

# Kenya In Recovery

By Mike Muckian

JESUS CHAVEZ

Riots erupting throughout Kenya at the end of 2007 in response to results of the country's presidential election temporarily slowed World Council of Credit Unions' (WOCCU) development efforts in the country's credit unions, known as SACCOs. WOCCU has three projects underway in Kenya.

The SACCO Growth Project, funded by the Gates Foundation and directed by Jesus Chavez, is designed to expand credit union services to the poor in Nairobi's Kibera neighborhood. The second project, Mitigating the Impact of HIV/AIDS on Economic Growth through Credit Union Modernization, Institutional Restructuring, Agricultural Business Development and Services and Education, is overseen by Sam Dunlap in the city of Kisumu, and funded by the United States Department of Agriculture. The SACCO Capacity Building Program, a third effort managed by Erick Sile, is designed to provide technical assistance to consultants who work with credit unions.



**Erick Sile**

WOCCU Project Director, Kenya

Sile, a Cameroon native and six-year WOCCU veteran, was at home in Nairobi when the riots began and watched the country slowly come back to life after the violence.

**Credit Union World: Did Kenya's SACCOs suffer any damage during the riots?**

**Erick Sile:** It's too early to determine if any SACCO in Kenya has suffered physical damage. None of the SACCOs currently working with WOCCU programs in Kenya have been destroyed or looted. Given that SACCOs are owned by communities, the sense of belonging is very strong in these organizations. I do

not foresee any violence targeting SACCOs that members zealously hold dear. However, employees and members of some SACCOs have fled over fears of violence.

In regions such as the Rift Valley, it has been reported that thousands of tea farm employees have deserted the estates to seek refuge in police stations and churches. At least 90%

of people employed in tea farms belong to SACCOs. Among people displaced were SACCO employees. I spoke with Simon Gichuhi, general manager of Ndege Chai SACCO in Kericho in the Rift Valley who said SACCO and tea farm employees slowly returned to work as the situation calmed down.

**CUW: Does the uncertainty cause concerns for Kenya's SACCOs?**

**ES:** Riots, rallies and violence have ceased in most parts of Kenya. Perceived instability will definitely have a negative impact on the functioning of SACCOs in the medium term. All we wish for is peace for all Kenyans to resume work permanently.

**CUW: What counsel have you been able to give SACCO managers in terms of operating in the current situation?**

**ES:** Some regions of Kenya may experience civil disobedience. If this situation happens, rural SACCOs will be mostly affected as their members will lack the necessary income to service their loans. Some SACCO members in rural areas won't be able to report to tea factories; others will have difficulties transporting their harvest to main towns, hindering their ability to earn money to save in SACCOs. 🌐

## KENYA



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