

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 29th November 2018

The House met at 2.30 p.m.

[The Speaker (Hon. Justin Muturi) in the Chair]

PRAYERS

PETITION

Hon. Speaker: Is there a petition? Let us have Hon. Aramat Lemanken.

CHALLENGES EXPERIENCED BY LOCAL COMMUNITY IN IMPLEMENTATION OF SGR PROJECT

Hon. Lemanken Aramat (Narok East, JP): Thank you, Hon. Speaker.

I, the undersigned, on behalf of the residents of Narok County, draw the attention of the House to the following:

THAT, the Standard Gauge Railway (SGR) is a Kenyan Government flagship project and is one of the major milestones towards achieving Vision 2030.

THAT, the project is being executed in phases and is currently in Phase 2A. Consequently, the SGR Phase 2A Corridor commences in Narok County at DK 97, Enoosupukia Sub-location and terminates at DK 120, Emurutoto area.

THAT, the project has recently witnessed frequent protests by the locals and also workers' unrest, particularly in Phase 2A in Sections 5, 6 and 9 within Narok County due to the railway design's safety challenges. The alleged challenges include track elevation at the point and nearness of the crossing to the Suswa Railway Station.

THAT, in the implementation of the project, some of the public roads and pathways have been blocked to allow for construction, the contractor has failed to provide alternative roads and also the railway corridor transverses through individual parcels of land making some parcels inaccessible by the owners.

FURTHER, THAT, the residents allege that employment related conflicts such as termination of employees' contracts without following due process, few opportunities offered to the locals at less than 70 per cent, non-transparent recruitment process and language barrier have contributed to poor team synergies and hence frequent staff unrest thereby adversely affecting project implementation.

THAT, several motor vehicle accidents involving the contractor's vehicles have been reported and that the contractor has failed to compensate victims or relatives of the victims.

THAT, lack of a policy framework for blasting at Suswa and Siyapei areas has brought about myriad of environmental challenges such as noise pollution, vibration and dust pollution

coupled with lack of environmental impact assessment reports or baseline surveys on the effect of blasting on neighbouring buildings and other structures.

THAT, the project has interfered with the wildlife habitats migration corridors in Suswa Conservancy in areas around DK 109, thus posing environmental risks to the habitat of many species of birds.

THAT, while land acquisition, particularly along the SGR Corridor including Section 2A within Narok County was published in the Government Gazette on 22nd December 2017, an addendum to this effect was gazetted on 2nd February 2018. The Government failed to gazette an additional land acquisition necessitated by inclusion of additional crossings along the SGR Corridor and re-routing of public roads and pathways.

THAT, the contractor has not put in place a drainage system hence flooding is experienced in most parts of the county.

THAT, efforts to address the matter with the contracted company have not yielded any fruit.

THAT, the matter in respect of which this Petition is made is not pending before any court of law or constitutional body.

Therefore, your humble Petitioners pray that the National Assembly, through the Departmental Committee on Transport, Public Works and Housing:

- (i) Investigates the matters raised with a view to addressing the Petitioner's plight;
- (ii) Causes the contractor to publish and circulate an environmental impact assessment report; and,
- (iii) Makes any other recommendation the Committee may find fit in the circumstances of this Petition.

And your Petitioners will ever pray.

Hon. Speaker: Very well. We shall have comments, observations and clarifications. Let us have the Member for Makueni.

Hon. Daniel Maanzo (Makueni, WDM-K): Thank you, Hon. Speaker for giving me an opportunity to comment on this very important Petition.

We went through this in Makueni recently when the construction of the railway was going on. There should be a better way of engaging the community. If those international contractors do not engage the community in advance, it will delay their work and cost the Government a lot more. Some of those matters can easily be resolved if the communities come together with the contractor, especially on the issue of the percentage of locals who will work on that particular project.

In the case of Narok, if the locals are not working on the railway line, who will? It automatically means that the locals will not allow any other people to work on the project and it will be disrupted. For the benefit of this country, there should be close consultations, especially between the elected leadership and the owners of the contract, so that this railway line can be expedited. That is what we did when the line went through Makueni County. There were constant consultations. That will also work for Narok.

Hon. Speaker: Let us have the Member for Alego-Usonga.

Hon. Samuel Atandi (Alego-Usonga, ODM): Thank you, Hon. Speaker for giving me this opportunity to comment on the Petition. A dangerous precedent is being set in this country where Kenyans or politicians imagine that if flagship projects are being undertaken in this

country and are going through their regions, they have all the right to undermine, interfere or even try to stall those projects from going on.

The Petition that has just been presented is a clear case of people who want to interfere with a national flagship project. Why is it that if this project is passing through Narok, only residents of Narok are qualified to work on it? There are examples where some people from some regions have been sent away from working in projects in certain regions because they do not belong to those regions.

This Petition is not necessary. When a project has been sanctioned by the national Government, there are procedures that have been identified, looked into and there are modalities of addressing those challenges. I plead with this House to reject this Petition so that the issues that have been raised can be handled by the relevant authorities that are in charge of implementing the project.

Hon. Speaker: Hon. Members, it is only fair to remind you that with regard to petitions, the Committee to which a petition is referred to is required to inquire into the matter, report to the petitioner or petitioners, as the case may be, and table a report. The report is not even supposed to be debated. It is important that, that be understood. The House cannot reject the Petition, Hon. Atandi. I am sure you are now better informed.

The Petition is committed to the Departmental Committee on Transport, Public Works and Housing to deal with it within the provisions of Standing Order No.227.

Let us move to the next Order.

PAPERS LAID

Hon. Speaker: Leader of the Majority Party, do you not have any Papers today? My brief shows that the Leader of the Majority Party has two Papers. Very well. You will lay them on Tuesday next week.

Let us have the Chairman of the Departmental Committee on Environment and Natural Resources.

Hon. Kareke Mbiuki (Maara, JP): Thank you, Hon. Speaker. I beg to lay the following Papers on the Table of the House:

Reports of the Departmental Committee on Environment and Natural Resources on:

- (i) The Budget Implementation for the Third and Fourth Quarter for the 2017/2018 Financial Year for Vote 1105 (Ministry of Environment and Forestry), Vote 1103 (Ministry of Water and Sanitation), Vote 1106 (State Department for Wildlife) and Vote 1091 (State Department for Mining);
- (ii) Report of the Delegation to the United Nations Framework Convention on Climate Change Conference held from 30th April to 10th May, 2018 in Bonn, Germany; and,
- (iii) Report of the Delegation to the Global Legislative Summit on National Parks and Protected Areas held from 24th to 27th September, 2018 in Washington D.C, USA.

Hon. Speaker: Let us have the leader of the delegation to the African Parliamentarians Network Against Corruption (APNAC.)

Hon. Shakeel Shabbir (Kisumu East, Independent): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

Report of the APNAC Delegation to the 2nd Annual Conference of the Institute of Certified Public Secretaries (ICS) held jointly with APNAC-Kenya as a partner in Mauritius from 15th to 18th August 2018.

Report of the Global Organisation of Parliamentarians Against Corruption (GOPAC) held alongside the 7th Conference of the States Parties to the United Nations Convention Against Corruption (UNCAC) held in Vienna, Austria from 6th to 10th November, 2017.

Hon. Speaker: Very well. Before we go to the next Order, allow me to recognise the presence of 52 members of the African Independent Pentecostal Church of Africa (AIPCA) Women's Group from Timau East, Buuri Constituency, Meru County. Let us move to the next Order.

QUESTIONS

Hon. Speaker: Hon. Members, at a request due to some urgency, I will start with the Member for Kisumu West Constituency, Hon. John Olago Aluoch.

Question No.257/2018

ILLEGAL REALLOCATION OF LAND TO PRIVATE DEVELOPERS IN MASENO TOWNSHIP

Hon. Olago Aluoch (Kisumu West, FORD-K): Thank you, Hon. Speaker. I appreciate it. I rise to ask Question No.257 of 2018 to the Cabinet Secretary for Lands and Physical Planning.

- (a) When was the parcel of land, Land Reference No.332/182 in Maseno Township of Kisumu County allocated to the Administration Police?
- (b) Under what circumstances was part of this parcel reallocated to private developers and new parcels of land created? Could the Cabinet Secretary provide identities of the persons or institutions that benefited from the reallocation?
- (c) What steps has the Ministry or the National Land Commission taken to ensure that the parcel of land reverts back to the National Police Service and further, what action has the Ministry taken to secure all parcels of land allocated to the National Police Service in the country?

Thank you, Hon. Speaker.

Hon. Speaker: That Question is referred to the Departmental Committee on Lands to prioritise. We now go to Question No.243/2018 by the Member for Awendo Constituency, Hon. John Walter Owino.

Question No.243/2018

STATUS OF CONSTRUCTION OF RONGO–DEDE-RAPONGI-AWENDO ROAD

The Hon. Member asked for my permission to be away today due to some bereavement. He requested that the Question be deferred. It is accordingly so ordered.

(Question deferred)

Let us go to the Question by the Member for Kamukunji Constituency. Hon. Members, learn to insert your cards properly. He must be pressing the wrong button.

Question No.245/2018

ARREST OF KENYAN JOURNALISTS BY TANZANIAN AUTHORITIES

Hon. Yusuf Hassan (Kamukunji, JP): Thank you, Hon. Speaker. I would like to raise Question No.245/2018 which is directed to the Cabinet Secretary for Foreign Affairs.

- a) Is the Cabinet Secretary aware that on 7th November 2018, a Kenyan journalist, Ms. Muthoki Mumo, together with a colleague, were arrested and detained by Tanzanian authorities while they were on a visit to Tanzania?
- b) Why were the two journalists held by the Tanzanian authorities, and what interventions were taken and assistance accorded by the Kenyan High Commission in Tanzania to the journalists?
- c) How many Kenyans are currently held in Tanzania's Police Cells, Remands and Prisons, and what steps has the Government of Kenya taken to protect, defend and assist Kenyans who are harassed, mistreated and arbitrarily detained by Tanzanian authorities?

Hon. Speaker: The Question is referred to the Departmental Committee on Foreign Relations to prioritize. The next Question is by the Member for Baringo Central, Hon. Joshua Chepyegon Kandie.

Question No.253/2018

HARASSMENT OF BODA BODA OPERATORS BY POLICE OFFICERS

Hon. Joshua Kandie (Baringo Central, MCCP): Thank you, Hon. Speaker. I stand to ask Question No.253/2018 to the Cabinet Secretary for Interior and Coordination of National Government.

- a) Is the Cabinet Secretary aware that there have been increased cases of insecurity in Baringo Central Constituency?
- b) What measures are being put in place by the Ministry to curb the increased cases of insecurity and harassment of *boda boda* operators by police officers?

Hon. Speaker: The Question is referred to the Departmental Committee on Administration and National Security. The next Question is by the Member for Vihiga, Hon. Beatrice Adagala.

Question No.255/2018

COMPENSATION OF PEOPLE DISPLACED BY RECLAMATION OF MARAGOLI FOREST LAND

Hon. (Ms.) Beatrice Adagala (Vihiga CWR, ANC): Thank you, Hon. Speaker. I wish to ask Question No.255/2018 to the Cabinet Secretary for Environment and Forestry.

- a) Is the Cabinet Secretary aware that community land covering Maragoli Hills in Mugoma Ward, Kisingila, Dabwongo, Buhani, Lodenyi and Musova of Vihiga Sub-County is being reclaimed and converted to Maragoli Forest land?
- b) What measures is the Ministry putting in place to ensure that the people living on the said land are compensated and settled appropriately?

Hon. Speaker: The Question is referred to the Departmental Committee on Environment and Natural Resources. The next Question is by the Member for Embakasi East, Hon. Babu Owino Paul Ongili.

Question No.256/2018

FAILURE BY NSSF TO ISSUE TITLE DEEDS TO RESIDENTS OF TASSIA ESTATE

Hon. Babu Owino (Embakasi East, ODM): Thank you, Hon. Speaker. I stand to ask Question No.256/2018 to the Cabinet Secretary for Labour and Social Protection.

- a) Could the Cabinet Secretary explain why the National Social Security Fund has not issued title deeds to the residents of Tassia Estate following completion of payments of the said parcel of land?
- b) When will the National Social Security Fund refund the Kshs920,000 to the residents of Tassia Estate meant for the construction and rehabilitation of roads in the area noting that they are not mandated to undertake road construction?

Hon. Speaker: The Question is referred to the Departmental Committee on Labour and Social Welfare to prioritize. The next Question is by the Member for Molo Constituency, Hon. Francis Kuria Kimani.

Question No.258/2018

REPAIR OF NAKURU-NJORO-MOLO ROAD

Hon. Kuria Kimani (Molo, JP): Thank you, Hon. Speaker. I rise to ask Question No.258/2018 to the Cabinet Secretary of Transport, Infrastructure, Housing and Urban Development.

- a) Is the Cabinet Secretary aware of the deplorable and bad state of Nakuru-Njoro-Molo Road, especially the stretch from Njoro to Molo?
- b) Considering the importance of the said road as it is used as a by-pass by motorists avoiding Nakuru-Salgaa-Sachangw'an-Total Road, and as the only tarmacked road linking Njoro-Molo and Kuresoi South Constituency, what measures is the Ministry putting in place to ensure that this road is repaired?

Hon. Speaker: The Question is referred to the Departmental Committee on Transport, Public Works and Housing. Finally, is the Member for Gichugu Constituency, Hon. Gichimu Githinji.

Question No.260/2018

NON-ISSUANCE OF LETTERS OF EXEMPTION FOR IMPORTATION OF DUTY FREE

MACHINERY FOR THIBA DAM PROJECT

Hon. Gichimu Githinji (Gichugu, JP): Thank you, Hon. Speaker. My Question is directed to the Cabinet Secretary for National Treasury and Planning.

- a) Could the Cabinet Secretary explain why the National Treasury has not issued letters of exemption for importation of duty free machinery, equipments and for tax exemption in relation to the construction of Thiba Dam Project that was launched on 23rd November, 2017?
- b) Is the Cabinet Secretary aware that the master list for exemption submitted by the contractor in March 2018 has not been acted upon and as a consequence the contractor is considering suspending the works which will be a major drawback to the project as well as the intended food security, lack of job opportunities to the Gichugu residents and adverse effects to the economy generally?

Hon. Speaker: The Question is referred to the Departmental Committee of Finance and Planning to prioritize for response by the Cabinet Secretary. Next is Statements and I can see the first Member on the list also prides himself as Nominee 001.

STATEMENTS

UNITED NATIONS INTERNATIONAL DAY OF PERSONS WITH DISABILITIES

Hon. David ole Sankok (Nominated, JP): Thank you, Hon. Speaker for giving me this opportunity to read my Statement regarding the United Nations Disability Day.

Hon. Speaker, pursuant to Standing Order No.43, I wish to make a Statement regarding the United Nations International Day of Persons with Disabilities (IDPD) to be celebrated on 3rd December 2018 in Kisumu County in the spirit of the handshake.

The theme for this year's celebration is "Empowering People with Disability and Ensuring Inclusiveness and Equality". Hon. Speaker, in preparation for the said day, leaders from 14 counties from the nomadic communities met in Isiolo County on Saturday, 13th October 2018 to participate in the 8th Edition of the Desert Wheelchair Race to create awareness on the rights of persons with disabilities, especially the wheelchair users.

The event was sponsored by Northern Nomadic Disabled Persons Organization, a non-governmental organization, Ministry of Devolution, Isiolo County Government and other well wishers. The race was well attended by the leadership from the pastoral communities namely; seven governors, two Cabinet Secretaries and seven Members of Parliament led by myself, among other county participants.

There is need to change the narrative of viewing a person with disability as a liability in the society. Statistics indicate that there are an estimated 400,000 wheelchair users in this country. Meaning that if one wheelchair costs Kshs30,000, 400,000 Kenyans are sitting on metal worth Kshs12 billion and a total of Kshs6.6 million persons with disability in this country translating to a market bigger than Nairobi City.

In the world, there are 1.3 billion persons with disability and if Kenya can attract 1 per cent of this population as tourists, Kenya will benefit from one million tourists with disabilities. They are physically challenged but have potential in building the nation. It is against this backdrop that I rise to urge all Members, including the Leader of the Majority Party who is

listening to me, and stakeholders, to attend and participate in the important event in style. It is my earnest request that participants in this year's event should sit on wheelchairs or be blindfolded the whole day to have a first-hand experience of what persons with disability go through in their daily activities.

I thank you, Hon. Speaker.

Hon. Speaker: I thought your Statement is for general information, but you have also proposed that all Members attending be placed on wheelchairs the whole day or be blindfolded. They have heard. I thought you wanted them to attend. However, when you suggest that you want them to remain blindfolded the whole day, I suspect that would be the reason you may not get many of them. I can see nominated Member, Hon. Dennitah Ghati, placing a request. There are no comments allowed on this one. It is not a petition. Sorry, you may not comment. It is for general information.

Let us have the Member for Pokot South who is also the Chair of the Departmental Committee on Transport, Public Works and Housing.

FINANCIAL ALLOCATIONS TO COUNTIES

Hon. David Pkosing (Pokot South, JP): Thank you, Hon. Speaker, for giving me this opportunity to make this Statement which is very important for Hon. Members in the performance of their duties and activities in their constituencies.

Hon. Speaker, Article 95 of the Constitution empowers the National Assembly to provide oversight and accountability over the use of public resources appropriated for provision of various goods and services. Specifically, Article 95(4) enumerates the roles of the National Assembly in public finance, which are as follows:

- a) Determine the allocation of national revenue between the levels of government.
- b) Appropriate funds for expenditure by various government entities.
- c) Exercise oversight over national revenue and expenditure.

Looking at these functions, it is indeed clear that National Assembly wields significant power in influencing the final outcome of the national Budget and provision of oversight to ensure proper utilisation of approved revenue and expenditure. In this regard, among the revenues whose expenditure must be overseen by the National Assembly is disbursement from the Roads Maintenance Levy Fund that is managed by Kenya Roads Board (KRB) and shared through legislated formula among the national roads agencies: the Kenya National Highways Authority (KeNHA), the Kenya Rural Roads Authority (KeRRA), the Kenya Urban Roads Authority (KURA) and Kenya Wildlife Service (KWS).

My Committee, therefore, recently sought information from KRB on the gross allocation from fuel levy to counties, including allocation per county. They said that they used Commission for Revenue Allocation (CRA) formula to allocate that money with the biggest chunk of it, Kshs415 million, going to Nairobi. The least is Lamu at Kshs93 million. Further, the Committee also sought information – this is very important for Hon. Members – from KeRRA on the allocation from the fuel levy to each constituency and status of disbursement to date in the Financial Year 2018/2019. The document which I am laying on the Floor of the House states that every constituency is allocated Kshs30 million for repairing of those roads and so far, Kshs10 million has been disbursed.

The Committee also requested for information from the State Department for Housing and Urban Development on World Bank-financed Kenya Urban Support Programme. Hon.

Speaker, this is very important because Hon. Members will be seeing some of these activities happening and they will ask questions. We are giving them the information today. This is going to 59 urban centres under affordable housing programme regarding the cost of the houses. How much will the house cost? Then there is the location where those houses are going to be. Then there is financing criteria for allocation among others.

The Committee received the information requested from the three agencies, that is, the KRB, KeRRA and the State Department for Housing and Urban Development. I, therefore, wish to table the documents for the information of the House. Members can use this data to follow-up on those projects in their respective constituencies and counties.

I thank you, Hon. Speaker.

(Hon. David Pkosing laid the documents on the Table)

Hon. Speaker: Members have heard. The next one is by the Leader of the Majority Party.

BUSINESS FOR THE WEEK COMMENCING 4TH TO 6TH DECEMBER 2018

Hon. Aden Duale (Garissa Township, JP): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order No. 44(2)(a), I rise to give the following Statement on behalf of the House Business Committee (HBC). The Committee met on Tuesday this week at the rise of the House to prioritize business for consideration.

Hon. Speaker, on Tuesday next week, the House will consider, in the Committee of the whole House, the Parliamentary Service Bill, 2018 and the Government Contracts Bill, 2018 and the Second Reading of the following Bills:

- a) The Capital Markets (Amendment) Bill, 2018;
- b) The Sacco Societies (Amendment) Bill, 2018;
- c) The National Flags, Emblems and Names (Amendment) Bill (Senate Bill No. 8 of 2017); and,
- d) The Assumption of Office of the County Governor Bill (Senate Bill No. 1 of 2018).

Also scheduled for consideration on the same week are as follows:

1. The Report of Public Accounts Committee on Audited Financial Statements for the National Government for Financial Year 2014/2015, if it is not concluded this afternoon;
2. The Report of the Departmental Committee on Health on Kenyatta University Teaching and Referral Hospital Project;
3. The Report of the Departmental Committee on Administration and National Security on Vetting of Nominees to the Public Service Commission;
4. The Report of the Committee on Regional Integration on East African Community Protocol on Information and Communication Technology Networks; and,
5. The Report of the Budget and Appropriations Committee on the Contingency Fund.

In accordance with the provisions of Standing Order 42A(5) relating to Questions, I wish to convey that having consulted with the Chairpersons of the Departmental Committees, the following Questions are scheduled for reply by the specified Cabinet Secretaries (CSs):

1. The Cabinet Secretary for Lands will appear before the Departmental Committee on Lands and Physical Planning on Tuesday, 4th December 2018 to answer Question No. 190/2018 from Hon. Catherine Waruguru, MP; and on Thursday, 6th December 2018 to answer Question No. 154/2018 from Hon. Abdul Rahim, MP;
2. The Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development will appear before the Departmental Committee on Transport, Public Works and Housing on Tuesday, 4th December 2018 to answer Question No. 055/2018 from Hon. Zuleikha Hassan, MP; Question No. 129/2018 from Hon. Jonah Mburu, MP; Question No. 132/2018 from Hon. Moses Cheboi, CBS, MP; Question No. 142/2018 from Hon. John Paul Mwirigi, MP; Question No. 145/2018 from Hon. Moses Injendi, MP; Question No. 169/2018 from Hon. Ruweida Obo Mohamed, MP; Question No. 176/2018 from Hon. Benard Shinali, MP; Question No. 192/2018 from Hon. James Murgor, MP; Question No. 199/2018 from Hon. Adan Yussuf, MP and Question No. 224/2018 from Hon. Beatrice Nkatha, MP.
3. The Cabinet Secretary (CS) for Interior and Coordination of National Government will appear before the Departmental Committee on Administration and National Security on Thursday, 6th December 2018 to answer Question No.130/2018 from Hon. Kimani Ichung'wah, Question No.135/2018 from Hon. Aisha Jumwa; Question No.137/2018 from Hon. Kathuri Murungi; Question No. 144/2018 from Hon. Teddy Ngumbao Mwambire; Question No.153/2018 from Hon. Hiribae Said Buya; Question No.171/2018 from Hon. Ruweida Obo Mohamed; Question No.177/2018 from Hon. Halima Mucheke; Question No.185/2018 from Hon. George Gitonga; Question No.193/2018 from Hon. Safia Adan; Question No.196/2018 from Hon. Joseph Tonui; and Question No.261/2018 from Hon. Alice Wahome.
4. The Cabinet Secretary for Defence will appear before the Departmental Committee on Defence and Foreign Relations on Thursday, 6th December 2018 to answer Question No.026/2018 from Hon. Peter Masara; Question No.67/2018 from Hon. Omar Maalim and Question No.162/2018 from Hon. Ruweida Obo Mohamed. She will also appear before the Departmental Committee on Defence and Foreign Relations on Monday, 3rd December 2018 to answer Question No.266/2018 from Hon. Gideon Mulyungi.
5. The Cabinet Secretary for Education will appear before the Departmental Committee on Education and Research on Thursday, 6th December 2018 to answer Question No.009/2018 from Hon. Peter Kaluma; Question No.022/2018 from Hon. Gideon Koskei; Question No.030/2018 from Hon. Omboko Milemba and Question No. 048/2018 from Hon. Bernard Shinali.
6. The Cabinet Secretary for Health will appear before the Departmental Committee on Health on Thursday, 6th December 2018 to answer Question No. 141/2018 from Hon. Simba Arati; Question No.188/2018 from Hon. Elijah Memusi; Question No.030/2018 from Hon. Omboko Milemba and Question No.048/2018 from Hon. Benard Shinali.
7. Lastly, the Cabinet Secretary for Agriculture and Livestock will appear before the Departmental Committee on Agriculture and Livestock on Tuesday, 4th December 2018 to answer Question No.267/2018 from Hon. Alfred Keter.

Finally, Hon. Speaker, the House Business Committee (HBC) will re-convene on Tuesday, 4th December 2018, at the rise of the House to consider the business for the coming week. I now wish to lay this Statement as a record on the Table of the House.

(Hon. Aden Duale laid the document on the Table of the House)

Hon. Speaker: Next Order.

PROCEDURAL MOTION

LIMITATION OF DEBATE

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, it is very rare to be visited in the Chamber on this side by Hon. Millie Odhiambo. I had to make sure that everything around me here is safe.

(Laughter)

Hon. Speaker, I beg to move the following Procedural Motion:

THAT, notwithstanding the provisions of Standing Order No. 97(4) and the House resolution of 14th February 2018 limiting speech in a debate on a report of a Committee, this House further orders that debate in respect of the Report of the Committee on Regional Integration on the East African Community Protocol on Information and Communication Technology Networks be limited as follows:

A maximum of one hour with not more than 10 minutes for the Mover in moving and five minutes for any other Member speaking, including the Leader of the Majority Party, and the Leader of the Minority Party; and five minutes before the expiry of the time, the Mover shall be called upon to reply; and further that the priority in speaking shall be accorded to the Leader of the Majority Party and the Leader of the Minority Party in that order.

This is a Procedural Motion to make sure that when we reach Order No. 11, we will only deal with it for one hour. The Mover of the Bill will move for 10 minutes and five minutes for any other Member speaking. The Mover will be given five minutes to reply.

I beg to move and ask Hon. Chris Wamalwa, a Member of the leadership, to second.

Hon. Speaker: Hon. Wamalwa.

Hon. (Dr.) Chris Wamalwa (Kiminini, FORD-K): Thank you, Hon. Speaker. I rise to second this Procedural Motion. Of late, we have realised that such procedural Motions are very key because we have a lot of business that we need to finish within the time frame that we have. We have realised that one hour is enough because at times, it goes into repetitions. I truly support this and request Members to be around, so that we can clear this business.

I thank you, Hon. Speaker. I second.

(Question proposed)

(Question put and agreed)

Hon. Speaker: Next Order.

BILL

THE GOVERNMENT CONTRACTS BILL

(Hon. Aden Duale on 28.11.2018)

(Resumption of Debate interrupted on 28.11.2018)

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, I really want to thank Members who contributed yesterday to this very important Bill. The principal objective of this Bill is to provide for the making of contracts on behalf of the Government and any other connected purposes.

For this Bill to be very clear in Clauses 6 to 11, it states very clearly that one of the outstanding conditions that have been put in this Bill is that any contract entered into by the national Government or county government shall be subject to the precautionary threshold which will be given and cleared by the Attorney General on behalf of the national Government and the county attorney on behalf of the county government. So, it is a very important Bill. It is only a few pages. As I have said in my Statement, on Tuesday or Wednesday next week, we will discuss this important Bill. It is replacing an old Act, Government Contracts Act Cap.28 of 1957, which was enacted during the colonial period.

I am sure Members will have time to prepare amendments between now and Tuesday.

With those few remarks, I beg to reply.

Hon. Speaker: Let me get a confirmation of the numbers.

(The Clerk-at-the-Table counted Hon. Members present.)

Hon. Members, sometimes it is good that we stay a bit longer so that we clear some of these things so that next week Members have an opportunity...

(The Hon. Speaker consulted the Clerk-at-the-Table)

Hon. Members, I am told with the new inclusions, we are 56.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

Hon. Speaker: Before we move to the next Order, what is your intervention Member for Kilifi North?

Hon. Owen Baya (Kilifi North, ODM): Thank you, Hon. Speaker. In the Morning Sitting, I moved an amendment which was lost. For the record, I would like to table the documents I was challenged to table in the morning to prove that this is the document for the said contract, which shows that one Mr. Mutea Iringo signed the document and, therefore, was in charge of the procurement process. One Monica Juma, who is mentioned in the Report, did not participate in the procurement process of the life insurance cover.

Hon. Speaker, I beg your indulgence and table the document.

Hon. Speaker: You should have discussed with the Chair of the Committee.

Hon. Owen Baya (Kilifi North, ODM): I have had a discussion with the Chair and I have put him to speed on the whole thing.

Hon. Speaker: For now, you want to table the document.

Hon. Owen Baya (Kilifi North, ODM): I want to table the document so that it becomes a record of the House.

Hon. Speaker: Before you table it, I have to have a look at it to determine whether it is capable of being tabled.

(Hon. Owen Baya handed the document to the Speaker)

The document appears authentic. It is accompanied by a letter of protest addressed to the Clerk. Unfortunately, it has come now. I am aware that your efforts at moving an amendment this morning when the Report was being debated did not bear fruit. Our rules are that if you were to seek something different, you can only do so by seeking the House to rescind its decision under Standing Order No.49. That is quite a tall order. Since you are not seeking that, and you are seeking to table the document, I rule that it appears authentic at the face of it. Therefore, it can be tabled. But, as I have said, for whatever worth it may be. I am not the Chair of the Committee.

(Hon. Owen Baya laid the document on the Table)

Hon. Daniel Maanzo (Makueni, WDM-K): On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Maanzo, there is nothing out of order.

Hon. Daniel Maanzo (Makueni, WDM-K): Thank you, Hon. Speaker, it is on the same. Following Standing Order No.49, it is good for the House to note because this matter will go to the Committee on Implementation.

Hon. Speaker: What is out of order? You rose to claim that the House should note, but there is no Motion for the House to note. So, I assume you are expressing yourself as a Member of the House that, perhaps, it would have been desirable if there were to be such a Motion. But there is no such Motion. Nobody has asked the House to note.

Hon. Daniel Maanzo (Makueni, WDM-K): I am guided, Hon. Speaker.

Hon. Speaker: There is no Motion to that effect either from yourself or from Hon. Baya. Hon. Baya said that he was challenged in the morning to table evidence, which he has. But he has tabled it after the fact. They say after the horse has bolted. That is perfectly okay.

Let us move to the next Order.

MOTIONS

REPORT ON EXAMINATION OF THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS FOR NATIONAL GOVERNMENT

THAT, this House adopts the Report of the Public Accounts Committee on the Examination of the Auditor-General's Report on the Financial Statements for the National Government for the Financial Year ended 30th June 2015, laid on the Table of the House on Tuesday, 14th November 2018 subject to –

(a) deletion of Recommendation No. (ii) appearing on page 18 under Paragraph 4 (Pending Bills) and substituting therefor the following:

“(ii). The Accounting Officer, Dr. Kamau Thugge, puts in place measures to forestall the accumulation of pending bills at the National Treasury contrary to the provisions of Section 12(2) (b) of the Public Finance Management Act, 2012, which mandates the National Treasury to ensure proper management and control of, and accounting for the finances of the national Government and its entities in order to promote the efficient and effective use of budgetary resources at the national level.”

(b) deletion of the Committee Recommendation under Paragraph 5 (Outstanding Imprests) appearing on page 19 of the Report and substituting therefor the following:

“The Accounting Officer, Dr. Kamau Thugge, puts in place measures to manage imprest and ensure outstanding imprest is surrendered on time in line with the provisions of the Public Finance Management Act, 2012 and Regulation 93 of the Public Finance Management (National Government) Regulations, 2015.”

(c) deletion of recommendation No. 1 under Committee Recommendations under Paragraph 375.1 (Retention of Refunds - Kshs. 881,398,162.91) on page 466 of the Report, and substituting therefor the following –

“1. The Auditor General to, within three months after the adoption of this Report, undertake an audit into the payments of Kshs.292,060,779.51 and Kshs.100,372,341.65 for FY 2013/14 and FY2014/15 respectively, totaling to Kshs392,433,121.16 made by the then Accounting Officer, Eng. John K. Mosonik, without original receipts. The Auditor-General should also undertake a further audit into refunds totaling Kshs.55,450,449.02 in FY 2014/15 paid by the then Accounting Officer to contractors without proof of completion of works contrary to the Public Finance Management Act, 2012.”

(d) deletion of recommendation No. 1 under Committee Recommendations under Paragraph 375.2 (Unresolved Issues for Deposits Account for 2012/13 and Earlier Years) on page 467 of the Report, and substituting therefor the following-

“1. The Auditor General to, within three months after the adoption of this Report, undertake a further audit regarding a Statement of Assets and Liabilities under Deposits for the former Ministry of Roads submitted by the then accounting officer, Eng. John K. Mosonik, that was still reflecting the Debit and Credit Balances relating to the FY 2012/2013 and earlier years which, besides being un-cleared for a long time, had remained un-analyzed and un-supported as at 30th June, 2016.”

(e) deletion of the Committee recommendation contained in Paragraph 395.2 of the Report and substitution thereof with the following new recommendation-

“The Auditor-General to, within three months after adoption of this Report, undertake further audit in order to establish the circumstances in which restricted tendering was adopted in the construction of a model county office in Embu by the State Department of Environment and Natural Resources during the Financial Year 2014/2015”;

(f) deletion of the Committee recommendation contained in Paragraph 395.5 of the Report and substitution thereof with the following new recommendation-

“The Auditor-General to, within three months after the adoption of this Report, undertake further audit on the propriety of using restricted tendering for fencing

projects at various meteorological projects by the Department of Environment and Natural Resources during the Financial Year 2014/2015.”

(g) deletion of the Committee recommendation contained in Paragraph 395.7 of the Report, and substitution thereof with the following new recommendation-

“The Auditor-General to, within three months after adoption of this Report, undertake further audit on the propriety of contracts to various suppliers to supply seedlings to various destinations by the State Department of Environment and Natural Resources during the Financial Year 2014/2015.”

(Hon. Opiyo Wandayi on 28.11.2018 – Morning Sitting)

*(Resumption of Debate on the Motion
as amended, interrupted on 29.11.2018)*

Hon. Speaker: The Chair, Public Accounts Committee to reply.

Hon. Opiyo Wandayi (Ugunja, ODM): Hon. Speaker, I beg to reply.

I also wish to thank my colleagues for supporting the Report overwhelmingly. I also note that some amendments were made on it which succeeded and that can only help enrich the Report.

From the experience we have had, Hon. Speaker, I assure you that going forward; PAC Reports can only get better.

With those remarks, I reply.

Hon. Speaker: Hon. Wandayi has found himself in a very difficult position that he is not used to. This is serious business.

(Laughter)

Hon. Members, the Mover having replied and having confirmed that the House still quorate, I proceed to put the Question.

(Question of the motion as amended, put and agreed to)

Resolved accordingly:

THAT, this House adopts the Report of the Public Accounts Committee on the Examination of the Auditor-General's Report on the Financial Statements for the National Government for the Financial Year ended 30th June 2015, laid on the Table of the House on Tuesday, 14th November 2018 subject to –

(a) deletion of Recommendation No. (ii) appearing on page 18 under Paragraph 4 (Pending Bills) and substituting therefor the following:

“(ii). The Accounting Officer, Dr. Kamau Thugge, puts in place measures to forestall the accumulation of pending bills at the National Treasury contrary to the provisions of Section 12(2) (b) of the Public Finance Management Act, 2012, which mandates the National Treasury to ensure proper management and control of, and accounting for the finances of the national Government and its entities in

order to promote the efficient and effective use of budgetary resources at the national level.”

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(g) deletion of the Committee recommendation contained in Paragraph 395.7 of the Report, and substitution thereof with the following new recommendation-

“The Auditor-General to, within three months after adoption of this Report, undertake further audit on the propriety of contracts to various suppliers to supply

seedlings to various destinations by the State Department of Environment and Natural Resources during the Financial Year 2014/2015.”

Hon. Speaker: Next Order.

RATIFICATION OF EAST AFRICAN COMMUNITY PROTOCOL
ON INFORMATION AND COMMUNICATION TECHNOLOGY NETWORKS

THAT, this House adopts the Report of the Committee on Regional Integration on the East African Community Protocol on Information and Communication Technology Networks, laid on the Table of the House on Tuesday, 27th November 2018, and pursuant to the provisions of section 8 of the Treaty Making and Ratification Act, 2012, approves the ratification of the East African Community Protocol on Information and Communication.

Hon. Speaker: The Chairperson, Committee on Regional Integration. Hon. Members, I am not able to know who is in the Chamber and who is taking early weekend. Who is the Chairperson of the Committee on Regional Integration? Is it Hon. Lesuuda? The Vice-Chairperson to that Committee? I am told that the Chairperson is the recently wedded Lesuuda Naisula and she could be enjoying the nuptials soon after celebrating a wedding which we must encourage as a House. I hope the Vice-Chair has not joined her to that. I hope the Vice-Chair is above that age. There is nobody. Very well, we will stand it down. Whether or not it is moved today, the resolution of the House relating to this Motion is that it will be done for a period of one hour.

(Hon. Christopher Nakuleu walked into the Chamber)

I have just seen a Member who I know has been an active member of that Committee walking in. Since the discovery of oil, he prefers to sit at the back these days. I think he is dealing with oil matters most of the time. Is that the Member for Turkana North, Hon. Christopher Nakuleu? These days he prefers to sit very far. Anyhow, the Motion is stood down.

(Motion deferred)

We proceed to the next Order which is resumption of debate interrupted on Wednesday, 28th November 2018. It was yesterday in the Afternoon Sitting.

BILLS

Second Reading

THE CAPITAL MARKETS (AMENDMENT) BILL

(Hon. Aden Duale on 28.11.2018)

(Resumption of Debate interrupted on 28.11.2018 – Afternoon Sitting)

Hon. Speaker: Who was on the Floor? Hon. Members, debate on the Capital Markets (Amendment) Bill had commenced. The Mover moved and it was seconded. The Question had

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just been proposed. So, it is debate by any Member desiring to contribute. I see from the list here the Member for Funyula.

Hon. (Dr.) Wilberforce Oundo (Funyula, ODM): Sorry for that, Hon. Speaker. We were doing consultations. I did not intend to contribute to this Bill but the next one. Sorry for the mix up.

Hon. Speaker: The next one in the list is the Member for Suba North, Hon. Odhiambo Akoth. That must be Hon. Millie Odhiambo. She constantly changes names in every parliamentary term. Member for Suba North, you may have to teach the new Members the trick you use. Every parliamentary term you have different official names. It could be the reason why you are re-elected every term.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker. I have looked at the Capital Markets Bill and I do not want to comment on it at this time. I will be bringing my amendments at the Committee of the whole House stage. However, I had contributions to the order on treaties. So, with those remarks, I wish to support. I will bring my amendment at the Committee of the whole House.

Hon. Speaker: Very well, except that you did not tell the new Members the trick.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Hon. Speaker, I can give them the tricks. You must have about six names. I have Gesagesa, Millie, Grace, Akoth, Odhiambo. I have about seven. So, you will use different ones to confuse the Speaker. So, today he gives Hon. Millie, tomorrow, Odhiambo, the next day, Akoth, the other day, Gesagesa and the other day, Mabona.

Hon. Speaker: The next is the Member for Kiharu, Hon. Ndindi Nyoro.

Hon. Ndindi Nyoro (Kiharu, JP): Thank you very much, Hon. Speaker. I will be very brief. I support the Motion but I would wish to point out some few matters in regard to the state of the capital market in Kenya. It is notable that for the last several years, most of the players in the stock markets and the capital markets have actually been making losses. The stock market in Kenya currently is shrinking. We are having more companies delisting from the Nairobi Security Exchange than the companies that are going through the listing. Because of this, we have seen the volumes and the turnovers in the stock market going down, basically because the size of the companies listed is below 60. Just this year, we went through a delisting of a company called Unga Group. There is live news of a company called Kenol which is a listed company and is being bought by a French company and it will go through the fate of delisting or exiting from the stock market.

I can authoritatively tell you that even our Capital Markets Authority (CMA) is sleeping on its job when it comes to promoting the capital markets and specifically the stock markets as an avenue of investment. The information level with regard to investing in the capital markets in Kenya is very low. That is one of the reasons why possibly we are having very few players trading in the stock market in Kenya.

The challenge to the CMA is promoting our domestic capital markets. Other than trading in shares and Treasury bills and bonds, we do not have elaborate products when it comes to capital markets because the basis of a capital market anywhere, beyond investing, is also to help companies to raise capital either through Initial Public Offering (IPO) or through other methods. We do not have as many products in our capital markets here in Kenya like many other economies of our scale. This is a challenge to our CMA to look beyond. Things like private equity and venture capital is almost unregulated in Kenya. You can actually open a shop and

become a private equity fund. The regulations are scanty in so far as CMA is concerned. But we also have to promote the privatization of the private public companies because as it is now, even the companies that are listed in the Nairobi Securities Exchange, their genesis was actually GoK. Some of those entities were GOK-owned. Even one of the biggest companies in Kenya in terms of market capitalization and in terms of profitability, Safaricom, conducted an IPO in a way of selling a stake that was previously owned by Government. I see so many other companies that should go through the same fate. One, to increase efficiency in terms of how those companies are run but, more importantly, even to add into the companies that are listed in the Nairobi Stock Exchange to increase activities and to give investors and the Kenyan populace avenues and options of investing. Companies like Kenya Power Company are highly profitable, but can do much more if they are listed. Companies like Standard Gauge Railway and so many other entities such as Kenya Meat Commission should be listed and realize better value for GoK, themselves in terms of efficiency and, more importantly, to give an array of options to the Kenyan people on where they can put their money in terms of investments. We can learn from economies from the United States of America and others issues like derivatives. We were to start a derivative market a few years ago. It is still in the books and has never seen fruition. We need to add more products to our capital markets and we need to do more promotions than regulations because what we are having now are few players that are making no money because the market is currently shrinking in terms of NSE.

With those many remarks, I support.

Hon. Speaker: What is your point of order, before I give the Member for Kitui Central a chance to make his contribution?

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker. I just wanted to go on record. I actually said that I will be moving amendments on this, but I will not be bringing any amendment on this one. This is just for record.

Hon. Speaker: It is good to put the record straight. Thank you. Hon. Makali.

Hon. Makali Mulu (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker. Let me also make a contribution to this Bill, which to me appears to be very straightforward and, at the same time, addressing a very important matter when it comes to capital markets.

Despite what Hon. Nyoro has said, the Kenyan capital market is one of the robust markets in this region. But when you compare it with other countries in the international capital markets, we are not doing very well.

The essence of this Bill is to focus more on the people who take advantage of capital markets when they have insider information. Because you operate with the market, you have much more information than anybody else, and then you take advantage of that information either to benefit institutions or individuals in terms of price differentials. When you look at this Bill, it is trying to introduce some penalties. If you have such information and you take advantage, then you need to be punished because you are giving either institutions or individuals some undue advantage. Since this is generally a common problem in this country, we have seen people who invest in companies in terms of buying shares. Immediately they sell their shares at the CMA, you will start to see such companies experiencing problems, meaning that they are conning Kenyans. Since you have information that the company is going through problems, you want to dispose of your shares, get your money, make profit and then the company collapses immediately after. This has been seen in organizations like the National Bank of Kenya (NBK).

Major investors sell their shares and immediately the company starts experiencing financial challenges. This is very important such that if an individual in an institution in this country seems to be taking advantage of what we call insider information, then this House has the mandate and the responsibility to legislate so that such people are punished to ensure that they do not sabotage the economy.

The other issue is that the capital market seems not to be very stable. I like what Hon. Nyoro has said. Most companies are deregistering and, as a result of that, they are collapsing and not much is happening in those markets. In terms of management of those markets, even though we are said to be the best in the region, we need to pull up our socks. We need to have directors and people in charge of those markets doing much more research to ensure that they provide products which benefit Kenyans in the sense of generating income. Kenyans should be able to buy shares as a way of mobilising resources for investments. Unless you mobilise resources for investment, your saving levels will be very low. Kenyans are not very good at saving generally. Ours is more of a consumer economy. So, if we can generate more savings through those markets that will be important in terms of generating resources for people to invest. This could also easily affect interest rates. If we have more money to give people to invest, the demand will reduce and this will affect interest rates downwards, hence making borrowing cheaper.

With those remarks, I support these amendments. If this Bill becomes an Act of Parliament, it will go a long way to help Kenyans and this country will grow.

Thank you.

Hon. Speaker: Hon. Oundo had already said that he does not want to contribute to this matter. Who is the Mover? There is no other Member desirous of contributing to this.

Member for Nambale, you wanted to contribute to the Capital Markets (Amendment) Bill? Very well. Just speak because you already have the microphone.

Hon. Sakwa Bunyasi (Nambale, ANC): Thank you, Hon. Speaker. I support the Bill. A well-functioning capital market is extremely important for directing the investment process. It is also important for deepening the participation of the general public in the process of development through a quasi-financial intermediation in deepening the financial reach to the people. A well functioning market will help us increase the monetisation of our economy such that instead of keeping our resources, for example, in cattle and other assets, we can put it in money terms. The advantage being that, in money terms, you increase the multiplier effect in the economy without assuming the full risk. This is because it is dispersed broadly through the capital markets and the collective risk management. It, therefore, gives courage to individual savers whose resources become quickly transmitted into investment.

A good working capital market has replaced what we have seen. When the Nairobi Capital Market began to take root, we moved away from a highly planned economy in which we assumed that the public processes would direct the pace and development of the economy. We have found that, in fact, if we transferred those capacities to our capital markets, they are much better in guiding investment in response to market requirements than the old planned processes used to work. So, I think that these amendments will go a long way to strengthen this very critical institution in our set up in this country.

The adherence to the rule of law and the respect for contracts that then build trust in the system is extremely important for the functioning of capital markets. Institutions that participate in and are part of the active processes of capital markets need to report accurately on their financial status. Particularly, that management and leadership there has to be above reproach. If we operate in a highly ethnicised and nepotistic system, those kinds of systems do not work well.

We need professionalised leader management. That way, people will have trust that the leaderships and management will be acting in the best interest possible.

We have talked a lot about related issues of equity and borrowing. That is how issues of bank borrowing become important. With the vibrant capital market, reliance on debt as a means of financing is sort of reduced. In fact, it can so reduce that those with surplus resources are the ones that provide us with the capital with which we develop. Banking is also important, but it will not be at the centre stage. It will also reduce reliance on family sources of financing where people do not have viable sources of family financing.

Hon. Speaker, I support these proposed amendments and I do hope that they become law once this House passes them.

With those few remarks, I support.

Hon. Speaker: Well, there being no other Member desirous of contributing to this Bill, I therefore call upon the Mover, Hon. Limo, to reply.

Hon. Joseph Limo (Kipkelion East, JP): Thank you, Hon. Speaker. I stand here to reply. I thank the Members who have contributed. I equally thank the Office of the Hon. Speaker and the Clerk as well as the members of the Committee on Finance and National Planning for their support during the processing of this Bill.

This Bill is very important. I urge Hon. Members to take time and read it again and look forward to contributing to the amendments during the Third Reading. This Bill is going to ensure that our investors are safe. It will make Kenya one of the most attractive destinations for investors in the region. I beg to reply. However, may I take this opportunity to request you, under Standing order 53 (3), that the Question to this Bill be deferred until another Sitting. I beg to reply.

Hon. Speaker: Hon. Limo is it just for the putting of the Question?

Hon. Joseph Limo (Kipkelion East, JP): I have requested under Standing Order 53(3) that the Question be deferred to another Sitting.

Hon. Speaker: If you have replied, the Chair is supposed to ascertain. I can announce without any fear of contradiction, having ascertained how many of us are here, the Question will be put on Tuesday afternoon.

(Putting of the Question deferred)

Second Reading

THE SACCO SOCIETIES (AMENDMENT) BILL

Hon. Joseph Limo (Kipkelion East, JP): Hon. Speaker, I beg to move that the Sacco Societies (Amendment) Bill, 2018 be now read a Second Time.

This Bill was submitted by the Cabinet Secretary for the National Treasury during the proposals announced in the Budget of 2018/2019. This Bill is one of the consequential amendment Bills which come during the Finance Bill. Therefore, they are the small babies which follow Finance Bill which we passed in the House some months ago. This is among three Bills namely: Insurance (Amendment) Bill and Capital Markets Authority Bill which we have just done and replied to.

It is a fairly small Bill. You must have realised that there have been several amendments to the Sacco Act. This one should not be confused with another Bill. There is another Sacco Bill,

2017 which has been transacted in the House together with some clauses which were appearing in the Statute Law (Miscellaneous Amendments) Bill. This one is very specific. It was proposed by the National Treasury. This Bill is for the purpose of providing the usage of ICT in collecting and receiving statutory reports. This is in recognition that Kenya is among the best countries in the world now in embracing ICT instead of manual filing of returns and statutory reports. This Bill will allow SACCOs flexibility in filing returns to Sacco Societies Regulatory Authority (SASRA) and any other statutory body because currently they are still in the old way of filing reports. They have to sign reports, deliver booklets and bind them. This Bill will provide flexibility and the SACCOs will be able to file their reports faster, efficiently and accurately.

If you have a software you can process information by pressing a button; process statutory reports and upload them to an electronic system which will then transmit directly to a statutory body.

Even after the new Constitution came into being, the current Sacco Bill is still referring to Ministers. Clause 3 is seeking to align county assemblies to the current Constitution because the current Sacco Bill is still referring to local authorities instead of county assemblies.

Clause 4 seeks to recognise the Office of the Controller and Auditor-General which was changed. Previously, it was referred to as the Office of the Auditor-General during the time of the long serving Auditor-General, Mr. Njoroge. We did not know any other name.

Hon. Speaker: I thought, Hon. Limo, it is vice-versa. In the old days, it was Controller and Auditor-General but under the new Constitution we have a Controller of Budget and the Auditor-General. The current situation is that there is Auditor-General not Controller and Auditor-General.

Hon. Joseph Limo (Kipkelion East, JP): Thank you, Hon. Speaker. We were told Kiswahili came by ship and English came by plane. Some of us did not fly before we started working. You are correct. This Bill seeks to change the name from Controller and Auditor-General to Auditor-General. Members, you can excuse me for that and you can now recognise the right word to use.

There is an issue of SACCOs that do not comply with regulations. Therefore, it also provides for processes on how registration of SACCOs is done and how licences are revoked. It recognises the process of a tribunal when there is a dispute. The Bill is also trying to bring in the role of the Cabinet Secretary to the tribunal. Currently, when there is a dispute, it is handled by the SACCOs tribunal but this Bill is proposing the inclusion of the Cabinet Secretary to the SASRA. Once SASRA has decided, the tribunal then can vary the decision of the authority but now the Cabinet Secretary is being brought into this Bill.

This Bill is very small. It does not have a lot of issues. The objective of this Bill is to introduce the use of ICT as well as clean up to the current SACCOs Act.

I also want to inform Members that although this Bill was introduced by the Cabinet Secretary in recognition that SACCOs fall under the Departmental Committee on Trade, Industry and Cooperatives, the decision was made that this Bill is taken through public participation by the Departmental Committee on Trade, Industry and Cooperatives led by Hon. Kanini Kega. Therefore, I want to make it clear so that it does not cause confusion because at the end of the day, the Committee will tell us what issues came up during public participation because they were the ones who did public participation.

I want to end by saying that I thank the Committee for working hard around the issues that were raised by this Bill.

We have held discussions with Hon. Kanini Kega, the Chairperson of the Departmental Committee on Trade, Industry and Cooperatives. So, we will bring some amendments during the Committee of the whole House.

Hon. Speaker, I beg to move and invite Hon. Kanini Kega, the Chairperson of the Departmental Committee on Trade and Industry.

Hon. Speaker: The Member for Kieni, Kega Kanini James Mathenge.

Hon. Kanini Kega (Kieni, JP): Thank you, Hon. Speaker. Today, you are in the mood of calling us by all our names which is very good. There are some who have realised that my name is also James Mathenge.

Thank you, for this opportunity and I rise to second this important Bill. On the outset, it is not a big one and there are not many amendments to be done on it. I also hasten to say that it is not the Bill that has brought contention. There is a Bill that is already with us in the Statute Law (Miscellaneous Amendment) Bill that has created a lot of heat which I believe will be coming next week.

I want to make it clear that this Bill does not have many issues. As a Committee we have gone through it and submitted a Report to this House, of course, with a few amendments that will be brought during the Committee of the whole House. Secondly, it is good to note that this is a third Bill that is attempting to amend the same Act. As a Committee sometimes we felt that it would have been better if this Bill is reviewed in a holistic way rather than bringing piecemeal amendments here and there. This is because three amendments in one Act by the same House is not very good.

However, as a Committee we have taken this positively. We interacted with stakeholders and the Ministry and we are in agreement on most of the issues raised here. As the Mover has clearly said, it is more of a house keeping issue and also aligning the Bill with the Constitution as promulgated in 2010. We mostly want Members of Parliament or Members of County Assemblies removed from being Members of the board, removal of the Controller of Budget in audit matters and also removal of the Second Schedule that is referred to which does not exist.

Also fundamentally, it is creating an ICT platform where audit matters will be dealt with. This is very critical as we move forward because it will help in terms of timeliness. Reports will be submitted in real time and this will improve efficiency in how cooperatives and SACCOs operate. It is important to note that SACCOs control assets in excess of Kshs1 trillion and they have deposits of over Kshs500 billion.

Therefore, in this kind of a sector without prudent management investors or people who have deposited money in those SACCOs tend to lose their savings. This has happened in the country. We are also happy that the Committee through the other amendments has put in place measures to ensure that officers charged with the responsibility of running SACCOs do their work diligently and avoid the kind of losses we have been seeing earlier.

I do not want to go beyond that because most of the issues were dealt with by the Mover. This Bill does not have a lot of issues but the small issues we will prosecute them during the Committee of the whole House.

Hon. Speaker, I beg to second.

Hon. Speaker: Order Members!

(Question proposed)

I have been following what Members have said and many Members have interest in this one. Well, obviously the Member for Funyula is the first.

Hon. (Dr.) Wilberforce Oundo (Funyula, ODM): Thank you, Hon. Speaker. I stand to support the Bill and I must declare that I am a Member of the Departmental Committee on Trade, Industry and Cooperatives. My Chairman has ably stated the issues at hand and I just want to add a few comments here and there to put the matters right.

As a Committee, we felt that the piecemeal amendments being done to the Cooperative Societies Act are becoming too many and inconsistent to an extent they are going to mutilate the founding laws that govern the cooperative movement in this country. Of course, we hope the Ministry in the fullness of time, without much delay in consultation with the Council of Governors (CoG), will initiate a process of completely overhauling the two Acts that support and govern the cooperative movement in this country.

We must appreciate that the cooperative movement plays a critical role in this county in view of the lackluster star performance of the banking industry. We now rely mostly on the cooperative movement to raise capital for purposes of conducting businesses and for their expansion. As a Committee we listened to quite a number of stakeholders including the Ministry, the relevant authorities, Kenya Union of Savings and Credit Cooperative and other umbrella bodies related to the cooperative and SACCO business.

Most of them were in complete support of the minor amendments being done on this Bill. During this particular time they were informed that it is essentially to align the Bill to the Constitution, the changed dispensation and in view of the Budget Statement. We have looked at the Bill and we have noted a few things which require to be amended. First of all, I must commend the Ministry for considering introducing ICT in the reporting by SACCO Societies. This is in line with the amendments we made on the Deposit-Taking SACCOs and the need to share intelligence information on creditworthiness of the borrowers from the SACCO.

We believe now with the ICT-enabled reporting, we will have real time reports so that Members and any other interested parties can assess that information at any given time. We note the Bill in Clause 9 which introduces section 53(a) provides that the authority may establish and operate an electronic filing system for the purpose of electronic filing of the statutory returns and documents or other information required to be furnished to the authority under the Act or any other written law.

The import of that proposal is that it is not mandatory that all SACCO Societies must file their returns through electronic system. Thus the use of the word 'may'. We believe the drafters of this Bill did so in view that we have so many smaller SACCOs in locations where network is poor. We saw in the last election that we could not transmit election results electronically for the simple reason that there was only 1G or 0G network in that particular area. We hope with the modernisation of the ICT sector, with the fiber cables being laid out in all parts of the country, it will become mandatory that all SACCOs file their returns through the electronic system.

[The Speaker (Hon. Justin Muturi) left the Chair]

*[The Temporary Deputy Speaker
(Hon. Christopher Omulele) took the Chair]*

Hon. Temporary Deputy Speaker, the second issue that we are required to look at is that it is becoming a legislative practice that the discretion to set fines and any penalties is not left to a particular person but we do so through the regulations. So, the clause relating to this aspect will have to be amended in order to align it with the general practice. There is a provision in the Bill relating to the revocation of the licence and the process that is involved in seeking appeal for the

same. The original Cooperative Societies Act and Sacco Societies Act provide that any appeal arising out of a decision to revoke the licence of a SACCO must lie with the Cabinet Secretary. It seems there was a typo during the drafting of the SACCO societies Act. Therefore, this particular Bill seeks to correct that typo to remove the word “tribunal” and insert the word “Cabinet Secretary.”

As I conclude my submission, it is my plea to all managers and directors of SACCOs to take extra care to protect the funds of Kenyans, who work hard and invest in SACCOs without reservation. I am aware of quite a number of SACCOs currently that have financial strains as a result of failure by employers to remit members’ contributions to those SACCOs. Probably, this is not the appropriate forum to name them but as we go along, we need to tighten the law to make it extremely expensive for any employer to refuse to remit monthly deductions of employees to their SACCOs. The issue at hand is the attempt to mutilate the cooperative movement and interfere with it. That is why we hope the miscellaneous amendments that touch on the cooperative societies will be dealt with accordingly at the right time.

With those few remarks, I support the Bill.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Mugambi Gichuki, Member for Othaya.

Hon. Gichuki Mugambi (Othaya, JP): Thank you very much, Hon. Temporary Deputy Speaker. I rise to support the Bill. We know that SACCOs control a very big part of the wealth of this country. We need to keep adjusting the laws so that we improve the environment. We will nurture them and support them so that they continue expanding. We know that SACCOs today are the best method of mobilising savings in this country. Going forward, we have to make sure that they are well supported and given an enabling environment so that they help Kenyans. Over 30 per cent of this country’s financial resources are in SACCOs. About 14 million Kenyans are members of SACCOs. The SACCO movement is so strong that we cannot afford to ignore it. We even have to do more. I appeal to the relevant committees to sit down and see how they can modernise the current laws on SACCOs. This is because in some cases, some of them seem to be outdated. We have a very strong Government involvement in SACCOs when we all know that most of the businesses under SACCOs are private. They are private businesses because they are operating under certificates of incorporation. It is only that they operate under a guarantee other than limited liability.

Therefore, we have to make laws that are supportive to SACCOs more as private businesses than Government businesses. I say this with knowing that we have some businesses where even the Commissioner of Cooperatives sits in boards as an entitlement when they are private businesses. Therefore, it has become very difficult to regulate and, at the same time, be in the board because that way, they cannot enforce the policies and the regulations. Therefore, this should be speeded up and given priority by the Departmental Committee on Trade, Industry and Cooperatives. If today we nurture SACCOs in this country, we will get a faster route to industrialisation. We will have the ability to create more jobs. Looking at some businesses running under the SACCO movement, like the Cooperative Bank of Kenya, they are very strong entities. They are doing very well and helping the country to develop. Therefore, if we really want to accelerate one of the Big Four Agendas, namely, manufacturing; we must strengthen the cooperative movement.

With those remarks, I beg to support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Maanzo Kitonga.

Hon. Daniel Maanzo (Makueni, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me an opportunity to support this very important amendment of the Cooperative Societies Act. I must declare my interest. At one point in time, I was an administrative secretary in the Ministry of Cooperatives. I am familiar with most of the matters in the cooperative movement. In fact, that was when we started preparing amendments to align several statutes in the country with the new Constitution. In the old Constitution, the title “Minister” was used. We now use “Cabinet Secretary” in its place. That is part of the amendments that have been proposed in this Bill. Most important was an amendment to include use of information technology. With this, the amendment is clear. It leaves it optional to SACCOs because, first, it is an extra expense to the members. Secondly, some places will not be able to achieve this immediately while other SACCOs, like those within the city, will. It is true that the cooperative movement has 14 million members in the country. At any given point, it has serious savings of close to Kshs300 billion. The properties owned by SACCOs, including ours – because we have a parliamentary SACCO and Bunge SACCO – are worth Kshs1 trillion. Three quarters of the buildings you see in the city of Nairobi and many other cities are actually owned by SACCOs. Therefore, the cooperative movement, which has more than 14 million members, is a serious movement. The Cooperative Societies Act deserves serious amendments to align it with modern times.

However, at the same time, it is good to note with concern that there have been a lot of amendments suggested without even considering the Cooperative Movement Development Policy, which should first come to this House. Once we have the Cooperative Movement Development Policy, we will be able to align the laws with that policy.

Therefore, consultations are very important. Recently, we had an exchange in this House where the Cabinet Secretary for Industry, Trade and Cooperatives appeared before a Committee and disowned amendments in the Statute Law (Miscellaneous Amendments) Bill. There was a Bill where the Constitution was being amended to create discrimination in the classes of individuals participating in the cooperative movement. The idea is to align this Bill with the Constitution. All amendments should be prosecuted once, so that Kenyans can participate and belong to the cooperative movement at their free will.

I also want to state that the cooperative movement, especially the SACCOs are worldwide. We have an umbrella body in Kenya called the Kenya Union of Savings and Credit Cooperatives (KUSCCO) and the regulatory authority is SASRA. The regulatory authority is aligned to others in the world like the one in Kingston, Jamaica, which has a similar system because it is a former British colony. The USA has a slightly different method. Some of the credit unions in the USA are bigger than banks. Harambee SACCO in Kenya is bigger than most of the banks in the country. All these SACCOs are the main shareholders of the Cooperative Bank which is a very stable bank in the country because of the base it is given by the movement. Earlier on when the cooperative movement was weak, the Cooperative Bank almost collapsed. However, the cooperative movement is strong and stable now, including all the cooperative insurance companies. The movement works with a lot of stakeholders and cooperatives cooperate with others and they do business together. We do not do business in isolation in Kenya. The SACCO movement in Kenya is the most successful one in Africa. The current Chairperson of the African Cooperative Movement comes from Kenya. He is the Vice Chair of the International Cooperative Alliance in the world. So, Kenya is at the top in the cooperative movement. Other countries in Africa are learning from us. It is only fair that they learn good practices from us. They are using our laws to make their laws.

We have umbrella bodies in different countries and Africa. There is the World Council of Credit Unions where KUSCCO is a member. The Chief Executive Officer of KUSCCO, Mr. Ototo, sits in the board of the World Council of Credit Unions. At all material time, there is consultation all over the world. That is why we cannot make a law which is not familiar or similar to other jurisdictions. We cannot reinvent the wheel. Therefore, these amendments are good because we are seeking to align our law with the First World and best practices in the world of use of information technology. I believe in the Committee of the whole House we will come up with amendments to make this Bill better. We cannot afford to make these many amendments without public participation and following the Constitution. I have seen in the Report that one of the people who appeared before us was an advocate of the High Court of Kenya who had very serious suggestions in the amendment of the laws. This was Mr. Kiplagat of Kipkenda and Company Advocates. He made proposals which can be adopted at the Committee of the whole House. He said that we put into consideration Chapter Six of the Constitution because most of the officers of SACCOs handle public money, although they are private entities. That is why we have the Ministry of Industry, Trade and Cooperatives and a Commissioner of Cooperatives.

Some people manage our monies in the Bunge SACCO and Parliamentary SACCO. We have an officer who is almost permanently based here from the Ministry of Industry, Trade and Cooperatives who is at the level of former Provincial Cooperative Officer or District Cooperative Officer. Cooperatives are devolved now. They are at county, national level and international level. We work with a Government officer. Therefore, all people elected to take care of this money should comply with certain specifications of having good conduct as contained in Chapter Six of the Constitution. We have Ethics Commission for Cooperative Societies (ECCOS) which does not have proper legal structures. These are some of the things we should do to strengthen the cooperative movement, so that the character of people who are elected to lead a SACCO is checked to make sure that they qualify. There are very many cooperatives in the country ranging from coffee and tea SACCOs. All of them comprise of people who pool resources, bring them together and then they become powerful. When weak people come together, they become very strong. They are able to educate their children.

People who borrow from SACCOs are able to take their children to school and build decent houses. We have the idea of housing in the country now. We have few housing cooperatives. We have housing concepts within the cooperatives. There is KUSCCO housing and many other SACCOs. Our parliamentary SACCO has opened a housing chapter now. This will go a long way to help the Government agenda of ensuring many people have houses in the country. There is good practice of cooperatives in India. They are very strong and successful. People go there to benchmark and learn. There are many countries where people who are trusted in cooperatives are also trusted in national responsibilities.

I want to support the Bill. I urge Members to support it. I thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to contribute.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Koyi Waluke.

Hon. John Waluke (Sirisia, JP): Thank you, Hon. Temporary Deputy Speaker for giving me a chance to contribute to this good Bill. The cooperatives have mostly suffered because of poor laws that are not in place. The management of the coffee societies have let down farmers. I am a coffee farmer. The management from the District Cooperative Officer or the County Cooperative Officer collude to swindle the poor farmers. We need to put laws that deter corruption in cooperatives. They steal money from the coffee societies most of the time and they

get away with it. They even decide to sell properties. The Chair can decide to sell properties of the cooperative societies and goes scot free.

The laws that are there at the moment are not good. This Parliament should act. As we are talking and discussing this Bill, we need to come up with strict laws. If a Chairman of a society steals from the farmers he must be apprehended and taken to court like any other person who is corrupt in this country. I am saying this because cooperatives are the biggest contributors to the economy of this country.

Fourteen million Members contribute over Kshs1 trillion. That is a lot of money for the economy of the country. So, we must not fail to put laws in place that will make co-operatives good and attractive to members who want to join them.

Hon. Temporary Deputy Speaker, for a long time, I think Members of this House were not talking. It has taken a long time for this Bill to be introduced in the House. I appreciate that this Bill has come at the right time. Before we end discussing this Bill, I am sure we are going to come up with laws that protect the poor farmer.

With those few remarks, I support the Bill. Thank you for giving me a chance to contribute.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. (Dr.) Makali Mulu.

Hon. Makali Mulu(Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker. Let me also support the amendments to the Sacco Societies (Amendment) Bill,

As it has been said, the contribution of SACCOs to the economy of this country is very high. Kenyans who have made serious investments without using the shortcut of corruption have been funded by SACCOs. Majority of teachers and civil servants go to SACCOs to get loans for investment and in, say, three years, they complete paying and go for another one. By the time they do their 30 or 40 years of service, they would have developed themselves and their families. So, the contribution by SACCOs to the growth of our economy is very important. That is why we need a very good legislative framework to regulate this sector.

The Mover of the Bill indicated that there could be need to go for comprehensive amendments instead of the piecemeal ones. We need to do that as soon as possible. Piecemeal amendments to some of the Acts of Parliament lead to inconsistencies. It is important that we look at the law in a comprehensive manner so that all parts or components of that law are harmonised or aligned to the needs of the sector.

The Bill, as it was said, is quite small. The intention is to bring it up to speed with the new Constitution in terms of terminologies and use of correct words where some refer to the old Constitution. Most of the Acts of Parliament use terms like “ministers”, “local authorities” and “provinces”, which are no longer applicable in the new Constitution. I have always been asking myself whether there is a way the legal minds could help us fast-track amendments to the Acts of Parliament which were done before the promulgation of the new Constitution so that they are aligned to it, especially with regard to terminologies.

Another thing is the use of ICT. It is an important area as it will help this country. This law allows the possibility of SACCOs using ICT to file their reports. That has two advantages: one, they will be effective in submitting reports. It could be timely and efficient in terms of cost. Two, other users of the same reports could access them when they are on line. It is easier to open and read a report from your desk other than moving from one office to another to look for it. This is a good amendment.

It is important that those who will implement the changes put in place checks and balances in the use of the technology. We have seen cases where the use of technology has been

abused and people end up losing a lot of money. It then becomes very difficult to pin anybody down in a bid to recover the money. We need to make sure that there are checks and balances so that as we use technology, we do not expose the savings that belong to Kenyans to a few individuals to benefit from.

We need to ensure that registration and licensing of SACCOs is enhanced by tightening it so that it is not every Tom, Dick and Harry who joins the sector and leave when they wish. As most speakers have said, this sector has a lot of money generated through savings from Kenyans. It will be unfair if such savings are misused by a few people who then disappear in thin air.

Generally, the proposed amendments to this law are very important but let us agree that the relevant parliamentary Committee should, very quickly, initiate a comprehensive review of the original Act so that at the end of the day, we have a legal framework which protects this important sector.

With those remarks, I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Member for Molo, Hon. Kimani Kuria.

Hon. Kuria Kimani (Molo, JP): Thank you very much, Hon. Temporary Deputy Speaker. I rise to support the Sacco Societies (Amendment) Bill of 2018.

Savings and Credit Cooperative Societies have been recognised as great mobilisers of resources across the world. In Africa, 7 per cent of the African population is affiliated to SACCOs. Closer home, 69 per cent of Kenyans draw their income either directly or indirectly from the SACCOs industry. In our economy, up to 25.6 per cent of our Gross Domestic Product is contributed by SACCOs. But the interesting factor is that SASRA was not established until 2009 yet cooperatives had been with us since Independence. Most of our grandfathers used them to buy land across the country but the sector was not regulated.

This Bill cannot be timelier than being in the House today. A lot of emphasis has been made in other financial institutions especially the banks, but it is the SACCOs that are not holding the credit sector in the country especially after the House passed a legislation curbing interest rates. Kenyans have only SACCOs to go for loans because banks ask for many collaterals and offer weird repayment periods. But SACCOs got into the gap and have contributed to the 25.6 per cent of our GDP.

Clause 9(a) provides that reports that are filed monthly to SASRA are now supposed to be in electronic form. The reports filed by SACCOs include capital adequacy report, liquidity statement report, statement of deposit returns reports, risk assessment and assets provision, investment return, statement of financial position and other disclosures. These reports are huge and manual and imagine a SACCO based in Turkana or Mombasa or the one in Molo and have to file these returns by 8th of every month. Anchoring in law that SASRA has to provide an ICT system where these reports will be filed electronically is a great step in the regulation of the SACCO societies.

During public participation, a lot of views were raised especially on liquidation and revocation of licences. We have come to a time of the crackdown by the Ministry of Interior and Coordination of National Government and the Ministry of Transport, Infrastructure, Housing and Urban Development on *boda bodas* and the *matatu* industry. They are now saying that all these *boda bodas* and *matatus* should belong to SACCOs. We have had people who form a SACCO overnight, they register members and get licences. If they get revoked, millions of deposits in Kenya shillings are lost. We have several SACCOs that have gone under. Members have tried to seek reimbursement of the savings of their shares but, it takes forever. This Bill provides that

after the revocation of a licence of a SACCO, liquidation should start immediately. In this liquidation, the payment of the members' savings and shares is among the first charges. Therefore, this piece of legislation will make our SACCOs do their business prudently, efficiently and continue promoting our economy.

With those few remarks I beg to support this Bill.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very well. Hon. Bunyasi, Member for Nambale.

Hon. Sakwa Bunyasi (Nambale, ANC): Thank you, Hon. Temporary Deputy Speaker. I rise to speak on this Bill and to support it in essence. Anything that improves functioning and makes the oversight of critical institutions, like SACCOs as my colleagues have said, is welcome.

The advantage of having an ICT-based system as opposed to manual or semi-manual systems is like shining a bright spotlight in a fairly murky area to see what is going on. The SACCOs are institutions of trust like banks meaning that you put in your resources with the expectation that the leadership in there will not only look after your resources but also grow them for you. There are people who beyond what they might earn on their pensions, if any, their principal savings and basket for retirement is in the SACCOs. It is important that SACCOs function well. In addition, as has been stated by my colleagues earlier, it can be a way in which you progressively build your capital base. You can start off by buying a bicycle. It may end up building a home before you retire. These are really important instruments in the transformation of our communities – working or not working. It is really important that they are regulated in a way that is fair, effective and efficient also. Using ICT is one way in which you can sort of cut through and see where the mess is.

Lack of networks in the country might be an inconvenience but it is not an overriding obstacle. You can have stand-alone modules that you can do on your computer and simply upload them as reporting time comes. That way, it will get into the system. The difference will be that you will not have instant feedback and instant information but, when it comes up, they will be able to get it, analyse it and upload it to the system so that it becomes part of the database of the system. It is possible to do that. Many places in this Republic including the most remote areas have computers. People have computers and all manner of information and communication gadgetry. I do not think that will be a hindrance. The fact that it should be mechanised electronically needs to be compulsory so that we do not get any institutions in some corners of the country that are still in the old and archaic way that might introduce doubt and lack of confidence in the development of these extremely important institutions.

As has been stated in many places, as I speak, I spent 30 years in an institution and banked only with our SACCO—the credit union. I still do. I find it extremely efficient. It is very responsible to member needs better than most banks. I think they are the banks of the future for us.

It is good for us in terms of relative standing in the world and in Africa, we have been up there. I know, as has been stated, in the 1970s what put us in the regional map and later global map was the Harambee SACCO.

You know what, lack of trust and poor governance can do that. There is a time it went through a very rough time but it seems to have stabilised. If there are any other Harambee SACCOs out there, they may have been hobbling growth because of poor reporting and poor oversight.

This will help to ease. Not to cure necessarily, but make it clear where mistakes have occurred, where fraud has occurred, and to facilitate follow up. The solution to it is not so much about being computerised but it is possible to monitor and act where you find anomalies in the way things are being done.

It is, indeed, true that SACCOs can provide strong competition particularly in the small end customers - those without big monies to transact. Or more collectively, SACCOs can become extremely important as a way in which you mop up savings from small savers.

They can then now invest in safer instruments and safer institutions. So, they do their aggregation function. They are extremely important. It is just like in commodity marketing. The aggregators are extremely important in getting viable commodity market, commodity exchange or even the kinds of things that we did last week in the Warehouse and Receipt Systems Bill. Aggregators are going to be extremely important. Similarly, in financial terms, these SACCOs are going to be aggregators. There are people who are going to be saving no more than Kshs50 a month. But the millions of those savings can enter the system as we go up.

As we try and modernise the reporting system, I see an opportunity. Reporting is extremely important in financial institutions. It is extremely important for things like the capital market. Even in these institutions, hopefully SASRA is going to be really on top of this. This reporting is going to be the key to creating confidence in these institutions. There will come a time when these institutions because of the surplus capital they have got, will even issue their own paper, their own bonds and people will be able to invest in them.

They will be able to raise money faster than members can do because there is confidence in what is said as their status. What is said as their status would come out of their report. They will be dependable and interested quarters can look up information about them, just like you can check the status of a bank through public domains where that information has been published.

In fact, I hope that these SACCOs will be more transparent than the huge cooperative institutions we have. Therefore, development of secondary markets will take these resources to higher level because of transparent reporting and computerised reporting.

We have examples in Denmark or Holland where institutions have been born out of cooperatives and the SACCO type that are the major financial players in their respective countries and globally. It is possible for millions of Kenyans who may not get the advantage to go to big banks to benefit. You know some big banks closed down their branches around rural Kenya some years back. I would like to say without fear of contradiction that it is only Equity Bank that came on board. They then realised you can actually raise huge amounts of money and become successful and they all rushed back. Not just in rural areas but even in campsites. They began to seek customers in the rural areas and small market places. They discovered that you can actually get billions out of the small savings of the poor. Of course, other examples are in Bangladesh and other places. I have also indicated that you can bank on the poor. Many of our people who may not be working and have small savings will grow their savings and save their lifetime savings through SACCOs

I am greatly saddened as we speak. I would say there are three amendments to the same Act which are clearly representing different interest groups in this movement. That must be dealt with. I know they are all listening and we have all pleaded that these should now be consolidated so that the Act is streamlined. That should be a cause of concern. That tells us that there are people who have huge interest in this movement. They are not even consulting each other. As it turned out, some of the amendments might have come from the National Treasury and the Ministry concerned does not know. The Cabinet Secretary or his Principal Secretary are not

aware of it. The esteemed movements like KUSSCO had an advert running disowning some of the amendments that have been moved.

I hope that we are not legislating in vain by dealing with things piecemeal. I know that collectively we would not have dealt with the totality of what is needed to move forward. It is a good thing to do and I support it wholly.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very good contribution. Hon. Bunyasi, you alluded that there were some back and forth from the Cabinet Secretary on the amendments that were proposed to the Statute Law (Miscellaneous Amendments) Bill that we dealt with about two weeks ago. It was a good contribution.

We shall now have a contribution from Hon. Kioni, Member for Ndaragwa.

Hon. Jeremiah Kioni (Ndaragwa, JP): Thank you, Hon. Temporary Deputy Speaker for the opportunity you have given me to contribute to this important debate. I want to start by saying that without a doubt, one of the aims of this Bill and it has been mentioned in the memoranda, is to align it to the Constitution of Kenya, 2010. Allow me to say that this is enough evidence that the Constitution still has a lot of work that needs to be done. We are not anywhere near completion. We have had many of these pieces of legislation that keep coming and what is clear is that many of our ministries have never taken pain to ensure that the statutes that fall under them are aligned to the Constitution. The 10th, 11th and even now the 12th Parliament did their bit by enacting new legislation to help in the implementation of the Constitution. Without doubt, there are still very many pieces of legislation that still need to be looked into that are still using the language of the old Constitution and terminologies of the old Constitution and offices of the old Constitution. It is therefore important that ministries will do the necessary by making sure that the statutes are brought in line.

Having said that, we are dealing with the implementation of the Constitution as Members of the Constitutional Implementation Oversight Committee (CIOC). One other thing that is clear is, if you go through all the policies of virtually all the ministries, there are still policies that were there before the 2010 Constitution. So, we have a lot of work to do and we are doing it as CIOC and it is unfortunate that it had been given some moment of death in the last Parliament. So, we have a lot of work to do.

In responding to what Hon. Makali had alluded to, we have engaged the Law Reform Commission and also the Office of the Attorney General to try and get a status report on how much we have implemented in our Constitution. In the coming days when we resume, we should be able to table our report which Parliament can debate and remove the notion from those outside this Parliament that we have failed to implement the Constitution just because there is one article, like the one we had yesterday. This Parliament has done its bit. We still have to do more. The implementation of the Constitution is not a one off thing, it is a lifetime thing. We will implement it. Even those who come after we are dead will still continue implementing the Constitution. But let me also say that one of the things that we should never try to do is to amend the Constitution to implement the Constitution. We should use laws to implement the Constitution but we should not amend the Constitution to implement the Constitution. If you want to amend the Constitution to implement the Constitution in my opinion, and as the Chair of the CIOC, you will need a referendum. You must ask those who gave us that Constitution when you want to amend it to implement it. I do not want to start a debate on that today. We will continue with it later and it will help in the coming times if you are given that opportunity.

Let me say that this Bill, without a doubt, is short and you can tell because the memorandum is also short. It is meant to align the Act with the Constitution and perhaps provide

for the ICT. However, the question is: What becomes of the other sections in the old Bill? My colleagues are saying that we need a complete look at that Bill or the Act so that we are confident with what we are doing. We said the same thing when we were dealing with the Health Bill. That Bill was not doing justice to all the pieces of legislation that we were amending under one blanket. You do not feel like you have exercised your mind adequately on that but we have to do what is before us. What is before us is to support the Sacco Societies (Amendment) Bill and we want to commend the Committee that has brought it before us. I want to say that I like the provisions that are in it. Every single day and every other month, we have new SACCO being formed. It is the way of life in the rural areas and it is only fair that we are seen to give that part of the sector some attention.

We have very many table banking groupings in our constituencies and they have grown to the level that they would want to move to the next level. One of the levels they are going to is a SACCO or a cooperative movement and it is important that we continue engaging ourselves and trying to help them to make sure that they grow. Some of us who were not very old would remember that back in the late 1970s, 1980s and early 1990s there was a strong cooperative movement especially in Mt. Kenya Region. Through some political tsunamis that hit the area, all these cooperatives went under and the way of life of people was completely disrupted. To date, some of them have never found a footing again. It is because the cooperative movement then may have been interfered with politically because there might not have been any regulatory framework that would have guarded the SACCOs, and shielded them from political interference.

This Bill among others that have been done before goes a long way to ensure that such political maneuvers are not done in the coming days. One of the things that come out clearly is Section 45 which talks about the qualification of external auditors. This helps to introduce professionalism in the way that these SACCOS are audited, ensuring that there is no insider trading but at the same time creating a lot of employment for the young people back in the rural areas. You can engage yourself fully from the first to the end of the month just by doing audit of SACCOs in the rural areas.

So, in this Bill we want the procedure for revoking licences, the way to apply for a licence and the way to send or to limit the audited accounts covered so as to help to improve the quality and the way of doing things within the SACCOs.

With those few remarks, I want to thank the Committee for the work they have done. I encourage them and other Committees that as Members of CIOC, we are talking to all the Ministries because implementation of the Constitution is a wide thing and it covers every area. So any Committee that finds their Ministry coming before us should know that we are just there to help the country, not to take up their job. In any case, there is so much work to do in this country; you cannot finish it with the few months that you will be here as a Member of the 12th Parliament.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Kioni, I do not envy you, you have a peculiar task of heading that huge Ccommittee. You said here today that implementation of the Constitution is not a destination. It is a journey that we must journey through forever.

Very well. Hon. Milemba.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Speaker for giving me this opportunity to comment on this Bill. I end up speaking with my second voice, which is very low and reasonable. Of late we have had about three Bills touching on the same issue of cooperatives. Some of them have come as small amendments but they have serious interests that are not

necessarily for the cooperative movement. I spent most of the time today going through this Bill and consulting many stakeholders about it. I thank the Chairman, whom I also consulted yesterday and today. He assured me that this is not part of the many small legislations that are coming with interests that are not for the cooperative movement. Indeed, I have confirmed that.

The cooperative movement is very important for teachers, civil servants and farmers like Hon. Kioni. Hon. Kioni, for many years, as we grew up, we admired the cooperative movement in your area of interest but later on, it collapsed. We do not know what happened. However, I want to inform the House that what used to happen in your area is now happening in our area. There is a lot of quick rush for formation of cooperatives. The worry is that we do not know if it can go the same direction you have alluded to. Therefore, it is very important that we make good laws that can especially protect investors in cooperatives, especially when cooperatives are mismanaged or they cease to operate well and members lose their benefits.

Having looked at this Bill, I notice it is dealing with more of procedural issues. One of the amendments is dealing with introduction of ICT, which I fully support because it will enhance operational efficiency and boost returns. It will also ensure that cooperative societies work well. I come from the background of the teachers SACCOs, which are the biggest in the country. Today there are many other small SACCOs such as *Boda boda* SACCOs and *matatu* SACCOs. I hope in introducing ICT systems in filing reports and submitting returns, we shall not disadvantage the young upcoming SACCOs that are keen in making the first step towards developing the cooperative movement in their areas of operations.

I also notice that a lot of the amendments are of housekeeping nature like replacing “Minister” with “Cabinet Secretary”. Other amendments are aligning the cooperative movement with county governments because it is clear that they are still using the local authority instead of the county assemblies.

Hon. Speaker, there was the issue of the Auditor-General and the Controller of Budget which was well touched by the Mover of the Motion. So, it is a good Bill for the cooperatives and so I support it.

I also noticed typos in the word ‘cooperatives’ but the Clerk’s Office will deal with that because there is a way in which it is written. The typos can be clearly seen. Moving forward, especially because the Chair is here, I notice that in this clause we are looking for ways to ensure that cooperatives are managed well, which I fully support, in terms of seizing licences of cooperatives that are being mismanaged. If a SACCO is being mismanaged and we withdraw its licence, I do not think there is need to close down the cooperative. This is because many of the Front Office Services Activities (FOSA) begin as cooperative societies. Today we have universities which are not remitting employees’ contributions to SACCOs. So, if such a SACCO fails, what happens? I will be bringing an amendment so that we do not completely withdraw the licence of such a cooperative society but we allow it to operate behind FOSA or SACCO societies. That will be good to virtually all the cooperatives in the country, so that... (*Technical hitch*)

Cooperative societies need to be protected. The interests that we saw come in through the Statute Law (Miscellaneous Amendments) Bill, talking about social impact members and others, is not in this Bill. The Members of this House should be hawk-eyed so that, as Hon. Kioni said, at no time should we find ourselves hijacked by new remarks.

I support the Bill.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very good contribution. Let us listen to the Member for Kigumo.

Hon. (Ms.) Wangari Mwaniki (Kigumo, JP): Thank you, Hon. Temporary Deputy Speaker. I support the cooperative societies amendment Bill.

The essence of this Bill is to allow for efficient... ensure that we institute... (*Technical hitch*) unless it is able to accumulate wealth at the very base where the majority of the people are in the rural areas through such organised institutions like SACCOs. So, this Bill could not have come at a better time. That is why I rise to support it.

I also want to join the Members who have said it should have been more comprehensive than it is. We hope that it will be looked into and a more comprehensive Bill will be brought to the House.

I want to encourage the Committee that was looking into this, to look at it more holistically and bring us a more comprehensive Bill that will look into all the operations and ensure that SACCOs are protected and are efficiently managed.

In terms of the filing, it will create efficiency and reduce risks. When you are looking at money and issues relating to funds, you must be concerned with risk management. So, instituting e-filing or computerised filing of documents and reporting to the authority that this Bill seeks to institute would also create efficiency, reduce malpractices in our SACCO system and create more hope and help the members have much more faith in managing their SACCOs.

With those few remarks, I join those who have talked ahead of me to support this Bill and to seek that even a more comprehensive one be done.

I have talked about issues like auditing. Previously, SACCOs were doing their own auditing and appointing their own auditors without a streamlined method or procedure of auditing. I have seen in this Bill now (*technical hitch*) registering auditors who must have met (*technical hitch*) because it sets the four walls within which the SACCOs must operate.

I also want to support what Hon. Kioni talked about asking our Government agencies to relook at laws and regulations that govern our institutions.

I beg to support. Thank you.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Member for Teso North, just before you start your submission, I wish to notify Members that I have received communication from the ICT people that the delivery from the microphones for Members is not very clear. I, therefore, direct that from now onwards, Members come to make their deliveries from the Dispatch Box starting with Oku Kaunya.

Hon. Oku Kaunya (Teso North, ANC): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. I stand to support the Sacco Societies (Amendment) Bill (National Assembly Bill No. 18 of 2018).

I support this Bill for two main reasons. The issue of introducing ICT will bring efficiency and effectiveness in terms of reporting. Not only on reporting but also in sharing information which can be available to both members and other organisations that are interested in the SACCOs. This, in itself will promote and increase trust among the members because one of the things that have let down a number of SACCOs is where information is not shared and it becomes difficult for members to understand particularly where management of SACCOs goes down. Some SACCOs have failed simply because information is not available to members on how they are progressing. Introducing ICT will go a long way in improving that sharing of information and confidence or trust the members will have.

Apart from that, though the Bill may not have gone further, I believe that with the inclusion of what we know currently, some of the small savers like the *boda boda* riders and those in the informal sector already make savings. If the use of electronic means is extended to

the mobile money business where savers can save from the grassroots, it will expand the base and make it much cheaper for savers..

I have seen a few of these SACCOs like the *boda boda* SACCOs in some areas are already using the mobile money system linked with the banks like Equity. I have seen them utilising that system. They save from home. They do not have to go to the bank. Therefore, it saves them the cost of moving to where bank branches are. The introduction of ICT generally should encompass other sectors.

The second reason I support this Bill is the question of SACCOs. When we expand SACCO societies, it will increase the available amount of money to the public and for business at a low cost of interest. Most SACCOs, as you realise, charge a very low percentage of interest to the members in terms of acquiring loans. With this, we believe the cost of loans will go down as long as they will have a greater base in terms of coverage.

This Bill will help in enhancing resource mobilisation through these SACCOs. We believe that even the filing system itself will make it easier for Government to monitor and also for other institutions that are interested in SACCO performances, for example, those who may be interested in funding or supporting the growth of SACCOs. They will easily access those records. Therefore, it will help in enhancing the sector.

I support the Bill. Thank you.

The Temporary Deputy Speaker (Hon. Christopher Omulele): We shall proceed in this manner. We shall have Hon. Hulufu Oda, followed by Hon. Arbell Malimo and then the Mover will reply.

Hon. Hassan Hulufu (Isiolo North, KPP): Thank you, Hon. Temporary Deputy Speaker, for giving me an opportunity to contribute to the Sacco Societies (Amendment) Bill, 2018 which I support.

I would like to start by thanking the Chairman and Members of the Departmental Committee on Finance and National Planning for this Bill. As those who have spoken before me have said, looking at the memorandum of this Bill, most of the amendments are aimed at aligning the principal Act with provisions of our new Constitution. I would like reiterate what the Chairman of the Constitutional Implementation Oversight Committee has said. There are legislations which are not yet aligned with the provisions of the new Constitution and still make reference to Ministers and local authorities.

As I support this Bill, it is important for us to appreciate that SACCO Societies play a very important role in the economic development of our country. This is especially, in enabling our rural population and the workers of Kenya, those in public and private sector, to pool together their savings so that they are able to access affordable financial services. The role of SACCO Societies is appreciated by our blue print Vision 2030. This is in terms of its role in deepening financial access, mobilising of savings and also in enabling investments in enterprises and personal development of Members of various SACCOs.

Looking at the proposed amendments, I specifically want to talk to Section 51 of the Principal Act. If you look at the provisions of that clause, it relates to the role of the authority in terms of its supervisory work as well as enforcement of action at times when the SACCO Societies violate provisions of the principal Act. There are other regulations put in place to regulate SACCO Societies businesses. The proposed amendments to Section 51(m) of the principal Act relates to imposition of financial penalty on the society.

However, we know that societies are run by directors and their employees to manage savings of Kenyans. Therefore, if we stop at what was provided for under the old Act, where the

imposition of financial penalty stopped at the society as an institution, I think that is not fair. Therefore, the proposed amendment is quite in order. It goes beyond imposition of financial penalty on the society. It also talks about doing the same on directors under whose watch the violation of the provisions of the Societies Act has taken place, therefore, putting the savings of Kenyans in jeopardy. So, I see this as very important.

We have seen SACCO Societies go under and hard earned savings of Kenyans being squandered by people who have been entrusted by Members to manage their savings. Therefore, this proposed amendment will tighten regulations of the SACCO Societies. It will also act as deterrence for the directors and SACCO Societies employees in the process of conducting business not to violate provisions of the Sacco Societies Act and other regulations put in place to guide their operations.

I would also like to appreciate the importance of the use of ICT in filing returns. We realised that the manual way of filing returns is cumbersome in terms of having a central registry. Sometimes, it is difficult for regulatory authorities to establish the financial health of the thousands of SACCO Societies registered to operate across our country. Therefore, I feel that the use of ICT to facilitate electronic filing of the returns will improve efficiency and help the regulatory authority identify those SACCO Societies that are not performing well and, therefore, institute measures to prevent them from going under.

With those few remarks, I support the proposed amendments to the Bill.

*[The Temporary Deputy Speaker
(Hon. Christopher Omulele) left the Chair]*

*[The Temporary Deputy Speaker
(Hon. Patrick Mariru) took the Chair]*

The Temporary Deputy Speaker (Hon. Patrick Mariru): I will follow as the substantive Speaker had directed. Next is Hon. Arbelle Malimo.

Hon. Marselino Arbelle (Laisamis, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to contribute to the Sacco Societies (Amendment) Bill (National Assembly Bill No.18 of 2018).

Sacco Societies contribute to the economy of this country. This is due to the fact that they play an integral role in promoting Kenyans who earn meager salaries and who come together in order to put their savings in one basket. In our country, during the olden days, only big banks had the monopoly in the banking industry and quite a number of Kenyans were locked out. This is because when one wanted to open a bank account there were many requirements and the process was very cumbersome.

For instance, the National Police Service (NPS), Members have a SACCO Society which takes care of the financial management. So, Members save and eventually when retiring, they get their retirement benefits as well as their savings and also access loans. Currently, we have a number of SACCOs in the country that take care of different parastatals, even teachers have Mwalimu SACCO. This is a good sign that people trust the SACCO Societies because they are helping them.

However, on the side of management of the SACCO Societies, you will realise some do not have a good structure to run them well. This is simply because somebody realises there is an opportunity and ends up being appointed as a chair or director and employs his wife or relatives.

Eventually, it happens just like we have seen in the past, where some financial institutions like banks go under and the directors take away hard earned money contributed by the Kenya citizens and run away. Therefore, it becomes very difficult even for Members to pursue and arrest that person. It becomes a mess. That person cannot be held accountable for whatever mismanagement he has caused.

So, this proposed amendment has come at the right time to safeguard and cushion Kenyan citizens who happen to contribute their money into these co-operative societies.

With those few remarks, I support the Bill.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Ndirangu, you have the opportunity to reply.

Hon. Isaac Ndirangu (Roysambu, JP): Hon. Temporary Deputy Speaker, in replying, I wish to thank both the Departmental Committee on Trade, Industry and Co-operatives and my own Departmental Committee on Finance and National Planning for working collectively to ensure that this Bill comes to light. I also thank all Members who have participated in giving their expert views on this Bill. It is important to note that quite a number of Members here, like the Member for Molo and other Members who are experts in SACCO development have given very important contributions.

Right here in Parliament, most of us are members of the Parliamentary Savings and Credit Co-operative Society (PACOSO) and the Bunge Savings and Credit Co-operative Society (BUCOSO) and we know the critical part they play in availing finance to Members to develop themselves and to undertake their personal projects.

There is a clear correlation between democratic governance and the operation of co-operatives. Looking around, you will see that since the new Constitution took root, the Government has been trying to create laws and to develop values along the propagation of SACCO societies as opposed to the earlier rule of 1980 and the early 1990s, when important co-operatives in this country, particularly in Central Kenya, were politically undermined and influenced through the Office of the Commissioner of Co-operatives then.

I have in mind land buying co-operatives like Nyakinywa, Kihui Mwiri, Mbo-I-Kamiti and even very strong banks that were based on co-operative development like the former Rural Urban which was headed by Andrew Ngumba; the former Continental Bank headed by, among other directors, Hon. Kibaki; Akiba Bank and Consolidated Bank. Because of bad governance, dictatorship and political manipulation in the management of these companies and co-operatives, they all went under leading to a lot of desperation among farmers and ordinary Kenyans, particularly in Nairobi, Eastern and Central Kenya.

Therefore, we thank the parent Ministry of Trade and Industry for also coming up with a policy to firm up values around the management of SACCOs so that they can serve Kenyans prudently by deploying ICT to manage their reporting, monitoring, record keeping *et cetera*. The archaic system of managing co-operatives is cumbersome and leads to a lot of wastage. So, we look forward to the implementation of this Bill so that deployment of ICT can improve the management of SACCOs to bring transparency and accountability.

It is also true that even in this time of ICT, there are many co-operatives out there which are luring members of the Diaspora to invest particularly in land buying companies, but when you look critically at them, you find that they have invested nothing in ICT. It is important for prospective investors, particularly local and from the Diaspora, who want to invest in land buying companies, to take time to peruse their books to seek information about the management of these SACCOs.

I thank our new Cabinet Secretary in charge Industry, Trade and Co-operatives, who is at the helm of the Ministry, for ensuring that together with Parliament, these rules and Bills are harmonised.

With those words, I beg to reply and without the risk of pre-empting debate, I seek the indulgence of the Chair in invoking Standing Order No. 53(3) to defer putting of the Question.

Thank you.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Member that is noted. We shall pend putting of the Question until we have the required threshold numbers.

Next Order!

Second Reading

THE INSURANCE (AMENDMENT) BILL

The Temporary Deputy Speaker (Hon. Patrick Mariru): Let us have the Chairperson of the Departmental Committee on Finance and National Planning, Hon. Limo.

Hon. Joseph Limo (Kipkellion East, JP): Thank you, Hon. Temporary Deputy Speaker. As I stand to move the Insurance (Amendment) Bill 2018, I request and indulge you that this particular Bill be stood down until next week. This is because I have received information from the National Treasury that there is some information which needs to be given to us before we move this Bill. Therefore, I request you to stand it down until next week.

The Temporary Deputy Speaker (Hon. Patrick Mariru): That is stepped down until next week, or that other time that the HBC slots the business again.

(Bill deferred)

Next Order!

Second Reading

THE ASSUMPTION OF OFFICE OF THE COUNTY GOVERNOR BILL

The Temporary Deputy Speaker (Hon. Patrick Mariru): Let us have the Chairperson of the Departmental Committee on Administration and National Security. I request you to use the Dispatch Box so that there is no interruption of recording.

Hon. Paul Koinange (Kiambaa, JP): Hon. Temporary Deputy Speaker, I beg to move that the Assumption of Office of the County Governor Bill (Senate Bill No. 1 of 2018) be now read a Second Time.

The Departmental Committee on Administration and National Security wishes to table a Report on the Committee's proceedings during the consideration of the Assumption of Office of the County Governor Bill (Senate Bill No. 1 of 2018). The Committee wishes to commend the Senate for coming up with the Assumption of Office of the County Governor Bill, which seeks to fill a gap in the law on how governors-elect in respective counties assume office.

The proposed Bill also provides for the establishment of a committee on the assumption of office of the governor that will ensure that there is a smooth transition when a new governor is

elected. In consideration of the Bill, the Committee made outstanding amendments and shall be laying the same in the House at the opportune time.

The Committee made recommendations as indicated in the Report that there is need to define who a county officer is for clarity purposes. This is because there is confusion between a county officer and a public officer.

Secondly, there is need to include the Ministry of Devolution and Arid and Semi-Arid Lands in the committee on the assumption of office of the governor, since that is the Ministry responsible for matters related to devolution and also offers technical assistance to the counties.

Thirdly, there is need to provide for an instance where a Speaker assumes office as an acting governor as per the provisions of Article 182 (5) of the Constitution.

Fourthly, there is need to provide for a timeframe within which a Speaker of a county assembly shall assume office as a governor where a vacancy occurs in the offices of the governor and the deputy governor.

All those highlighted issues shall be brought by the Committee as amendments to the Bill. When those amendments are implemented, they will bring soberness to the county government and remove the madness we have been seeing.

We wish to thank the offices of the Speaker and the Clerk for facilitating the Committee in discharging its mandate.

With these few remarks, I beg to move the Bill and call upon Hon. Kaunya to second.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Let us have Hon. Kaunya.

Hon. Oku Kaunya (Teso North, ANC): Thank you, Hon. Temporary Deputy Speaker. I rise to second the Assumption of Office of the County Governor Bill (Senate Bill No.1 of 2018).

As our Chairman of the Departmental Committee on Administration and National Security has indicated, this Bill is meant to provide for a procedure for the assumption of office of the governor and provide for the ceremonies surrounding it. The Bill is timely and takes cue from the assumption of office of the President which is in the Constitution. There were gaps in terms of the assumption of office of the governor and this is the main reason why the Bill was brought.

We have proposed those amendments already mentioned by the Chair of the Committee. We believe this should make the process smooth. We should have a smooth process in which the governor takes over when elected. There are gaps that have been filled by this process. For example, the Bill limits or specifies the time that is required for assumption. Previously, it was open. It could take so long.

Secondly, it also limits the reporting. When the governor takes over, there is always that accountability process from the previous government or governor to the current one. There are provisions that provide for a report to be submitted within a specified time.

I beg to second.

(Question proposed)

The Temporary Deputy Speaker (Hon. Patrick Mariru): A number of Members have expressed interest in speaking to this. Top on the list is Hon. Jeremiah Kioni. Next is Hon. Makali Mulu and then Hon. Kuria Kimani.

Let us have Hon. Jeremiah Kioni, Member for Ndaragwa.

Hon. Jeremiah Kioni (Ndaragwa, JP): Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to this very important Bill. This is a familiar position.

This is where everybody used to speak from during the 10th Parliament before we created the cubicles that we all have now.

This is yet another Bill that goes a long way to implement the Constitution of 2010. We commend the Senate for their initiative. We also want to commend our own Committee, led by the able Chair, for working on it speedily and allowing us time to debate it and give input on its enactment.

The issue of assumption of office by the governor is not anything new to Kenyans. We all know, including in your own county, how chaotic this was. It is only fair that we provide some order. The Bill has gone a long way to try and sort out the difficulties that were there.

One of the things that are clear is that during the assumption of office of the governor - because we had it for the first time this year - there was a scenario where the governor who was assuming office was faced with a committee that was trying to help him do so. Top of the list of the people in the committee were those who had campaigned against him. This is because there was no way of identifying the committee members. Nothing had been provided for and a person would sit in an office and arbitrarily decide on how to conduct the assumption of office. Now we have a Bill that we are confident will become an Act of Parliament that helps sort out that mess.

The other crucial thing in line with that is that - I hope there will be a criterion for the persons who will be in those committees - we do not have people who have just walked in and may not be very useful. Since they are the ones who have just walked in last, they are given the opportunity to do so. We need a criterion that clearly represents offices. It is good to note that the amendments seek to bring in the office of the Cabinet Secretary for Devolution and ASALs so that there is some order and clarity in the way we handle that issue.

The other thing that I hope we will deal with is the budget for the assumption of office, which should also be provided for - even if not in a definite manner - so that we avoid what we saw during the assumption of office.

Some governors spent Ksh2 million, Kshs4 million, Kshs5 million or Kshs10 million while others spent Kshs200,000. It will be good to ensure that there is a capping, even if it is not a specific figure, so that you do not give Kenyans an impression that another looter has been sworn in or taken charge of the territory.

As the governor assumes office, it is also important to provide the handing over procedure. As it is the case in our offices now, you walk into an office where people took off in a hurry. They either left some papers under the table or left with everything. It is important for some handing over procedures to be provided. It may not be possible for the governor whom you defeated or was defeated to walk in and hand over. You need to be very mature politically to do that. However, an officer who is accountable to the people should hand over and specific documents that are useful should be handed over.

The role of the Speaker is a very important inclusion in this Bill. I know our Temporary Deputy Speaker was a Speaker of the county assembly. I am sure at one point he must have seen himself having the potential of taking over as a governor. It would have been a disaster then because there was no clear way of doing it. We have a Bill now that will clarify and make it very clear when a Speaker takes over for a certain period of time. I suggest that the duties or responsibilities that he can fulfil during that time should be very clear.

You remember we had the presidential rerun and a President-elect who then became the President because we were back to where we were. There are specific things that the Constitution curtailed him from doing. We need to be careful and clear on what the Speaker can do during that time when you are looking for a governor, so that he does not become a governor who may

want to shape the county in a manner that he runs it when he is the Speaker. When he is acting as the governor, he is still certain of being the Speaker once the governor comes into office.

With those few remarks, I want to thank you for giving me the opportunity to contribute. As we continue thinking through this Bill, the role of the governors and devolution, we also need to encourage ourselves to understand that we were not devolving political power. We can now talk about these things more boldly and in an agreeable manner. When we were making the Constitution, there was a pull and push because people were looking for political power. We can see the damage that can be there, if you devolve political power to the governor. It is even detrimental to you as a Member of Parliament.

We wanted to have economic devolution. We devolve units that would help us spur some economic growth in our country. We can tell that one, two or three counties already look like they are generating some economic activities from where they are. Any legislation that we make should be aimed at helping the governors realise the law that we want. We want them to grow employment from the counties. We want to see farmers doing better than they were before we decentralised, but not the way we are now. What we are experiencing in quite a number of the counties is unnecessary political competition and quarrelling. This stagnates growth and we mark time for another five years which is not useful at all. If you ask many of the counties, including where I come from today, they will tell you to take back the health sector to the national Government because the governors have not spent time to deal with the issues that they needed to deal with from the beginning.

As we continue debating these issues, we need to address an issue that we alluded to yesterday. Why do we have nominated members to the county assemblies whom we have provided a way of occupying space in those assemblies in the Constitution? It was not for them to be grouped together by the governor and they become a whip against the people who were voted for. They are supposed to help in actualising those issues that affect people on a regular basis, like water and health. When we were making the Constitution, we thought that if we nominate more women at the county assembly level, they would remember the issues that our ladies go through and are suffering from everyday. What we are now seeing today is that the first point of call is the governor's office. They form a caucus that is then used by the governor to do things that do not benefit the people who elected those MCAs.

Let me say this for purposes of clarity; when a governor takes the nominated MCAs and forms them into a group and then he adds another five or 10 who were elected, he has enough assembly to run the county against the wishes of the many because those who were voted for would not have a voice in that assembly. As we continue thinking through on how we nominate people to the county assembly, you cannot allow a nominated MCA to have more power than the MCA who was given votes by the people. It is a backdoor way of running our country. We will not achieve what we intended to achieve when we got the Constitution 2010.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Makali Mulu.

Hon. Makali Mulu (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker for this opportunity to give my input to this Bill. Let me also declare that I am a Member of the Departmental Committee on Administration and National Security. It is important we thank the Senate for this Bill. As we have all been saying, the reason the Senate was created as a House of this Parliament is to serve the interests of the county governments and county assemblies. When I see a Bill like this, I appreciate the importance of the Senate.

As it has been said by the Mover and Seconder, this Bill is supposed to provide the procedures on how to assume office once a governor is elected. We must realise at any point when we conduct elections, there will be the sitting governor and the governor who will be elected. There are cases where the sitting governor will win this sit and continue with his second term. There are also cases where the sitting governor will lose and a new person will come in. The importance of this Bill is to manage the two scenarios like where a sitting governor loses an election and we have a new one who is coming. If we do not have a clear legal framework, the sitting governor who has lost an election can make life very difficult for the one who has been elected and settling of the new governor would be a big issue. That is the importance of this Bill.

I want to assure Hon. Kioni that the issues which he raised when he was making his contribution have been adequately provided for in this Bill. When you look at Clause 5 of this Bill, Hon. Kioni and other Members, it is clearly stated who will sit in the Assumption of Office of the County Governor Committee which will be set up. There is a Committee which has been set up in law now. When you look at the composition of this committee in terms of membership, the County Secretary is the first one because he or she is a civil servant. He or she is not supposed to play any politics. Being a neutral person, he is supposed to oversee that transition in case a governor loses an election. The second one is the officer in charge of legal matters in the county. This is the person who advises the county in legal matters. There is also the Chief Officer in the department responsible for matters relating to county public service, the Chief Officer in the department responsible for matters relating to information and communication and the Chief Officer in the department responsible for matters relating to finance.

Then there is the Chief Officer in the department responsible for matters relating to culture and social services and county commissioner from the national Government. We are now bringing the national Government into the old arrangement so that it is represented. Then we have a representative of the National Intelligence Service which is critical and a representative of the National Police Service.

The clerk of the county assembly another important arm of the county government is also represented. Then there is a representative from the Judiciary and two persons: one man and one woman nominated by the governor-elect. So, we will have two people who the governor-elect will appoint, a man and a woman, to make sure as the committee sits, particular interests of the governor-elect are mainstreamed to the whole arrangement.

As we move forward, it is good that at the Committee of the whole House, we will bring on board a representative of the Ministry of Devolution and Arid and Semi-Arid Lands because he oversees county governments so that as the committee sits, we have somebody from that Ministry to make sure that from the word go things are well organised. That is why this is very important because initially as Hon. Kioni said, a team could come and decide to frustrate the governor-elect and he will never have a say and waste a lot of time instead of implementing matters. That is the point I thought I should mention.

The other bit that is important in this Bill is that, in addition to the Committee being formed, it is very clear what the Committee is expected to do in terms of outputs. We are saying that when this Committee is formed, these are the expected outputs which will be given to the governor-elect. One of them is that when the governor-elect assumes office, this committee which is supposed to cease immediately the governor takes office, is supposed to have an up-to-date assets register of the county government. It is also expected to have an up-to-date register of liabilities so that it is clear what is going to the county government. Also, it should have a list of all bank accounts and reconciled balances so that these things are in place. It is supposed to have

a report of all staff establishment per department. It is supposed to have a comprehensive report on county entities or corporations or agencies containing information which is listed above. It is also supposed to have an updated report on all pending legal cases.

Lastly, there is the county source of funding. In cases where the county government has other sources of income other than the Central Government in revenue generation, they are supposed to indicate the other sources so that when the governor-elect settles and has all these reports, he can very quickly settle and begin working.

The other good thing with this committee is that during the interim time, when you have a governor-elect and a governor who has lost an election, the committee is supposed to facilitate smooth communication between the two. At times, they do not see eye to eye. So, this committee could visit the governor-elect, hear his side of the story and go to the governor who has lost and hear his story for smooth communication so that county activities do not suffer as a result of that. The Bill makes provisions for that and it is important.

The other thing provided for here is once the governor-elect is declared the winner he is supposed to be provided with security. We know people have suffered after they have been elected. If you do not have adequate security, you can easily be targeted and things go wrong. This committee will make sure that the governor-elect is provided with adequate security for the period before he is sworn in. That way, things will be okay.

The other good thing about this Bill is that, if the governor is not able to assume office, there is a clear provision of how a deputy governor assumes office. In case where the governor and the deputy governor are not able to assume office, it is clear and it is provided for here how the speaker of the county assembly assumes office. One of the things we were discussing as a Committee is that in a case where the speaker of the county assembly assumes office on a temporary arrangement before elections are conducted, we asked ourselves if the county speaker is also interested in contesting as a governor in case that allows, it does not come out clearly in the Bill.

As we move forward, the House and the Senate should think of what happens because the speaker may also be interested in becoming a governor. In case the governor and the deputy governor are not there and there are free elections, the speaker might decide he wants to become a governor and, therefore, who assumes office at that time? These are some of the issues we need to address so that we do not have gaps which could cause issues.

Clause 13 is very important as it addresses the issue of handing over instruments of power. Every government has instruments of power which include the flag, coat of arms, the constitution and the seal. At times, we have seen governors who because they have lost elections, may not be there to present these things to the governor-elect because at that time there are a lot of differences and feelings of unfairness and more so people are thinking of going to court to petition. They may not want even the governor-elect to be handed over. Where that happens, the county secretary being the civil servant should undertake that assignment and make sure instruments of power are handed over to the governor-elect.

These are some of the good things in Bill. As we move forward, if we support them, it will help.

In terms of funding, each county government should come up with a reasonable budget for this ceremony. We have seen a lot of wastage, I agree with Hon. Kioni. Once we bring in the Ministry of Devolution and ASAL, they could come up with some range of figures of the lowest and the highest so that people do not take these ceremonies as a way of misusing public resources.

With those remarks, I support.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Next on my right is Hon. Kimani Kuria.

Hon. Kuria Kimani (Molo, JP): Thank you Hon. Temporary Deputy Speaker for giving me this chance to contribute to the Assumption of Office of the County Governor Bill of 2018.

In 2010, we voted for the new Constitution. This legislation shows us that we are serious in the implementation of the Constitution. Hon. Kioni said that implementation of the Constitution is not a one day thing but something we can do in a lifetime including passing pieces of legislations to support the implementation of this Constitution.

The Second Schedule gives a format for county information that should be available and should be handed over to the new governor. In addition to the list of assets and liabilities and reconciled bank accounts of the county, I am looking at very important data of the county staff establishment per department. We have had an issue of county staff, especially during the handing over where every new governor that comes in, the first thing they do is to do a staff audit of the employees of that county. As a result, we lose competent staff in our government especially in counties. Professional accountants, doctors, architects, engineers, have taken county jobs as something they do during a term of a governor. As a result, when the new governor comes in, most of them attempt and succeed to get rid of all employees that have been serving that county government and bring in their own employees. This has jeopardised the quality of service in our counties. We need to recognise that our counties are a growing concern. We should not have a county government of Nakuru for five years and another county government for another five years; these are county governments that continue in perpetuity irrespective of who serves in the office. Pieces of legislation that recognise this and enact it to law will continue to make sure it is sustained.

There is also a clause that says that county executive officers in counties should pass legislation in counties to enable this Bill and add provisions so that they give it meat. That should be tailor-made to suit these counties. This, if taken seriously by MCAs and the county executive officers, will ensure smooth running of our counties.

With the enactment of the new Constitution, we created 47 governments. As a result we created different centres. If you take the issue of water as an example, we ended up with 47 ministries of water! That tells us, maybe as a House, that we need to come back and find out why we continue to hold parent Ministries at national Government for those functions that got devolved. If we have ministries of water in all the 47 counties and we say in our Constitution that water is a devolved function, why do we continue to have a Ministry of Water at national Government? When you go through these counties and constituencies, there is not even a single project that is supposed to be done by the national Government. Therefore, I am tempted to believe that most of the wastages we have in our wage bill is mainly in the Executive, especially because of duplication of roles.

Health is devolved. So, we have 47 ministries of health across the 47 counties yet we still have a Ministry of Health at the national Government. How many ministries do they run? Talk about water, health and land. Maybe, we need to collapse these ministries at the national level to avoid the duplication of resources hence bring down the wastages that we see in duplication of roles between the national Government and the county governments.

With that, I support this Bill.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Nakara Lodepe, Member for Turkana Central.

Hon. Lodepe Nakara (Turkana Central, ODM): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to add my voice on this Bill.

First of all, I would like to thank the Senate for taking its time to come up with this Bill so that we do not have confusion in handing over during the time of an incoming and outgoing governor.

There is an issue that is very sensitive that the *ad hoc* committee that will organise the assumption of office will have to deal with. It is the issue of gender. Most of the people who have been appointed as chief officers are men. That is including the County Commissioner and others. I suggest that in future, we need to be clear on the gender and the consideration of persons with disability. This is so that we do not have a committee comprising of one gender doing this work. I would like the Chairman to take note of that so that we have a gender sensitive committee to run the affairs during that period.

I would also like to bring to the attention of the House Clause 5, which states that members referred to in sub-section 2(1) shall be nominated upon the declaration of the final result in the election of a governor. There could arise a petition. What will happen if this is declared before the petition has been heard? Sometimes people rush to court to stop the swearing in or the handing over of an individual. We need to understand that process and probably make sure the courts give rulings immediately. Sometimes the courts take time before giving a ruling. Whoever will be given the office will assume power. Once that person gets into office, he or she will now use the resources of the public to fight his or her battle. It is good to see that we give a period of time, if everything is cleared. That is so that we do not have repetition or any dispute. Then, we will declare the members who will form the handover committee to continue with their work. I do not know how we can address that, but I want the Chairman to take note of that. Sometimes we have legal issues that come after election. Some members would want to stop the swearing in and assumption of office of an individual.

Concerning handing over, it should be said very clearly that the property a county government has belongs to the public. I can highlight the case of Tharaka-Nithi where a big generator which cost a lot of money disappeared immediately the new governor came in. We need to see how we can safeguard the property of the public during that period of handing over. We should make sure we protect the properties immediately after election. Sometimes those who are already in power take that period to take away some properties from their offices and assume they belong to them. We need to address that issue. We should have a committee to take all the records of all properties of a county government so that in case the sitting governor loses, they will not come back and take properties which were not recorded. That is an issue that we need to address.

Hon. Temporary Deputy Speaker, on the process, the Bill has provided for that. We want to thank the Senate for this Bill. We have had cases where some governors left unceremoniously, without even handing over keys or welcoming the incoming governor to take over. We need to put in place a legal requirement that the outgoing governor must not leave office without handing over everything that is needed. He has mentioned about other tools that are supposed to be given to the new or incoming governor. Some of them disappear once the incumbents realise they have been defeated and that have done a lot of harm to county governments. We need to get a way of making them abide by the law that they cannot leave office or the country until everything is handed over to the incoming governor. If we do that, we will safeguard the properties of the county government.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Hulufu Oda, Member for Isiolo North.,

Hon. Hassan Hulufu (Isiolo North, KPP): Thank you Hon. Temporary Deputy Speaker for the opportunity to contribute to this very important Bill, Senate Bill No. 1 of 2018, which is on the assumption of office of a county governor.

I would like to thank the Senate for coming up with this important proposed piece of legislation which is aimed at filling a lacuna in law, as far as assumption of office of governor is concerned. The Bill outlines a very clear process which guides how a governor-elect is supposed to be sworn in. Having witnessed the swearing-in ceremonies of two sets of governors – those who were elected after the 2013 General Election and those who were elected last year – you will realise that there is a lot of uncertainty. Indeed, so many issues take place between the period a governor is declared the winner and the time he or she is sworn into office. It also jeopardises security of the governor-elect. I witnessed the swearing in of our current governor.

The way the function was organised was such that the outgoing governor could not participate because there are no clear provisions of who is in charge of making arrangements and who is supposed to connect the outgoing governor and the incoming governor. It made it very difficult for the outgoing governor to attain the ceremony and hand over the instruments of power. That happened because we did not have laws which clearly guided the process of handing over and taking over power by the governor-elect and outgoing governors.

In the proposed legislation, the membership of a committee which is supposed to organise the swearing in, is clearly outlined. I am happy that a chair has been proposed to be the county secretary. The county secretary is the head of public service in our counties. Therefore the holder of that office knows what has been happening in the county before the elections took place. He is the senior most civil servant and because he supervises Chief Officers and coordinates the county executive, he is better placed to actually provide crucial information for the incoming governor. He can also be a very good link between the outgoing governor and an incoming one. This can actually be a very good link between the two.

I am also happy that this legislation also requires an outgoing governor to hand over instruments of power which are outlined. Therefore, this obligates him to attend the swearing in ceremony, after the governor-elect is sworn in, to hand over those instruments of power. At the same time because you cannot rule out mischief where an outgoing governor can refuse to attend, there is also a clause which says that if an outgoing governor has not handed over those instruments, that does not validate the swearing in. I think this is very important.

It is also important that the Bill has actually made adequate provisions for the governor-elect to be provided with all the crucial information that he may require. A public officer who withholds information requested by governor-elect according to this Bill is considered to have committed a crime and the penalty for doing that is also specified. You cannot rule out a situation where an officer who has served under an outgoing governor can frustrate the governor-elect before he or she is sworn into office.

The Bill has also made provisions and stated what happens if governor-elects dies before being sworn in. It has also made clear provisions for the timelines within which the governor-elect should be sworn in. There are specific days after the results are officially declared. This helps us to get rid of uncertainties surrounding the swearing in and assumption of office by the governor-elect.

Therefore, from my own perspective and from my understanding of this Bill, I am happy that most of the challenges that we have witnessed when it comes to swearing in of governor-

elect have been adequately addressed. Therefore, I would like to thank the Senate and our own Departmental Committee on Administration and National Security for having looked at this Bill and also for bringing it before this House, after going through it and making appropriate amendments on the basis of what they have heard from various stakeholders.

I, therefore, support this Bill. Thank you very much.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Waihenya, you have the Floor.

Hon. Isaac Ndirangu (Roysambu, JP): Thank you, Hon. Temporary Deputy Speaker for allowing me an opportunity to support this very important Bill, regarding the assumption of office by the governor. I want to congratulate the drafters of this Bill because they have taken into account the most important aspect of handover to the new governor who will be elected.

In the Second Schedule, it is clearly outlined that there should be a category of all the assets that the new governor and his county should inherit. The assets include the following; land, residential estates, staff housing, office blocks, learning institutions, farmland, rented premises and developed land, motor vehicles, plant and equipment, furniture, tangible and intangible assets, biological assets, heritage and cultural assets.

I will give an example of the Nairobi City County where one-and-a-half years after we elected a new county governor, we still do not have a catalogue of all the public land. We do not have a roll call of all the assets, of the rented properties that are owned by the county government of Nairobi. It is sad that since the Governor took over the governorship of Nairobi County, he has not revoked the titles that were obtained fraudulently by grabbers of public utilities, for example, nursery schools, primary schools, hospitals and recreational centers. I would want to ask the County of Nairobi, together with the National Land Commission to tell us how many titles they have issued for the public schools in the city of Nairobi and how many titles have been issued for the markets.

It is sad that even today, the grabbing of public utilities continues unabated. That is why you will find that every day hawkers are running away from council *askaris* because the only few markets that are there which were built decades ago are filled to capacity and our hawkers, traders, grocers and *mitumba* dealers have nowhere to display and sell their wares. I want to appeal to the Governor of Nairobi and remind him that he enjoyed our confidence. We supported him together with his running mate Polycarp Igathe.

During the campaigns, the Governor of Nairobi personally admitted that the Deputy Governor would complement his abilities and capacities in the management of the city of Nairobi. After the resignation of Polycarp Igathe, a worthy technocrat who is now heading the equity bank, Governor Sonko has not found a suitable man or woman in the whole 4 million Kenyans living in Nairobi.

Hon. Speaker, we mourn the absence of a deputy governor in this city who can work together with our governor and support his efforts. The work of a governor is not simple. It is time consuming; it is technical and it involves serving many residents.

I appeal to Governor Sonko to hasten and honour his promise to the people of Nairobi by picking a man or woman to be his deputy to fill in his shortages and shortcomings so that he takes full responsibility for the management of Nairobi City which generates almost half of the country's GDP.

The people of Nairobi are suffering. The Nairobi Regeneration Programme has flashed out all hawkers from the roads, roundabouts, and open spaces. Where are the people of Nairobi expected to trade yet the Government has not built any stalls or markets for them? We, as the

leadership in Nairobi and the county government... This appeal also goes to His Excellency the President who I know is committed to helping solve the problem of shortages of markets in Nairobi to come up with a quick solution so that we create employment for our people and we create market facilities for them.

I have been in *Jua Kali* for a long time. I am a *Jua Kali* operator for so many years. I want to tell you that the people of Nairobi do not need to wait for the World Bank or the city government to build markets for them. What hawkers and operators of Nairobi need is just land. Give us land where we can build our stalls. Traders in Nairobi have capacity. Traders in Wakulima Market have capacity. Traders in Gikomba have sufficient resources to build for themselves a market. They need not wait for the Government.

We only need the intervention of the Government in resolving the matter of the ownership of the land in Gikomba then the traders can invest their money in building modern kiosks and modern stalls to do business. This goes for all other markets, in Kiambu or Athi River. Create space for hawkers. Create space for small micro-enterprises. Give us land and we shall do the rest. We will put in infrastructure. We will build. We do not need to wait for donors. We do not need to wait for the Ministry. We have resources; we have money. Just point to us the land. Resolve the issues of land in Gikomba and Muthurwa then give us part of all that land you want to develop for multiple storey buildings like in Pumwani so that we create markets. We have capacity in the *Jua Kali* sector.

I wish to support this Bill and plead with the Governor of Nairobi, whom we respect and we support a lot, to hasten the appointment of a deputy governor.

Thank you.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Waihenya, I allowed you but you sounded like you were now on Zero Hour Session. Nevertheless, you support. In the circumstances, and there being no other interest to speak to this, I will call the Mover to reply.

Hon. Paul Koinange (Kiambaa, JP): I beg to reply and thank Members who have made very valuable contributions. I also want to confirm to Members that the issue of the secretariat and the budget is well taken care of in the new amendment. This amendment should now hold, once completed, governors would be expected to be accountable and transparent. This amendment shall bring order to county assemblies.

I beg to reply.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Chairman, I will pend putting the Question on that Order until a subsequent time.

Next Order.

MOTION

REPORT ON KENYATTA UNIVERSITY TEACHING AND REFERRAL HOSPITAL PROJECT

The Temporary Deputy Speaker (Hon. Patrick Mariru): Chairperson, Departmental Committee on Health, Hon. Sabina Chege. Being absent, that business is stepped down.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Members, there being no other business and the time being 6.47 p.m. this House stands adjourned until Tuesday, 4th December 2018, at 2.30 p.m.

The House rose at 6.47 p.m.