



REPUBLIC OF KENYA

**REMARKS BY HIS EXCELLENCY HON. WILLIAM  
SAMOEI RUTO PhD, CGH, THE PRESIDENT OF  
REPUBLIC OF KENYA AND COMMANDER –IN-  
CHIEF OF THE DEFENCE FORCES DURING THE  
USHIRIKA DAY CELEBRATIONS**

**JULY 1ST, 2023**

**KICC, NAIROBI**

## **Distinguished Guests,**

### **Good Morning,**

1. The bottom-up economic transformation agenda 2022-2027, outlines bold government commitments to undertake transformational interventions across various sectors. For these interventions to be successful, it is imperative for us to effectively overcome a number of critical challenges that have been defining features of our socioeconomic fabric for decades.
2. The first challenge is the informality of our economy. Most of our economic activity takes place in the informal sector, which accounts for over 10 million jobs, and contributes a significant portion of the national GDP.
3. As a result of this informality, millions of productive people are denied affordable credit, training and capacity building, access to essential public amenities and the protection of the law. In fact, many operate on the margins of legality, since their economic activity runs frequently afoul of myriad regulations that they find difficult or costly to comply with.
4. Owing to informality, many business operators and entrepreneurs in Kenya are effectively excluded from the opportunities required by businesses to expand and become more competitive. For this reason, they are denied the economies of scale and remain too small to be viable, let alone efficient. This means that operators must work harder and take more risks just to stay afloat.



5. The bottom-up economic agenda is a plan to transform the economy by enlisting all these millions of hard-working Kenyans into the struggle for shared prosperity, thereby ensuring, not only that the national economy grows at a more rapid rate, but also that no one is left behind in the ensuing wealth creation.
6. To address these serious challenges and set our economy upon a firm growth trajectory, we identified the cooperatives movement as the most potent instrument of executing the required transformation across many sectors.
7. The government therefore looks to the cooperative movement as a fundamental transformational institution for several reasons. First of all, it provides a sustainable pathway towards the formalization of marginal and informal sector operators and entrepreneurs. Secondly, it performs the function of aggregation for small-scale producers and their resources, enabling them to leverage economies of scale that would otherwise be out of reach. Thirdly, cooperatives, especially saccoes, perform an essential financial inclusion function that expands the national penetration of savings and credit services, while also making affordable credit available to people struggling to earn livelihoods at the bottom of our socioeconomic structure.
8. By all accounts, all these are vital functions for the economy, since no transformation at all is possible without it. They are indispensable in facilitating upward social and economic mobility of large numbers of Kenyans, driving rural wealth creation and accelerating poverty reduction.



9. The cooperative movement also harnesses our nation's defining, collectivist socio-cultural and political ethos as the engine of economic progress in numerous value chains, including dairy, coffee and tea, maize and rice, edible oils, leather, garments and textiles, artisanal mining, artisanal fishing and horticulture, as well as housing.
10. On this Ushirika Day, therefore, I am immensely delighted to be here with you as we reflect on the fundamental social and economic role played by a sector that serves as this nation's silent but powerful engine of transformation. The success of cooperatives is a testament of the power of aggregation and inclusion in the true spirit of our national motto: Harambee.
11. In recognition of the cooperative movement's immense contribution and the transformative opportunities that come with it, the government is committed to supporting the sector through institutional reform measures, including the harmonization of legislation governing various crops, with the aim of reducing the cost of production, thereby boosting production and competitiveness.
12. For the dairy sector, investments in preservation and processing infrastructure are aimed at building up the country's capacity to export to our regional as well as broader African market. The modernization of the Kenya Cooperative Creameries will enhance its efficiency and enable it sustainably manage milk market glut by converting excess milk into powder, thereby stabilizing prices.
13. Under a highly promising collaboration with county governments, we are setting up aggregation and



distribution centers for storage, value addition and marketing of agricultural products. The objective of this partnership is to reduce postharvest losses, eliminate predatory cartels and boost farmer incomes.

14. Interventions in the dairy sector, including the waiver of duties on the ingredients of animal feed, are all aimed at raising national milk production from 2 litres on average, to 7 litres per cow daily, enhancing small-holder incomes.
15. Similarly underway are investments to refurbish coffee factory infrastructure, explore new export market opportunities in anticipation of increased coffee production, and enable the Kenya Planters' Cooperatives Union to mill and market coffee, provide affordable credit and subsidise inputs to coffee growers. This is how we intend to improve coffee productivity from 2 kilogrammes per tree to 5 kilogrammes and raise national production from 51,000 metric tonnes to 81,000 MT in the next crop year, and thereafter, 200,000 MT in the next 5 years.
16. In the textiles sector, we have introduced appropriate incentives to stimulate production of high-yielding, disease and pest-resistant BT cotton varieties, as well as expanded cotton growing in semi-arid areas. The vehicle of implementing these measures is the cooperative cotton ginneries, whose modernization is a major strategic investment of the government.
17. Additionally, we are in partnership with county governments to provide training and extension services with the objective of improving the quality and productivity in the leather industry. Through the strategic location of



abattoirs, we shall be able to ensure the standardization of quality in beef and leather production.

18. Our interventions extend to the horticultural value chain, where processing plants, like the one in Ol Kalou are being expanded. In addition to this, new fresh produce cooling and processing plants are being established in various centres across the country, including Kipipiri, Ndaragwa, Ol Joro Orok, Kesses, Timboroa, Londiani Elburgon, Molo and Mogotio.
19. We are also investing in the rehabilitation and expansion of farmers' markets throughout Kenya, the way we have commenced at the Tharaka Nithi market.
20. Our interventions extend further afield to the Blue Economy, where we are committed to support a number of fishing cooperatives in Nyanza and Coast regions in order to enable them acquire cold rooms and fish processing equipment.
21. On the same vein, mining cooperatives in Kwale, Taita Taveta, Bugoma, Migori, Homa Bay and Kakamega are earmarked for dedicated investments aimed at revitalizing the artisanal mining value chain.
22. Savings and Credit Cooperatives continue to play a major role in deepening the housing market through personal loans as well as housing development facilities. Through partnership with the Kenya Mortgage Refinancing Company, Saccos are emerging as pioneers in the affordable housing sector.



23. Without any doubt whatsoever, our cooperatives movement has already contributed immensely to national socioeconomic development and is poised to escalate this contribution to an exponentially transformational scale.
24. For this reason, the government is determined to take appropriate measures to ensure full implementation of Sessional Paper number 4 of 2020 on National Cooperative Policy, which recognizes and embraces the fundamental mandate of 'Promoting Cooperatives for Socio-Economic Transformation'.
25. New policy measures will include the establishment of a central liquidity facility and shared services platform which will enhance efficiency and quality of sacco services, while reducing operational risks encountered by saccos.
26. The changes will also facilitate short-term inter-sacco borrowing and similarly facilitate access to the national payment system, thereby providing effective solutions to liquidity challenges, enhancing financial stability in the sector.
27. I take this opportunity to commend and thank the cooperative movement for its enthusiastic response to the government's tree planting and forest restoration programme through its Cooperatives for Climate Action rallying call. I encourage all cooperative societies, and every cooperator in Kenya, to stand up and be counted on this matter of grave importance for our present and future generations.
28. I am proud of the role played by our cooperative movement in driving national economic transformation. Its



achievements so far, and its level of dedication to the inclusion and empowerment of cooperators throughout the country, give us reasons to be confident that together, we are marching steadily along the path towards inclusive growth, shared prosperity and sustainable development. I therefore wish you all success in your noble undertakings.

**God Bless You and our cooperative venture.**

