

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 5th May, 2004

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

NOTICES OF MOTIONS

REPEAL OF IRRIGATION ACT

Mr. Oloo-Aringo: Mr. Speaker, Sir, I beg to give notice of the following Motion:- THAT, this House do grant leave to introduce a Bill for an Act of Parliament to repeal the Irrigation Act, Cap 347, and to replace the same with appropriate law to promote irrigation farming and control of floods; to provide for active participation of beneficiaries in the irrigation sub-sector; and for matters connected therewith and incidental thereto.

AMENDMENT OF KENYA ROADS BOARD AND CONSTITUENCY DEVELOPMENT FUND ACTS

Mr. Kimeto: Mr. Speaker, Sir, I beg to give notice of the following Motion:- THAT, in view of the Governments commitment to develop the rural roads transport network in the country through the Kenya Roads Board allocation; aware that the tendering and the management of the roads under construction at the district and constituency levels are riddled with corruption and ineptitude; this House do grant leave to introduce a Bill to amend the Kenya Roads Board Act and the Constituency Development Fund Act to empower the Constituency Development Fund Committees to manage the roads funds distributed to the constituencies and to ensure that the manual labour and equipment are sourced from within the constituency.

(Applause)

PROVISION OF LOANS TO NEEDY STUDENTS IN MIDDLE LEVEL COLLEGES

Mr. Koros: Mr. Speaker, Sir, I beg to give notice of the following Motions:- THAT, in view of the significant contributions made by graduates trained in our tertiary institutes in national development; aware that many brilliant young people

cannot access tertiary education due to lack of fees; this House calls upon the Government to provide loans to all needy students in middle level colleges throughout the country.

(Applause)

DECLARATION OF 15TH MARCH AS
KATIBA DAY

THAT, in view of the sacrifices of lives and the amount of resources and time spent by Kenyans to fight constitutional and economic reforms in the past two decades; aware that the National Constitutional Conference at the Bomas of Kenya; the optimum review process adopted a draft Constitution by a two-thirds majority on 15th March, 2004; this House resolves to declare 15th March a national holiday to be known as *Katiba Day*.

(Laughter)

CONTROL OF IMPORTATION OF CHEAP
AGRICULTURAL COMMODITIES

Prof. Olweny: Mr. Speaker, Sir, I beg to give notice of the following Motion:-
THAT, in view of the fact that agriculture is the economic backbone of this country, and that the agricultural sector is threatened by cheap commodity imports from countries in which agriculture is subsidised; this House urges the Government to urgently curb the importation of maize, rice and sugar and facilitate the production of these commodities by putting in place production support pads for each of these commodities.

EXPANSION OF TRANSMISSION SIGNALS

Prof. Oniang'o: Mr. Speaker, Sir, I beg to give notice of the following Motions:-
THAT, in view of the recognized role of the media in promoting development and democracy in the country, aware that some regions do not receive signals of the national broadcasting station; this House urges the Government to fund the expansion of transmission signals to all regions of the country.

(Applause)

IMPLEMENTATION OF MINIMUM STANDARD FOR PUBLIC HEALTH INSTITUTIONS

THAT, noting that the country's population growth rate is high, recognizing that the existing public medical facilities are inadequate in the provision of medical care to all citizenry; this House urges the Government to set up and implement a minimum standard for all public hospitals, health centres and dispensaries.

ORAL ANSWERS TO QUESTIONS

*Question No.201*POSTING OF TEACHERS TO
KASEVE SECONDARY SCHOOL

Mr. Mbai asked the Minister for Education, Science and Technology:-

- (a) whether he is aware that Kaseve Secondary School in Muthesya Location has only one Government teacher; and,
(b) what he is doing to post teachers to this school.

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that Kaseve Secondary School in Muthesya Location has one Government teacher, as there are two Government teachers, namely:-

Name	TSC No.	Designation	Subject
(1) Mr. Justus M. Mbae	335051	Grad. Teacher (H/T)	Geo/CRE
(2) Mr. Dominic Munyao	429121	Grad. Teacher (D/HT)	Eng/Lit

(b) The school will be provided with three additional teachers after the next recruitment exercise for teachers.

Mr. Mbai: Mr. Speaker, Sir, I want to thank the Assistant Minister for posting one more teacher to the school. This is a young school which is doing its first Form Four examinations this year. It is shameful for the Government to have a school with four classes with only two Government teachers. When is this recruitment going to be done?

Dr. Mwiria: Actually, the school has only two classes; forms one and two, and 35 students. So, basically---

Mr. Mbai: On a point of order, Mr. Speaker, Sir---

Mr. Speaker: Order! You must allow the Assistant Minister to speak!

Dr. Mwiria: The recruitment exercise will be done as soon as we have negotiated this issue with the Treasury and we have the resources to do so.

Mr. Mbai: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to say that the school has two classes, yet the school is preparing its students to sit for the Form Four examinations for the first time this year?

Mr. Speaker: Well, are there four classes, or there is only Form Four and form one? Or is it Form Four and Form Three?

Mr. Mbai: It has form one up to Form Four. It is doing its first Form Four examinations this year. It has four classes.

Dr. Mwiria: Mr. Speaker, Sir, we have records on this school which show that we have only 21 students in Form I and 17 students in Form II.

Dr. Godana: On a point of order, Mr. Speaker, Sir. Maybe the Assistant Minister's records are outdated. The hon. Questioner has told us that there are four classes. If the Assistant Minister can give us figures only for Forms One and Two, then it means that he does not have the figures for Forms Three and Four. Why can he not promise to go back and check and then come back with the correct answer?

Dr. Mwiria: Mr. Speaker, Sir, that proposal by Dr. Godana assumes that I gave the wrong answer. Basically, we are assuming that the information given by the hon. Member is correct and the information I am giving is false. I do not mind about that. I and the hon. Member can get

together and check this information. However, this is the information I have been given about the school.

Question No.172

ASSETS AND LIABILITIES OF AFC

Dr. Kibunguchy asked the Minister for Agriculture:-

- (a) what the liabilities and assets of the Agricultural Finance Corporation (AFC) are;
- (b) considering that the former Managing Director of the AFC was found by the probe Committee appointed by the Minister to have misappropriated billions of shillings, how much of the money he was ordered to refund has been refunded; and,
- (c) what timeframe the former Managing Director has been given to refund the money and what other punitive measures have been extended to him.

The Assistant Minister for Agriculture (Mr. J. Nyagah): Mr. Speaker, Sir, I beg to reply.

(a) The assets of the AFC amount to Kshs4.014 billion while the liabilities are Kshs0.66 billion.

(b) I have asked the Inspector-General of State Corporations to swiftly invoke Sections 19(1) and (2) of the State Corporations Act, Cap.446, with a view to surcharging all those mentioned in the probe report, including the former Managing Director.

(c) The due process of law shall determine what punitive measures are to be taken.

Dr. Kibunguchy: Mr. Speaker, Sir, I am afraid to say that the Assistant Minister has not adequately answered my Question. I asked him to tell us how much money the former Managing Director took. I remember very well, when the report was being given, the Minister said that the former Managing Director had been given time to repay the money.

Mr. Speaker: Order, Dr. Kibunguchy! In fact, you are asking the Assistant Minister to answer what you have already presumed. You have already come to a conclusion, on your own, that the former Managing Director took billions of shillings. So, you actually know! So, why do you ask what you know?

Dr. Kibunguchy: Mr. Speaker, Sir, I was asking how much the former Managing Director has repaid. The probe report was very clear; that Kshs4 billion was lost. How much has been repaid?

Mr. J. Nyagah: Mr. Speaker, Sir, the former Managing Director has not repaid anything. As I have stated in "b" above, we are in the process of instructing the appropriate authorities to ensure that recovery of the amount of money attributed to the former Managing Director is made. Incidentally, the amount of money attributable to the former Managing Director is approximately Kshs17.5 million, and not Kshs4 billion.

Mr. Muchiri: Mr. Speaker, Sir, could the Assistant confirm that one of the assets of the AFC is a block of offices along Moi Avenue? Could he tell us who manages that block of offices and for how much?

Mr. J. Nyagah: Mr. Speaker, Sir, I do not have that information. The information I have is that the AFC engaged in activities that would not be considered to be of core business nature.

Dr. Kibunguchy: Mr. Speaker, Sir, why has the Ministry applied double standards? We know very well that some of the former chief executives who were involved in such activities are now in court. Why was the former Managing Director of the AFC let to go scot-free?

Mr. J. Nyagah: Mr. Speaker, Sir, as I have said, we have received the report and studied it. We are in the process of passing it to the relevant authorities who will take the appropriate action. In fact, there are ten proposed actions that should be taken against the former Managing Director. I am sure the appropriate authorities will do so.

*Question No.174*EXPANSION OF BUTERE/MUMIAS DISTRICT
HOSPITAL FACILITIES

Mr. Oparanya asked the Minister for Health:-

- (a) whether she is aware that treatment facilities at the Butere/Mumias District Hospital are inadequate and cannot cope with the demand for services; and,
(b) when she will expand the existing facilities from those of a health centre to those of a district hospital.

The Assistant Minister for Health (Mr. Konchella): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Butere District Hospital does not have adequate facilities. It, however, offers basic services that should be offered at a district hospital.

(b) The hospital was upgraded from a health centre status to a district hospital status five years ago without corresponding planning to upgrade its facilities. The plan and design for upgrading the facility to a district hospital has been undertaken by the Provincial Works Officer (PWO), Western Province, and presented to the Ministry of Health. The following basic facilities are being improved on priority basis:-

(i) A theatre at the cost of Kshs4.5 million. Construction is on-going and the final Authority to Incur Expenditure (AIE), of Kshs400,000, has been given by the Ministry to complete the project.

(ii) A laboratory worth Kshs493,290 has been completed.

(iii) A generator house at the cost of Kshs58,000 has also been completed and the generator has been installed.

(iv) An insulator worth Kshs36,000 has also been completed and is in use.

(v) A pharmacy and a consultation room have also been completed and are in use. However, construction of wards costing Ksh50 million and other required facilities at the hospital will be factored into the Ministry's next Medium-Term Expenditure Framework, so that the hospital is brought to the required level of a district hospital.

Mr. Oparanya: Mr. Speaker, Sir, I thank the Assistant Minister for the answer. There is a difference between a nursery school and a primary school and between a primary school and a secondary school. This facility is a health centre, which was upgraded to a district hospital to serve 500,000 people.

Mr. Speaker, Sir, this hospital does not have an X-Ray facility and the Assistant Minister has not mentioned it. It also does not have a theatre and doctors. There is only the Medical Officer of Health (MOH) who is serving the whole district.

Could the Assistant Minister tell this House when the construction of the wards will start? This hospital was upgraded ten years ago.

Mr. Konchella: Mr. Speaker, Sir, the theatre is about to be completed. An AIE of Kshs400,000 was issued to complete the final phase of the construction. The contractor has been given the go ahead to move on site. So it will take a month or so, for the theatre to be completed.

Mr. Oparanya: On a point of order, Mr. Speaker, Sir. Why is the Assistant Minister misleading this House that the theatre is being completed? It has taken three years without any construction going on.

Mr. Speaker: That is an argument!

Mr. Shitanda: Mr. Speaker, Sir, could we know from the Assistant Minister the policy of the Ministry of Health regarding upgrading and construction of facilities in hospitals? We are having so many Questions about upgraded health centres to district hospital status, and yet the facilities on the ground have not been upgraded. What is the policy of the Ministry on this issue?

Mr. Konchella: The policy of the Ministry is based on the amounts of funds allocated by this House through the Budget. We can only plan, construct and build facilities based on what this House provides.

Mr. Hassan: Mr. Speaker, Sir, it seems as if our hon. Assistant Minister has since yesterday fallen in love with the Medium-Term-Expenditure Framework (MTEF). This is a Government document, which never gets operationalised. I would like to know from him whether there a list of the hospitals that have plans for renovation within the MTEF, which he constantly refers to, and that we look forward to having funded within the period he mentioned yesterday. If he has it, let him tell us.

Mr. Konchella: Mr. Speaker, Sir, it would not be practical for me to give a list of what all the hospitals in this country require. There are thousands of hospitals, dispensaries and even community health centres. **Dr. Godana:** On a point of order, Mr. Speaker, Sir. The Assistant Minister is taking us for a ride. The purpose of having a Ministry, with a planning department, is to plan ahead for the next four to six years. How can he tell us that it is not possible for the Ministry to give us the data on what the health requirements in this country are for the next four to six years?

Mr. Speaker: I am sure you are happy Dr. Godana, but that is not a point of order! Mr. Konchella, do not respond to that. It is not a point of order!

Mr. Oparanya: Mr. Speaker, Sir, I think that the Ministry of Health operates without any policy. Last year, I visited the Assistant Minister at his office. He promised me that the World Bank would fund a water project to supply water to the health centre. So far, nothing has been done. When is the World Bank going to supply water to the hospital?

Mr. Konchella: Mr. Speaker, Sir, the Ministry has to plan for the projects. It then has to show the plans to our development partners for them to fund a project. What we have been allocated this year from the World Bank is already in use, and the boreholes we promised will be drilled.

Question No.193

IMPLEMENTATION OF BUMALA
NURSING SCHOOL PROJECT

Prof. Mango asked the Minister for Health:-

(a) whether she is aware that Bumula "B" Health Centre Project, built through the assistance of the Finnish Government, had a planned second phase for a nurses training school; and,

(b) when the second phase will be implemented.

The Assistant Minister for Health (Mr. Konchella): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that Bumula "B" Health Centre, built through assistance from the Finnish Government, had a second phase intended for a nursing training school.

(b) There are no plans for a second phase construction work to house a nurses training school.

I am, however, aware that the structures at the health centre are dilapidated. We are planning to do renovations after assessing the cost, so as to allocate enough funds for that purpose.

Prof. Mango: Mr. Speaker, Sir, the health centre was built through bilateral agreement and taken over by the Kenyan Government. Is the Assistant Minister right to claim that there was no Phase II of the project? Could he check his books and come up with proper information?

Mr. Konchella: Mr. Speaker, Sir, the hon. Member might be having information that I do not have. However, as far as I am concerned, the Ministry is not aware of any plans to have a nurses training school in the area.

Mr. Kagwe: Mr. Speaker, Sir, given the rate of flight of nurses from this country to other destinations in the world, like the UK, USA and other countries, could the Assistant Minister undertake to enhance this facility so as to train sufficient nurses both for Kenya and for export, if necessary?

Mr. Konchella: Mr. Speaker, Sir, the Kenya Medical Training College (KMTTC) has a programme to develop training colleges in various parts of this country. It is a programme based on availability of funds to the college. I will not categorically say that it will carry out the project. However, its project is currently improving its facilities so as to admit more students for training.

Prof. Mango: Mr. Speaker, Sir, I thank the Assistant Minister for talking about the dilapidated health centre. Could he tell the House what plans the Ministry has to maintain health centres all over the country? This particular health centre had its solar panels stolen by one of its staff members.

Mr. Konchella: Mr. Speaker, Sir, the hon. Member should be happy to note that we are going to provide Kshs4,767,484 to renovate the health centre.

Question No.206

SUPPLY OF WATER TO BUMULA CONSTITUENCY

Mr. Bifwoli asked the Minister for Water Resources Management and Development:-

- (a) whether she is aware that Mukwa Location in Bumula Constituency has no permanent source of water; and,
- (b) what plans she has to ensure availability and supply of water in the location and the larger Bumula Constituency.

The Minister for Water Resources Management and Development (Ms. Karua): Mr. Speaker, Sir, I beg to reply.

I am aware that there is Malakisi River, which is a permanent water source in the proximity of Mukwa Location, Bumula Constituency. There is also a water aquifer within the location that can provide permanent water sources for the residents.

With regard to provision of water supply to Mukwa Location and the larger Bumula Constituency, the Ministry has undertaken the following.

Through the Kenya Finland Community Supply and Sanitation Programme, the Ministry has developed 73 protected springs, 163 hand-dug wells and boreholes in Bumula. Among these water facilities, Mukwa Location has benefitted from eight protected springs, two boreholes, three hand-dug wells and three dams. Water supply from wells and boreholes was established as the best option for the area instead of pumping water from the river, which would have higher operational costs. Most of the water facilities are not operational due to acts of vandalism and lack of maintenance by the beneficiary communities, who operate them after going through training by the Ministry. I, therefore, would like to request the hon. Member and other hon. Members who have similar projects, to impress upon their communities not to vandalise facilities that are meant for them.

In this regard, and in order to revive the KENFINCO water point, the Ministry has carried out a comprehensive assessment for rehabilitation requirements for the constituency and for the Western Province. We are shortly going to be engaging beneficiaries, including the local leaders, on modalities of rehabilitation and long-term sustainability. Thirty five per cent of these installations are not operational because of vandalism.

Mr. Bifwoli: Mr. Speaker, Sir, you have heard that Malakisi River is near Mukwa Location. However, the river is nearly 15 kilometres away from Mukwa. Imagine old *mamas*

walking 15 kilometres from Mukwa to this Malakisi River to look for water! What plans does the Minister have for residents of Mukwa to get piped water from Malakisi River?

Ms. Karua: Mr. Speaker, Sir, I said that the best option for Mukwa is ground water and also the hand-dug wells. I have indicated that Mukwa Location has a total of eight protected springs, two boreholes and three hand-dug wells. We will rehabilitate the ones that are not working. We, therefore, have no intention to pipe water at the moment from Malakisi River because it is not cost effective.

Capt. Nakitare: Mr. Speaker, Sir, in view of what the Minister has just said, all these rivers flow from Mt. Elgon down to Lake Victoria. Does the Minister agree that we can have this water pumped by gravitation to reduce the cost that she is worried about?

Ms. Karua: Yes, we have such plans and we shall be rolling them out in the near future.

Mr. Bifwoli: Mr. Speaker, Sir, you heard that some dams in Bumula are vandalised. I want to inform the Minister that the dams in Mukwa are not operational. How much money has the Ministry allocated to Mukwa to rehabilitate water supplies?

Ms. Karua: Mr. Speaker, Sir, we are hoping to allocate money in the coming Budget for rehabilitation of the installations in Mukwa Location and, indeed in the entire Western Province, where the KENVINCO Project was.

Mr. Speaker: Next Question.

Question No.192

ILLEGAL ALLOCATION OF KIBOKO
SETTLEMENT SCHEME LAND

Mr. Ndile alimwuliza Waziri wa Ardhi na Makao:-

(a) kama anafahamu kwamba ardhi nambari 946 Kiboko "A" Settlement Scheme wilaya ya Makueni, ambayo ilitengwa kwa matumizi ya umma mwaka wa 1992 ilinyakuliwa na watu wenye mamlaka Serikalini mwaka wa 1998;

(b) kama Waziri anaweza kutaja majina ya watu hao; na,

(c) hatua anazochukua kuhakikisha amerejeshea umma matumizi ya ardhi hiyo.

The Assistant Minister for Lands and Settlement (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that plot No.946 in Kiboko "A" Settlement Scheme was set aside for a public purpose.

(b) The plot was allocated to Peter L.N. Kiilu, the former Provincial Commissioner of Central Province, on 20th March, 1998.

(c) In view of my answer to "a" above, the question of reverting the plot to public use does not arise.

Mr. Ndile: Bw. Spika, ninashangaa sana kwa sababu Serikali iliwaahidi watu kwamba ingemaliza ufisadi kuanzia juu mpaka chini. Tarehe 10-9-98 nilimwambia Bw. Moi tukiwa katika mazishi kuwa Bw. Kiilu alikuwa ameiba shamba. Hakuna mtu ambaye hajui jambo hili kwa sababu Bi Ngilu, Bw. Katuku na watu wengine walikuwa katika mazishi hayo. Nimekuwa nikisema kuwa watu wa Ukambani hawana mashamba na wanategemea chakula cha msaada wakati wote. Nimekuwa nikisema kuwa watu wameiba mashamba.

Mr. Speaker: Order, Mr. Ndile! First relax! Uliza swali lako kwa utaratibu unaofaa, na kisha ungoje Waziri Msaidizi akujibu na upumzike.

Mr. Ndile: Bw. Spika, nilileta Swali hili Bungeni kwa sababu nilikuwa ninasukumwa juzi niwataje wale watu walioiba ardhi, na leo nina majina yao. Swali langu ni hili: Bw. Kiilu ni mkazi wa constituency ya Makueni. Ilikuwa akapata shamba huko Kibwezi? Alikuwa skwota wapi?

Mr. Speaker: Order, Mr. Ndile. For your benefit and that of all others, we will not use the Floor of this House to harass Kenya citizens who cannot respond on the Floor of this House. I think hon. Members must understand that this Parliament is not meant for vendettas. So, please do not personalise matters. This Parliament will not allow parochial bickering to be promoted here.

Mr. Sungu: On a point of order, Mr. Speaker, Sir. Could you address the hon. Member in Kiswahili because he may not understand English?

Mr. Speaker: Who told you he does not?

(Laughter)

(Mr. Wanjala stood up in his place)

Mr. Wanjala, are you on a point of order, or are you asking a question?

Mr. Wanjala: I want to ask a question. The Assistant Minister has told us the name of the person who grabbed the land. This Government did receive the report of the Commission of Inquiry into the Land Law System of Kenya and principles of national land policy framework. On page 148, it is stated that the allocation of settlement scheme plots has been seriously abused by the Provincial Administration and Local Government officers. They should be disciplined and improper allocations set aside. That was the recommendation in the report which was received by this Government, and it is supposed to implement it. The person who has been named---

Mr. Speaker: Order! This is not a debate!

Mr. Wanjala: My question is this: The person who has been named was a Provincial Commissioner. What steps is the Assistant Minister taking---

Mr. Speaker: Order! First, I want hon. Members to understand the following. I hope the Assistant Minister will put this on record. First of all, it is not a crime for any person in Kenya to hold a post.

(Mr. Ndile stood up in his place)

Order! Will you sit down? And if you stand up again you will go out. Mr. Ndile, it is about time you relaxed. Ninaomba kukuarifu kwamba nilisema hivi: Bunge hili halikujengwa kuendeleza fitina ya kienyeji. Bunge hili lilijengwa kuzungumzia mambo ya kitaifa. Kama unauliza mambo ya maskwota, ni sawa. Tafadhalini Wabunge ninawaomba mheshimu raia ambao hawawezi kuja hapa kujitetea. Kama mnataka kubishana kuhusu nani anastahili kuwa na ardhi fulani, njia ya haki ni kwenda kortini ambako kila mtu atapewa nafasi ya kujitetea.

Mr. Ojode: Mr. Speaker, Sir, in the laws of Kenya, I have never seen a provision that bars a Provincial Commissioner, a Government officer or Members of Parliament from owning land. I want to give you the chronology of events on this particular land.

This particular settlement scheme has about 984 plots, with an average size of ten acres each, with the except of six plots which were set aside for public purposes. The rest were agricultural plots. Plot No.947 is ten acres in size, and is not a public utility plot. Initially, there was a proposal to set the plot aside as a market centre.

The idea was shelved when ground reports indicated that the commercial activities in the area would be taken care of by Plot No.947, which was set aside as a trading centre. That is about 1.7 kilometres from the same plot. In addition to Mbui-Nzau Market Centre, which is about one kilometre away, Mr. Kiilu, the then Provincial Commissioner, applied to be allocated this plot in October, 1997.

An hon. Member: Why?

Mr. Ojode: Mr. Speaker, Sir, he is a Kenyan and had a right to do so. On 20th March,

1998---

*(Several hon. Members stood up
in their places)*

Mr. Speaker: Order, Members! Again, another thing is emerging that when a Minister is giving facts which may not be pleasing, hon. Members attempt to gag the Minister! This House cannot be allowed to be used to gag either the Backbenchers or the Minister. The House must get full facts. So, let the Assistant Minister say his bit.

Proceed, Mr. Ojode!

Mr. Ojode: Mr. Speaker, Sir, on 20th March, 1998, the plot was allocated to Mr. Kiilu in accordance with the Settlement Fund Trustee (SFT) regulations. Mr. Kiilu accepted the offer in May, 1998, and paid for that plot in full. That is why we released the title deed to him.

Mr. Ndile: Bw. Spika, hakuna Mbunge anayekuja hapa Bungeni kumkashifu mtu mwingine. Hata hivyo, ningependa kujua ni kigezo gani Serikali hii ilitumia kumpa Bw. Kiilu shamba hilo ilhali kuna watu wengi ambao hawana mashamba katika eneo Bunge la Kibwezi? Hatutaki Waziri Msaidizi kuja hapa Bungeni kuwatetea watu ambao wamepora mashamba yetu.

Mr. Ojode: Mr. Speaker, Sir, I would like to inform hon. Members that if anybody in this country does apply to be allocated a piece of land, the Ministry will allocate that land to him or her if it is not occupied. We are against giving out public utility land. But anybody who applies to be allocated land anywhere in this country will be given that land if it is not occupied.

Mr. Kingi: Mr. Speaker, Sir, the settlement schemes were established for the sole purpose of settling the landless. How come we are being told in this House today that anybody can be given land on a settlement scheme irrespective of whether he has land elsewhere or not?

Mr. Ojode: Mr. Speaker, Sir, I have said this land was not meant for squatters. It is a 10-acre piece of land which was initially set aside for the construction of a trading centre. However, the construction of that trading centre was transferred from this particular plot to another plot because of proximity.

Mr. Speaker, Sir, if there is any individual who requires land which is set aside for public utility, we will not allocate that land to him. However, if we feel that a certain piece of land is free, we will be able to give it to any Kenyan.

Mr. Ndile: Bw. Spika, ni vizuri Mawaziri wawe wakipelekwa vyuo vya kujifunza mambo ambayo yanahusu Wizara zao. Hizi zilikuwa ekari 32. Bw. Kiilu alipata ekari kumi, Bi. Mwewa ambaye alikuwa mhe. Mbunge alipata ekari kumi na aliyekuwa Naibu wa Kamishina wa Polisi, Bw. Kimondo, pia alipata ekari 10. Kwa hivyo, Waziri Msaidizi hasemi ukweli. Inafaa afanye uchunguzi zaidi ili ajue ukweli kuhusu ardhi hiyo.

Bw. Spika, nitaleta ramani hapa kuonyesha waliofaidika na mali hii ya umma.

Mr. Speaker: Mr. Ndile, what is your question?

Mr. Ndile: Bw. Spika, ningependa Waziri Msaidizi atueleze ni lini watu wa Kibwezi watarejeshewa ardhi yao ili waitumie kwa minanjili ya miradi iliyokusudiwa. Ikiwa Bw. Kiilu ataruhusiwa kuanzisha mradi wowote pale, ni lazima ajenge kituo cha polisi. Asipofanya hivyo, watu wa Kibwezi hawatakubali aendelee na mradi wake.

(Applause)

Mr. Speaker: Order, Members! Do I understand that Mr. Ndile is using the Floor of this House to threaten the breach of peace? **Hon. Members:** Yes!

Mr. Speaker: Order, Members! No hon. Member is allowed to use the Floor of this House to issue threats.

Bw. Ndile, nakuomba ufahamu kwamba hakuna mhe. Mbunge anayekubaliwa kutumia Bunge hili kwa kutisha usalama wa nchi hii. Naomba, wakati mwingine utumie Bunge hili kwa njia ambayo inafaa. Mr. Ojode, what is your response?

Mr. Ojode: Mr. Speaker, Sir, this is not the first time the same hon. Member is threatening the lives of *wananchi*.

(Some hon. Members heckled Mr. Ojode)

Mr. Speaker: Order, Members! We cannot have a situation particularly from the Government side of the House, where hon. Members turn themselves into hecklers. I appeal to the side on my right to treat themselves with due decorum and dignity, as hon. Members of Parliament.

Proceed, Mr. Ojode!

Mr. Ojode: Mr. Speaker, Sir, I want my colleagues to note this, that anybody who incites any squatter to violence in Kenya will be dealt with according to the law. The Government will take stern action against hon. Members who incite the public to invade private land. We will not accept any kind of threats. I am here to say that those who threaten other people's lives will be dealt with accordingly.

If Mr. Ndile is serious with his threat, let him try it and he will see!

Ms. Mbarire: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it?

Mr. Wanjala: Mr. Speaker, Sir, I stand to seek guidance from the Chair---

Mr. Speaker: Order, Mr. Wanjala! I gave the Floor to Ms. Mbarire, and she will have the Floor!

Ms. Mbarire: Mr. Speaker, Sir, the Assistant Minister has not answered the question. He was asked what criteria was used by this Government to allocate land to the "haves" and leave the "have-nots" with nothing.

Mr. Ojode: Mr. Speaker, Sir, I did say that if you apply for land, we will consider your application. However, if the "have-nots" have not applied for this land, how will I know about them? All hon. Members are members of the District Allocation Committees (DACs). Therefore, it is incumbent upon them to bring this to the attention of the Ministry.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What? Rejected! Order, Dr. Khalwale! I think the House can do without hon. Members who do not allow the business of the House to be transacted! We will do that!

Question No.115

HIPPOTAMUS ATTACK ON
MS. CHEPKIRUI KOSGE

Mr. Kimeto asked the Minister for Environment, Natural Resources and Wildlife:-

(a) whether he is aware that Ms. Pauline Chepkirui Kosge was attacked by a stray hippopotamus on 21st March, 2003 at Ndanai Location, Sotik Constituency and broke three ribs and one arm; and,

(b) what compensation he will pay Ms. Kosge for injuries sustained, which have left her incapacitated for the rest of her life.

Mr. Speaker: Mr. Kimeto, Dr. Kulundu contacted the Chair and said that he was unwell. He wanted this Question to be deferred. Is that okay with you?

Mr. Kimeto: Mr. Speaker, Sir, when will it come?

Mr. Speaker: I will put it next week.

(Question deferred)

Question No.178

STATUS OF NCC TEACHERS
HOUSING PROJECT

Mr. Muriungi asked the Minister for Co-operative Development and Marketing:-

(a) what became of the Nairobi City Council (NCC) Primary School Teachers Housing Project initiated by the Kenya National Union of Teachers (KNUT) in 1992; and,

(b) whether the money contributed by members towards the project is secure.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Speaker, Sir, although this Question is directed to the Ministry of Co-operative Development and Marketing, we have advised---

(Loud consultations)

Mr. Speaker: Order! Could we hear the Assistant Minister, please? Order! We shall hear the Assistant Minister! Shall we?

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Speaker, Sir, although the Question is directed to the Ministry of Co-operative Development and Marketing, I do not think that this Question actually falls under our Ministry. The parties involved are not registered within our Ministry and we have advised the Clerk of the National Assembly to that effect.

Mr. Speaker: Where is it supposed to go?

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Speaker, Sir, I think it is supposed to go the Ministry of Local Government where the Nairobi City Council (NCC) falls, or the Ministry of Education, Science and Technology, because it was between KNUT and a women's organisation group.

Mr. Speaker: Mr. Muriungi, do you have any idea that can help us?

Mr. Muriungi: Mr. Speaker, Sir, that project was not for a women's organisation group. It was a housing project for thousands of teachers in the City of Nairobi, and that issue has been there for the last 14 years. Therefore, it belongs to the Ministry of Co-operative Development and Marketing because the welfare of teachers---

(Loud consultations)

Mr. Speaker: Order, hon. Members! Who is that standing and discussing? Mr. Cheboi, please, relax! We do not stand in this Parliament and address a *baraza* from there! This is the wrong forum for addressing a *baraza*. Wait for the weekend! Could we, please, hear what the hon. Member is saying?

Mr. Muriungi: Mr. Speaker, Sir, that housing project belonged to the teachers of Nairobi City Council and not a women's group project.

Mr. Speaker: So, where do you think we should take this Question?

Mr. Muriungi: Mr. Speaker, Sir, I think the welfare of teachers with regard to housing is always under the Ministry of Co-operative Development and Marketing. I do not think this Question is for the Ministry of Education, Science and Technology.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Speaker, Sir, the NCC Primary School Teachers Housing Project is not a co-operative. So, I am saying---

Mr. Speaker: What is it?

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): It is a housing project which is not a co-operative. It is not registered in the Ministry! I am saying that it could either fall under the Ministry of Local Government where the NCC is or, short of that, since it was initiated by KNUT, it might be under the Ministry of Education, Science and Technology. We have checked it in our records and it is not there. So, I have no answer to offer.

Mr. Sungu: On a point of order, Mr. Speaker, Sir. I thought in governance, there is something called collective responsibility. We have several Ministers here. Why can they not take the responsibility to answer this simple Question? All Government Ministers have got something called collective responsibility, and the Assistant Minister for Co-operative Development and Marketing should not disown this Question, which now belong to this House?

Mr. Speaker: Anyway, between the Assistant Minister and the Clerk of the National Assembly, can they sort out where it should go? It will come next week.

(Question deferred)

Let us move on to Questions by Private Notice. Prof. Olweny!

QUESTIONS BY PRIVATE NOTICE

KILLING OF SCHOOL BOY BY PRESIDENTIAL ESCORT CAR

Prof. Olweny: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that Mr. Albert Okoth Ojwang, a Standard VII pupil at Magare Primary School, was killed and his cousin, Nicholas Ochieng Ochola seriously injured on April 18, 2004 at Boya in Nyando District by an over-speeding Presidential escort car?

(b) What measures is the Government taking to prosecute the driver who was over-speeding in a section of the road where the speed limit is 50 kilometres per hour?

(c) What urgent humanitarian aid is he giving the affected families to help them cope with the unforeseen burial and hospital expenses?

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that Mr. Albert Okoth Ojwang died and his cousin Mr. Ochieng Ochola, was serious injured on 18th April, 2004 through a road accident. However, the vehicle involved was not a Presidential Escort vehicle as claimed.

(b) An accident file number 1AR(F)44/2004 has been opened to investigate the cause of the accident, and the final decision on who to be charged, based on the evidence, is the responsibility of the Attorney-General.

(c) The Government has no provision for meeting hospital and burial expenses for accident victims.

Prof. Olweny: Thank you, Mr. Speaker, Sir. It is, unfortunate that---

(Loud consultations)

Mr. Speaker: Order, hon. Members! Order, Prof. Olweny! I think it is in our common interest that---

(Loud consultations)

Who is that again? When I am calling for order, you continue conversing! Do you want me to tell the public that you do not listen in Parliament and you just talk?

(Laughter)

We must all be able to understand one another. Continue, Prof. Olweny!

Prof. Olweny: Mr. Speaker, Sir, it is unfortunate that the Assistant Minister is denying that, that was a Presidential Escort car. It was reported in the *Daily Nation*: "Man Killed as Kibaki's Escort Car Hits his Bicycle"!

Mr. Speaker: Prof. Olweny, newspaper reports are not a basis of debate in this House.

Prof. Olweny: Thank you, Mr. Speaker, Sir. Everybody saw it and it was one of the President's Escort cars. If the Assistant Minister is denying that it was not the President's Escort car, let him give us the registration number and the owner of the car that hit those boys.

Mr. Tarus: The registration number of the vehicle is KAQ 551J, Toyota Camry, Saloon Car, driven by a Mr. Michael Ndiriu Kibua of State House.

Mr. Sasura: Mr. Speaker, Sir, in normal circumstances, when Presidential Escort vehicles are on a certain route, all the other vehicles are cleared away from the route. A few years ago, at the roundabout at Museum Hill, there was an accident by the Presidential Escort vehicles. Now that it is inevitable that those same vehicles could be causing accidents due to over-speeding, could the Assistant Minister consider reducing the speed of Presidential Escort vehicles and, if need be, fit them with speed governors which will enable the President to reach his destination?

Mr. Speaker: Mr. Sasura, are you asking Mr. Tarus to be Mr. Michuki?

Mr. Tarus: Mr. Speaker, Sir, indeed, you have put it correctly. The issue of speed governors falls under the Ministry of Transport and Communications. Suffice it to say, the fact that the Presidential Motorcade moves with speed does not mean that we are not cognisant of the fact that accidents should not be caused on the roads. We are concerned about that particular incident and appropriate action will be taken.

Mr. Sungu: Mr. Speaker, Sir, I belong to this Government proudly. I want to say that this Government is humane. The offending car operates from State House. Whether it is a Presidential Escort car or not, it operates from the headquarters of our Government. Why is the Assistant Minister shifting blame to the Attorney-General, when he has police under him and he can order them to take action and prosecute the person involved immediately, so that, that poor family can get compensation? We are talking about human beings.

Mr. Speaker, Sir, could the Assistant Minister be humane enough to take action immediately?

Mr. Tarus: Mr. Speaker, Sir, indeed, we shall take appropriate action immediately. But, in terms of compensation, the vehicle is insured. Compensation would come from the insurance company.

Prof. Olweny: Mr. Speaker, Sir, obviously, the car was over-speeding in a section of the road where the speed limit is 50 kilometres per hour. What is the Government doing about drivers who speed on such sections? That is because drivers do not observe such speed limits.

Mr. Tarus: Mr. Speaker, Sir, I have said that the Government has taken serious steps to make sure that drivers do not speed. That is why in public service vehicles, we have introduced speed governors. Discipline will also be an issue for those who are driving Government vehicles.

So, this is the step that has already been taken.

Mr. Speaker: The Question by Mr. Ngoyoni will be deferred to Tuesday next week.

COMPENSATION FOR VICTIMS OF
UNEXPLODED ORDNANCE

(Mr. Ngoyoni) to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that on 18th February, 2004 two boys, namely Sukule Timado (12 years) and Itinga Mirchigan (14 years) were injured by unexploded ordnance at the British Army Training Field at Lore Soro?

(b) Is he further aware that 15 head of cattle were also killed during the above incident?

(c) What measures is the Minister taking to ensure that families of the victims are compensated and hospital bills incurred at Wamba Hospital settled?

(d) Could the Minister halt any further military exercises until the area is cleared of any unexploded ordnance?

(Question deferred)

Mr. Speaker: Next Question, Mr. Angwenyi!

PROVISION OF EFFECTIVE
FIRE-FIGHTING SERVICES

Mr. Angwenyi: Mr. Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) Is the Minister aware that fire-fighting services in Nairobi and other major urban centres in the country are extremely inadequate?

(b) Is he further aware that, as a result of this inadequacy, Kenyans have lost valuable assets and lives through incidents of fire in Nairobi, Kisumu, Eldoret, Mombasa, Kisii, Kitale and Nyeri in the last few months?

(c) What urgent measures will the Minister take to ensure provision of adequate and effective fire fighting services?

The Assistant Minister for Local Government (Mrs. Tett): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that fire fighting services in Nairobi and other major urban centres in the country are inadequate.

(b) I am also aware that as a result of this inadequacy, Kenyans have lost valuable assets and lives through incidents of fire in Nairobi, Kisumu, Eldoret, Mombasa, Kisii, Kitale and Nyeri in the last few months.

(c) The Ministry of Local Government has considered the issue of fire as a national disaster. The fire disaster issue came to light two years ago and the Ministry is looking for a long-lasting solution to arrest the situation.

Over the last one year, the Ministry has initiated feasibility studies on fire across the country. This will cover mainly the major towns which include, Cluster One: Meru, Embu, Machakos, Kitui, Malindi and Kilifi. Cluster Two: Nanyuki, Murang'a, Nyeri, Thika and Nyahururu. Cluster Three: Eldoret, Kitale, Kakamega, Bungoma and Busia. Cluster Four: Kisumu, Kisii, Homa Bay, Kericho and Nyamira.

Through these studies, we intend to identify the physical and human resource needs of the identified towns to be developed in the short and long-term.

In addition, preparations are underway to initiate development of: (a) A national policy for the fire sector. (b) Strategic plan. (c) Masterplan.

(Loud consultations)

Mr. Angwenyi: Mr. Speaker, Sir, I could not hear the reply well because there is too much loud consultation in the Chamber.

Mr. Speaker: Order! Order, Members! There is a complaint, justified in my view, by hon. Angwenyi, that we can hardly communicate because there is too much loud consultation. I think it is in our common interest that we consult quietly so that we can communicate and understand what is being said on the Floor of the House. So, could I appeal to all hon. Members, please consult in low tones!

Proceed, Mr. Angwenyi.

Mr. Angwenyi: Mr. Speaker, as we know, day in, day out, peoples property is lost through fires mainly in our urban centres. The people who have invested in those properties have no recourse as to how to recover their lost property. Could the Assistant Minister tell us how much money has been budgeted in the coming year to purchase fire-fighting equipment for the major urban centres in this country?

Mrs. Tett: Mr. Speaker, Sir, I do not have that budget at the moment, but I can avail it. But, at the moment, we are looking at the plan of action and that will cost a lot of money. All these fire engines will cost a lot of money and I do not think I can provide that answer now until I go and consult with my people in the Ministry.

Eng. Muriuki: Mr. Speaker, Sir, normally, even where there is fire-fighting equipment like in Nairobi and other cities, the problem does not seem to be lack of fire engines, because the fire hydrants do not have any water, yet we have water in our pipes and so on. What is the Assistant Minister doing to ensure that the fire hydrants actually do have water when the fire engines are taken out?

Mrs. Tett: Mr. Speaker, Sir, we intend to carry out a quick assessment of the existing facilities including that infrastructure in a number of local authorities. While that is going on, we are looking at all the problems that are facing us. This is a long-term problem that we inherited and we are doing our level best to make sure that when fire breaks out, we shall act quickly to make sure that less damage is done.

Mr. Omingo: Mr. Speaker, Sir, I would like the Assistant Minister to confirm to this House whether they have lately done an inspection of all buildings in this town that qualify to have fire sensors and whether they have actually complied with the by-laws to save this country these kind of monumental losses?

Mrs. Tett: Mr. Speaker, Sir, that is going on at the moment.

Mr. Omingo: On a point of order, Mr. Speaker, Sir. The Assistant Minister has not responded to the question. The issue here is, are they actually complying, because there are some buildings that do not have the fire sensors?

Mrs. Tett: Mr. Speaker, Sir, our engineers are on the ground.

Mr. Angwenyi: Mr. Speaker, Sir, could the Assistant Minister ensure that Nyamira and Ogembo townships have fire engines within the next fiscal year?

Mrs. Tett: Mr. Speaker, Sir, it is not only townships in the hon. Member's constituency, but all over the country. He should not be selfish.

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir. My question was specific. Could the Assistant Minister ensure that come July, Nyamira and Ogembo townships have got fire engines?

Mr. Speaker: But she has replied to that.

POINT OF ORDER

PROCUREMENT OF EQUIPMENT FOR IMMIGRATION DEPARTMENT

Mr. Kenyatta: Mr. Speaker, Sir, I rise on a point of order. Yesterday, I requested your office for permission to file a Motion of Adjournment to discuss the issue of the Immigration Department tender. Under advice from your office, we agreed that we would not file that Motion pending and waiting for a report.

Mr. Speaker Sir, that said and done, and given the zero-tolerance on corruption that his Government has stood, campaigned and argued for, we feel that it is important that as investigations are on-going, His Excellency the Vice President assures this House that the transaction has been halted. We would also like his assurance that if this transaction proves, as many of us believe, to be suspect, the Government has the capacity to reclaim the Kshs91 million already paid. Secondly, we would like a Ministerial Statement from him on the on-going or just concluded investigations that have been carried out by the Permanent Secretary for Governance and Ethics. We would like the Minister concerned to give this House that preliminary report so that we can be assured that this - let me not call it scandal because we are not yet there - allegation or reported scam is going to be stopped and the scenario brought before this House and clarified. We believe, and based on the information we have, that this could turn out to be possibly another Goldenberg.

(Applause)

The issue here is that we are talking about Kshs3 billion. We have teachers and nurses whom we need to employ and civil servants we need to pay better. We cannot stand by and say that we will wait for this report to be brought to this House by the Public Accounts Committee (PAC) next year. This has to be discussed and deliberated on now! The House and the country needs assurance that the Government's commitment on corruption is still intact. The Vice-President himself is not here as we had been assured that he would be to answer this Question, but the Government as we know operates under collective responsibility. So either this message will be transmitted to him or one of his colleagues could possibly answer on his behalf.

Thank you.

Mr. Speaker: Very well! I will come to the Government side.

*(Several hon. Members stood up
in their places)*

Order, hon. Members! I will certainly ask a response from the Government's side. However, the House must understand that when this issue was raised on the Floor of this House, I believe it was by Mr. Maore, from that stage on, the PAC demanded that the Controller and Auditor-General does a special report for the House. They wrote to the Controller and Auditor-General to provide a special report for this particular issue. I sent the Clerk yesterday to find out the progress of that report and the feedback I got from the Controller and Auditor-General through the Clerk is that the special report will be made available to the Ministry of Finance tomorrow, Thursday, 6th May, 2004, for their comment and that it will be taken back the following day to the Controller and Auditor-General. The PAC expects the Controller and Auditor-General to provide them with a report around or on 12th May, 2004; Tuesday, next week. That is the aspect of Parliamentary investigation. Now, on the aspect of Executive investigation, I do not know anything. Therefore, if there is any Minister, I would like him to respond to a pertinent query by the Leader of the Official Opposition taking into account all the questions raised on this particular issue including investigation by the Office of the President on the propriety of this project. Is this project halted

until the investigations are concluded or is it still in progress? Is there any Minister ready to respond to that?

(Applause)

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, thank you for enlightening the House on the aspect of this particular issue involving Parliament and the Office of the Controller and Auditor-General.

With regard to the investigations being carried out by the Department of Governance and Ethics, I would like to inform the House that indeed, investigations have been fast-track. They are thorough and those inquiries will be over within the course of this week. It has also been directed that a report be produced at the earliest possible opportunity and that it be communicated to the country in the various ways that, that can be done.

(Several hon. Members consulted quietly)

Mr. Speaker: Could we please listen to this? This is a grave matter!

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, at the same time, I will state that the Government is committed 100 per cent to the fight against corruption. Let that be understood!

Hon. Members: Aah!

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, obviously, I can expect noises because there is a great African saying that a thief thinks that everybody else is a thief.

(Laughter)

I can expect some noises from the background but let me re-state that normally when investigations of this nature are being carried out, things are halted. There are no payments being made at this instance, no work going on in that particular contract and none shall go on until the reports have been received, thoroughly studied and a recommendation on the way forward made.

Thank you, Mr. Speaker, Sir.

Mr. Speaker: Very well! Mr. Kenyatta, you have the first opportunity to make any query if you want. It was your "baby".

Mr. Kenyatta: Mr. Speaker, Sir, I thank the Minister for the Statement and the assurance that the transaction has been halted. We would also like an answer to the second part of the question which was an assurance that if impropriety is found, this money is actually going to be recoverable. He has mentioned the fact that the Githongo Report has been fast-track.

We would like to know when that report will be ready to be tabled before this House.

Mr. Speaker: You may wish to respond to that. Respond because some of your responses will determine how hon. Members will either seek clarification or not. If you are clear then I am sure they will not seek any clarification.

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, I would like to bring to the attention of the House that in this matter, there is a contractual arrangement existing between the Government and other parties.

I may not be in a position to say, at this time, when perhaps the Attorney-General together with the Ministry of Finance will be able to examine all the issues involved after the completion of the inquiry and, therefore, be able to table a report which includes the way forward. However, I would like to tell the House that the investigative phase will be over by the end of this week.

Obviously, the Government would not want to lose money in the event that this transaction is found to be injurious to the interest of the Government. However, I would like to request that hon. Members and Kenyans are patient and that we do not say that anyone is guilty until the inquiry is complete and all the facts are known.

Mr. Speaker: I will give chance to Dr. Khalwale, Mr. Billow and Mr. Maore to seek clarification on this matter.

Dr. Khalwale: Mr. Speaker, Sir, the Minister has confirmed that investigations into the matter are going on. The gravity of this matter is such that if anybody who participated in the scandal is in a position to interfere with those investigations, he will not hesitate to do so. Could he assure us that he will ask the suspects to step aside to allow the investigations to go on, uninterfered with?

Mr. Maore: Mr. Speaker, Sir, the Minister alluded to the existence of a contract. Since that could also be a subject of investigation and report, could he tell us which company was awarded the contract? Was it the French company or the British/Swiss company? There is a mix-up in the existence of that contract.

Mr. Billow: Mr. Speaker, Sir, we have read Press reports that the Permanent Secretaries have recorded statements with the police. We would like to know whether the other parties that were mentioned in this House, namely, one Jimmy Wanjigi and one Depak Kimani, recorded statements with the police. If they have not, we would like to know why. Will their passports be withdrawn, so that they do not travel out of the country as investigations go on? What action has been taken against those two persons, who have been mentioned in connection with this scam?

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, starting with Mr. Billow's question, let me say that nobody, who seriously wants to investigate an issue like this one, will go by Press reports or utterances which are made without any basis. I am not very familiar with the two individuals the hon. Member has mentioned.

I am not familiar with the details of the investigations yet, because no report has been made to me. However, unless and until, somebody has been substantially found to be involved in the scam, you cannot move to investigate everybody. It will not make sense. As far as the two particular individuals are concerned, I believe that if they have been involved in this saga, they will be thoroughly investigated. If they have not, we must accord justice to everyone.

Mr. Speaker, Sir, as far as the contract is concerned, I would request that we wait for the report to come out. In that report, all the facts, including the parties to the contract, will be indicated.

Finally, with regard to the question raised by Dr. Khalwale, I would like to say that at this particular point in time, an inquiry is taking place. There are no suspects. It has not been established whether there was any criminal impropriety or not. So, the question of asking people to step aside does not arise at this stage.

Mr. Speaker: Very well! Next Order!

BILLS

First Readings

THE FORESTS BILL

THE INVESTMENTS PROMOTION BILL

(Orders for First Readings read - Read the First Time and ordered to be referred to the relevant Departmental Committees)

The Minister of State, Office of the President (Dr. Murungaru): On a point of order, Mr. Speaker, Sir. I had another Ministerial Statement to issue when you called for the next Order.

Mr. Speaker: Dr. Murungaru, you had another Ministerial Statement, in relation to the police, which I ordered issued last week?

The Minister of State, Office of the President (Dr. Murungaru): Yes, Mr. Speaker, Sir.

Mr. Speaker: Can you issue that Ministerial Statement tomorrow?

The Minister of State, Office of the President (Dr. Murungaru): I am most obliged, Mr. Speaker, Sir.

Mr. Speaker: It was requested by Mr. Sambu. Was it not?

The Minister of State, Office of the President (Dr. Murungaru): Yes, Mr. Speaker, Sir. He had asked a Question regarding, generally, police reforms, and I promised to inform the House what we are doing within that particular department.

Mr. Speaker: Very well! You will issue the Ministerial Statement tomorrow.
Next Order!

Second Reading

THE CO-OPERATIVE SOCIETIES (AMENDMENT) BILL

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): Mr. Speaker, Sir, I beg to move that the Co-operative Societies (Amendment) Bill be now read a Second Time.

At the outset, I would like to thank the hon. Members for the support that they have continued to give my Ministry since its re-invention. We have had a very difficult year. We have been performing without the necessary legal framework.

Mr. Speaker, Sir, co-operative societies constitute a major economic force that is playing a key role in the country's economy. Approximately 65 per cent of this country's population derive their livelihood directly or indirectly from co-operative societies' related activities. Financial co-operative societies have mobilised about 31 per cent of the national savings and contribute about 45 per cent of the Gross Domestic Product (GDP). However, all has not been well since the Act was repealed.

Since Independence, the Government has supported the co-operative movement through direct assistance and subsidies until the sector was liberalised through an Act of Parliament, when the Co-operative Societies Act was amended and we got the Societies Act of 1997 that came into force in June, 1998. The Act ushered in the liberalisation of the co-operative movement, where it was envisaged that the sector would, through competitive competition, provide better services.

However, implementation of the Act has not resulted in the desired strong co-operative movement. The sector is threatened by weak marketing structures, poor management capacity and a weak capital base, which have seriously impacted negatively on agro-marketing societies such as cotton, dairy and coffee, among others.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

The other challenge is the increased split of the agro-based co-operatives into small uneconomic units. This has been a major threat to the movement and to that particular sector. The worst hit are coffee co-operatives. As a result, co-operative performance has been declining since majority of them are not able to compete effectively.

Experience gained since the implementation of the Act indicates that urgent measures need

to be taken to review the Co-operative Development Policy, not only to streamline the sector, but also to mainstream its agenda for economic participation. Among the issues that have exerted pressure on co-operatives to change and adapt new strategies in order to survive include, the paradigm shifts in management, globalization, trading blocks, franchising, strategic linkages and technological advancements. Co-operatives have also been caught in this wave of new ideas, ideals and innovations. Time is ripe now for the co-operatives to embrace these new strategies in order to offer competitive services and become continuously improving institutions. The Government expects to see a co-operative movement that is devoid of wrangles and improprieties. They must now be known and seen to be dynamic forces; vibrant, well-managed, innovative and well ahead of their competition within the fields they are involved in.

With the globalization of the world market, co-operatives are now better placed to reap the benefits of the economies of scale through linkages, strategic alliances and networking. In embracing ICT for service delivery, co-operatives should demonstrate to the world that humanity could be offered unsurpassed quality service without exploitation. All decisions and management styles should be founded on the seven principles of co-operative identity, so that a superior culture can be developed and practised. The Government will, therefore, ensure that co-operatives continue to receive the ideal economic and political climate to thrive, have the necessary legal provisions for fair-play and efficient delivery of services, get access to resources that will enable them realise their objectives and right technical advice for their sustained growth.

Mr. Deputy Speaker, Sir, the Government recognises and expects co-operatives to be the necessary media through which the Kenyan people can be facilitated to realise their social, economic and cultural aspirations. The Government's role in the co-operative movement will be strengthened and services brought closer to the co-operatives. Without reverting back to strict controls, co-operatives will be expected to work closely among themselves and the Government, so that resources they amass and control are properly employed for the benefit of their members and the economy at large. The positive contribution of these co-operative societies will be harnessed and nurtured into a national resource from which other co-operatives can draw.

Mr. Deputy Speaker, Sir, in this regard, unions, national co-operative institutions and the epic body, KNFC, will be expected to take lead in the accumulation of ideas in their respective disciplines, dissemination of such information to others, supporting the weak ones to overcome their weaknesses and, giving competitive and efficient services at all times. The co-operative financial intermediaries will be expected to develop policies that will encourage funds mobilisation for re-investments within their local economies. Those at the national level, will be required to deliberately favour co-operative institutions in their approach to service delivery and live to the motto of being a co-operative.

Mr. Deputy Speaker, Sir, the Government, therefore, will support co-operatives in the development of the human resource management within their ranks. The Government recognises that an informed, trained and educated membership is necessary to effectively participate in the society affairs and respond to the democratic and economic needs. The Co-operative College of Kenya will also be structured and expanded to contain the expanded movement's need for information, education and training. To ensure that these visions are ingrained as part of the co-operative movement, the Government is before you to review the Co-operative Societies Act No.12, of 1997, to make it responsive to the increased and different roles of the co-operative movement in Kenya today.

Finally, the Government has adopted a policy of zero tolerance to corruption. To enhance this, the Government has established the Ethics Commission for Co-operative Societies. The Commission will be responsible for monitoring the integrity of the co-operative committees and employees; publishing annually a list of shame, among others. The Government, through this Ministry, is reviving strategic co-operative institutions whose assets have for selfish motives, been plundered or left to sink under the load of financial mismanagement. The Government has

mobilised communities to revamp and revitalise these co-operatives. The Government will be interested to see that these institutions can be sustainable over time.

In order to strengthen co-operative marketing, the Government has revived the New Kenya Co-operative Creameries Limited (KCC) to enable farmers access market outlets. The restructured Kenya Farmers Association (KFA) Limited will provide affordable farm inputs, consider debt relief for deserving co-operatives and punish employers who retain members' contributions to SACCOS. We firmly believe that co-operatives are critical for every Kenyan and for achieving sustainable national development.

Mr. Deputy Speaker, Sir, the purpose of this Bill, therefore, is to amend the Co-operative Societies Act No.12 of 1997, in order to introduce certain necessary reforms in the co-operatives sub-sector. The object of the same reforms is to *inter alia* refine the legal framework governing the constitution, registration and regulation of co-operative societies in order to enhance their operation, autonomy and to strengthen their efficient and effective management.

The Bill proposes several amendments to the Co-operative Societies Act No.12 of 1997, which include the consolidation of the offices of the Commissioner of Co-operative Development and the Registrar of Co-operative Societies. It is proposed that the Commissioner of Co-operative Societies will also serve as the Registrar of Co-operative Societies.

Mr. Deputy Speaker, Sir, the Bill further proposes the introduction of new sections which outline the procedure to be followed when holding annual general meetings and special meetings of co-operative societies. The new sections also provide for the establishment, the functions of the management, supervisory committees and the appointment of managers. The Bill further proposes the establishment of a co-operative development fund, which shall be financed by the contributions made by registered co-operative societies. The purpose of the proposed fund is to promote education, training, research, consultancy and related activities in the co-operative sub-sector. The fund shall be managed by a board of trustees, comprising of key stakeholders appointed by the Minister.

Mr. Deputy Speaker, Sir, I also wish to refer hon. Members for guidance to the Memorandum of Objects and Reasons at the end of the Bill. Most hon. Members of this House, and especially the ones who are serving their first term, have experienced in the last one year, many of the problems I have outlined. Hon. Members have encountered rampant corruption and mismanagement of their co-operative societies. Every time I speak to an hon. Member, he or she always complains about a co-operative society in his or her constituency which is mismanaged and does absolutely nothing. As a Ministry, we have really suffered in the past one year because whenever we get those complaints, not only from hon. Members of Parliament, but also from the members of the public, we are impotent. Lack of a proper legal framework has rendered my Ministry inoperative in the last one and a half years.

Corruption is most rampant in the co-operative movement. Since the repeal of the Act in 1997, many co-operative societies' management committees have literally turned their societies into personal properties. This has happened, because there has not been any legal framework to counter it. We are before this House today, so that we can be empowered to guide the co-operative movement properly. We were told that the Act was amended because of the conflict within the Ministry. The office of the Commissioner of Co-operatives and the office of the Registrar of Co-operative societies had virtually equal powers. The purpose of this Bill is to resolve that conflict, and this is clearly stipulated in the Bill.

Mr. Deputy Speaker, Sir, the other problem arising from the Act has been the functions of our tribunal. When the Ministry institutes an inquiry into a co-operative society most of the time and finds that the management committee is implicated, the committee members rush to court, mainly to cripple the efforts of the Ministry to catch up with them. Therefore, they frustrate the members of that society. This will be a thing of the past once this Bill is passed into law, because the Commissioner of Co-operatives will have adequate powers to intervene in co-operative societies

where cases of corruption and mismanagement have been reported to him. Our co-operative societies will regain their lost glory once this Bill is passed by this House.

Most co-operative societies have not kept their books of accounts in the past. Some have operated for four years without being audited. That has happened in the past. I would like you to imagine the situation in which the Commissioner of Co-operatives finds himself in. Despite having that knowledge, he has no authority to intervene in such a society. This has made the members of such co-operative societies to be demoralised. That is why most co-operative societies are not operational. That is why we also have in excess of 1,500 dormant co-operative societies in this country. The truth of the matter is that their members have been very demoralised. We start a co-operative society together, some people join the management committee, take over the society and the members are rendered hopeless and useless. The members are unable to participate in the management of their co-operative societies.

The other handicap to the growth of the co-operative movement in Kenya has been finances. Despite good management in certain co-operative societies, the employers have withheld remittances from their workers to the SACCOs. You can imagine a situation whereby a group of employees have formed a SACCO and their employer deducts some money from them but does not remit the same to the SACCO. The employees cannot go to court when the employer fails to do that. You can imagine what will happen if they take their employer to court. Imagine the frustration the SACCOs undergo when the employers fail to remit workers' deductions to them. The employees watch helplessly as their employers plunder their savings. Most SACCOs have collapsed due to failure by the employers to remit their employees' deductions to them.

Mr. Speaker, Sir, this Bill seeks to rectify this anomaly. It also seeks to empower the Commissioner of Co-operatives to intervene when such a case is reported to him. So, all employers, once this Bill is passed into law, will be required to remit their workers' deductions to SACCOs within seven days, failure to which the Commissioner of Co-operatives takes over the matter and not the employees or the affected SACCO.

The recent past has been very ugly. Most of the affected SACCOs, like I said in a statement elsewhere, are based in Coast and Nairobi Provinces. That is where there are notorious employers who do not remit their employees' deductions to the SACCOs.

I would like to request hon. Members to look at Clause 28, section 60A which is new. This is on page 107.

Mr. Deputy Speaker, Sir, the main reason why many co-operative societies have collapsed is because nobody monitors them until at the end of the year. That situation is also faced by the Public Accounts Committee (PAC) and Public Investments Committee (PIC). They deal with postmortem matters. We deal with issues that happened long time ago. Then you come to the House and say: "You know, this is what happened." We seek to remedy that through this Section which reads:-

"Notwithstanding the provisions of Sections 58 and 59, the Commissioner may, from time to time, carry out a routine inspection into the affairs of a co-operative society."

Mr. Deputy Speaker, Sir, that is really crucial. In the last one year, we have been busy strengthening our capacity to do that. We are doing so because of our experience. Co-operative societies do not just collapse. The collapse is gradual. If it is detected well in advance, it can be rectified. I would like you to imagine a situation where farmers in the rural areas contribute Kshs50, Kshs20 or Kshs100 a month to form a society. They keep all their life savings in that society. Then one morning, they wake up and find their society closed because of lack of funds! It has literally closed! It is through such societies where members are paid their dues, be they for milk, cotton or coffee. Some of the societies also serve as banks in the rural areas. That is because major banks have withdrawn from the rural areas into major towns.

The other area which has been exploited by unscrupulous players in the co-operative sector

is dispute settlement. Our tribunal was centralised in Nairobi. Some members of the co-operatives felt that it was too expensive to travel from places like Mandera, Mtito-Andei or Kisumu to Nairobi. That has been a handicap in dispute settlement. I would like to inform the House that, despite the other handicaps and problems, our tribunal now has provincial benches. That way, the co-operators do not have to move from their provinces to Nairobi. We have established provincial benches in all provincial headquarters, so that dispute settlement can be faster.

I now wish to invite hon. Members to look at page 114, Section 89. It reads:-

"The principal Act is amended by repealing Section 89 and replacing it with the following new section:-

No officer or member of a corporative society shall receive any remuneration, salary, commission or any other payment from the society for services rendered to the society, unless the society has, by a resolution passed at a general meeting, approved the payment of such remuneration, salary, commission or other payments."

For most of us who know co-operatives, this section is very important. We know that management committees in most co-operatives establish cartels, particularly in the areas where the societies make large purchases. I have in mind coffee societies around this country. Wherever they exist, there is a businessman somewhere who always wins those tenders, whether they are for the provision of fertilizers or coffee treatment material. There is always one fellow who is in control. Once you audit those accounts, you will find out that whatever was purchased was three times more than the normal cost! When you go to those towns, you will find members of those management committees trooping to those trader's shops to collect their income. That means that the co-operators are paying debts for services they never received. Right now, around this country, wherever I travel, I am faced by co-operators who have huge debts that they will never be able to settle. They cry to the Government to assist them to clear some of those debts. Those debts were occasioned by people entrusted by the same co-operators to take care of their interests. I am now saying that, it is an offence to be involved in some of those activities. If any officer or member of the co-operative society--- I think I will read Sub-Section 3 very briefly. It reads:-

"Any officer or member of a co-operative society who receives any remuneration, salary, commission or other payment in contravention of this section, shall be guilty of an offence and liable to a fine not exceeding Kshs100,000, or to imprisonment for a term not exceeding two years, or to both such fine and such imprisonment and shall, if the offence is a contravention of Sub-Section (i) of this Section, be ordered to repay the amounts of the remuneration, salary, commission or other payments received from the society in addition to, or *in lieu* of any other punishment, and default in such payment shall be dealt with in the same manner as default in paying a fine imposed by a court."

Mr. Deputy Speaker, Sir, I would have liked this Section to be more drastic! I want that also to apply to management committee members who misappropriate funds. That way, once you are mentioned in an enquiry report, you do not just walk home scot-free. First of all, you must know that you are going to refund whatever you are accused of misappropriating. You will also serve a jail term. I think that will serve as a deterrent to those committee members who think that being elected into a position in a cooperative society is a form of employment. The position is supposed to be voluntary and this Bill has made that very clear. If you think it is employment, the law has now finally caught up with you.

Mr. Deputy Speaker, Sir, because I would like to allow as many hon. Members as possible to make their contribution to this Bill, I wish to inform them that the enactment of this Bill will not incur additional expenditure of public funds.

Mr. Deputy Speaker, Sir, with that, I wish to thank my colleagues in this House for the support that they have continued to give my Ministry in the past one year and urge them to continue giving us that support. I wish to promise my colleagues and this nation, that with the enactment of

this Bill, you are going to see a real vibrant co-operative movement. I thank you.

Mr. Deputy Speaker, Sir, I beg to move.

The Minister for Water Resources Management and Development (Ms. Karua): Thank you, Mr. Deputy Speaker, Sir. I beg to second this Bill. It is a very timely Bill. If you recall that in 1997 when the current Co-operative Act was enacted and liberalisation came in, we thought that it was going to improve the co-operative sector but unfortunately, liberalisation without regulation cannot be good and this has been proved to be the case. The liberalisation that was brought about by the 1997 Act turned into an open licence to management committees in most of our co-operatives to fleece the co-operators of their funds. It meant that there was no supervision any more from the Commissioner and the Government and it meant that with majority of the co-operators being unable to scrutinise the accounts and to follow what is happening, the management committee members could do as they wished with the members' funds. It has resulted in fleecing of our co-operators, widespread poverty and even collapse of part of the agricultural sector. We, therefore, need to bring in some regulation as proposed by this Bill to ensure that we strengthen the co-operative sector.

Mr. Deputy Speaker, Sir, many people may not know that the co-operative sector is quite large. It does control over Kshs80 billion as compared to the formal banking sector which controls about Kshs2.5 billion. Majority of our people know the co-operative sector more than the banks and in the constituency I represent which is mainly agricultural, majority of the people can only remember the loans that they have got from their co-operatives to either purchase property, educate their children or generally enhance their well-being. Majority of the working class also do remember their co-operatives more than their banks. This is where they will get money to pay deposits for their houses, to buy their motor vehicles or even to furnish their houses. It is the co-operatives that most of our people turn to in the time of need and, therefore, we need to strengthen the co-operative sector to ensure that people get the services they deserve.

Mr. Deputy Speaker, Sir, I have listened to my colleague, the Minister, moving this Bill and I want to say that I have also looked at it and it contains some very helpful clauses. It will ensure that whenever there is an inquiry ordered by the Commissioner, that inquiry does not just become part of the dust in the shelf but becomes useful and is utilised to correct whatever has gone wrong in that particular co-operative society. The Commissioner is now going to be able to have powers to advise the co-operative societies on how to implement the recommendations made on an inquiry. It is also enlarging the powers of the Commissioner to order inquiries without any reason. In the current Act, inquiries are ordered as a punitive measure or when there is suspicion and not for purposes of random checks. However, with the current amendment, the Commissioner is going to be able to order inquiries to ensure that all is well within a co-operative society.

Mr. Deputy Speaker, Sir, just to demonstrate how serious failure to regulate the co-operative movement has negatively affected the running of co-operatives, I want to give the example of what is happening in my district and in particular, in my constituency. Somewhere around 1998 for the first time, the district co-operative union paid dividends which were the first dividends in forty years of its existence and each of the large co-operative societies got about Kshs3.6 million. All that money was not received by the co-operators. It purportedly went to help collect title deeds from the Ministry of Lands and Settlement. We all know that it does not take Kshs3.6 million to collect a title deed. Those co-operative societies were not buying land. They were not improving any of the factories or the societies but were a cartel formed that managed to siphon these amounts of money from no less than three co-operative societies in my constituency. It meant that cartel not only had the management committee members and the firm purportedly carrying out the exercise of getting them the title deeds, but it was also aided and abetted by the officials from the Ministry of Co-operative Development and Marketing.

Mr. Deputy Speaker, Sir, it is time that we police one another, to ensure that we do not occasion losses to innocent people. That is why I support this Bill. Let the Commissioner and the

Minister be able to check and regulate what is happening in our co-operative societies. In turn, let the co-operators have a free hand in checking the accounts of each of their co-operative societies so that they can be able to take the management officials to task. In the past, even after an audit and the management committee members were found to have misappropriated money, it was not uncommon in annual general meetings for a group of people hired to acclaim that those persons are forgiven. With the current Act which does not allow much intervention by the Commissioner, the matter becomes buried but now with the Commissioner having the whip and being able to initiate and ensure that there is implementation of the inquiry report, it will be possible to prosecute those who swindle their co-operative society, even when they orchestrate a campaign where the members unknowingly cede off their money to them. We need regulations to go hand in hand with the liberalised sector to ensure that our farmers and all co-operators are, indeed, protected.

Mr Deputy Speaker, Sir, before corruption set in the co-operative sector, our co-operative societies were doing very well. Of the big buildings in this city, some are built by co-operators. The Harambee Sacco has a beautiful building. The Afya Sacco has a beautiful building. In my home district, the Kirinyaga Tea Growers Sacco has buildings. The coffee saccos have buildings but what has stopped the growth of the co-operative sector is corruption and mismanagement which has gone unchecked. We need regulations. That is the point I am making and this Bill is very welcome to regulate.

Mr. Deputy Speaker, Sir, the Minister did refer to Clause 40 which seeks to amend Section 89 (1) which says:-

"No officer or member of a co-operative society shall receive any remuneration, salary, commission or any other payment from the society for services rendered to the society unless the society has, by a resolution passed at a general meeting approved the payment of such remuneration, salary, commission or other payment."

I want to say that this is a very important clause. Currently, what is happening in some co-operative societies is that members of the management committee will trade with the co-operative society that they are supposed to be managing. They will give hefty bills to the co-operative societies and when pay-out for the members is ready especially in the farmers' co-operative societies, instead of the poor members being paid their dues, the money is channelled towards paying the unscrupulous pending bills. After these amendments, the members of co-operative societies will be informed in an Annual General Meeting (AGM) that among the members, X and Y have presented their bills. The AGM will be required to give authority before such members are paid. I do not think that members of the co-operative societies will agree to give authority for bills which are unfounded and at the same time meant to deny them the fruits of their labour. This amendment will further help to regulate what is happening in the sector.

Mr. Deputy Speaker, Sir, I want to laud the initiative of setting up the co-operative fund. It really deserves support. One of the uses of this fund will be to finance education and research. I want to emphasise on education. The average co-operator does not know his or her rights within the society. In the coffee and tea co-operative societies which I am familiar with, the average co-operator does not know that they are entitled to go to their offices and demand for the audited accounts. They attend the AGM without knowing what is contained in the audited accounts. The accounts are read to them very fast so that they are unable to understand. Everything, then, passes without query. If they knew that the law entitles them to go to their offices and obtain a copy of the audited accounts, they would peruse them and be able to hold their officials to account for any misappropriation. Education is, therefore, very vital. Even a good law, without the awareness that it exists, may end up not being of help to the intended beneficiaries. I, therefore, wish to encourage the Minister to ensure that the exercise of awareness creation is given priority so that the co-operators can help the Commissioner, the Minister and the law enforcing agencies to ensure that the management officials do respect the law and the rights of co-operators.

I have looked through this Bill and I have seen very useful amendments that it seeks to bring

to the existing Act and additional Sections which are intended to strengthen the management of co-operative societies. For example, Clause 32 seeks to repeal the current Section 73 and also to empower the Commissioner to directly surcharge officers of the society without seeking the approval of the AGM. This means that where an inquiry has been held and it has been shown that an officer has mismanaged funds belonging to a co-operative, then, the Commissioner can surcharge such an officer directly without waiting for the AGM. This will forewarn the officers who have been misappropriating money from their co-operative societies to know that the Commissioner has the power to surcharge directly.

Mr. Deputy Speaker, Sir, when these matters go to the AGMs, the current practice is that people hire hecklers who prevent any serious debates such that serious issues are bypassed. The members only hear noise and acclamation and a serious issue related to something like embezzlement of funds is passed. In other words, the AGM legitimizes embezzlement of funds. I want to give an example, again, from my constituency where Kshs3.6 million was taken from co-operators purportedly to collect title deeds. When the issue went to the AGM, a group of hecklers was able to say very quickly that they were aware of the money and that they would pass it. Often, you would still hear members complain about these matters and when you tell them that they passed the same matters in the AGM, they express shock. We, therefore, need to enlighten our members and allow the Commissioner to have a free hand in advising members to change their by-laws where necessary. Not all co-operative societies have wayward officials. We have some which are very good. For example, I know many coffee co-operative societies which have very progressive by-laws. The societies do not allow anybody who has not sold any coffee that year to contribute even though they are members. This is because they will just be helping to make noise or pass things that are not related to them. Therefore, they only allow serious contribution. One has to give his or her number and they have to actually verify that you participated in the sale of the crop they are discussing. Their by-laws do not allow any drunken person to enter their meeting. These are good practices that the Commissioner can introduce elsewhere to ensure that serious discussions go on in the AGM. This way, the members will be able to safeguard their interests. Those are just few examples, but there are many others which the Commissioner can introduce in other co-operative societies and they will help members to safeguard their rights and interests.

Mr. Deputy Speaker, Sir, I fully support this Bill and I urge hon. Members to look at it and strengthen it where necessary. They should also pass it to strengthen the co-operative movement and help our people. I do not want to end without reminding the Minister for Co-operative Development and Marketing that even with a good law he will still need to continue the good work of reining in his wayward officers. Most of the mess in the co-operative societies is brought by deliberate misadvice by some of the officers in the sector. They keep the co-operative officials and members at loggerheads so that they are able to receive protection money from the various groups. We, therefore, need to continue fighting against corruption in the co-operative sector. This will be a task to be performed by the co-operators themselves, the officials from the Ministry of Co-operative Development and, indeed, by everyone including the provincial administration which in some instances has been implicated in colluding with wayward officials to fleece co-operative societies. It is a battle that we must win for the sake of the majority in this country and who are members of one co-operative society or another.

Mr. Deputy Speaker, Sir, with for reasons, I want to urge everyone to support this Bill. With those remarks, I beg to second.

(Question proposed)

Mr. Kipchumba: Mr. Deputy Speaker, Sir, I wish right from the onset, to support this very important Bill because we are all aware that the only investments many Kenyans have, including Members of Parliament, is only in the co-operative societies. It is the only money you can save and

run to when you really require it. However, I want the Minister to be careful that we do not introduce a lot of controls in the co-operative sector. We all know that in the past before this was repealed in 1997--- We are actually going back to where we started.

Mr. Deputy Speaker, Sir, while I am not advocating for control, I would like the Government to play the role of ensuring that there is good policy and that there is proper management of co-operative societies. The Minister, through these amendments, will now have powers. However, we still have problems. For example, last year when we were told that the Kenya National Federation of Co-operative Societies (KNFC) had bought 81 per cent shares in the third mobile phone subscriber company. We keep on wondering, because when we ask members of co-operative societies about this issue back in our constituencies, they are not even aware because they were not consulted. They have not made any contributions and yet they have been allocated 81 per cent shares in a third mobile telephone provider. You are left asking yourself who makes decisions for these people. We would like to be careful not to mislead members of the co-operative societies. Indeed, these members have probably invested in a white elephant which we are not aware of! But I was glad to read that they might, probably, now rescind that decision. In my understanding, it was not a decision that was made by members of the co-operative movement in this country. It was probably a decision taken by only a few members or by the officials of the co-operative movement.

But Mr. Deputy Speaker, Sir, I would like to say from the onset that we do not want to empower the Minister to appoint, for example, directors of co-operative societies, or even to appoint members to run co-operative societies. We do not want to go back. While we appreciate that this Minister has done a lot in terms of reviving the Kenya Co-operative Creameries (KCC) Limited, and I must admit that he is one Minister who has really done his job well, I would like him to move a step further and ensure that members elect the directors of KCC without having the kind of selections that we have witnessed in the past. We appreciate that exercise to be done at that stage, but the Minister should not delay for very long. The maximum should be two or three months, and I agree that he should put a maximum of 90 days, which is commendable.

Mr. Deputy Speaker, Sir, co-operative societies have a lot of problems. Some of these problems have been addressed in this Bill. The biggest problem has been about people in the co-operative societies embezzling funds and going away scot-free, and like before, they are being told to pay only Kshs2,000. Who cannot pay Kshs2,000 if he has stolen Kshs200,000? I must appreciate that even the penalties that have been instituted now are not enough. Imprisoning somebody for two years is not enough. He must also pay back the money that he has stolen. Even with the rules and regulations that were there, not even a quarter of them were followed. While there were requirements that there must be preparation of accounts, I must say that to date, many co-operative societies have no accounts. Many co-operative societies have been in existence for up to ten years, and they have never prepared any books of accounts. It is not that the rules were not there. In fact, there were requirements in the previous law which stipulated that they must, indeed, prepare their books of accounts. Therefore, there must be regulations to ensure the enforcement of the same. It is one thing to prepare a law, and another to enforce the same law.

Mr. Deputy Speaker, Sir, another problem we have had in the co-operative societies is the incompetence that has been in existence in terms of management. I must appreciate that now, there is a fund to ensure that these managers are trained. But training managers without training the members is not adequate enough. We must ensure that we train managers and the members too so that they are aware that, indeed, they know their rights. The contributions from members for training are not enough!

Mr. Deputy Speaker, Sir, apart from the contributions that are made by the respective co-operative societies, the Government of the Republic of Kenya, realising that the only way for this country to develop is through the co-operative movement, must put in some percentage in terms of its contribution. We should not cripple these co-operative societies by requiring them to make other contributions to the extent that they cannot survive. I would really appreciate if a certain percentage

of our revenue is allocated to the co-operative societies, so that they can survive.

Mr. Deputy Speaker, Sir, the co-operative societies have done very well. Unfortunately, many agricultural co-operative societies have never been paid for their produce that they have sold to various institutions. That is the genesis of the problems. If you look at the Kenya Co-operative Creameries (KCC), you will find that its problems are basically because farmers have not been paid. Many co-operative societies that relied on milk, especially in the Rift Valley and Central provinces, collapsed because they were not paid by the KCC. That must be looked into. We appreciate the fact that the Government may not have funds now to assist the farmers, but co-operative societies have had their properties auctioned. Their assets have had to be auctioned because they could not service their loans in the Co-operative Bank of Kenya.

The Minister said that he might put aside some Kshs5.8 billion to assist co-operative societies. I hope this will be real. This will enable the farmers to realise their dream of realising their investments. Kenyans are very hard working people. We must put a lot of emphasis, especially in the farmers' co-operative societies. We must also assist co-operative societies in terms of marketing. Most of the co-operative societies that have problems are basically the marketing co-operative societies. If they were assisted, I think this country would grow like Denmark. We do not have adequate industries. We are an agricultural economy and we cannot expect a farmer who produces two bags of maize to transport it and sell it in urban centres. The only vehicle to assist this farmer is through a co-operative society. We must encourage them by assisting them in terms of marketing.

Mr. Deputy Speaker, Sir, there was a provision before that co-operative societies were required to invest their money in the Post Bank. I must appreciate that, that will not happen and co-operatives societies have a window to invest in stocks.

Mr. Deputy Speaker, Sir, we should put all our energies together to ensure that co-operative societies are assisted to buy most of the investments in this country. I think we will reduce poverty in this country. Instead of selling our assets and properties to foreigners, we should encourage co-operative societies to invest in them. That is the only way to ensure that Government investments are shared equally because co-operative societies exist in most parts of this country.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Khamasi) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, I would like the Minister to control co-operative societies, but it must have a limit. The Bill says that the Minister has power to delegate some of the responsibilities of the Commissioner to an officer. I beg to differ with that. The responsibilities of a Commissioner should be delegated to his deputy. In the absence of his deputy, they should be delegated to the next ranking officer. That should be automatic. The Minister cannot delegate the Commissioner's power to anybody. I think co-operative societies have been formed by people who have the capacity to regulate themselves. They have been given an opportunity to do so for the last ten years, and they have been unable. Then there is need to ensure that they are regulated.

Mr. Temporary Deputy Speaker, Sir, the Commissioner has been given power to dissolve a committee of a co-operative society when it is not performing its duties properly. Let us not create a monster in the person of a Commissioner. Let us give the Commissioner power, but we should not give him power that he can decide to dissolve a committee of a co-operative society without consulting anybody just because he feels it is not functioning properly. Performance is not objective; it is subjective. Let me demonstrate this. The Bills says very clearly that a licence of a co-operative society can be cancelled when the society has less than the prescribed number of members, or when it has failed to file returns with the Commissioner and when it has failed to achieve its objectives. We do not want to dissolve a co-operative society just because there is a

subjective element here, namely, "failed to achieve its objectives". That is subjective.

Mr. Temporary Deputy Speaker, Sir, I am also against dissolving a society because it has failed to file returns. The issue of filing returns rests with the committee. If the committee fails to file returns to the relevant body, why must we deregister a society? We should not punish the entire society because of mistakes that have been committed by one or two members of that society. That is critical. If one or two people fail to do their job, then, tomorrow, there will be no society, and yet the majority of the members have no muscle to ensure that returns are filed. That is why I am saying that we should not give a lot of power to the Commissioner or the Minister himself.

Mr. Temporary Deputy Speaker, Sir, I appreciate the establishment of the Fund, but its use must also be expanded. The Minister has talked about education and research, but just like the Kenya Sugar Fund, we should also allow that Fund to rescue co-operative societies. If a society's revenue is delayed for certain reasons and there is cause to believe that, that society could easily collapse, it is only fair that members can run to this Fund, rescue the society and refund the money when they receive their funds. That is why I am saying that we should expand the use of this Fund. It has happened in the sugar sector where previously there have been delays in the payment of the farmers dues. In his wisdom, the Minister has instructed that money be made available from the Fund to pay the farmers and that has happened. The farmers have been motivated. If that is done, we will rescue so many societies which could easily collapse as a result of delays.

Mr. Temporary Deputy Speaker, Sir, I want to talk about exemptions. The Bill says very clearly that the Minister may exempt a society from certain provisions. That should not be done. We should ensure that societies follow the laid down regulations. We should not exempt any society from any provision. The Bills states that if a committee does not ensure that the society's books are audited and they give very good reasons, then it can be allowed to continue to be in the office. There is a provision that those officers should not be re-elected.

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): On a point of order, Mr. Temporary Deputy Speaker, Sir. The issue that the hon. Member is making reference to is very critical. It would help us a lot if he could tell us----

The Temporary Deputy Speaker (Mr. Khamasi): That is not a point of order. Mr. Kipchumba, please proceed.

Mr. Kipchumba: Mr. Temporary Deputy Speaker, Sir, I have read this Bill very well. Probably the Minister has not read it very well. There is a clause that committee members will not be re-elected if they do not have their accounts in order. The Clause also says that if they have good reasons as to why their accounts are not in order, then they will be exempted from this provision. There is no reason why anybody should be exempted from this provision. All the accounts must be looked at and if they are found not to be satisfactory, then the officers should not be re-elected.

I am particularly impressed with the issue of remuneration because officers have been known to pay themselves a lot of money in the past. They paid themselves a lot of money from the little money that poor Kenyans have sacrificed to save. I am happy that there is now a clause that says that if that is done, one will be liable to pay a fine of Kshs100,000, which is reasonable. I am happy that there is also a two-year imprisonment term that goes with it. I think that the jail term should be increased. The culprits should be jailed for the two years and also be made to pay the Kshs100,000. We are talking of savings of very old women and men of this country, who do not have anything else to depend on.

I read a clause that says that if one does not know how to read and write, he or she cannot be a member of a co-operative society's management committee. I beg to differ with that. It is a contentious issue. There are very many people who can speak very good English and Kiswahili, but do not know how to write. They understand the languages and can attend meetings and *barazas*. In most cases, transactions of co-operative societies are done by semi-literate people. Where are they supposed to go? They must be members of committees. Many old men have ensured the survival of these co-operative societies. If we give the educated young people the mandate to run the co-

operatives, they might collapse very soon. We should not punish anybody or deny any Kenyan the right to be a member of a committee, because he or she does not know how to read and write. If we leave this clause the way it is, I can assure you that very many members of the co-operative societies will pull out. These are people who would like to ensure that co-operative societies are run properly.

On the issue of accounts, the biggest problem we have in this country is failure by co-operative societies to prepare proper books of accounts. I appreciate that, indeed, co-operative societies must adhere to international standards. I, am, however, yet to understand from the Minister why we are talking of international standards. There are accounting firms in this country run by certified accountants. Why can we not make reference to the standards of our own country, instead of making reference to those of London? That does not make a lot of sense to me. Our certified public accounting firms must ensure that the accounting regulations they use are international. That will ensure that Kenyans do not feel inferior when they hear one talking about London since the accounting rules will be the same.

Mr. Temporary Deputy Speaker Sir, I appreciate the fact that this Bill talks about tribunals in all provincial headquarters. That is commendable. There is no point of people travelling all the way to Nairobi from whatever part of the country. Such tribunals will have to be established very fast, because co-operative societies must start working properly now.

Mr. Temporary Deputy Speaker, Sir, I think it is not fair to say that the Commissioner should not appoint the auditors. That must be done only by members of that society. There is no reason why we should accept this. Why can they not pick an auditor? What is the reason for this? Members know that according to the rules, they must appoint an auditor before the close of business. What will prevent members from getting an auditor in this country? I fail to understand what is meant by "except when they fail to do that". That can be intentional. You will realise that, as Ms. Karua said, some of the resolutions are passed by hecklers. People can just heckle then we forget the business. Members of a particular society must have the power and the right to choose auditors for themselves. There would be no reason why they would forget to choose auditors. There should not be too many regulations about auditors.

Auditors must be registered and recognised in this country. That is basic. We cannot say that the Commissioner must give society members a list. The Commissioner can give them guidance, but registered and prominent auditors in a region are known. My fear is of a situation where we centralise this activity in a way that makes all auditors at one time to be appointed from Nairobi, at the expense of auditors in the other regions. I think we should give power to the various co-operative societies to choose auditors for their various reasons.

Let me comment on the appointment of tribunals. I have always complained in this House that the LSK is always an interested party in every commission that we form in this country. Is it that the LSK has an interest in everything that we form in this Republic of Kenya? We must indicate here that when choosing members of the tribunal, the Kenya National Federation of Co-operatives must be involved. There is no reason why it should not be consulted when choosing members of the tribunal. All the Minister requires to do is to put down the guidelines in terms of regulations. We cannot say that the LSK has the best right to choose representatives. We must give interested parties a chance. I do not see why the LSK is an interested party in any commission that we form in this country. We must give a chance to farmers' unions because they have an interest in the running of co-operative societies. I do not see why they are not mentioned in this Bill. I want the Minister to think again about who has an interest in the formation of the tribunals. I beg to differ with the view that the LSK is the body that has an interest in everything for this country.

I want to make one request to the Minister, and this is critical. If you travel all over this country, you will note that every dispensary, even in the village where we come from, is manned by at least a nurse provided by the Government of the Republic of Kenya. I do not see why the Ministry of Co-operative Development cannot train a certain number of officers and post one of

them to assist the various co-operative societies. I will show why I am saying this. I have seen very many co-operative societies being unable to survive because whatever money they get goes to the remuneration of the officers that they employ.

We are not saying that the Minister should give out money. We are just asking him to employ for each society only one officer. If we do this, we will have killed two birds with one stone. Since this officer will be trained, he will provide the needed resources in terms of ensuring that the society runs properly. We will save the much-needed resources instead of paying officers who take up a lot of resources that should actually go into the investment by societies. They also have another added advantage, which is that they can provide some basic training within the various localities. I bet that such officers will be few. They will not be as many as the nurses we have in the countryside.

Mr. Temporary Deputy Speaker, Sir, finally, I want to talk about what the Minister has said, namely that, indeed, there is an ethics commission on co-operative societies. This is the first time I am hearing of it. I wish the Minister could have told us that it is, already operational. If, indeed, it is then I am not aware of this. Maybe a few people are aware of it.

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): On a point of information, Mr. Temporary Deputy Speaker, Sir. The ethics commission on co-operatives is operational. All management committees in this country have completed the wealth declaration forms, which we sent to it. The commission is operational.

Mr. Kipchumba: Thank you for that information. That is a step in the right direction. I wish that all hon. Members could know that, so that they can make a follow-up of unethical cases relating to the various co-operative societies. Another issue that I really want to commend the Minister for is the fact that very many corporations that deduct members savings must be made to remit the same as soon as possible. Previously it was 14 days. I have seen that this has been reduced to seven days. Although I would have wanted remittances to be done immediately, I know there are a few problems in terms of regularising and ensuring that accounts are in order.

With those few remarks, I beg to support.

The Minister for Livestock and Fisheries Development (Mr. Munyao): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to support this Bill. I want to begin by supporting the Minister and congratulating him and his members of staff for working so diligently to ensure that this Bill, which I have read very well, is brought to the House. It has taken into consideration a lot of problems being experienced by Kenyans in this country. The co-operative societies are the only way forward to support poor farmers in this country. They are the only easier way forward of reducing poverty levels in this country because they will create wealth and job opportunities.

There are areas where the role of the co-operative societies has been taken up very well. They have helped *wananchi* come together; those who could not individually afford to buy a certain asset, do so when they raise funds together. I have gone round this country and I noticed that most farmers do not even have title deeds that they can use to borrow money from financial institutions. They may need dairy meal for their animals, but they cannot afford it. I told them the best way to raise money is for them to come together and form strong co-operative societies which they can use to borrow money from financial institutions like the Co-operative Bank, or the Agricultural Finance Corporation (AFC). If a co-operative society is made up of 50 or 100 members, they can borrow money to buy animals which they could distribute among themselves. This society can then take the responsibility of paying back the loan after receiving money from their own members. The financial institutions will trust them because they will not be dealing with an individual, who may run away, but an entity.

Mr. Temporary Deputy Speaker, Sir, when the Minister moved this Bill, he talked of mismanagement of the co-operative societies. I want to dwell a little on this. The mismanagement of our co-operatives is what has dwindled the trust and commitment of the co-operators to be together.

For example, in the past, we saw how farmers came together in this country; they built roads, bought buildings, farms and other assets. However, the trust immediately dwindled away because there were some officials of these co-operatives who turned out to be "professional co-operators." They ran down most of co-operative societies. This is general knowledge because it has happened in the coffee industry, dairy and livestock sub-sectors. The top management of most co-operative societies expected a goat to be slaughtered for them whenever they visited farmers in the rural areas. If somebody is a chairman of such a society for three years, it means that every time he visits a farmer, that farmer has no option but to slaughter for him a goat. Definitely, this will clear all the stock in that farm. This is very true; it has happened.

Mr. Temporary Deputy Speaker, Sir, those professional co-operators run down an organisation, then go to another one. They buy their way out from the less fortunate people who shout their names and they are elected again to run down the other co-operative society.

I have a lot of confidence in the Minister! I know him! We have served together in the Departmental Committee on Agriculture, Lands and Natural Resources! I know that he is very efficient. In fact, his area has the best managed co-operative societies, and he knows all these things. In fact, he has got all the information at his fingertips! I would like him to move fast and get those people to answer for all the things that have been done to farmers.

Mr. Temporary Deputy Speaker, Sir, I have seen cases where co-operative societies buy land, be it in Ukambani, Rift Valley or other areas but within a very short time--- They buy such farms to either rear livestock or produce food. After buying the land, distrust sets in and within a very short time, resolutions are passed to sub-divide the land and yet, that was not one of the objectives! There are two things in that. First, when the group is buying the farm, the objective is very clear. But when other members realise that the objectives are not being achieved, they pass a resolution to sub-divide the farm, so that they can sell their parcels of land, rather than leaving everything to be "eaten" up by fellows in the management. We must look into the management of co-operatives and stop those sub-divisions.

This country has very good co-operatives and what we have achieved in many areas has been through them. The distrust that prompts members to sub-divide the farms must be checked. Those sub-divisions bring in poverty. They bring in poverty because if a land measuring 5,000 acres or 10,000 acres is sub-divided into 10-acre plots, it becomes totally uneconomical to operate. One, you will not go to a bank and borrow Kshs2 million to develop a 10-acre plot. But it is very easy to borrow Kshs100 million to develop 10,000 acres. You can also buy a tractor to plough big chunks of land. What will a tractor do in a 5-acre plot? It is impossible. Therefore, it is very crucial for the Minister to look into that idea. The actual objective of buying the land, even before the resolution of sub-dividing is passed, must be looked into. Authority to sub-divide must be given from the Minister's office. The issue of buying a few members with little holding to heckle everybody and pass resolutions brings in poverty. We have examples in the Rift Valley area, especially in Eldoret and Kitale. At one time, they used to be a granary of this country. But what is happening now? Due to those sub-divisions, we are running deserts today. We are not aware that the desert region is just near here, and it is soon coming.

Mr. Temporary Deputy Speaker, Sir, if that land is kept intact, especially in the Rift Valley, we could produce enough for this country. We should forget the idea that everybody in this country must have a title deed. That is not going to happen because the population is also growing everyday. Tonight, we are going to get a few Kenyans who were not there in the morning. They are newly born and they have got the right of being here.

Are you telling me that we will have an area to settle everybody? A clear example is when you start talking about the squatters. Everybody, at one time, will remain as a squatter.

Mr. Temporary Deputy Speaker, Sir, I will give an example of Mr. Kipchumba. At one time, maybe, he had a parcel of land measuring 100 acres. Now, he has got four children who were not programmed when he bought the land. Those are his squatters. What are you going to do with

them? Those squatters will get other squatters and so on. Therefore, the policy on land sub-division must be very clear. We should leave those who can produce to do so for this country. Those who cannot farm can venture into the industrial sector. We should develop our urban areas, so that others will live there. That way, land will be left for those who can manage it.

I know that sub-division is forced. It is forced in a way that, if someone does not trust the management, he or she proposes the sub-division, so that he or she could sell his or her parcel of land and get the money.

Mr. Temporary Deputy Speaker, Sir, one enters a co-operative to do so many things; for instance, buying property or land, so that later they can have dividends. This is the time banks are giving dividends. Whoever had bought shares in Standard Chartered Bank or Barclays Bank are receiving their cheques today. We want the organisations that are run through co-operatives to be also able to give dividends annually like it used to happen. At one time, hon. Lesrima was a Permanent Secretary in that Ministry and its running was good. Did he not leave something to be followed by those who came after him and those who will come in even much later?

There was one time that for any management committee of a co-operative society even to make a payment, a cheque would be signed by all; at least, over ten people. That created more confidence and above all, the important signature was that of the co-operative officer, either at the district level or whatever, so that, by the time the co-operative officer was signing the cheque, he or she would make sure that whatever was being signed was clear and genuine and there was money. Why have we now removed these co-operative officers? Today, you will find that only two officers are the signatories of cheques in a co-operative society of over 10,000 people. We want the Minister to bring back that mandatory signature of the District Co-operative Officer. The payment could wait for about a week or two; let it go round and be signed by everyone, including the illiterate ones that hon. Kipchumba was talking about. One may not be able to read and write, but can be a talented leader. How many leaders do we know in this country who are actually illiterate? What we need in the co-operative movement is honesty, trust and reputation. Those virtues are not common with those who are educated but it is more common with those who have not gone to school because they have brought themselves up to where they are. These committees should give equal representation to men and women. It takes a little while to deceive women, but they are a little bit more honest than men. They are less liars; they do not con much. So, it is good for the committees to be balanced and let whoever can sign do so and others can even thumb-print. But those committees must be mixed and must have more signatories.

Mr. Temporary Deputy Speaker, Sir, the authority being sought by this Bill to strengthen the office of the Commissioner of Co-operatives, and the Minister also given more powers, is welcome. This is what we need because if we dilute these officers, then we will be running to a very big danger. I have even talked to the Minister. There is a ranch next to Machakos called Konza. The other day, I was meeting large-scale and small-scale farmers of Makueni and Machakos. Their biggest concern was what is happening in that area. The entire area of Konza Ranch, which used to produce livestock, is today becoming a desert.

Mr. Temporary Deputy Speaker, Sir, one of the reasons why leaders at that time thought it fit to put the Kenya Meat Commission (KMC) factory at Athi River is because they were putting it where the raw materials were. The raw materials are animals, including goats, cows, sheep and all the others. Today, nothing can grow in that area. But that area has now been bought and there are resolutions that have come up to sub-divide that area. To grow a plant in that area, even a banana, it may take up to four or five years. The area there cannot be used for cash crops growing, it is only fit for livestock keeping.

Mr. Muiruri: On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a very important Bill. I happen to be the Vice-Chairman of the Departmental Committee on Agriculture, and I am aware the Bill was read for the First Time. But I think the House is being hijacked because this Bill has not been referred to the relevant Departmental Committee on Agriculture, in which I

am a Member and more so, a Vice-Chairman.

I have just talked to the Chairman of the Committee, Dr. Wekesa, and he has authorised me to raise this issue because procedures have not been followed. Prof. Olweny is also a Member of the Committee, and hon. Rotino is also a Member of that Committee and we have not been consulted at all.

The Temporary Deputy Speaker (Mr. Khamasi): Well, that is coming a little bit belatedly. But I would like to find out from the Assistant Minister what the position is before I make a ruling.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, there was no intention to hijack the House. We actually referred this matter, after the First Reading in December, to the relevant House Committee. When it came up on the Order Paper, we just came and did the Second Reading today. So, it was not an issue of the Ministry trying to hijack a process.

Mr. Muiruri: Mr. Temporary Deputy Speaker, Sir, there is a meeting scheduled for tomorrow between the Departmental Committee on Agriculture and the Minister for Co-operative Development and Marketing to discuss this Bill.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Muiruri! Do you know when the First Reading was done? Are you aware when the First Reading was done?

Mr. Muiruri: Mr. Temporary Deputy Speaker, Sir, as far as I am concerned, the First Reading was done but the matter was referred to the relevant Committee on Agriculture, but this has not been done. As I said, the first meeting is scheduled for tomorrow to discuss this Bill. That is the process for the Second Reading. It does not matter---

The Temporary Deputy Speaker (Mr. Khamasi): Order! Order, Mr. Muiruri. I want to let you know that you may be out of order. Look at the Standing Orders carefully. Look at Standing Order No.101(a) (1); what does it say? I will read it for you.

It reads:

"A Bill having been read a First Time shall upon a Motion by the designated Minister stand committed to the relevant Departmental Committee without question put."

That is the position. So, if the Minister said the Bill is committed to the relevant Departmental Committee, it is your responsibility. The Minister will not supervise that Committee to make sure they produce a report.

It was your duty as a Committee to make sure that you looked into this.

(Applause)

So, the Motion is properly before the House and I ask hon. Munyao to continue with debate.

The Minister for Livestock and Fisheries Development (Mr. Munyao): Mr. Temporary Deputy Speaker, Sir, we will also congratulate you---

Mr. Muiruri: On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum!

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Muiruri! You are out of order. You did not ask for permission even to raise that.

Mr. Munyao, proceed!

The Minister for Livestock and Fisheries Development (Mr. Munyao): Mr. Temporary Deputy Speaker, Sir, I will continue. I will begin by congratulating you for the decisions you are making in this House. They are really valid.

*(Mr. Muiruri stood up
in his place)*

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Muiruri, I think you are out of order, and I overrule you. Could you sit down and let Mr. Munyao contribute?

The Minister for Livestock and Fisheries Development (Mr. Munyao): Mr. Temporary Deputy Speaker, Sir, I was talking about the Konza ranching area. Here, we need the intervention of the Minister at least to get the leaders in that area to understand what we are saying. The Minister for Agriculture and I have made some efforts. I am requesting the Minister for Co-operative Development and Marketing to speak to his members in that area and if possible, attend one of their meetings. This is because we do not want land to be sub-divided because it will not be productive.

I will just make one other request to the Minister for Co-operative Development and Marketing. There is one co-operative society in my constituency called Kikima Farmers Co-operative Society which deals with coffee. At one time, I know the Minister for Co-operative Development and Marketing announced the writing-off of so many debts of many co-operative societies. However, when we checked, we found that Kikima Co-operative Society was not among those that had benefited. When the names of those co-operative societies were read out, in fact, I was seated where Mr. Muiruri is, and that particular co-operative society was not included. Could the Minister look at Kikima Co-operative Society because I have no way of raising a question pertaining to it except in this forum? He is my good friend and I hope he will consider it so that these people can also enjoy the benefits the other coffee co-operative societies enjoy. I know there are many other coffee co-operative societies that need to benefit from this write-off including some in the Minister's constituency. As you consider Kikima, Mr. Minister, also look for such co-operative societies in your constituency.

Finally, I am again making a very passionate appeal to the Minister. At one time, when Machakos and Makueni were under one district; the Great Machakos District, there used to be cotton growing.

*(Mrs. Kilimo consulted
with Mr. Ndwiga)*

Mr. Temporary Deputy Speaker, Sir, help me so that the lady who has come in may not disturb the Minister until he hears what I am saying. I know she is hot because I saw her fighting somebody and she might have come with that spirit.

At that time, we had the Cotton Board of Kenya and Machakos is the best and biggest cotton-growing area even now as we speak. At that time, members of Machakos District were under one cotton co-operative society. We were asked to contribute money to buy Makueni Cotton Ginnery under the Cotton Board of Kenya. We collected a lot of money and I am one of the persons who contributed, so I have a vested interest in this matter. I might as well declare it; I am one of them. I had shares which I bought for Kshs30, which was a lot of money at that time. Then it could buy Mr. Sirma a meal, but today it cannot. We paid money to buy shares and somehow the money was over Kshs4 million. The entire Machakos-Makueni District had about 17 locations at that time. At that time, locations were big. The over Kshs4 million amount was collected from all members. Records are available in the co-operative offices and more so in the Cotton Board of Kenya. We could not raise enough money to buy the ginnery. So, it was genuinely bought through an auction. We agreed because it was bought in a proper manner. We, as farmers, continue to grow cotton in that area. We only wonder where the money that we contributed is. Could the Minister for Finance look for it in the Ministry's books? When I was a Shadow Minister, I sought to know the whereabouts of that money. The Minister for Finance then confirmed that the money had been

deposited in a certain account in the Treasury. So, could the Minister retrieve that money from the Treasury and have it handed over to the DC, Machakos, so that he can give it back to the shareholders?

Initially, Machakos District had 17 locations. Subsequently, the Government created more than 50 locations. Many people who contributed may not be alive today. However, since this money is still there, can we have it? Even if we do not trace the actual persons who contributed it using the receipts, we can put it into a project of common interest to the community. It will boost the morale of farmers to grow more cotton.

The ginnery was sold through public auction, but the farmers believe that it was not bought fairly. They always see the project as their own. That notion cannot be cleared until the farmers get back their money, and be encouraged to grow cotton and sell it to that ginnery. If the Minister does so, he will have helped us so much.

Mr. Temporary Deputy Speaker, Sir, since there are many hon. Members who would like to contribute to this debate, I would like hon. Members who are farmers, like Mr. Wario, to contribute to this debate. Mr. Sirma is not a farmer!

(Laughter)

Mr. Sirma: On a point of order, Mr. Temporary Deputy Speaker, Sir. I have let the Minister mislead this House for too long. He said that a long time ago, he bought shares at Kshs30, which could buy me a beer. I do not take beer. Secondly, he has said that I am not a farmer---

The Temporary Deputy Speaker (Mr. Khamasi): Order! Order, Mr. Sirma! What is your point of order?

Mr. Sirma: Mr. Temporary Deputy Speaker, Sir, the Minister is misleading the House.

The Temporary Deputy Speaker (Mr. Khamasi): How?

Mr. Sirma: He said that I am not a farmer!

The Minister for Livestock and Fisheries Development (Mr. Munyao): Mr. Temporary Deputy Speaker, Sir, the hon. Member has not declared his interest. I only said that he is not a farmer and that Kshs30 in those days could buy him a meal.

With those remarks, I beg to support.

Mr. Kamama: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this debate. I support this Bill, because co-operative societies contribute a good portion of our Gross Domestic Product (GDP).

Mr. Temporary Deputy Speaker, Sir, before I delve into other things, I would like to thank the Minister for reviving the Kenya Co-operative Creameries (KCC). Dairy farmers had given up in this country. The KCC was mismanaged by people who should be taken to court. We reached a situation where milk became cheaper than water. Even now, water is more expensive than milk. Therefore, I would like the Minister to look into this issue, so that in the next six months, we have the best price for milk in this country.

(Applause)

Mr. Temporary Deputy Speaker, Sir, conventionally, wealth is created through three different initiatives: The individual initiative, the Government initiative and the co-operative initiative. The Government should support the co-operative movement and comprehensively address the issue of corruption, which is rife among co-operative society managers. Two years ago,

I was a civil servant in Central Province, and I know all the managers of co-operative societies in that province were corrupt. The best thing that the Ministry can do is to sack everybody and appoint new people to run the co-operative societies. Corruption is a way of life in co-operative societies. We are supporting this Bill with a view to salvaging our farmers.

We have Savings and Credit Co-operative Societies (SACCOS) and micro-finance institutions in this country. I will talk about the SACCOS. The SACCOS that are owned by teachers are helping the teachers, while those owned by farmers are helping the farmers. However, the interest rates that they charge are still high. So, the Minister should address this issue as a matter of priority.

I want to thank the Minister for what he is doing. I have a lot of confidence in him. Since he comes from the Mount Kenya region, where coffee is grown, I hope he will address most of the problems facing SACCOS in Central Province and then go to Rift Valley Province and other regions, to do likewise.

Mr. Temporary Deputy Speaker, Sir, in Baringo District, we used to have co-operative societies. The people within the Kerio Valley used to grow cotton. We used to produce the best cotton in the world. However, the situation in that area is now very bad. People have deserted their farms. They cannot get anything from cotton because the co-operative societies were mismanaged. I am not aware of any co-operative society that is doing well in Baringo District. We used to have Baringo Hides and Skins Co-operative Society. I do not know what became of it. The Minister should investigate that SACCO because the future of the people of Baringo is livestock. That SACCO used to be vibrant, but it is as dead as a *dodo*. The people who used to manage it have disappeared into thin air. I hope that the Minister will look into this issue and salvage us from the problem.

So, we are in support of this Bill in totality. We support the Minister in all his initiatives. We need to give him all the necessary support, so that this Bill can become law, as a matter of urgency.

With those remarks, I beg to support.

Dr. Kibunguchy: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the debate on this Bill. Right from the beginning, I support the Bill before us. I would also like to join my colleagues to thank the Minister and his team for coming up with this Bill, which I think is going to address a lot of problems that had befallen the co-operative sector.

Mr. Temporary Deputy Speaker, Sir, I would also like to thank the Minister for reviving the Kenya Co-operative Creameries (KCC). Farmers from Lugari Constituency benefit greatly from the services of the KCC in Eldoret. I would also like to thank the Minister for trying to revive the Kenya Farmers Association (KFA). I remember, when I was growing up, we used to associate the KFA with the best implements that a farmer could buy and the best services he could get. However, over the years, KFA was run down; it changed name and I think it also tried to change its skin, but finally it came back to its old self. I would like to thank the Minister for having put in some initiative to see to it that the KFA is back on its feet.

Mr. Temporary Deputy Speaker, Sir, I would not like to repeat a lot of what has been said in terms of what has ruined the co-operative societies in this country. I know many things have been cited, for example, mismanagement, corruption and laxity. However, I think the one important thing is that, in many places, the co-operative societies were taken over by the committees that were running them. As a result, members in many places have lost interest in many of these societies. I know this is the case in my constituency. Right now, if you visit any part of the constituency and talk about co-operative societies, I am sure not very many people will be keen to listen to you. We all know in this liberalised economy, the only solution or saviour for the common man, small-scale

trader or farmer is the co-operative movement.

Mr. Temporary Deputy Speaker, Sir, as much as I support this Bill, there are some areas that we must really point out. One of those areas that I think was not given a lot of emphasis is that this Bill does not give a lot of powers to the members of these co-operative societies. I think this Bill tends to give a lot of powers to the Minister and the Commissioner of Co-operative Societies. But for a co-operative movement to be able to realise its objectives strictly, I think its members must be empowered. How do we give them the powers? We should start off by educating them. They must know that these co-operative societies are theirs and that they are responsible for their management. They should not allow anybody to mismanage their co-operative societies.

Mr. Temporary Deputy Speaker, Sir, as much as we are putting forward this Bill, which, to me, is very good, it is important that we ask ourselves some questions. I would like the Minister to answer this question: What do we do with the co-operative societies that have since collapsed? In Lugari Constituency, which I represent, we have 15 co-operative societies, but as I speak here now, none of them is functional. All of them have collapsed for various reasons. But the main reason which has led to their collapse is mismanagement, which many hon. Members have mentioned. Those societies have also been weighed down by the number of debts they owe, especially, to the Co-operative Bank of Kenya.

Mr. Temporary Deputy Speaker, Sir, if the Ministry wants to give the co-operative societies a new beginning, it should start from this moment and ask: What do we do with the co-operative societies which have collapsed? I would like the Minister and his people to address that question because it is important. Those co-operative societies cannot be revived without any assistance from any quarter, and we look to the Ministry of Co-operative Development. This Ministry should move in and help the co-operative societies which have since collapsed. We should ask: What do we do with the past committees which have made those co-operative societies collapse? We shall be on the right path in reviving the co-operative societies if we answer that question. Some of the debts which have weighed down some of those co-operatives are related to the books of accounts. Some of the debts are as a result of the mother societies which had collapsed. Most of the smaller co-operative societies in the dairy industry collapsed when the Kenya Co-operative Creameries (KCC) collapsed and some of them cannot be resuscitated. There is a big problem ahead of us and the Government should come in and help.

Mr. Temporary Deputy Speaker, Sir, I would like to, especially, thank the Minister for bringing this Bill, which has a clear mechanism for dispute settlement in the co-operative movement. I know that it has been a big problem in the past, but when we devolve some of those tribunals to the provincial areas, in my view, it will be much easier to settle some minor disputes.

I would also like to talk about the co-operative development fund which has been ably captured in this Bill. This will go a long way in terms of training and research. But as it has been alluded to, and I agree with those hon. Members who have said that--- I think if we leave this fund to the co-operative societies alone, it might not be as "healthy" as we would like it to be. It might also not cover the areas we would like it to cover. Maybe, the Ministry of Co-operative Development should pump some funds into the co-operative development fund so that the fund can achieve some of the objectives for which it is being established.

I am thinking seriously about training of the members of the co-operative societies. This is because at the moment, we know that some of the members of the co-operative societies do not know their rights and obligations. They also do not know the extent to which they should go. This has made the committees of the various co-operative societies run those societies almost like personal property. So, once the members of a co-operative society are enlightened and trained, they should go back and police the management committee. They can also hold the committee

accountable to the by-laws of their co-operative society.

I would like to see a situation where some of the agricultural-based co-operative societies start having agro-based industries growing around them. In Lugari, where I come from, we mainly grow maize and beans. Some areas practice dairy farming, but you will not find small rural-based industries. Therefore, we have problems with the employment of our boys, girls and other people. Some of those co-operative societies should establish agro-based industries that would be growing around them in the areas they exist. If we reach that stage, we will proudly say that we are trying to establish industries in our rural areas.

Again, some of the best bricks are produced in Western Province, and yet, most of the groups which make them have not formed any co-operative societies of any sort. This is to the extent that we cannot have an industry which can produce clay-based products. Instead, some of the clay industries are based in an area which is far away in the interior. By now, we would be saying confidently that very soon, we will have a clay-producing industry in those areas if those people are organised in co-operative societies. This is because some of our soils are excellent for the production of bricks. Therefore, they can be used in the production of other clay-related products.

Mr. Temporary Deputy Speaker, Sir, I would like to thank the Minister for saying that an Ethics Commission has been established and it is working hand-in-hand with the co-operative movement. The only problem is that it has not been publicised. In fact, I was hearing it for the first time today. We should have given it enough publicity so that our co-operative societies back at home know that they are supposed to be looked into by the Ethics Commission. All the same, I would like to thank the Minister. It is good that this Commission has been established, and it will go a long way in instilling some sense and ethics in the co-operative movement.

I agree with my colleagues who have said that we should reserve some seats for women in the management committees of co-operative societies. If we can reserve so many seats for various genders in our political party elections, then the Minister for Co-operative Development should include this aspect in the Bill; that we will reserve certain seats for this and that gender. This is because you will find that the management committees of most co-operative societies in the rural areas comprise of men. In certain areas, hardly would you find women being in the management committees. We should include this aspect in this Bill. I know we have included this aspect in the Constitution and I do not know why we should be afraid to include it in this Bill. This is because we should get co-operative societies where we have female gender putting an input, because they are the ones we are told produce most of what is sold. We should give them a specific role to play in this Bill and I would like the Minister to look into that aspect, so that he can include it in the final write-up of the Bill.

Finally, when we talk about membership of the committees, I think education background should not be our overriding factor. We should leave it to the members to choose the best people who can serve in those management committees. Within each community or area, you would always find people who are trusted by the majority of the people who live there. So, we should not peg the election of a member to the management committee on his or her educational background.

Mr. Temporary Deputy Speaker, Sir, I support the Bill.

Mr. Wario: Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa fursa hii ili niweze kuchangia Mswada ulio mbele yetu. Wahenga walisema: "Baniani mbaya, kiatu chake dawa!" Leo, nitakuwa kati ya wale wachache watakaosimama wima kumpongeza Waziri na kushukuru Serikali kwa kuleta Mswada huu. Sababu yangu kubwa ya kuunga mkono Mswada huu ni kwa sababu ni wetu kama Wakenya. Huu sio Mswada uliotumwa na Benki ya Dunia au Shirika la Fedha Duniani (IMF), kwa mazoea yao ya kututawala kimawazo. Mswada huu ni wetu. Tunaupanda hapa na tutauvuna hapa. Hiyo ndio sababu nina imani na nasimama kuunga mkono Mswada huu.

(Applause)

Bw. Naibu Spika wa Muda, hapo awali, tegemeo la Wakenya wakati wa dhiki ni vyama vya ushirika. Unapozungumzia mazishi, elimu, maendeleo au ujenzi, tegemeo kubwa la kiuchumi lililowasaidia Wakenya wengi ni vyama vya ushirika. Vyama hivyo viko mashinani kuwafaa na kuwasaidia wananchi ambao hawana tegemeo lingine katika maisha. Hivyo basi, Mswada kama huu ni muhimu sana kwetu na tutasimama wima kuunga mkono.

Pia, Bw. Naibu Spika wa Muda, sababu kubwa inayonishawishi kuunga mkono Mswada huu ni kwa sababu vyama vya ushirika vilikuwa vinatoa nafasi za kazi kwa vijana wetu katika sehemu za mashambani. Miradi mingi katika taifa hili haifiki mashinani au sehemu za mashambani ili kutoa nafasi za kazi. Lakini, vyama vya ushirika vimeweza kushuka huko mashinani na kunufaisha Wakenya wengi kwa nafasi za kazi.

Bw. Naibu Spika wa Muda, ningemwomba Waziri asijihusishe na uchaguzi wa kamati mbali mbali za vyama vya ushirika. Hapo awali, kuhusika kwa Serikali katika uchaguzi wa kamati mbali mbali za vyama vya ushirika kulifanya vyama vingi kusambaratika. Pia, wale wanakamati na wanachama wa vyama vya ushirika wanastahili kuelimishwa. Hiyo ni kwa sababu wengi hawakunufaika kufika shuleni kupata elimu ya jinsi vyama vya ushirika vinasimamiwa.

Bw. Naibu Spika wa Muda, ningependa kugusia jambo moja; riba ya juu inayotozwa wanachama wakati wa kuchukua mkopo. Serikali inatakiwa kutafuta mbinu yoyote kuhakikisha kwamba kiwango cha riba kimeenda chini, ili kuwanufaisha wanachama wanaochukua mikopo. Natumai tukiwa Wakenya, tunastahili kutambua imani mbali mbali za watu wetu. Nikitoa mfano, mimi mwenyewe sikuweza kubahatika kupata mkopo unaotolewa na Bunge kununua nyumba. Kwa nini? Kwa sababu imani ya dini yangu hainiruhusu mimi kujihusisha na mambo kama hayo. Iwapo hatutaweza kuangalia mambo kama hayo, watu wengi, kwa sababu ya imani ya dini yao, hawataweza kunufaika na vyama vya ushirika. Iwapo tuko hapa kubuni sheria hizi, sheria hizi lazima ziangalie Wakenya bila kujali rangi, dini au msimamo wa kisiasa.

Bw. Naibu Spika wa Muda, mimi natoka katika sehemu kame ambayo mara mingi, hukumbwa na majanga ya kiasili kama vile mafuriko, ukame na maradhi ya mifugo. Vyama vingi vya ushirika katika sehemu hiyo vinajihusisha na mifugo. Niko na Idasa-Godana Co-operative Ranch na Wachu Co-operative Ranch katika Wilaya ya Tana River. Mara kwa mara, watu hawa wanakabiliwa na hali ngumu ya maisha ya jangwa au maradhi ya mifugo. Kwa sababu hii, mifugo wao wanazidi kufa. Sikupenda kwao, wala si uvivu wao, ila ni shida zinazotokana na jangwa. Wakati mambo kama haya yanatokea, Serikali inapaswa kuwasaidia kwa kufutulia mbali mikopo wanayodaiwa watu hao. Hivi tunavyozungumza, watu wamepoteza mifugo yao yote. Lakini juzi, nimeona barua kutoka Wizara ya Ardhi na Makao ikidai malipo ya ardhi. Wanadaiwa pesa nyingi kabisa, ilihali mifugo wao wamekwisha. Je, watalipa namna gani pesa hizo wanazodaiwa? Kwa hivyo, ningependa kumuomba Waziri wa Ustawi wa Mashirika kwamba alichunguze jambo hili kwa makini, ili wakulima na wafugaji hao waweze kusaidiwa.

Bw. Naibu Spika wa Muda, baadhi ya sababu ambazo zinanifanya mimi kuunga mkono Mswada huu ni kuwa baadhi ya Miswada inayoletwa katika Bunge hili ni ya kibeberu. Juma lililopita, tulikuwa na Mswada mmoja hapa Bungeni uliokuwa ukizungumzia ubinafsishaji wa mashirika ya umma. Kuna kifungu katika Mswada huo kinachosema kuwa hata wageni wanaweza kupatiwa fursa ya kumiliki mali ya umma. Wale waliosifika jana kwa kunyanyasa na kugandamiza Wakenya, ndio tunawaruhusu kumiliki mashirika yetu ya umma leo. Kwa nini Waziri aliyeleta Mswada huo hakusema kwamba vyama vyetu vya ushirika navyo vinaweza kumiliki mashirika ya umma? Kwa mfano, ikiwa kuna haja ya kubinafsisha Telkom Kenya, kwa nini vyama vyetu vya

ushirika visihusishwe? Hivyo, faida yote itawaendea Wakenya. Faida hiyo itaimarisha maisha ya watoto wetu. Lakini, nasikitika kusema kuwa mawazo yetu yametawaliwa. Fikira yetu ni juu ya nchi kama vile Marekani, Uingereza na taasisi kama vile Benki ya Dunia na IMF. Wakati wa kubadilisha msimamo wetu ni sasa, ikiwa tunataka kujenga nchi yetu. Iwapo kuna ubinafsishaji, basi ubinafsishaji ule uende kwa vyama vya ushirika.

(Applause)

Bw. Naibu Spika wa Muda, ningependa kugusia Kifungu cha Nne cha Mswada huu. Kinazungumza juu ya mamlaka ambayo yamepewa watu wengine. Yule ofisa ambaye yuko pale, akijua kwamba mamlaka yake yatahamishwa na kupewa mtu mwingine jinsi anavyotaka Waziri, imani yake ya kufanya kazi itakuwa dhaifu. Ni vyema Waziri aangalie mbinu nyingine, ili asidhalilishwe msimamo wa ofisa yule. Bw. Naibu Spika wa Muda, ukiangalia mambo yanayohusu wahasibu katika Kifungu cha 25(1)(a), utagundua kwamba kinadumu sana kwa maswala ya kimataifa. Kwa nini tusizungumze juu ya kiwango cha kitaifa kwanza?

Bw. Naibu Spika wa Muda, tukiangalia Kifungu cha 25(5), ikiwa mhasibu hatachaguliwa kuwa katika baraza kuu, basi mtu yeyote asichaguliwe kwenda kufanya uhasibu. Mimi ninatoka kule mashinani na niliona kuwa kule mambo ni hatari. Je, mnajua kuna wahasibu wa wilaya ambao hupewa amri kwenda kufanyia chama fulani uhasibu. Kabla ya kwenda, yeye huchinjiwa mbuzi, ili anapofika huko, atangaze kwamba mambo yote yako shwari, ilihali ukweli ni kuwa mambo si sawa. Kwa hivyo, wahasibu watakaochunguza hesabu katika vyama vya ushirika wachaguliwe katika mkutano wa kamati kuu. Isiwe kwamba Waziri ndiye anachagua watu wake. Sharti wasubiri kamati kuu iketi na ifanye uchaguzi kwa sababu isipokuwa hivyo, kamati kuu ndio itakuwa na hatia na hatua itachukuliwa hiyo kamati.

Bw. Naibu Spika wa Muda, kabla sijachaguliwa kuwa Mbunge, nilipata fursa ya kuhusika na hivi vyama vya ushirika, hasa vile zinavyohusika na mifugo. Kifungu cha 25(9)(c) katika ukurasa wa 93, kinazungumza juu ya mhasibu kupewa fursa kuingilia kila andiko na kila kitu kinachohusika na vyama vya ushirika. Hapo awali, katika vyama vya ushirika, kulikuwa na mhasibu mmoja tu wa wilaya. Yeya alijua siri zote za hivi vyama vya ushirika. Wakati mwingine mhasibu huyo humwita mwanachama mmoja na kumfichulia siri hizo. Keshoye, utakuta huyo mwanachama akipigana na mwenzake. Kwa hivyo, ni sharti tuweze kuthibiti uwezo wa wahasibu ili kusiwepo na fitina halafu kusambaratika kwa vyama. Hili ni jambo ambalo ni lazima tulichunguze kwa makini.

Bw. Naibu Spika wa Muda, Kifungu cha 25(ii) kinapendekeza kwamba tuwe na chombo cha kumchunguza mhasibu; aidha asiwe ni mhasibu mmoja tu katika wilaya. Ikiwa ni mhasibu wa Chuo Kikuu, basi ni sawa. Lakini vile ilivyo, mara nyingi vyama vingi vya ushirika hutegemea mhasibu mmoja kutoka wilayani na ni vizuri mtu huyu kuchunguzwa. Anapofanya kazi yake, ni vyema wanachama wachunguze ripoti alizoandika kabla ya kuzipitisha. Sharti waangalie ripoti hizo na wazifuatilie kwa makini.

Bw. Naibu Spika wa Muda, ukiangalia Kifungu cha 28(4)(c) kinachohusiana na mambo ya wale wasiojua kusoma na kuandika, utagundua kwamba kuna hatari kubwa ikiwa mshirika hajui kusoma wala kuandika. Wenzangu walionitangulia kuzungumza walisema ni makosa kumruhusu mtu asiyejua kusoma na kuandika awe mwanakamati. Walisema ni vyema mtu huyo awe mwanachama tu na achangie katika ushirika huo lakini asiwe mwanakamati kwa sababu huenda akaidhinisha kutolewa kwa fedha katika benki kwa kutia tu alama ya kidole. Ni hatari kumruhusu mtu asiyejua kusoma na kuandika kuwa mwanakamati.

Bw. Naibu Spika wa Muda, naunga Mswada huu mkono.

The Assistant Minister for Gender, Sports, Culture and Social Services (Mrs. Chelaite): Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Bill before the House. First of all, I would like to thank the Government for having made the co-operative sector into a full Ministry. I would also like to thank the Minister for Co-operative Development for reviving the Kenya Co-operative Creameries (KCC) and Kenya Farmers Association (KFA). I would also like to congratulate the Minister for having brought this amendment to this House because it was needed and, in fact, it should have come to this House earlier because most of the co-operatives have collapsed. That happened because in the past, the co-operative laws were not meeting the desires and needs of Kenyans.

Mr. Temporary Deputy Speaker, Sir, I remember KCC and the KFA collapsed because of the poor management and leadership. People were fighting for leadership not because they were qualified to lead those institutes or co-operatives, but because they wanted to grab the properties and also pocket the money.

I remember Kenya Farmers Association (KFA) used to be a very good organisation that was meeting the needs of all farmers in this country. But because of bad leadership and management, it collapsed. I hope this Bill will streamline such issues and prevent individuals from raking lots of money from such organisations. The mainstay of Kenya's economy is agriculture and if co-operatives like Kenya Co-operative Creameries (KCC) have been mismanaged, then we should expect most Kenyans to suffer the consequences.

Mr. Temporary Deputy Speaker, Sir, as I went through this Bill, I did not see anywhere in it where affirmative action is observed. I hope the Ministry of Co-operative Development and Marketing will have training on gender mainstreaming so that all the co-operatives can observe the demands of affirmative action. I realise that most co-operative societies are being run by women. When you talk of women groups, you are essentially talking of members of a large number of co-operative societies. So, when it comes to leadership, I would want women to be given a chance to lead because in most cases, women are more faithful than men. I do not intend to discredit the men, but it has been proven so. Take for instance, the Goldenberg scandal. You will hardly hear a woman being mentioned adversely, but so many men have been mentioned.

Mr. Temporary Deputy Speaker, Sir, I want to request the Minister for Co-operative Development and Marketing to make sure that there is training for members and officials of co-operative societies. What actually made co-operative societies collapse was the lack of training. With training, officers of the co-operative societies will be able to keep the books of accounts well. They will also be able to advance and attain much more success. This, in the end, will lead to improved standards of life among the members of co-operative societies.

Mr. Temporary Deputy Speaker, Sir, we have a lot of youths in this country and we always cry about lack of employment. We need to encourage the youth to join co-operative societies.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Members! Mrs. Chelaite, when the debate on this Bill resumes, you will have 25 minutes for yourself.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 6th May, at 2.30 p.m.

The House rose at 6.30 p.m.

