ahead?**
- **Who should finance the League's activities?**



# THE NEED FOR A UNITED FRONT

- IF there is no mechanism for SACCOs in a given country to unite and work together to promote, project and to protect the image of the SACCO industry the co-operative principles and practices would be compromised.



# THE NEED FOR A UNITED FRONT

- The SACCO Movement would not grow and compete favourably with their competitors under such circumstances. The image of the SACCO Industry would be tarnished as some countries are experiencing now.



# CREDIT UNION HEADQUARTERS



Canadian Co-operative Association

**AFRICAN CONFEDERATION OF COOPERATIVE SAVINGS AND CREDIT ASSOCIATIONS (ACCOSCA)**



# **CREDIT UNION TRAINING CENTRE CONFERENCE HALLS**



Canadian Co-operative Association

**AFRICAN CONFEDERATION OF COOPERATIVE SAVINGS AND CREDIT ASSOCIATIONS (ACCOSCA)**





# **CREDIT UNION TRAINING CENTER – HOSTEL**



Canadian Co-operative Association

**AFRICAN CONFEDERATION OF COOPERATIVE SAVINGS AND CREDIT ASSOCIATIONS (ACCOSCA)**



# YOUTH SAVINGS



Canadian Co-operative Association

**AFRICAN CONFEDERATION OF COOPERATIVE SAVINGS AND CREDIT ASSOCIATIONS (ACCOSCA)**



# NET-WORKING

- SACCO in rural communities – especially those where the legal system and capital market are weak – need networking services that close key gaps and provide training and technical support to local populations.





# NET-WORKING

- The SACCO Movement has never been built through single organizations. Instead, it has been built by bringing the movement's greatest strength at the community level – co-operation – up to the national and international levels.

-



# NET-WORKING

- It's the size and competence of the whole national SACCO that drives performance, not the size of individual units in it.
- 
- At its best, networking is a highly efficient and effective way of ensuring that community-based financial institutions have access to exactly the services they need and are prepared to pay for.



# NET-WORKING

## THE WORLD WIDE STRUCTURE





# THE ROLE OF THE MOVEMENT

- SAFETY, SOUNDNESS AND PROTECTION
- Internal Controls, Supervisory Committee, Spot checks
- Operational policies and Bonding programs
- Monitoring
- External Controls, Timely Intervention – Early Warning System



# THE ROLE OF THE MOVEMENT

- IMAGE AND CONFIDENCE BUILDING
- Central Finance Facility (System Liquidity Control)
- Risk Management (System Insurance)
- Deposit Guarantee Scheme (System Deposit Loss Control)
- Minimum Operation Standards
- Employees' Pension Plan (Staff Stability System)



# THE ROLE OF THE MOVEMENT

- SYSTEM GROWTH AND DEVELOPMENT
- Criteria for Credit Union Operations
- Continuous Education and Training
- Development of Strategic Plans and Budgets
- Technology



# THE ROLE OF THE MOVEMENT

- SYSTEM GROWTH AND DEVELOPMENT
- Initiating other products and services
- Opening of common bond
- Mergers
- Opening branches
- Takeovers etc.



# THE ROLE OF THE MOVEMENT

## **COMPLIANCE**

- The Co-op Act and Byelaws
- Resolutions
- Policies
- Performance Standards
- Classification
- Effective Supervision
- Annual Audits.





# CHALLENGES

- SACCOs have no long-term plans – they have short term visions
- SACCOs and their apexes suffer from over-reliance on external and government's support thereby sacrificing their autonomy and long term sustainability. In some countries people view them as government institutions or project driven groups.



# CHALLENGES

- Leadership attitudes in the SACCO movement in Africa have changed dramatically. They are characterized by: **egocentrism, selfishness, self-centeredness, low levels of commitment and lack of will power** to grow SACCOs so that they can continue to positively influence the lives of members and humanity in general



# CHALLENGES

- Lack of support from larger SACCOs to allow the net-work to effectively function as a national body
- Lack of 'patriotism' ***BE A GOOD AMBASSADOR FOR YOUR COUNTRY THROUGH THE SACCO MOVEMENT.***



# CONCLUSION

- Members will love to rely on an institution that is sustainable in the long term. SACCOs may be unable to assist the poor and the low income groups or fulfil its mandate of raising the standards of living if it becomes financially weak and unsustainable.



# CONCLUSION

- SACCOs need to support to build strong league that will in-turn provide the required services that they may need from time to time. In such situation the member is always the winner.



## CONCLUSION

- ***“What we do for ourselves dies with us. What we do for others and the world remains and is immortal.” - Albert Pine***



# CONCLUSION

- *"In every deliberation, we must consider the impact on the seventh generation... even if it requires having skin as thick as the bark of a pine." This is an often repeated saying, and most who use it claim that it comes from ["The Constitution of the Iroquois Nations: The Great Binding Law."](#)*
-