

Wednesday, 17th March, 2021 COUNTY ASSEMBLY OF SIAYA DEBATES

REPUBLIC OF KENYA
SIAYA COUNTY ASSEMBLY

THE HANSARD

Second County Assembly – Fifth Session

Wednesday, 17th March, 2021

The House met at the County Assembly Chamber at 9.30 a.m.

[The Speaker (Hon. George Okode) in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

GENERAL OVERSIGHT MEETING

Hon. Speaker: Hon Members, we shall finish the morning session then in the afternoon we do the afternoon session after which we will have a consultative meeting on the Finance Bill. I direct the secretariat to send messages to members that there will be a General Oversight meeting at 11.40 a.m. to discuss the Finance Bill.

MOTION

THE CORPORATIVES DEVELOPMENT FUND BILL, 2019

(Second Reading)

Hon. Oduor: Thank you, Mr Speaker Sir. I wish to move:

THAT the Siaya County Corporatives Development Fund Bill, 2019 be now read a second time. As we continue with the Bill, we want to thank you very much for having given this House time so that they could go through the report.

I believe that all the members have the copies and they actually went through the report and I just want to give an overview on a few areas. When you go to page 8, this Bill had four objectives:

1. To provide Funds to be used for granting low interest loans to Corporative institutions with a view of scaling up their lending activities, value addition among other activities as have been described.
2. To provide Funds to support, revive and initiate Corporative sector institutions in areas that have immediate impact to household economy.
3. To attract and facilitate investments in Corporative institutions that have linkages to micro, small and medium enterprises that benefit persons with disability, youth and women groups.

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4. To provide financial support to Corporative sub-sector institutions that support strategic and high return interventions which directly and indirectly have the potential to trigger growth and sector-wide impact.
5. To provide Funds to Corporative institutions to facilitate marketing of products and services both in the domestic and the international market.

As we were moving on, we substituted the word Corporative institutions with the Corporative Organisations. When this Bill was brought to this Committee, we went to all the six sub-counties and met the stakeholders and these were the general observations from the stakeholders, in page 11;

- i. Representatives of Corporative movements were conspicuously missing in the composition of the Corporative Development Fund Committee.
- ii. The requirement that a Sacco must be deposit-taking, licenced by SASRA with at least 15years experience in microfinance activities was harsh since only one Sacco in Siaya County meets the requirement.
- iii. Some Members of the cooperative movement were uncomfortable with the idea of appointing an agency to manage the fund on behalf of the County Government. They observed that hiring the agency to manage the fund on behalf of the County Government would be unnecessarily expensive since the agency shall be paid a fee.
- iv. Some cooperators raised concerns with the idea of a guarantor. They said that it was not practical for one cooperative organization to guarantee another cooperative organization as envisaged in the Bill.
- v. Some Members were concerned about the absence of clear timelines of engaging both the CDF Committee and the agency.
- vi. They observed that the Bill did not cap the interest to be charged on Cooperative organization as it lends money to its members. They pointed out that some cooperative organizations may take advantage and charge exorbitant interest to members thus defeating the purpose of initiating the fund.
- vii. They observed that the provision of the Bill in the First Schedule, that the Chairperson can call a meeting of the CDF Committee at any place in Kenya; can easily be abused. They pointed out that all CDF meetings be held within Siaya County.

Initially, I said that all the Members have copies of the report and they went through the report. Let me now go to the recommendations. The Committee made the following recommendations:

The CECM Cooperative to develop regulations to operationalize this Act to the following additional areas:

- a) Competitive process for appointment of the agency to administer the cooperative development fund on behalf of the County Government
- b) Setting up guidelines for agency fee
- c) Setting up guidelines for utilization of the 5% administration cost.

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This Bill has been here and has been with us in the Assembly for quite some time and it is a good Bill. As we were going round we met the stakeholders and they were very objective.

The purpose of this Bill is to give loans to traders and other stakeholders. It is my wish that we pass this Bill so that we can start the process of giving loans to the stakeholders. I call upon Hon. Willis Ochieng to second!

Hon. Ochieng: Seconded

(Question proposed)

(Question put and agreed to)

MOTION

ADJOURNMENT

Hon. Speaker: Hon. Members, there being no other Business, will we be upstanding for adjournment!

(Hon. Members on their feet)

Hon. Speaker: Hon. Members, there being no other Business, this House adjourns until today Wednesday, March 17 at 2.30 p.m. in the Chambers

The House rose at 9.59 a.m.