

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Thursday, 22nd May, 2025

*The House met at the Senate Chamber,
Parliament Buildings, at 2.30 p.m.*

[The Speaker (Hon. Kingi) in the Chair]

PRAYER

DETERMINATION OF QUORUM AT COMMENCEMENT OF SITTING

The Speaker (Hon. Kingi): Clerk, do we have quorum?

(The Clerk-at-the-Table consulted with the Speaker)

Serjeant-at-Arms, kindly ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

Hon. Senators, we do have quorum now, so we will proceed with the business for the afternoon.

Clerk, kindly, call the First Order.

COMMUNICATIONS FROM THE CHAIR

VISITING DELEGATION FROM BRIGHT LIGHT PREPARATORY SCHOOL, KAJIADO COUNTY

The Speaker (Hon. Kingi): Hon. Senators, I would like to acknowledge the presence in the Public Gallery this afternoon of visiting teachers and students from Bright Light Preparatory School in Kajiado County. The delegation comprises six teachers and 47 students who are in the Senate for a one-day academic exposition.

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In our usual tradition of receiving and welcoming visitors to Parliament, I extend a warm welcome to the delegation. On behalf of the Senate and on my own behalf, I wish them a fruitful visit.

I thank you.

VISITING DELEGATION FROM SACRED
HEART UNIVERSITY, USA

Also, I would like to acknowledge the presence in the Public Gallery this afternoon of visiting lecturers and students from Sacred Heart University, United States of America. The delegation comprises three teachers and seven students who are in the Senate for a one-day academic exposition.

In our usual tradition of receiving and welcoming visitors to Parliament, I extend a warm welcome to the delegation. On behalf of the Senate and on my own behalf, I wish them a fruitful visit.

I thank you.

I call upon the Senator for Kajiado County, Sen. Seki, to extend a word of welcome to the delegation from Kajiado County in under one minute. Thereafter, I will call upon the Deputy Minority Leader to also extend a word of welcome to the delegation from the USA, in that order.

Sen. Seki: Thank you, Mr. Speaker, Sir. I want to join you in thanking the students and teachers from Bright Light Academy in Kajiado County. I want to congratulate them for finding time to be with us here. This is the Senate of Kenya. It is a Parliament where we deliberate issues concerning counties and national issues.

I want to welcome you and inform you that we have three Senators from Kajiado in this Senate; that is, myself, Sen. Seki, the elected Senator; my sisters, Sen. Peris Tobiko and Sen. Montet, both nominated Senators from the great County of Kajiado.

Mr. Speaker, Sir, let me request Sen. Peris Tobiko to say hello to these bright students of this Republic of Kenya in one minute.

Thank you.

The Speaker (Hon. Kingi): Sen. Peris, since you are already on your feet, I will allow you.

Sen. Tobiko: Thank you, Mr. Speaker, Sir, and Sen. Seki. Since Sen. Seki had been given a minute which he was gracious enough to donate to me, let me just welcome the students and teachers from Bright Light School in Kajiado County. Kajiado is the home of all Kenyans. In Kajiado, we host all Kenyans and we have very good academic facilities. I know this school and many others produce leaders and professionals that contribute to the development of this country.

Thank you very much and feel most welcome.

Sen. Wambua: Thank you, Mr. Speaker, Sir. I also want to join you on behalf of my colleagues in the Senate to extend a warm welcome to the visiting delegation from the USA.

For the avoidance of doubt and to clear the mind of the Chairman of my Committee of Roads and Transportation who is wondering why the Deputy Minority Leader should be the one to welcome the delegation from the USA; for the record, yours truly went to school in the USA.

I studied at Smith College in Massachusetts between 2007 and 2008, fully sponsored by the school and seconded for the studies by the Nation Media Group. I have told my colleague, Sen. Eddy, many times that I am a good journalist; a journalist of good and long standing that I had to win that scholarship to study in the USA.

Having said that, I want to welcome the delegation from the USA and tell them that under the Constitution of Kenya 2010, we have a bicameral Parliament; the Senate and the National Assembly. This is the Senate of the Republic of Kenya. In the spirit and the word of the Constitution, this is actually the upper House of the bicameral Parliament of Kenya.

We welcome you to follow the proceedings in this Chamber and wish you a fruitful visit in your stay in Kenya.

I thank you.

The Speaker (Hon. Kingi): Next Order.

NOTICE OF MOTION

ESTABLISHMENT OF POLICY TO REGULATE ARTIFICIAL INTELLIGENCE (AI) AND INNOVATION

THAT AWARE THAT, the Fourth Industrial Revolution is redefining economies globally through emerging technologies such as Artificial Intelligence (AI), blockchain and financial technology (Fintech);

FURTHER AWARE THAT Kenya has made commendable strides in digital infrastructure and mobile innovation, positioning itself as a potential leader in Africa's tech-driven future;

NOTING THAT in a landmark decision, the African Union Executive Council endorsed the Continental AI Strategy during its 45th Ordinary Session in Accra, Ghana, on July 18-19, 2024 to underscore Africa's commitment to an Africa-centric, development-focused approach to AI, promoting ethical, responsible, and equitable practices;

COGNIZANT THAT the Continental AI Strategy calls for unified national approaches among AU Member States to navigate the complexities of AI-driven change, aiming to strengthen regional and global cooperation and position Africa as a leader in inclusive and responsible AI development;

APPRECIATING THAT the Ministry of Information, Communications and the Digital Economy recently formulated and launched the Kenya National Artificial Intelligence (AI) Strategy 2025-2030;

RECOGNIZING the need to align Kenya's development with global standards in AI adoption while also safeguarding national values, inclusivity, and employment;

CONCERNED THAT currently there is no comprehensive legislative or policy framework to guide the governance, development, or ethical use of AI in Kenya a phenomenon that is potentially likely to affect innovation among local startups and youth-led tech enterprises;

NOW THEREFORE, the Senate resolves that the Ministry of Information, Communication and Digital Economy develops a Policy on Artificial Intelligence and emerging technologies with particular emphasis on:

- i) promoting research and development of locally relevant AI solutions;
 - ii) establishment of ethical guidelines to prevent misuse and ensure responsible application of AI;
 - iii) establishment of regulatory 'Sandboxes' for supervised testing of AI and emerging technologies;
 - iv) strengthening public-private partnerships to build digital skills; and v) integrating AI and coding into the education curriculum.
- Is Sen. Thangw'a not here? That business is deferred.

(Notice of Motion deferred)

Next Order.

QUESTIONS AND STATEMENTS

STATEMENTS

The Speaker (Hon. Kingi): Is Sen. Onyonka not here? That Statement is dropped.

SOCIAL EFFECT OF UNREGULATED BETTING AND GAMBLING

(Statement dropped)

ILLEGAL DUMPING OF TOXIC WASTE IN WAJIR COUNTY

Sen. Abass: Mr. Speaker, Sir, I rise pursuant to Standing Order No. 53(1) to seek a Statement from the Standing Committee on Land, Environment and Natural Sources on a matter of countywide concern regarding the illegal dumping of hazardous waste in Wajir

County dumpsite which has resulted in severe environmental degradation and a threat to the public health.

The dumpsite has been a long-standing source of public concern who continue to suffer the effects of mismanagement waste disposal, including improper handling of hazardous and medical waste. In 2020, the Senate received a Petition from Wajir residents seeking intervention.

The responsible Committee processed the Petition and tabled a report which recommended environmental restoration and protection of the rights to the affected communities.

Mr. Speaker, Sir, Wajir Municipality depends on shallow wells as a source of water. The water table is also high and any mismanagement of waste normally filters into the wells. There are no proper sewage systems and, therefore, most of the wells are polluted and have already been confirmed to have high E.coli presence.

In the Statement, the Committee should address the following-

(1) The nature, type and source of waste materials currently being dumped at Wajir County dumpsite, including confirmation of whether any hazardous or medical waste continues to be disposed at the site.

(2) The implementation status of regulations made by the Senate following the tabling of the report of the Petition on 1st December and the specific steps taken by Wajir County Government in response.

(3) The environmental and public health hazards caused by continued dumping at the site, including impact on soil, water source, local ecosystem and pastoralist livelihoods.

(4) The measures being undertaken by the National Environmental Management Authority (NEMA) and other relevant agencies to enforce environmental regulations, prevent further contamination and protect the lives of residents.

(5) The immediate and long-term actions proposed to restore the environment to relocate the dumpsite to a safer location and provide evidence of compensation to affected residents in line with the ruling of the Environment and Land Court sitting in Garissa Court No. PLC, Petition No. 10 of 2020 dated 27th November, 2020.

Mr. Speaker, Sir, I request the Committee to take action.

I thank you.

KILLING OF ANG'ATA BARIKOI RESIDENTS
BY POLICE OFFICERS

Sen. Okiya Omtatah: Mr. Speaker, Sir, I rise pursuant to Standing Order No. 53(1) to seek a Statement from the Standing Committee on National Security, Defence and Foreign Relations on a matter of countrywide concern regarding the shooting and killing of residents at Ang'ata Barikoi by police officers.

Mr. Speaker Sir, on Monday 28th April, 2025, five people, including a six-year-old child were killed following an attempt by officials from the Ministry of Lands to begin a land adjudication process in Moi Adjudication Scheme in Transmara.

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In the Statement, the Committee should address the following-

(1) The circumstances that led to the use of live bullets resulting in the shooting and killing of five residents of Ang'ata Barikoi and leaving many others injured during a protest over land demarcation.

(2) The identity of the rightful owners of the land in question as well as the measures in place to address the long-standing disputes over the land.

(3) The reasons behind the decision to demarcate the land and evict residents despite a valid court order restraining such actions until the matter is fully heard and determined, providing details on who ordered the demarcation and whether the community was consulted or involved.

(4) Status of investigations conducted by the Independent Policing Oversight Authority (IPOA) into the incident, including steps taken to hold accountable the officers responsible for opening fire on unarmed residents of Ang'ata Barikoi.

(5) Plans in place to compensate the affected families for the deaths and injuries as well as reimbursement of burial expenses.

Thank you.

The Speaker (Hon. Kingi): Statement pursuant to Standing Order No.57(1). Proceed, Senate Majority Leader.

(Loud consultation)

BUSINESS OF THE SENATE FOR THE WEEK
COMMENCING TUESDAY, 27TH MAY, 2025

Sen. (Dr.) Lelegwe Ltumbesi: Mr. Speaker, Sir, pursuant to Standing Order No.57(1), I hereby present the business for the week commencing Tuesday, 27th May, 2025.

The status of business pending before the Senate which include 54 Bills of which 42 are at the Second Reading stage and 12 are the Committee of the Whole stage.

Twenty-three Motions are pending conclusion. Twenty-nine Petitions are pending conclusion out of which 19 are due for reporting by the respective standing committees. Four hundred and seventy-three Statements pursuant to Standing Order No.53(1) are under consideration by respective standing committees.

From the foregoing, it is evident that we have a long way to go in disposing the business before the Senate as indicated in today's Order Paper at Order Nos. 8, 9, 10 and 11. We have Bills that have been at the Second Reading stage for a while. I, therefore, urge the Majority and the Minority whips to marshal the requisite numbers of the county delegations in order for the divisions to be undertaken.

Mr. Speaker, Sir, on Tuesday, 27th May, 2025, the Senate Business Committee (SBC) will meet to consider the business for the week. The tentative business for the day will include business not concluded from today's Order Paper as well as the business indicated in the Notice Paper.

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The tentative business for the morning sitting on Wednesday, 28th May, 2025 will include the following questions to Cabinet Secretaries as approved by the SBC as well as the Motions.

(a) Question No.001 to the Cabinet Secretary, Ministry of Energy and Petroleum by Sen. Mohamed Chute, MP.

(b) Question No. 068 to the Cabinet Secretary Ministry of Energy and Petroleum by Sen. Mohamed Chute, MP.

(c) Question No. 031 to the Cabinet Secretary Ministry of Mining, Blue Economy, Maritime Affairs by Sen. (Prof.) Tom Ojienda, SC, MP.

(d) Question No. 047 to the Cabinet Secretary Ministry of Mining, Blue Economy and Maritime Affairs by Sen. Miraj Abdullahi, MP.

(e) Question No. 034 to the Cabinet Secretary National Treasury and Economic Planning by Sen. Enock Wambua, MP.

(f) Question No. 035 to the Cabinet Secretary National Treasury and Economic Planning by Sen. James Murango, MP.

(g) Question No. 048 to the Cabinet Secretary National Treasury and Economic Planning by Sen. (Prof.) Tom Ojienda, SC, MP.

(h) Question No. 079 to the Cabinet Secretary National Treasury and Economic Planning by Sen. Karen Nyamu, MP.

The tentative business for the afternoon sitting on Wednesday, 28th May, 2025 will include business not concluded from Tuesday's Order Paper and the following: Bills at the Second Reading Stage, the County Government State Officers Removal from Office Procedural Bill (Senate Bills No.34 of 2024), the County Governments (Amendment) Bill (Senate Bills No.39 of 2024), the Labor Migration and Management (No.2) Bill (Senate Bills No.42 of 2024) and the Street Naming and Property Addressing System Bill (Senate Bills No.43 of 2024).

Bills at the Committee of the Whole: the Cooperative Societies (Amendment) Bill (Senate Bills No.53 of 2023), the Public Fundraising Appeals Bill (Senate Bills No.36 of 2024), the Heritage and Museums Bill (Senate Bills No.8 of 2023), the Environment Laws (Amendment) Bill, (Senate Bills No.23 of 2024), the Account Library Services Bill (Senate Bills No.40 of 2024) and Statutory Instruments (Amendment) Bill, (Senate Bills No.10 of 2024).

On Motions: Report of the Standing Committee on Devolution and Intergovernmental Relations on its inquiry into the state of markets in Vihiga and Bungoma counties arising from a Statement sought by Sen. Geoffrey Osotsi, MP, and Sen. David Wakoli, MP. Progress reports of the Standing Committee on National Cohesion, Equal Opportunities and Regional Integration into the inquiry on the Diversity and Inclusivity in the Staff Composition of State Agencies in Kenya.

The projected business for Thursday, 29th May, 2025 will include business not included from Wednesday's Order Paper and any other business scheduled by the SBC.

In conclusion, at Order No.12 in today's Order Paper, we have a Motion for Consideration on the Report of the Standing Committee on Finance and Budget on the Fourth Basis for allocating the share of national revenue among counties. This is a matter

of great significance as it facilitates the equitable distribution of resources for effective functioning of county governments. I, therefore, urge all hon. Senators to remain in the Chamber and participate in the debate on this Motion.

Thank you, Mr. Speaker, Sir. I hereby lay the Statement on the Table of the Senate.

(Sen. (Dr.) Lelegwe Ltumbesi laid the Document on the Table)

The Speaker (Hon. Kingi): Proceed, Sen. Mungatana.

GAZETTE NOTICE ON ACQUISITION OF LAND IN TANA
RIVER AND GARISSA COUNTIES FOR CONSTRUCTION
OF MASALANI NIS CAMPUS

Sen. Mungatana MGH: Mr. Speaker, Sir, thank you for giving me the opportunity to read this Statement.

I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on National Security, Defense and Foreign Relations on a matter of inter-countywide concern regarding the Gazette Notice No.6256 dated 16th May, 2025, issued by the Cabinet Secretary for Interior and National Administration on the acquisition of land in Tana River and Garissa counties for the construction of Masalani National Intelligence Service Campus.

Mr. Speaker, the Gazette Notice has raised serious concerns among residents of the affected areas considering that the land was appropriated without the requisite public participation or compensation. The notice also fails to specify the coordinates of the affected land parcels, heightening the fears of irregular land appropriation.

In the Statement, the Committee should address the following-

(1) The justification for the acquisition of land in Tana River and Garissa counties for the establishment of Masalani National Intelligence Service (NIS) Campuses.

(2) The omission of precise geographical boundaries or coordinates of the acquired land in the Gazette Notice and the implications that this has for land administration and protection of community land rights.

(3) The extent of public participation and stakeholder consultation undertaken prior to the publication of the Gazette Notice, particularly within the County Government of Tana River and Garissa which have held the land in trust for the residents affected.

(4) The reasons why no compensation has been paid to the residents or communities which will be affected by the project.

(5) The measures the national Government intends to take to ensure equitable redress to the residents.

Thank you.

The Speaker (Hon. Kingi): Hon. Senators, I will allow limited comments before we move to the next Order. If you happen to get an opportunity to speak, it should not be

more than three minutes. Proceed, Sen. Edwin Sifuna, the Senator for Nairobi City County.

Sen. Sifuna: Thank you, Mr. Speaker, Sir. Just a few words on the Statement that has been brought by the Senator for Busia regarding the Ang'ata Barikoi incident. I have referenced this incident before because it was the first time that I saw the Inspector General of Police being summoned by the "leadership of the community." When he arrived there, he could not even disembark from his aircraft until the local leadership arrived.

I remember watching in the news that he sat in that chopper for almost an hour and could not access the meeting that was going on. There were very passionate appeals that came from the people and some leaders, including the leadership in this House. I remember the Majority Leader being present. Up to now, the questions put by the residents have not been answered.

I have not heard any communication pursuant to that meeting from the leadership of the police or the Ministry itself. We are hoping that the Committee will try and get these answers for the people who are affected. The elephant in the room is the question of the ownership of the land and the allegations that there was an attempt by some powerful individuals in Government to grab their land, which they call ancestral.

On this one, I hope that during that interaction with the Committee, we will be told the truth about the people behind it, as well as the actions taken in order to restore those who lost loved ones during that incident. They need to feel like the Government cares about them.

Since I was not there and leaders in this House were there, we are hoping that they can also guide this House on the situation there and the steps taken by the Government to address what happened.

Thank you.

The Speaker (Hon. Kingi): Proceed, Senator for Nandi.

Sen. Cherarkey: Thank you, Mr. Speaker, Sir. I support the Statement by Sen. Okoiti Okiya Omtatah Andrew on the issue of state of investigation into Angata Barikoi killings in Narok County. In as much as we continue to send our deepest condolences and sympathies to the people of Ang'ata Barikoi, it is sad that after they are buried, their issues have been forgotten.

Mr. Speaker, Sir, you even saw what happened with the Daasanach, 41 people are yet to be recovered. A few people were killed the other day in Tondonyang. It is very unfortunate that in this country, the Directorate of Criminal Investigations (DCI) is only efficient when they are pursuing politically expedient cases as opposed to pursuing criminals. Remember that even on this issue of Ang'ata Barikoi, there is more than meets the eye because this is an issue of protection of grabbers of land. We need to be told who is behind these killings.

Mr. Speaker, Sir, it was an open fire. How do you open fire on unarmed, peaceful citizens who are protesting against land grabbers? The land grabbers' disease must be stopped in this country. Up to date, no one has been arrested yet there were bullets used to shoot these people as per the post-mortem results.

As the families continue to grieve, we must be told what the Government is doing. It is very unfortunate that even the Ministry of Interior and National Administration led by Cabinet Secretary, Hon. Murkomen, gave us a bravado statement when he was in North Rift by saying those people wanted to attack the police.

How can you attack the police who armed with guns with hands and stones? That is why I said transferring incompetence to the Ministry of Interior and National Administration is dangerous because lives will be lost. When drones are stolen, they can be fixed at a later date. You have seen that he has even sponsored the grabbing of Masalani land in Tana River. How do you grab land? This Cabinet Secretary must be called out.

He is embarrassing all of us who are in Government. In fact, Hon. Murkomen must and should resign. He is now sponsoring Members of Parliament (MPs) to attack me instead of fighting issues of security.

The Speaker (Hon. Kingi): There is a point of order.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, Sen. Cherarkey is not a first-time legislator. Even a first-time legislator by now knows the Standing Orders of this House. If he wants to discuss the conduct of the Cabinet Secretary, he knows what he needs to do. One, he knows that he needs to bring a substantive Motion to you, together with the issues. Then we can have a discussion and look into the conduct of any Cabinet Secretary because nobody is above scrutiny and everybody must be scrutinised.

Mr. Speaker, Sir, what we must stop is a conduct that is becoming the norm in this House, where people want to use the privilege of the Floor of Parliament to malign and personalise attacks against other citizens of this Republic. That we cannot tolerate.

It is not honourable, not right and cannot be accepted. Did you hear Sen. Cherarkey say that the Cabinet Secretary, Hon. Murkomen, has organized land to be grabbed? I do not know where. Can he either table evidence to support his claims or withdraw and apologise? That should never be left in the records of this House.

The Speaker (Hon. Kingi): Senator for Nandi, substantiate your allegations or proceed to withdraw and apologise.

Sen. Cherarkey: Mr. Speaker, Sir, I need your guidance because the *Gazette* Notice was signed by the Cabinet Secretary for Interior and National Administration. I thought it was a judicial notice.

The Speaker (Hon. Kingi): I am referring to the statement that you have made.

Sen. Cherarkey: Mr. Speaker, Sir, let me substitute and withdraw the word “he grabbed” and say “he gazetted”.

The Speaker (Hon. Kingi): You have apologised. Proceed.

Sen. Cherarkey: Let me proceed, but you would want to appreciate that incompetence and corruption fights very seriously.

The Speaker (Hon. Kingi): Senator for Nandi, take your seat. You have to abide by the ruling of the Speaker. Do not come up with your own ruling and proceed to abide by it.

A point of order has been raised against your allegations. Indeed, to that extent, that point of order is merited. Meaning, you have two options, either to substantiate or withdraw. If you are unable to substantiate, proceed to withdraw and apologize. Pick one option and proceed.

Sen. Cherarkey: Mr. Speaker, Sir, I have already withdrawn and apologized by replacing with the words that “it was *gazetted*”.

Let me conclude by saying the following. That is the danger of incompetence and corruption. We must call out these gentlemen. They are embarrassing everybody. ... (*technical hitch*) people are killed and no one is taking it seriously.

I expected the Senate Majority Leader---

The Speaker (Hon. Kingi): Sen. Wambua, please, proceed.

Sen. Wambua: Thank you, Mr. Speaker, Sir. I rarely agree with Sen. Cheruiyot, but I totally agree with him on that matter of personalising battles on the Floor of the House.

Mr. Speaker, Sir, I stand here to make comments on the Statement brought to the Floor by Sen. Danson Mungatana, my neighbour from Tana River County, on the matter of land acquisition for a public good. This is a weighty matter which speaks to a lot of initiatives, especially by the national Government, to “bring development to the people”, but take away what they already have, and in most cases, it is land.

Mr. Speaker, Sir, I am sure the Senators of Tana River and Garissa counties are not opposed to the construction of the Masalani National Intelligence Service Campus. However, they want due process to be followed and the people who give out land for that public good to benefit from it. This is a matter that I have spoken about many times, especially on the issue of taking private land for use to construct roads.

It is true that we all need roads everywhere. We need our roads to be tarmacked. However, it is the highest level of deprivation and robbing the public if we take people's land to initiate development projects for the benefit of the greater public and do not compensate them for the land that we have taken.

I have in mind two cases in Kitui County - the issue of the construction of the Kibwezi-Kitui-Migwani Road, where our people have not been compensated, three years down the line. It is only fair, important, and a constitutional principle that if you are taking private land from people to do a public project, they should be compensated promptly and according to the market rate.

Mr. Speaker, Sir, I am in support of the Statement by Sen. Mungatana and hope that the Committee---

The Speaker (Hon. Kingi): The Senate Majority Leader, please, proceed.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, I rise to add my voice to the Statement by Sen. Andrew Okiya Omtatah on the killings of residents in Angata Barikoi, Narok County.

I join Sen. Omtatah in seeking to understand, first of all, how far the Inspector General of Police has gone with regards to the promise that he gave to the citizens in a meeting that I attended, in public and broad daylight, that the police officers that mishandled the firearms in the killing of five citizens---

(Loud consultations)

He has captured it right. The only part that is not accurate, is that initially, and indeed at the time of going there, I thought that there had been a child. However, it turned out that there were all five male adults of different ages.

The Inspector General of Police spoke in broad daylight to the citizens, media and the country that any police officer who was involved in those killings will carry their own cross. I thought that was a good sign from him, meaning that the Independent Policing Oversight Authority (IPOA) was going to swing into action and by now, we would have known the identity of those officers and what action has been taken.

It is now more than three weeks, nearly a month, since that incident happened yet nothing has been said from the investigative agencies. I thought the practice is that in such a matter of great national concern, by now the country would have been updated, at least by IPOA, of the status of investigations and when the citizens will get justice.

Secondly and most importantly, Mr. Speaker, Sir, there is a particular Administration Officer, a Mr. Jubat, if I am not wrong, whose name was profusely mentioned by the citizens. He was alleged to have participated in organising and leading this particular exercise. I thought by now the Ministry of Interior and National Administration would equally have updated the country on what disciplinary action has been taken against that particular officer. Transferring him is not a solution.

If you transfer an administration officer who has led an exercise such as this and that has led to the death of citizens, basically you are sending him to go and repeat the same kind of killings in another part of the country. That cannot be acceptable. Therefore, I hope, that when the answers come, we will be told also of what will have happened to this particular officer and the status of investigations---

The Speaker (Hon. Kingi): Sen. Eddy Oketch, please proceed.

Sen. Oketch Gicheru: Thank you, Mr. Speaker, Sir. I would like to add my voice on the Statement by the good Senator from Busia County, Sen. Okiya Omtatah. The issue of excessive use of force by the police in the country is something that must stop because we lose way too many lives to recklessness by the police.

Mr. Speaker, Sir, since most of the Senators have put their voice on this, there needs to be a long-term solution to what is happening in Angata Barikoi. The livelihood of the people in these areas has been affected for way too long. It would interest you to know that on the other side of Angata Barikoi is Gwitembe in the Kuria region that falls in Migori County. This is a community that is so good at contributing in the agricultural basket of this country, very hardworking and in very good environment that crops would be thriving. However, during rainy and non-rainy seasons, they cannot settle. The people of Kuria cannot settle and focus on agriculture.

In fact, a number of times, we, leaders are forced to go and visit the communities during festive seasons, to at least have them also enjoy festive seasons. For instance, Christmas and New Year, since they have been going on for a whole year without planting because of the wars and insecurity as a result of the dispute of that land.

So, while it happened that on the Ang'ata Barikoi side is where the police shot a number of people, it is also true that, that conflict is taking more lives in the entire region. Apart from the Committee dealing with this, since it is an ongoing conflict year-in, year-out, I would like to indulge and beg you that, perhaps, it is a good time to bring a Motion in this House and seek a resolution of the Senate to deal with what is going on at Ang'ata Barikoi, Kuria Community and the Kipsigis Community on the other side.

Mr. Speaker, Sir, it is not right that even the Maasai Community that is on the other side have now been brought into this conflict---

The Speaker (Hon. Kingi): Proceed, Sen. Seki.

Sen. Seki: Thank you, Mr. Speaker, Sir. I also want to contribute to this Statement by Sen. Omtatah on the issue of the killing of residents of Ang'ata Barikoi.

This information came to us and we really regret it. We want to condole with the people of Narok, more so the Ang'ata Barikoi Area. We believe that the Committee responsible will act on this matter as quickly as possible so that we do not act on an issue that has been overtaken by events.

We are looking forward to see the action that the police have taken on this matter because there are no arrests. These are the things which make us wonder why we have systems and structures in the Government. So, we are looking forward to see the Committee coming in handy to make sure that these issues have been addressed as early as possible.

The issue of land has caused a problem. We would like to know what issues contributed to this problem because these are issues concerning land. What about that land that has been having a dispute? We are also looking forward to seeing the compensation of the victims.

I also want to contribute on the Statement by Sen. Mungatana on issues of public land, private land or even community land that is being used by the Government without compensating the affected land owners.

I will refer to a land just next to Nairobi here at a place called Vetland in Ngong' area, where the Government has created lots of quarries to remove murram, stones and building materials for public use with no compensation to the communities around there.

There is a lot of excavation and destruction. They do a lot of destruction to the people living near that quarry without compensating them. These are the things that we really need to look at. Even when---

The Speaker (Hon. Kingi): Proceed, Sen. Faki.

Sen. Faki: Asante, Bw. Spika, kwa kunipa fursa hii kutoa kauli yangu juu ya taarifa iliyoletwa Bungeni na Sen. Abass, Seneta wa Gatuzi la Wajir. Mazingira ni kiungo muhimu cha maisha yetu. Kwa hivyo, ni makosa kwa serikali zetu za kaunti kuchafua mazingira ambapo binadamu wanaishi.

Utupaji wa takataka ni donda sugu katika kaunti nyingi. Ijapokuwa kwa sasa kuna vifaa vya kisasa ambavyo vinaweza kutumika kubadilisha takataka kuwa umeme, makaa ama kwa matumizi mengine, kaunti zetu zimekuwa na tabia ya kutupa takataka bila uangalizi wowote.

NEMA pia wamezembea katika kazi yao. NEMA wanatakikana wazunguke na kuangalia mazingira kwamba yako sawa kwa maisha ya binadamu. Lakina mpaka sasa NEMA wamezembea katika kazi hiyo muhimu.

Ninaunga mkono taarifa hii na tutahakikisha ya kwamba wale ambao wanahusika katika utupaji takataka na uchafuzi wa mazingira wanaadhibiwa kulingana na sheria.

Asante, Bw. Spika.

Sen. Kisang’: Thank you, Mr. Speaker, Sir. I want to commend on the statements by Sen. Omtatah and Sen. Mungatana. The Inspector General of Police needs to honour his word because he was in Narok and he promised that he was going to take action and up to now, the House or even the country has not been updated on what action has been taken, including on the police officers who used live bullets to kill the people.

It is also important for the local administration, especially the DCI, the chiefs and the elders to nip these issues in the bud before they come out, because it is unfortunate that lives were lost.

Regarding the statement on Tana River and Garissa, when development goes to particular areas, there will be benefits that will accrue to the community. What is very important is just that before they do anything, they need to involve the leaders and the public.

The Constitution is very clear that before you undertake any development in an area, you need to do public participation and also compensate the affected land owners. For a National Intelligence Service campus, I do not think they need more than 50 acres. So they need to talk to their people, do public participation and they will be accepted in the area. Otherwise, we do not want to cause another conflict in that region.

Somebody was asking, how many times will you forgive somebody, or you say sorry, say 70 times 70 or even more times. Sen. Cherarkey has formed a habit whereby every time he gets an opportunity, he has to attack the Cabinet Secretary for Interior and National Administration and Hon. Sang’, the Governor of Nandi County. So, it seems that it has become his business that when he gets any opportunity, he has to attack those two leaders. He has just----

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Thank you, Mr. Speaker, Sir. I would wish to contribute to the very eminent statement by Sen. Danson Mungatana of Tana River. This statement is important because it touches on the land question. While it refers to the designation or establishment of Masalani National Intelligence Service Campus outside the procedure of land acquisition and processes, it is important to speak to this question.

It is important that all land acquisition required for public purpose must be gazetted and beyond gazettment, there must be compensation made to the owners of that land. If the land is in a county, it is important that the county be involved in that process so that the process is as transparent as every individual can understand it.

I am alive to the fact that we have many processes going on in this country that touch on land and on the public. It is important every time that when the land question is addressed, every title in question must be identified.

Every title in question must have the participation of those who are involved who own that title or those who have an interest in that title so that if or when the land is acquired, all the processes that are designated to be undertaken by the National Land Commission (NLC) are undertaken so that the NLC can undertake the process of compensation.

We are alive to the ongoing issues or disputes involving the Standard Gauge Railway (SGR). Now with the SGR extension going to western Kenya through Vihiga County and Kisumu County and the other counties, it is important that we are not lost. It is not lost to us that that process mirrors the processes that Sen. Mungatana spoke to this afternoon.

As a House, we must protect the rule of law. We must speak to it. We must ensure that both the Land Acquisition Act and the processes that involve land administration are strictly adhered to when acquiring land for public purpose, which, again, must be defined in the Gazette Notice.

I submit, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): What is the intervention, Senator for Nyamira?

Sen. Omogeni: Mr. Speaker, Sir, I have a small matter for which I seek your guidance. It touches on the work of the Committee on Devolution and Intergovernmental Relations. I believe on 15th May, this House did pass a resolution on a progress report that was tabled before this House by that Committee. Among the resolutions passed included directives that the Ethics and Anti-Corruption Commission (EACC) investigate the appropriation and spending of public resources by impeached Speaker and group of members of Nyamira County Assembly and further, that the sittings that were being conducted outside the precincts of the County Assembly be stopped forthwith, and that the impeached Speaker and Members of County Assembly (MCAs) that are convened outside the gazetted precincts of the County Assembly---

Sen. Cherarkey: Mr. Speaker, Sir, on a point of order.

The Speaker (Hon. Kingi): What is the point of order? Already the Senator is on a point of order because he rose on an intervention. Proceed.

Sen. Omogeni: Mr. Speaker, Sir, there is a law we passed in this House that I will seek we review. We said if one is an elected MP, he should not attend continuous legal education for lawyers. The way Sen. Cherarkey is conducting himself in this House, we may...

The Speaker (Hon. Kingi): Sen. Omogeni, just proceed with your intervention, please.

(Sen. Cherarkey spoke off record)

Sen. Omogeni: Can you allow me to prosecute my point of order, Sen. Cherarkey?

The Speaker (Hon. Kingi): Senator for Nandi County, can you allow the Senator for Nyamira to make his point, please?

Sen. Omogeni: Mr. Speaker, Sir, rule him out of order. Why does he behave like a popcorn that keeps popping out?

The Speaker (Hon. Kingi): Proceed, Sen. Omogeni.

Sen. Omogeni: Mr. Speaker, Sir, I have made inquiry from the County Assembly of Nyamira, and confirmed that these resolutions have not been communicated to the County Assembly of Nyamira, so that we can have a follow-up on the implementation.

To my surprise, I have received information just this afternoon that the Committee on Devolution and Intergovernmental Relations has, despite this resolution, and despite the fact that this resolution has not been communicated to the County Assembly of Nyamira, taken an unprecedented step of summoning all 36 Members of County Assembly of Nyamira to a meeting in Nairobi on the 26th of May, 2025.

Mr. Speaker, Sir, the contents of the invitation letters dated the 20th of May, 2025, are the same as the content of a letter that was sent to the same County Assembly on 1st of April, 2025, that culminated in their appearance before the said Committee on 8th of April, 2025.

Mr. Speaker, Sir, you know how small our county is and the kind of resources that our county receives. It is a total abuse of power by this Committee to summon all my 36 MCAs to Nairobi, whereas the resolution of the House was clear that they should visit the County Assembly at the County Assembly gazetted premises in Nyamira.

I seek that you direct two things: One, the resolution that was passed by this House, Mr. Speaker, on 15th May should be communicated to Nyamira County Assembly.

Two, the Committee should respect the resolution that was passed by this honourable House that directed them to visit the MCAs at the County Assembly *gazetted* premises in Nyamira.

We do not have resources to pay *per diem* to 36 MCAs and their drivers and three clerks to come and do a meeting in Nairobi. In fact, I have gone through the Standing Orders and have not seen any Standing Order that has given power to any committee of this House to summon an entire County Assembly to come to attend a committee meeting in Nairobi.

So, I seek your direction that the resolution of this House be respected. If the Committee wants to have any engagement with the County Assembly of Nyamira, the same be done within the resolution that we passed as a House and that meeting be held at the *gazetted* County Assembly premises in Nyamira.

I thank you.

The Speaker (Hon. Kingi): One, the resolutions as passed by this House must be communicated to the County Assembly of Nyamira and that must be done within the next three days.

Secondly, pursuant to the resolution, the Committee was supposed to visit Nyamira County Assembly. It did not indicate that Nyamira County Assembly was the one to visit the Senate. Therefore, let the concerned Committee visit Nyamira County Assembly as resolved by the House and not otherwise.

(Sen. Cherarkey spoke off record)

Next Order. Let make progress. I have been very clear. I do not know why you are seeking a point of clarification on that particular matter.

BILL

Second Reading

THE DIVISION OF REVENUE BILL (NATIONAL ASSEMBLY BILLS NO.10 OF 2025)

(Sen. Cheruiyot on 20.5.2025)

*(Resumption of debate interrupted on 21.5.2025
– Afternoon Sitting)*

The Speaker (Hon. Kingi): The Chairperson Standing Committee, this is the Division of Revenue Bill (National Assembly Bills No.10 of 2025). The mover is the Senator Majority Leader. You may proceed to reply.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir I was wondering whether I have been sacked without notice.

I have listened to colleagues the last two days and I must say that there is hope for devolution. I am particularly impressed by the resolute nature in which each and every Senator has addressed himself or herself with regard to the Division of Revenue Bill (National Assembly Bills No.10 of 2025).

I am particularly impressed as well by the fact that everybody has vowed on the Floor that Kshs405 billion is not an option. I am equally happy by the work that has been done by our Members of the Committee on Finance and Budget and the proposal that they have agreed to lead us on as a House.

We must take a decision as a House. We must ask ourselves whether if devolution was to die, on which side of the blame we would be. Will we just join the mourning party or will we stand guilty as charged together with those that will have brought devolution, Kenya's biggest glue that binds this country together to its death?

I must appreciate that I am acutely aware of the tight fiscal space that we find ourselves in as a country. That I know very much and have been consistent and clear. If you check the records of this House, especially with regards to management of our economy and the biggest struggle that we find ourselves in, which is a debt distress, I have been as clear as daylight.

When the Motion was brought to this House about five or six years ago to increase our debt ceiling from Kshs5 trillion to Kshs10 trillion, I opposed. It was moved by Sen. Poghiso and seconded by the then Minority Leader, Sen. James Orengo.

We predicted very well, because at that particular time because I was a member of the Committee on Finance and Budget, that there will come a time where we will not be able to meet our financial obligations because of that kind of unchecked borrowing. We are now in that space where we are struggling to pay debt and, therefore, we are told we must tighten our belts.

I agree tighten our belts we will, but you cannot begin tightening your belts from those that consumed the least, which is devolution. If it is tightening our belts, then let us see that action commensurate with regards to the budget that is left with the national Government. That is why Senators have spoken and have said that Kshs450 billion is a minimum and that we are very clear about.

Our Committee on Finance and Budget has proposed Kshs465 billion which is even better. This is because, our colleagues in the National Assembly have told us that we have no business looking into the budget of the national Government. We have said; fine, we do not want to know what the details entail, but at least, give us Kshs465 billion we take back to the 47 devolved units and then you find the money to run your operations in the rest of the departments and state organs.

Mr. Speaker, Sir, if someone does not stand up for devolution, it will be killed. I wish Sen. Moses Kajwang' was here because he walked out as I was rising to speak to maybe to attend to something. The other day I said that we are concerned by the audit reports that continue to be brought to this House.

If you can recall, before the end of last session, we hurriedly passed resolutions of almost all the 47 county governments' audit reports because of an imposition of a timeline by the courts. However, we said we shall find time to revisit and check on the operations of our specific county governments. That exercise needs to happen and happen now.

I know that there are members of the County Public Accounts Committee (CPAC) who are in the House. I request them, with a lot of humility, to lead the exercise because that is ordinarily their work. That is the work of this Committee. This House has charged them with the responsibility of ensuring that once we have done the battle and have brought the goods home, they are used prudently for the improvement of the welfare of our citizens.

Mr. Speaker, Sir, if you recall that particular debate on that afternoon which I also remember because I made a contribution just like my colleague Senators, we pointed out that there were certain glaring maladministration issues that were distinctively clear in almost all the 47 county governments without fail. There was the issue of minimal disposition of resources, hardly 20 per cent. Many counties are using only 15 to 22 per cent at the maximum, towards the actual development expenditure. That means close to 80 per cent is going to recurrent expenditure. That is not tenable. That cannot be viable.

Mr. Speaker, Sir, I would like us to reflect on the speech made by Prime Minister Raila this morning in this House about the journey of devolution and why we, as a Senate, must always stand and defend. It must be recalled that on those reports we considered here as well, we were reminded that 35 out of the 47 county governments, if I

am not wrong, were spending more than half the resources that we devolved on paying salaries.

Surely, why should you want to be called a governor? Your name should be turned to paymaster general. You are just a salaries payment officer if you are disposing more than half of the shareable revenue that is due to your county to pay salaries alone.

I have said that this business of telling us that in 2013, you inherited members of staff from the defunct municipal councils and you have to find ways of paying them; it is almost 15 years since that exercise happened. What is your contingency plan? I would like to tell the Members here that if we wait for our county governors to file the plan on the route to achieving the statutory 35 per cent spent on recurrent expenditure, it will never happen.

We are the ones who passed Regulation 25 of the PFM Act on how much each county is supposed to spend. We are the ones who are charged with the mandate of enforcing it. I, therefore, urge the hon. Members, especially the Members of the Committee on Finance and Budget who brought us this wonderful report to lead us in an exercise where we have a conversation, sit down and pass regulations. This is so that, if a county government does not file a plan through which they head and yet, prudent use of public resources is not an event. It is a process. There is a way through which you grow your numbers.

If today you are at 47 per cent because if I recall, Sen. Faki, that is the number that Mombasa County was at. Governor Abdulswamad must file before this House the plan that they have for the next three, four, five or even six years as a county government to move towards the attainment of the statutory 35 per cent. However, if this year is at 47 per cent, the next year at 48 per cent then the year after, it becomes 50 per cent, even us, as a House, we are complicit in the maladministration that is going on in our counties.

Mr. Speaker, Sir, we have been reminded this afternoon that there are many initiatives that keep on popping up, collaborations between county governments and the national Government. First of all, there were County Aggregation and Industrial Parks (CAIPs). We should go and check the plans being done by the county governments. You know, CAIP was conceptualized in Nairobi, and that is why we must move away from these plans that are conceptualized in the well air-conditioned rooms here in Nairobi, but have no meaning or connection whatsoever with the challenges that people face in the village.

If the ‘youth leader’, Sen. (Dr.) Oburu, goes to his county today, he should ask himself the plan being made to make sure that the CAIP being built in his county will be of service to the people of Siaya. Chances are, there is absolutely nothing. If he asks the governor, he will rightfully say that he was not consulted. He was just told to give a matching fund of Kshs250 million.

Mr. Speaker, Sir, we too cannot plead innocence because we participated in passing a Division of Revenue that ensured that each county contributed Kshs250 million. With the exception of Nairobi, the same, can be said about the community health promoters. Surely, if the only thing they earn is a salary, why does someone need to keep

that money at the Ministry of Health here at Afya House instead of sending all that money to the counties? We can calculate and we know what a stipend is.

What is this obsession we have in our country of holding on to resources that we do not need, even people's salaries? At least we know that if Sen. Eddy is looking for a kickback, there are no kickbacks in people's salaries, at least sign that out. .

Mr. Speaker, Sir, good people, I want to ask of us, that as we consider the Division of Revenue Bill (National Assembly Bills No.10 of 2025), let us passionately fight and stand up for devolution because this is the last battalion of defence. If you let this country down, there is no likelihood whatsoever that anyone will ever remember that there was need.

We understand that there are challenges, Sen. Omogeni. Devolution is not as popular as the National Development Constituencies Development Fund (ND-CDF). That is a fact. It is not rocket science and it is for obvious reasons. The ND-CDF is managed separately. Even us we must learn to appreciate what made the ND-CDF to be as popular as it is, is the fact that they do not utilize the level of human resource that we utilize in our counties. That is why 98 per cent of that Fund goes to actual budgetary programmes, things that are tangible and people can see, including schools and things that ordinary citizens would wish to identify with.

Mr. Speaker, Sir, when you are a county government and 50 per cent of the Kshs10 billion you receive is paying 3,000 or 4,000 people in a county of a million people, people will say; wrap these things up, we do not want them. Therefore, part of defending devolution is to ensure that we make it work in the way that it was designed. The way that it was designed is to make sure that people feel resources getting into their pockets.

Mr. Speaker, Sir, I urge my colleagues that as we begin this conversation and the re-awakening that we have, we must all stand together and appreciate that there will be challenges and that we may not achieve that which we set out to achieve immediately or at the time of first asking. However, as a House, we must make a firm decision that is in the best interest of the country.

Yesterday or two days ago, I watched something from the former Budget and Appropriations Committee Chair of the National Assembly. He was addressing himself to a number of issues. I began to appreciate the challenges that we have. There is something the late President Mwai Kibaki used to say about people being suddenly very clever.

I saw the gentleman trying to tell us that we should not borrow. Even the budget that we are using in this financial year; it is that gentleman who passed it on the Floor of the National Assembly, with a fiscal deficit of almost 5 per cent. How is it that suddenly he has discovered that borrowing is bad? This House has been pushing and insisting---

Mr. Speaker, Sir, our BSP report for the last 10 years, the Senate has always maintained that we do not have a fiscal deficit of above 3.3 per cent, including the report that we passed here. As Senate, we have been very clear on these things.

Our colleagues who are in the National Assembly cannot be the ones lecturing the country at this particular time. They cannot be telling us, "oh, you do not need to do this

and we have borrowed this much.” We borrowed because they passed a budget that has a deficit of close to Kshs1 trillion and we do not have any other way of meeting the budget.

We want to have this conversation, but it cannot be because someone is no longer wanted by his colleagues. They cannot suddenly want to talk down on everybody and tell us, “oh, this and that is not right.” We are now being told that NSSF should not do this or the other. I find that to be extremely ignorant.

We all know that the Tanzanian NSSF is putting up an investment close to Kshs40 billion in Nairobi. That investment is one kilometre from where we are gathered. Pension funds, world all over, are looking for opportunities to invest. The problem with us, as a country, is that we think that NSSF should only build houses and sell to citizens. No wonder our pension scheme has never grown.

A country with a smaller economy like Uganda has a bigger pension fund than ours because of their innovativeness. I saw a gentleman telling us, “oh, do not build roads and do not do this or the other.” Do such people know that the expressway was built by savings of pensioners in China? Those pensioners are now earning from us when we use the expressway yet some people are telling us that our own cannot invest when opportunities come. They should spare us from those kind of lectures. We have to be bold in our decision making, honest and truthful to the country as we have conversations on what we can do about our economy.

The last thing I want to address is the securitization of roads. I want to challenge the Members of this House. If you go to the Ministry of Roads and Transport today, you will get a gentleman, the Cabinet Secretary, Davis Chirchir, who will show you the investment that has been done by the three road agencies in this country. He can show you that on his dashboard. I will actually ask that the document be tabled in Parliament one day.

I am saying this because I heard the MP for Kiharu Constituency, the former Chairperson of the Committee on Budget, say that we should not securitize roads levy for us to build roads in other parts of the country. He is saying that yet in the last financial year alone, he sent Kshs14 billion to one constituency: his own constituency. My own county hardly---

We have to be honest with each other on the conversation about repayments of loans. When I tell my people of Kericho County that they cannot have sufficient development because we are repaying loans, they always ask me the whereabouts of the loans that I am talking about. That is because they cannot see it. One day, we will get to a point where we will have to say, “tabulate what is in your county and pay.” With that, we will be able to see the truth.

Mr. Speaker, Sir, hypocrisy must end in this country. I love the broad-based Government because we agreed to be honest, end the politics of hypocrisy and politics of blackmail. That is what I saw that young man trying to pursue. One cannot put Kshs14 billion in his constituency, then come and tell the rest of us who are dealing with bad and poor roads that we cannot look for money to build roads for our people.

I hope that I am still responding to comments made by my colleagues on the Division of Revenue Bill (National Bills No.10 of 2025). In this country, you can follow things and you wonder. We want equity.

There is a point that I said, but it perhaps got lost. In the new formula, the Fourth Generation Formula, there is an element called the gross county product which looks at how much a county has been able to produce. The question is; what will you produce if you have not been enabled by the national Government? You cannot produce if you have no roads and your people are not healthy.

There are counties that have seven level five hospitals while most rural counties, where most of us come from, only have one. You will even find that those hospitals are only Level 5 by name. Some counties do not even have those Level 5 hospitals. If people want us to measure the productivity of every county, then we should also measure the investment of national Government in those counties. With that, we will know that we have put a Kshs100 billion in county X, therefore, we expect a return factor of this much. If the investment by national Government is Kshs1 billion in my county, they should not expect anything.

This is a moment when we have to be honest and sincere with each other. The Division of Revenue is important and the Senate cannot come down from the request of Kshs465 billion because we know that what we divide in this House is equally and equitably shared across all our 47 county governments. That cannot be said of the budget that remains in the other House.

If it was possible, we would put most of our resources in this House in order for us to share it equitably across the 47 county governments. We can then have the other one which people want to play games with, the little part of it, remain in the other House. Since that is not possible, let us begin with this Kshs465 billion. The rest can come later.

With those many remarks, I beg to reply.

Mr. Speaker, Sir, I do not think we have sufficient numbers unless the Whips, Sen. Sifuna and Sen. (Dr.) Khalwale, can assure me that we can raise the numbers to pass this Division of Revenue Bill (National Assembly Bills No.10 of 2025). Therefore, in accordance to Standing Order No. 66(3), I want to request---

(Loud Consultations)

They have already told me that it is not possible to raise 24 delegations on a Thursday afternoon. Therefore, I request that the putting of the question be deferred until a later date.

I thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): The putting of the question is deferred.

(Putting of the question deferred)

Next Order.

BILL*Second Reading*THE CREATIVE ECONOMY SUPPORT BILL
(SENATE BILLS NO.30 OF 2024)*(Sen. Oketch Gicheru on 7.5.2025)**Resumption of debate interrupted on 21.5.2025
- Afternoon Sitting)*

The Speaker (Hon. Kingi): Sen. Oketch Gicheru, you may now proceed to reply.

Sen. Oketch Gicheru: Thank you, Mr. Speaker, Sir, for giving me this opportunity to reply to the Creative Economy Support Bill (Senate Bills No. 30 of 2024).

Just like devolution, the creative economy has also suffered because it did not have champions. You saw the *Baba* effect today when he came to address us here. You have seen what one meeting with *Baba* has done to the Senate Majority Leader. He is fired up because he has had just one meeting with *Baba*. You can imagine what will happen if he is to have more meetings.

I take this opportunity to thank the good Senator from Tana River County, Sen. Mungatana, for the great comments he made when he was seconding this Bill. It is a high time that the creative economy self-regulates. That self-regulation must be empowered by different facets of this House. If possible, they should have a good control over the funds that have been housed in the Ministry of Gender, Culture, the Arts and Heritage for a very long time.

I thank Sen. Mungatana for his comments, particularly when he suggested that there are a number of guilds that run the different clusters of creative economy. He propose that we consider having this as a council because the council will encompass many guilds which will give it a bigger governance structure. That bigger governance structure will then be semi-corporate. That organization will help the creatives rethink the idea of industrial policy.

Mr. Speaker, Sir, from the comments of all the Senators who have spoken, this Bill will help the creative economy have an industrial policy influence. This will then inform the action or inaction of the Government.

I sincerely thank Sen. Mungatana and all the Senators who have spoken on this Bill, including Sen. Hillary Sigei and Sen. Ledama, whose comments truly inspired me. They were keen on making sure that we should perhaps propose some amendments to ensure that the creative economy has a council instead of just a guild. They also suggested reducing some of the influence of the Ministry that has been proposed in the Bill.

We had proposed that this Bill be housed under the Ministry of Trade, Investment and Industry. We do not want a situation where people view creatives as individuals who

have not succeeded in life and, therefore, resort to exploring music, comedy or any form of art as a last option.

The first thing we must change is the culture, the perception that creatives do not have formal careers or the potential to be professionals. Indeed, the creative economy has proven to be a professional economy. We must structure it in a way that inspires the younger generation to pursue careers within it. That is why we are taking it to the Ministry of Trade, Investments and Industry to ensure that we make a case for commercial viability in the creative industry. However, the comment from the two Senators, Sen. Ledama and Sen. Hillary Sigei, was that we reduce some of the powers allocated to the Cabinet Secretary, so that creatives can take over that role. Indeed, some of the comments made by Senators in this House align with the comments we received during the Committee Stage of this Bill.

Allow me to highlight that this is one of the Bills with the highest number of submissions in this House. There were about 80 submissions, mostly from creatives, who showed up and shared many of their thoughts. It would be in order for me to thank them.

[The Speaker (Hon. Kingi) left the Chair]

[The Deputy Speaker (Sen. Kathuri) in the Chair]

Mr. Deputy Speaker, Sir, when we were starting this programme, one of the best artists in the country, a musician called Bien, together with Nameless, a comedian called Mamito, another musician called Nviiri, and several other artists invited us to an informal *kamukunji*. We sat together, had tea and envisioned what this could become.

During public participation, many creatives contributed significantly to this Bill. Some of them include, John Kimani, Ezekiel Onyango, who is the chair of the association that deals with films in the industry, and Eric Omondi, who is very well known. We also had Nicky Big Fish, who provided extensive comments and Winnie Njenga, who is in the creative space in online content creation. Therefore, people who truly understand what creatives are going through contributed significantly to this Bill.

I want to emphasize that as we approach the final stage, we will ensure that some of the proposed ideas that align with the thoughts of these creatives, who contributed overwhelmingly in the development of this Bill, are included in the amendments that will guide its subsequent stage.

As a House, we must champion and fight for space for creatives to ensure that support is not limited to tokenism or some form of affirmative action. We should rather recognize that creatives, both generally and within their specific clusters, permeate the entire ecosystem of our economy. There is no industry that does not consume a piece of art or a contribution from creatives.

You can recall that as we walked out of this House today with the former Prime Minister, I saw over 100 cameras pointed at us. If you observed those cameras, you could see the creative work happening, whether it be simple photography, which is a genre in

the creative industry, or production, television, publishing, commentary, newspaper writing, or book publishing.

These are all elements of the creative industry that we cannot lose sight of, especially at this time when AI is shaping the trajectory of economies worldwide. We must not lose sight on the need to make a case for creatives as a viable business option in this country and a significant driver of our economy.

I, therefore, hope this House will give life to this Bill. I also hope that with the help of the Senate Majority Leader, we will find a co-sponsor in the National Assembly, who will drive the agenda of creatives very fast. This will ensure that as soon as possible, creatives will have a house of their own to help them self-regulate and shape policies through their own industrial policy. This policy should address issues such as royalties for creatives, distribution of creative products, intellectual property rights and contract drafting.

All these areas affecting creatives, if singled out and addressed through individual policies, may not allow for the establishment of proper standards due to the dynamic nature of the industry. However, if we work hard and pass this Bill, it will empower creatives to establish proper standards in the industry regarding all the issues I have mentioned.

Mr. Deputy Speaker, Sir, I therefore wish to reply and thank the House for its support of this Bill. I hope it will be fast-tracked in the Committee of the Whole and Third Reading, so that it can proceed to the National Assembly as soon as possible.

As I reply, I beg the indulgence of the Speaker that, pursuant to Standing Order No.66 (3), I request the putting of the question be deferred to a later date, given that it is late and we may not have the necessary delegation to move it forward. However, I hope it will be a priority in the next session.

I thank you.

The Deputy Speaker (Sen. Kathuri): Very well. The putting of the question on Order No.9 is deferred.

(Putting of question on the Bill deferred)

Additionally, Orders No.10, 11, and 12 are also deferred.

BILL

Second Reading

THE SPORTS (AMENDMENT) BILL
(SENATE BILLS NO.33 OF 2024)

(Bill deferred)

BILL*Second Reading***THE SPORTS (AMENDMENT) (No.2) BILL
(SENATE BILLS NO.45 OF 2024)***(Bill deferred)***MOTION****ADOPTION OF REPORT ON THE FOURTH BASIS FOR ALLOCATING
SHARE OF NATIONAL REVENUE AMONG COUNTIES**

THAT, the Senate adopts the Report of the Standing Committee on Finance and Budget on the Fourth Basis for Allocating the Share of National Revenue Among the Counties, laid on the Table of the Senate on Thursday, 17th April, 2025, and that pursuant to Article 217(1) of the Constitution, approves the Fourth Basis for Allocating the Share of National Revenue Among the Counties for the Financial Years 2025/2026 to 2029/2030 as follows-

County Allocation = (Baseline Allocation Ratio*Ksh.387.425 billion) + {[(0.45*Population Index) + (0.35*Equal Share Index) + (0.12*Poverty Index) + (0.08*Geographical Size Index)] *Additional County Equal Share above the baseline}. Where –

i. Baseline =Ksh.387.425 billion being the equitable share for the Financial Year 2024/2025;

ii. Baseline Allocation Ratio = The allocation factor derived from each County's allocation for the Financial Year 2024/2025;

iii. The Population Index is based on the 2019 Kenya Population and Housing Census (KPHC);

iv. The Poverty Index is based on the 2022 Kenya Poverty Report by the Kenya National Bureau of Statistics (KNBS);

v. Geographical Size is capped at 10 per cent.

(Motion deferred)

The Deputy Speaker (Sen. Kathuri): Clerk, we will now proceed to Order No.13.

BILL*Second Reading***THE COOPERATIVES BILL (NATIONAL
ASSEMBLY BILLS NO.7 OF 2024)**

The Deputy Speaker (Sen. Kathuri): Senate Majority Leader, proceed.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Deputy Speaker, Sir. Give me a second, I want to retrieve my notes.

I beg to move that The Cooperatives Bill (National Assembly Bills No.7 of 2024) be now read a Second Time.

This is a very important Bill. The cooperative movement is the heart and soul of this country. Countries that have leapfrogged us in the last few years since Independence are those that have organised their cooperative sectors to harness the joint initiatives of citizens into an organised force for good. Therefore, this space of our cooperatives is one particular area that we need to have an adult conversation about as a country.

Mr. Deputy Speaker, Sir, I know that you represent a county that has one of the strongest cooperative movements. There is Meru Milk Cooperative--- I have forgotten the exact name, but I follow its annual events---

The Deputy Speaker (Sen. Kathuri): Since I am here, you should benefit. It is Meru Central Farmers' Cooperative Union (MCFCU).

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Deputy Speaker, Sir, for reminding me. I follow their Annual General Meetings (AGMs). The kind of volumes they talk about and the economy that they move in that particular part of the country is worth emulating. I know we still have it although it does not attract the level of glamour that it used to attract back in the days.

Mr. Deputy Speaker, Sir, you will recall the days of the cooperatives Day when President Moi would invite all the cooperatives in the country and there would be an award ceremony most of the time here at the Kenyatta International Convention Centre (KICC). The cooperatives that performed best would be rewarded depending on the sector and how they transformed the rural economies.

If we want our rural economies to thrive, this is a space we must pay attention to. No serious leader worth their soul should turn a blind eye on the conversation on the cooperatives space.

It is unfortunate that we are having this conversation with a background of events that happened recently at the Kenya Union of Savings and Credit Cooperatives (KUSCCO) and the damning reports of what happened in that particular institution for the past 10 years. In fact, it is on account of lessons learned by the mismanagement of that particular umbrella body of all the cooperatives and subsequently what happened in all the other cooperative societies.

If you go to my county, for example, there are many former active cooperative unions especially for coffee farmers that went down with farmers' money. Nowadays,

when you tell people to put their money into a cooperative, they think twice about it. I want to tell the citizens of the Republic of Kenya that the Senate and Parliament in general is concerned and has agreed that cannot continue to obtain as the situation of the day. We must do something about it. The fact that we missed a step at some point does not mean that we give up on the cooperative movement in the country.

This is a space that has a lot of potential to take this country to the next level of success. Therefore, as leaders, we must ensure that we do that which is right in streamlining operations in our cooperatives sector to ensure that our farmers, *boda boda* riders, *mama mboga* and all the people who organise themselves into MSMEs have the requisite law to guide their operations. I am just laying the basis of why this Bill is important before I go into the highlights of the nitty-gritties. We must ensure that we tighten the governance structures of our cooperatives, so as to be sure that when a particular individual forms a cooperative society, they do not end up misusing funds of that institution to the detriment of all other members.

If you see the cooperatives that have succeeded and have served longer, it is because of the governance structure. It is because those cooperatives have leaders who ensure that members' savings are used prudently. When members want to access their savings, they are able to do so.

There are many such cooperatives. Think about the one for teachers, for example. In my own county, the largest financial institution is a cooperative union that was previously started by our teachers. It used to be known as Kipsigis Teachers Sacco, but has since transitioned to Imarisha Cooperative Savings and Credit Society Limited open for all members of the society, including yours truly here. My mother used to be a member. I also joined as a member and so many other people. That is a great financial institution. We also have many others. It is for such institutions that we seek to pass this legislation to ensure that our cooperative sector thrives and this country can roar back to life.

Now into the nitty-gritties of this particular Bill. This Bill has 25 parts. It is quite a lengthy Bill and it took time. This is the most comprehensive legislation on cooperatives since the coming into force of the Constitution of Kenya 2010. That is why this Bill is extremely important.

We tried to pass a Bill on cooperatives in the Eleventh Parliament and the previous term as well, but we did not succeed. I am happy because this Bill began in the National Assembly and it was passed there. I know that we will debate and pass it, so that it is signed into law.

I have listened even to the regulators of these societies; that is the Sacco Societies Regulatory Authority (SASRA) and the rest. They have impressed on me the need to make sure that this legislation is passed quickly so as to ensure that we have a working sector. Therefore, this is the work of a consultative exercise that took quite a number of years.

Mr. Deputy Speaker, Sir, I do not know if you know, for example, the County Director of Cooperatives of Meru County. I do not know if Sen. Boni knows the one for Kakamega or whether Sen. Mungatana knows the one for Tana River, yet these are

extremely powerful officers because many of our people are organising themselves into cooperatives.

Sen. Mungatana, we seek to pass this piece of legislation so as to ensure that those men and women have sufficient powers to ensure that even the young people that you are about to tell me to go and fundraise for, for example, in Tana River--- The minute they raise money, three or four officials should not meet and misappropriate those funds and disappear into thin air. We should regulate that space in a particular way that ensures that savings and earnings of members of a particular society or cooperative are guaranteed. That is part and parcel of things we are trying to do.

We have even provided the space for county assembly legislations with regards to this particular Bill because we do this with the full realisation that there are two levels of Government. There is what the national Government can do and what county governments ought to do with regards to regulations of cooperatives and the kind of support they can channel to our cooperatives.

Therefore, this Bill in its entirety seeks to amend Cap. 2A and to provide timelines for making regulations to ensure implementation of laws passed by Parliament-- Just a minute because I referred to the wrong notes.

This Bill seeks to provide a legal framework that promotes a sustainable and competitive cooperatives sector for socio-economic development in a devolved system of government. More specifically, this Bill seeks to provide for matters relating to promotion, registration and more importantly, regulation of cooperatives and to give life to Article 186 of the Fourth Schedule of the Constitution.

Further, this Bill establishes the following offices: The office of the commissioner for cooperatives development at the national level and the office of the county director for cooperatives at the county government level and to provide for the intergovernmental co-operation at both levels. That is very important.

Mr. Deputy Speaker, Sir, it is not possible to regulate our Saccos from here in Nairobi. That is part of where the problem was because people in Nairobi would send a fellow from, I do not know which part of the country, to go and sit at the head office in Kakamega and expect that they will have the interests of a cooperative society deep in Malinya where Sen. Boni comes from. That fellow will never have interest because they do not care. They just wait for 30th to get their salary. If you have a son or daughter of the soil who knows that it is in their best interest for cooperatives in the county to succeed, they will move around. They understand the cultural dynamics and sensitivities of that particular part of the country. They know that you cannot arrange this and this and put together. They can even visit members and speak to them in a dialect that they understand on the importance of the cooperative movement.

I like that departure of the realization. I like Bills such as this, that appreciate that there are two levels of Government; that, as much as we are one people, we are equally distinct; that there are certain things which if Sen. Boni Khalwale does, they will be okay in Kakamega County. However, if I was to do them in Kericho County, I will run into trouble and vice versa. That is who God made us to be. I appreciate when we pass laws that buy into that particular kind of arrangement.

Mr. Deputy Speaker, Sir, cooperatives play a fundamental role in the social economic development by harnessing the collective economic participation. They promote financial inclusion and support local enterprise, ensuring that local economy works, as I have explained.

In Part I, which comprises of clauses one to five, these are ordinary provisions of a Bill, which is the title, objects and the guiding principles. Part II, which is clauses 6 to 18, contains the provisions for the establishment of those offices that I have mentioned - the national Government, county government offices and the Intergovernmental cooperative Relationship Technical Forum, for knowledge and skill transfer so that you can exchange notes with the cooperative officer, if in another life, when you and Sen. Cherarkey are no longer Senators in this House. You can be the director for cooperatives at your counties and exchange information about why your farmers---

(Laughter)

I do not know why you are laughing and imagining that it is a small job. This is a very important job, because you are in charge of thousands of farmers and their affairs. You will be able to tell Sen. Cherarkey why instead of building a huge building and calling it Creameries in Nandi, it will have made sense for them to first build a stronger cooperative movement such as the one that we see in Meru meeting yearly. After you have secured the raw materials, you would then put together a bigger building. Stones and walls do not grow economies, but people do.

The bigger challenge for our counties is the obsession with brick and mortar, where you just want to put up a building. I said the same about the County Aggregated Industrial Parks (CAIPs) a few minutes ago. We are told that counties have put together a building of Kshs500 million, but have not taken time to ask them what is it that those counties will be selling. What will Nandi County be selling in its CAIP? What will Kericho be putting in the CAIP that is being built in Kapsorok? The same can be said of all our 47 county governments. Therefore, we must stop this obsession with brick and mortar and invest in people first. Supply the raw material. Let it be in abundance, then we can start struggling about how to collect and organize it in a better way, so that we are able to access markets within and without of the Republic.

Part III of the Bill, which has clauses 19 to 27, gives provisions for the structure of cooperatives in Kenya. Members will take time to read and appreciate. Part IV, which is clauses 28 to 43, is provisions for registration of cooperatives, so that you ensure that when a cooperative is registered, there are transition provisions, so that somebody does not run away the way our colleague, and he is not here, Sen. Maanzo, disappeared with an Orange Democratic Movement (ODM) certificate in 2007. That has happened in cooperatives many times, where the founder member disappears with a certificate and says, this was mine, yet they were doing it in trust. That process has been streamlined in Clause 28 of this particular Bill.

Mr. Deputy Speaker, Sir, Part V includes clauses 44 to 50, which contain provisions on the rights and liabilities of members, that is, what members are able to do.

You and I are representatives of the farmers. We have the Kenya Tea Development Agency Holdings (KTDAs) factories in our counties. KTDAs are forms of cooperatives because it is the farmers who have come together, put up a factory and handed over management of that particular factory to a managing agent called KTDA. That is a form of a cooperative, as much as they are governed under the Companies Act.

That is something that we were not able to resolve when we were passing the Tea (Amendment) Bill (Senate Bill No.1 of 2023) in this House. I hope that in this term of Parliament, we can provide clarity, because in my opinion, you should not subject anything that is owned by a multitude to the same set of laws as a company that is owned by either a sole proprietor or three or four individuals. These are companies that are owned by thousands of people. Therefore, I believe they should be governed by the cooperative Act, more than companies.

That is why, a watchman can stop an innocent farmer in Nkubu from accessing the factory next door, yet that farmer is the owner of that factory through their contribution of the tea that they sell to that factory each year. We have provided for the rights and liabilities of members in our cooperatives in clauses 55 to 66.

Clauses 67 and 68 provide for amalgamation and division of the various types of cooperatives that you have, outlining what is it that is a smaller cooperative and a larger one. We did not want to lump all of them together. A cooperative such as yours, the one that I have given as a perfect example, or Imarisha in Kericho County, that has tens of thousands of members cannot be governed by the same set of laws, for example, Kapsoit *Boda Boda*, the one I fundraised for a few days ago, that has a few hundred members. Therefore, we have provided for the classification of the various cooperatives that exist.

Under Part XII is a provision for charges on cooperatives, inquiry, inspection and the special powers of the cooperative's tribunal. We are setting up the cooperatives' Tribunal. I hope these tribunals do not turn out to be toll stations where when members dispute and they are to form or lodge a complaint, it is the highest bidder that is listened to. It must be manned by men and women of great integrity who understand that they are dealing with ordinary citizens who may not have the force to do many of the things that are being looked at under this particular law.

This is a very comprehensive piece of legislation. I hope that Members will take time to appreciate, read and give their comments, including on the Tribunal.

With regards to the Tribunal, I would like to read Clause 131(2), that particular part to make this case. That-

“Where the cooperatives Tribunal enters judgment in terms of award together with cost, it shall issue a decree which shall be enforceable as a decree of a tribunal”

We are giving it powers and provision for what happens if you fail to attend a cooperative Tribunal.

So, Mr. Deputy Speaker, Sir, I would like to urge Members that we support this particular Bill. Share your thoughts. Sen. Osotsi, I know you are actively involved with the cooperatives in Vihiga County, including the *boda boda* one, which is one of the best performing in the country. Those gentlemen from your county were in my county when we were fundraising for the ones in Kapsoit, and they extended an invitation to me. They

said, when they will have such a function in Vihiga County, they will invite me. I think it is in the next few days. Actually, it is this weekend, if I am not wrong. You must make sure that you make comments and tighten the cooperatives space, so that the funds that you will raise for them on Saturday end up benefiting the members, as well as so many other cooperatives that are in your county.

Therefore, Mr. Deputy Speaker, Sir, this is an important piece of legislation, which I urge colleague Members to support, enrich and ensure that we guide our cooperative space for the betterment of our country.

With those remarks, Mr. Deputy Speaker, Sir, I beg to move and request the Senator for Kakamega County, the Whip of the Majority Side of the Senate, to second.

I thank you.

The Deputy Speaker (Sen. Kathuri): Sen. (Dr.) Khalwale, the Senate Majority Whip, please proceed.

Sen. (Dr. Khalwale): Mr. Deputy Speaker, Sir, it is both an honour and privilege, that I am seconding this important Bill because had it not been for the cooperative effort, I would never have owned a home. I am not a ‘dynasty’ like you, from a *miraa* selling family.

Indeed, cooperatives mean many things. Listening to the Senate Majority Leader speak, I want us to think much more. He has on several occasions referred to the self-organisation of members of cooperatives to raise funds. He has mentioned numerous occasions when he has been to initiatives of fundraising for this initiative, up to and including the one that he will do back home in Vihiga County this weekend.

Senate Majority Leader, you are most welcome, and please, come with good money because, as you know, I was whispering in your ear last month that your transformation into a mogul is truly celebrated by me, who has a son your age. Therefore, we will be very grateful when the proceeds of your mogul industry come to Vihiga this weekend.

More seriously, what do I mean by we should think it further? We cannot expect to achieve equity by relying on *harambees*.

(Applause)

I know, because he is a man of many networks, any politician who becomes the guest of honour at a serious function like this has good connections in several offices of Government. If it is from Government that some of the monies that they donate in those *harambees* come from, then we should restructure the Government, so that everybody who is sufficiently organised, who demonstrates understanding and existence of the cooperative effort, should have access to that money.

This is no different from the effort by all Senators led by the Senator for Kiambu County, the young Sen. Karungo Thang’wa, who is suggesting that we amalgamate all bursary efforts, so that all funds that can help children who require money can be taken back to the Ministry of Education and education can be made free.

The reason for this is the thinking which we support in this bursary issue is because we want to see every child have an equal opportunity to bursaries. The best way is just to use those monies to make education free. Since we cannot make something like cooperatives free, let us think deeper, harder and longer, so that we see how the state can provide “seed money” for people who want to cooperate.

Just like all of you, you cannot be in politics and lack in your cap a feather of what you have done for the cooperative effort in this country. The country is laden with cases of success just as it is with cases of failure and conmanship.

I hope that with this law, we will now make it easier for people to have confidence in the safety of their funds. The people who are in charge of the cooperative movement at whatever level, community or whichever level, end up stealing money meant for these people.

My daughter was doing internship years ago with this body that brings cooperatives together. It is called the Kenya Union of Savings and Credit cooperatives (KUSCCO) housed at Upper Hill. My daughter used to look very nice working there. I had a lot of respect for them only to learn later on that the person who had been in charge of that Union had been stealing. They have stolen billions of shillings from cooperatives. It is extremely unfortunate. Since we have not gone through with a tooth comb in this pen, if the controls are not there, we will put them there. However, if they are there and they are not tight enough, we are going to tighten them because we want the cooperative effort to be a success.

I remember in 2003 as a young dashing Parliamentarian, I had a discussion with the now director maybe and Clerk-at-the-Table. I had just come as a young Member of Parliament and he had just been employed here. He was telling me about the success of the cooperative movement back in Central Province. Having been a son of western because he went to school at Mukumu High School and his uncle had a good business in Kakamega Town, we were friends.

So, I went back and the first thing I did was to learn from central and I went to the *boda boda*. In 2003, *boda boda* were not a motorbikes, they were bicycles. So, I took Kshs100,000 and put in the Ikolomani bicycle *boda boda*. My political opponent then went and called the same boys and told them that I was playing around with their efforts. “How can he ask you to be contributing money to put in that kitty? What he should have done, he should have given you the Kshs100,000 to share amongst yourselves’. That is leadership for you. It is the leadership that kills noble initiatives like this one.

Similarly, we were trying to woo members of the public to accept His Excellency William Ruto as a possible case for a good President, I remember we had a big fundraising in Muliro Gardens in Kakamega and the then Deputy President supported us. We did very well, we went on and bought a commercial vehicle, which is still in existence and for which we are grateful for. All the young people want is to be organised and it is today a big pleasure that we are creating the office of the commissioner of cooperatives.

Since cooperatives are principally at the county level, it is good that we have accepted that this office should only be in Nairobi, but appreciating the fact that it is the

counties that will be in control of these cooperatives and therefore the creation of the county directors.

I am glad that in this Bill, there has been an attempt to recognise the fact that if we do not coordinate the activities at the national level with the activities at the county level, we will fall flat on our faces. Therefore, this intergovernmental structure, which has been put in this Bill is a very good thing but, when I look at the membership of that structure, it begs for an amendment. The commissioner, as a member that is okay; the directors in the 47 counties are okay. However, when it comes to a person appointed by the governor, I want to request and persuade you not to give the governor that kind of latitude. He has sufficient latitude to appoint many other people.

Let this be an institutional self-sustaining process, since the county public service board will be having a say in the appointment of the county director of cooperatives, instead of the governor appointing some other stranger, probably a relative or a girlfriend, the way they normally do. Allow the Chairman of the County Public Service Board (CPSB) to be the one to sit on this intergovernmental body. So that it is automatic. The Chairman of the Board is independent when he is there, rather than when you have picked a character who has come there at the pleasure of the governor of the respective county.

Mr. Deputy Speaker, Sir, this is the amendment I propose in Clause 16 that says that there shall be the chief executive officer of the authority, and an officer appointed by the council of governors. No, they should be appointed by the chairs of County Public Service Board.

Having said this, I can see an effort in this Bill in Clause 20 where under the structure of cooperatives in Kenya, we have created primary cooperatives, secondary cooperatives, cooperative federations, and the apex cooperative. This is a very visionary classification.

It is the lack of clarity in the structure of cooperatives that opens up members to being conned. That, for example, in the primary classification, you have put from A to B all the way to G, the specifications of what a primary cooperative is, is something that is even a greater reason for us to celebrate this.

Let me use the example of a primary cooperative in the sector of producer cooperatives.

“This shall be a cooperative registered under this act with the objects of production, processing, and marketing of members' produce.”

This is useful so that people in the production industry do not end up getting confused, for example, with their monies being heaped together with people from, say, the cooperative sector.

I say this with a degree of nostalgia because I remember when I was a little boy of 10 years, our then Member of Parliament had this vision. So he created Ikolomani Cooperative Society at the same time that Githunguri cooperative Society was created when I was a 10-year-old schoolboy. Every Friday, so that our parents could be encouraged to take care and like breaded animals, we used to be given cheese at school, so that we go home and tell our parents, cheese comes from milk, which is produced in

large amounts by breaded cows. That cooperative took off, but because of mismanagement, the Ikolomani Cooperative Society at Lirembe, then collapsed, but the Githunguri one went on and succeeded.

Mr. Deputy Speaker, Sir, if there is a Senator here who has never been to the Fresher farm in Githunguri, they are one of the most developed, fantastic dairy cooperative society. Sen. Cherarkey, those jokes you see in Nandi, Kakamega, we are neighbours, is not the case in Githunguri. In Githunguri, I saw people, I hope it is still the case today, deliver milk and on the strength of the milk you have delivered, you can actually be given a voucher to go and collect food. You are given a voucher to go and take to school and pay school fees and it will be discounted on the milk that you deliver at the cooperative society. We went there before and after the advent of Mungiki.

Sometimes I hear the former Deputy President talk about violence in his Wamunyoro meetings and I say, indeed, ignorance is bliss. I see the violence that has never been witnessed in the central part of this country, now repeated almost every weekend in funerals and rallies and what have you, and I say, indeed, ignorance is bliss. I appeal to the Senators from the Mount Kenya region, you are going the wrong route. These children you now want to militarize some joker once militarized them into Mungiki.

I went to Githunguri and the ladies who talked in my ear quietly, we normally see on TV, “please, help us, Mungiki is finishing us.” They told me that when they milked, they had to declare the number of litres and Mungiki would come with an entitlement of one or two litres. If you do not give it, your cow is gone. Let us do politics, but not politics of militarization of our youth. It is extremely dangerous.

May I also inform the former Deputy President, who is a good friend of mine, we campaigned with him for many months to win the presidency in 2022. In 2027, we are going to do everything to make sure that the election is peaceful. We cannot imagine a situation whereby our children should start fighting each other because one person or the other has lost the presidential election. That one, I refuse.

The former Deputy President is playing with fire. When members from his community then started facing the wrath of the proponents of post-election violence in 2007-2008, he was nowhere. We were the ones who were on President Kibaki’s side, that bore the burden of protecting these patriotic Kenyans who were doing business and have settled in Kakamega. It is a route we can never go, we shall not allow and we will fight to ensure that the 2027 election will be free, fair, and peaceful.

We say these things with a degree of patriotism. Maybe, I do not know, some of you have two children, maximum three. So, in the event of the country bursting, you will quickly look for five passports, one for yourself, one for your wife and three for your children. How about me? I will not know where child X is, child J is, child Y is. I would die out of worries. I need peace, so that my children, wherever they be, I am assured that they are safe. I am serious. It is a thought that I cannot entertain in my mind.

(Sen. Cherarkey spoke off record)

The wives are adults, but I can kill you for my children, the wives could very well take care of themselves.

Mr. Deputy Speaker, Sir, I cannot end my contribution in seconding this Motion without mentioning something about Cabinet Secretary Wycliffe Oparanya. He is not my friend. He is one man against whom we have competed longest in my career and, therefore, we are serious political adversaries. Thank God the elders brought us together sometime last year and we buried the hatchet. It is going to remain that way. Why I want to celebrate Oparanya is that he has breathed new life into this Ministry. In fact, there are people who think this Ministry of Cooperatives only came around when His Excellency President William Ruto made Oparanya Cabinet Secretary. This Ministry has always been there, but all of a sudden Hon. Oparanya is there and is doing a good job. This is why sometimes I want to disagree with my younger brother, Sen. Sifuna, when he doubts that Baba gave President William Ruto experts to help him run the Government.

It is true, because Oparanya is behaving like a typical expert in matters of cooperatives. I have seen the coffee sector, which was there pre-independence in Kakamega, Vihiga, Bungoma and in many other parts of the country, especially in Nyanza and Western. They had all died, but every day on social media, I see Oparanya there doing this or that. We must give him space. I only urge Members of the National Assembly Budget and Appropriations Committee to make sure that they put sufficient funds at the disposal of Hon. Oparanya, so that we have enough funds.

I also appreciate the fact that there is something they call the Coffee Cherry Advance Revolving Fund (CCARF). However, we should have enough funds to make sure that the farmers who want to rejuvenate and reinvigorate these factories of coffee can get good seedlings. I also urge members of the farming community, especially those interested in coffee in Kakamega to not be in a hurry to plant seedlings just because of the hype I see going on now.

Mr. Deputy Speaker, Sir, I have had an opportunity to sit with the Senator for Kirinyaga who appears to understand coffee farming very much and he has confirmed that if you prepare, get the right seedling, measure it against the soils and so on, your plant grows faster.

With those remarks, I second.

(Question proposed)

The Deputy Speaker (Sen. Kathuri): We now open the session for debate, and we start with Sen. Danson Mungatana--- You are next after Sen. Oketch Gicheru. He was here before you.

(Sen. Cherarkey spoke off record)

I do not know why you are questioning the Chair, Sen. Cherarkey. You might fail to get a chance to debate this afternoon.

Sen. Oketch Gicheru: Sen. Cherarkey must not question the Chair.

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Mr. Deputy Speaker, Sir, I rise from the onset to support this Bill that has been moved by the Senate Majority Leader and say that the cooperative movement is one of the best structures of organization in business terms that lifts societies. This Bill seeks to put a legal framework that will ensure there is proper governance for cooperatives in the country.

Cooperatives have played a big role in our society by making sure that businesses are started well, are resilient, sustainable and more importantly, can grow to greater heights. However, one thing that has always been elusive to us, as a country, is the governance of cooperatives. For a long time, especially when the cooperative movement started in the agriculture products, the challenge was the governance, which was left at the national level. This was largely because for a long time, we had a unitary Government before devolution.

However, even at the advent of devolution, cooperatives have remained governed by the national Government. The core and the sense of cooperatives is to help small and medium enterprises. This was the core of the Kenya Kwanza Manifesto; to look at the micro enterprises, small, medium, and sometimes, the growing businesses in our country with the idea of undoing the challenges that these businesses are facing. It has been proven, time without number, that those challenges are best addressed within cooperatives.

Mr. Deputy Speaker, Sir, these businesses exist in the local communities where we come from. They are in the counties, constituencies and in the wards where we come from. However, if you look at the governance structure and the legal infrastructure that defines cooperatives, you will find that it is only at the national level where they have been regulated over time. Therefore, this is the first Bill that seeks to give life to Article 186 of the Constitution, which sometime back when the Constitution was being done, saw a nexus between the national Government and the county governments in the running of some affairs, such as cooperatives, as we are seeing right now.

I therefore do not see any good Bill that will be better than this, in terms of giving that legal framework that encompasses counties in order to give them a life in the control of cooperatives. For far too long, cooperatives in this country have faced problems and financing is the biggest one. To the extent that we have seen SACCOs coming in place, being a subset of cooperatives and innovating around the idea of creating credit facilities as well as saving facilities.

Mr. Deputy Speaker, Sir, a number of these SACCOs that we have seen in our borders have ended up changing lives. Most of the informal businesses that we see today, or the people who are still in the informal economy, over 70 percent of our country is still in the informal economy. The number of people who are employed and taxed in this country is barely 30 percent. This informal economy sector is the *jua kali* and *boda boda* sectors, which the NTSA has said has over 1.5 million people. These people can only make sense of growing their businesses within some form of a SACCO, which has maybe chosen the line of financial services and assists its members to figure out those financial services.

Mr. Deputy Speaker, Sir, last week, we were with a number of seniors from this House and I thank them. I also know that your contribution reached the people of Migori and your message was well home with the people of Migori. I know you were traveling to Israel, but then you saw the sense of organizing the Migori people who are in the *boda boda* industry in SACCOS. You can imagine that they look like small SACCOS and they do not have proper financing to help them acquire *boda bodas* because the cost of *boda bodas* tends to be very expensive yet when they organize themselves in those small SACCOS, they are able to lend each other money and support one another to acquire one more, two more or three more *boda bodas* within their SACCOS.

Mr. Deputy Speaker, Sir, through the effort of colleagues in this Senate, we were in Migori County to assist the *boda boda* SACCOS of Migori. We raised Kshs12 million. In a place where in their SACCOS used to borrow from each other in their small constituencies Kshs50, we have now expanded that tenfold. They are going to borrow and lend one another, even up to Kshs50,000, which is enough to give as deposit and get a *boda boda* from Watu Credit, Mogo, Progressive and other financiers in the market.

The role of cooperatives as demonstrated by SACCOS cannot be understated. The Senate Majority Whip, Sen. (Dr.) Khalwale, has just spoken about how cooperative movements have changed the lives of farmers who are giving business sense in the milk industry in the mountain, where you come from, Mr. Deputy Speaker, Sir. You can see how this can transform the lives of our people. Unfortunately, the challenges of governance and mismanagement of SACCOS have constantly remained with cooperative movements. The mismanagement of those cooperatives is not just based on lack of proper leadership and vision to cooperatives. We have had cases where members sometimes lose their contributions in the cooperatives.

Mr. Deputy Speaker, Sir, it is not only the local cooperatives that are struggling. We have seen time without number, the larger governing bodies at the national level make it impossible for cooperatives to have a sustainable way of corporate governance. This issue can be made better with proper regulation, which does not only look at the national Government's role, but also the county governments' role. That is what this Bill seeks to address by giving life to Article 186 of the Constitution.

SACCOS always draw members from the local communities hence they end up not being vibrant in terms of business acumen compared to bigger companies or bigger businesses that have found footing in our economy. Those SACCOS and cooperatives tend to lack capacity and skills which would make them more business competitive.

This does not happen because of lack of exposure of members. It happens because of lack of avenues for incentives and support by the governance structure at a national level which is only keen on oversight but does not give support. From the proposal in this Bill, support can come when we have got a county body working together with a national body. That body will then give support to cooperatives in our communities.

We have traditional cooperatives in the milk, sugarcane and maize industry. However, they have not done very well. One of the biggest challenges we have with SACCOS is generational gap. There is no legal framework that requires proper transitions and engagement with generational change in SACCOS.

Mr. Deputy Speaker, Sir, you come from Central Kenya and a study of the milk cooperatives that are there will show you that most of the people in those cooperatives are elderly people. This is because it has been traditionally seen as a place of owners of capital: the people who own the land, animals and the factors of production that define the business in the locality. They are the ones who make it possible for those SACCOS to mushroom.

Young people are also not in the SACCOS because those jobs are not lucrative to them. Most young people do not want to venture in agriculture hence they cannot be members of those cooperatives. That generational gap can be very dangerous for our country if we do not give it life by this kind of legislation. Lack of a succession plan in the cooperatives means that the SACCOS are just avenues for subsistence business and not businesses that have got commercial viability that can compete at a national level and global stage.

There is an attempt by this Bill to solve some of these issues. The sections proposing that the counties work with the national level on governance will help solve some of the issues that make it difficult for us to build strong cooperatives. To some extent, those challenges have also gone to gender gaps. You have seen that a number of cooperatives in our villages tend to be male-dominated.

The reason for that is what I have just talked about. In most cases, they are small businesses that are not following the corporate structure of bigger businesses. Therefore, the owners of capital, who tend to be men in our communities, tend to dominate those SACCOS. We can solve those issues with proper legal framework being proposed by this Bill. The idea of solving weak legislations and leadership within the cooperatives will be enhanced by this particular Bill. If we pass this particular legislation, we will have SACCOS that have vision, proper mission and will run with proper business practices like those cooperatives in other countries.

I will say something now that I have talked about the national gap. Our country has done very well in terms of financial services. If you go to the United States of America or Europe, most people who have tried to do businesses there tend to depend on two things. First, they depend on proper line of credit from banks. The banking institutions are very big to the extent that daily expenses are found within a credit card. People then tend to depend on credit card for consumption, business enterprises and individual subsistence.

[The Deputy Speaker (Sen. Kathuri) left the Chair]

[The Temporary Speaker (Sen. Abdul Haji) in the Chair]

Secondly, Mr. Temporary Speaker, Sir, there is stronger investment in venture support. We have heard about venture investment and venture capitalists who identify a business then go ahead and invest in those businesses. We do not have strong venture capital environment in Kenya neither do we have strong venture businesses where people can place capital and support business in Kenya.

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Today, we do have a strong youth bulge in Kenya. A number of young people have left school and want to start small businesses. We have seen young ladies and young men, who have just left school, going to train on how to use the camera after which, they start a business. The best way to support them is to ensure that we do not put them in a perpetual state of politics. We should not radicalize our young people with the kind of language that I hear from the former deputy president. I have heard him call on young people to take arms and be violent. The best way to help the young people is to put them into cooperatives and support them. That will happen if this Bill passes in this House.

This is a very good Bill that we must support. I beg this House to ensure that the clauses on governance structure being proposed in this Bill in Part II and III of the Bill are amended. I wish the Senate Majority Leader was here. If people are to abide by the framework proposed here, why can we not talk about enabling the cooperatives to have a tax advantage? If that is done, the cooperatives can be exempted from some taxation and concessions, which can make it difficult for them to thrive when they have not made good money from the pooling resources by members.

We are devolving governance to the grass root level. I, therefore, feel that there is an opportunity for an amendment of this Bill to make sure that we can interrogate the cost of running cooperatives by lowering the transaction structures that membership must then be able to put. Some of the costs of registering cooperatives, which have long been housed at the national level, tend to cater for those facets. However, with this organization, we are now taking cooperative governance to the grassroots by integrating national and county government elements. If this framework passes, I believe there is an opportunity to reduce transaction costs in SACCOs.

Cooperatives exist to build businesses that can then access the market. I will also be moving an amendment on the issue of market, in consultation with the Senate Majority Leader. If possible, we should rethink the market power of cooperatives. We must find a way to ensure that the products offered by the cooperatives we are supporting through this Bill do not suffer the harmful effects of market dominance by more established businesses.

What do I mean by this? We have seen instances where laws passed in these Houses of Parliament in the past, where cooperatives in the milk industry have faced challenges from monopolies that impose ridiculous standards on the type of milk or the equipment required to bring their products to the market. These standards disadvantage grassroots cooperatives. These are three areas that I believe, if addressed through amendments, will ensure that the cooperatives covered by this legal framework are properly supported and effectively managed. This framework, encompassing both counties and the national government, will play a crucial role in democratizing the governance of cooperatives.

Mr. Temporary Speaker, Sir, allow me to conclude by stating my support for this Bill put forward by the Senate Majority Leader. I look forward to its role in strengthening cooperatives within our borders and ensuring a proper environment for business sustainability.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Samson Cherarkey, proceed.

Sen. Cherarkey: Thank you, Mr. Temporary Speaker, Sir, for this opportunity. Allow me to make a few comments on the Cooperatives Bill (National Assembly Bill No.7 of 2024). This is significant, as cooperatives are devolved. I expected this Bill to originate from the Senate. However, as long as we are moving in the same direction, that is accepted. I also hope that in the future, we will ensure the fast-tracking of both the National Assembly and Senate Bills.

The cooperative movement in this country originated in 1908 with the formation of dairy sectors by white settlers. In Africa, it is referred as “*harambee*”, “*ujamaa*” and in some cases, coming together to pool resources. Many of us are able to make even small investments because of the cooperative societies we run.

I speak as a former Vice Chairperson of the Parliamentary SACCO and also as a Director of the Parliamentary SACCO or PACOSO, as it is commonly called. From the way Members have spoken, I can affirm that the support of SACCOs in this country is critical. Even as Members of Parliament (MPs), we have our own SACCOs, including Bunge SACCO.

There are other SACCOs such as Police and Teachers’ SACCOs. Cooperatives assists many of the investments we see, including ownership of small ventures. Even some of the small projects we undertake are made possible through SACCOs. This means we must pool resources.

Speaking as a farmer, the cooperative movement must be revived. I am happy that the current Cabinet Secretary for Cooperatives, Micro, Small and Medium Enterprises is Hon. Wycliffe Ambetsa Oparanya, he should push to ensure we have more resources to revive and establish most cooperative societies. We come from a farming community, where we need these cooperatives to provide farmers with opportunities. This will ensure that they have access to the support they need.

When you examine this Bill, you will notice that it attempts to address key issues such as registration, regulation, supervision, standardization and even the liquidation process of most cooperative societies. However, cooperative societies in this country face many challenges. I fully agree that we must prevent them from collapsing due to poor leadership, weak governance, and corruption, which continues to hinder progress.

Look at the coffee and dairy sector, what led to the downfall of the Kenya Cooperative Creameries (KCC)? What happened to the coffee cooperatives? What caused the collapse of most cooperatives? We now have *boda boda* and *matatu* Saccos. In Nandi County, we have a number of *boda boda* Saccos emerging. We also have dairy cooperatives such as Lelchego, Tanki, and Kabiye Dairies. There are number of cooperatives, such as Ipsile Coffee Cooperative, Kabunyeria Farmers cooperatives, among others in Taunet and Aldai. Therefore, as we move forward as a country, we must pool resources together for the benefit of all.

Mr. Temporary Speaker, you may recall that this morning during the talkshow on *Citizen Television* addressing the state of the nation, I emphasized that we must uphold discipline as a country. Indiscipline, corruption, bad governance and unethical behavior

should not be allowed to thrive in our nation. Whether one is an activist or a director of a cooperative society, these principles remain critical.

I had stated that one of the activists would resurface today, and indeed, they have. I was very right to state that bad behavior should not be exported to our neighboring countries like Tanzania, Uganda, and others. In fact, I want to challenge Gen. Muhoozi Kainerugaba, the Chief of Defence Forces of Uganda and H.E. President Yoweri Museveni to remain vigilant against activists who have normalized indiscipline and seek to export it beyond our borders. We must ensure that such negative behaviors do not infiltrate the cooperative movement in this country. These are important lessons we must carry forward into the future.

Secondly, we have the Cooperative University of Kenya (CUK), which I saw the President visit. I have read the Bill, I am not sure whether the senior counsel has reviewed it. One of the essence of this Bill is to facilitate education, training, information dissemination and capacity development for cooperative directors and Chief Executive Officers (CEOs). These are the people who will manage these cooperative societies, including certification and accreditation.

If we are to succeed, we must ensure that the Cooperative University of Kenya is anchored in this Bill. This will establish a standardized approach to accreditation. Without uniform training for cooperative directors across the country, we risk lacking a standardized framework.

This moment in history presents an opportunity. I intend to bring an amendment to incorporate the Cooperative University of Kenya as a designated training and capacity development center for cooperative directors and CEOs. We must also ensure that this institution contributes to cooperative governance, which must be considered seriously. I want to emphasize that we must anchor the Cooperative University of Kenya as a key institution responsible for accreditation, standardization, training, capacity building and research. I will bring an amendment to ensure these critical elements are incorporated. This is one of the few universities in the country dedicated to cooperative studies. We must strengthen its role in training.

As we look toward the future, let us also focus on specialization in our universities. I recall that JKUAT was intended to specialize in agricultural training, alongside Egerton University. We need to ensure--- You know universities are going under.

Sen. Omogeni, many have challenged the University Funding Model. The reason most universities are struggling is because of underfunding. The President proposed a University Funding Model aimed to revive most of these universities.

Mr. Temporary Speaker, Sir, I do not agree with what the management of Moi University did a few days ago. They sacked more than 800 staff. I am an alma mater of Moi University School of Law. What is happening in Moi University is unfortunate.

How can the management sack more than 800 people who have dependents and families after they have worked for the university for the past 15 to 20 years? Moi University used to have Moi University Savings and Credit Cooperative Society

(MUSCO), where most lecturers and non-academic staff were members and they used it to acquire little investments.

I want to challenge the Ministry of Education and the Ministry of Labour and Social Protection. The Senate of Moi University should revoke the sacking of more than 800 workers. How do you fire somebody who has been there for more than 15 years without gratuity? It is the same principle that we are saying that the Universal Health Coverage (UHC) workers should not be fired.

I told the Cabinet Secretary for Health that he should not sack or transfer UHC workers without proper terms of service including gratuity. That is the only least we can do. We must be careful and at the same time grateful in this country. The UHC workers helped us to confront an animal called COVID-19 when most of us had gone into hiding. At that time, the Senate and the National Assembly used to have virtual sittings. We used to hide in our homes because we wanted to keep social distance. The only people who came out and fought without a bullet and gun were UHC workers. How do we reward them?

I was saddened when I saw them spending the night at KenCom House and Afya Centre. I want to appeal to the Council of Governors (CoG) and the Ministry of Health to guide President William Ruto. I know he is a man with a big heart. He should intervene on this issue of UHC workers, so that they are confirmed on permanent and pensionable terms. If not, they should be paid gratuity.

I am saying that because most of these organisations are members of co-operative societies, including the police and teachers. Mwalimu National SACCO Society Limited had challenges. Yesterday, Members of the Committee on Education demanded that teachers should have a medical cover.

My mother was a primary school teacher. It is courtesy of the SACCO that yours truly and the future president of this Republic was able to go to school. The meagre salary that my mother used to earn as a primary school teacher could not have taken me to Kapsabet High School if it were not because of the teachers SACCO.

I would not be standing here if it were not for that. That is how I went to Kapsabet High School and later joined Moi University School of Law, courtesy of the teachers SACCO. I am a proud son of a primary school teacher because my mother taught for many years. She also taught me.

The reason I am saying that I am the future president is because Kapsabet High School has produced two presidents. We had President Moi and now we have Dr. William Ruto. When I see a bird that walks, swims and quacks like a duck, I call that bird a duck. I went to a school where presidents are being manufactured.

The point I am trying to make is that SACCOs have assisted all of us. That is why when I heard about this Bill, it is something personal because it is out of a co-operative that yours truly, who is also a Senator in the Republic of Kenya, elected by the great people of Nandi---

Mr. Temporary Speaker, Sir, I want to dissuade governors. When a Senator questions--- Any Senator in this House, including you, can question anything about Nandi. The Senator for Nyamira can question anything about Nairobi. The Senator for

Vihiga can also oversight--- I am happy with the speech he made in Garissa during Garissa Cultural Festival.

Colleagues, in future, as a sign of protest, we should not attend such events because that one consumed Kshs40 million. I know he was sent as the Deputy Party Leader of the Orange Democratic Movement (ODM). He was there courtesy of the former Prime Minister, Rt. Hon. Raila Odinga. Therefore, it is understandable. I am happy that he said that the Governor must answer such questions when he appears before the Senate. We need to tell governors that the work of the Senate is to oversight all the 47 counties.

Yesterday, I said that there are 17 stalled projects in Garissa County worth Kshs504 million. He should complete them. I asked what their priority is. Is it the cultural festival that cost Kshs40 million or 56 kilometres of the water pipeline?

Sen. Omogeni, can you imagine that there is no water in Garissa Township where Tana River passes? That is very unfortunate! Just to inform you, Sen. Omogeni, that 56 kilometre is called Baraki-Masalani Water Pipeline in Lagdera Sub-County, which has consumed Kshs219.8 million. I am informing you just for your record so that as you canvass some of these issues, you are able---

Thirdly, Mr. Temporary Speaker, Sir, is the establishment of the Office of the Commissioner for Co-operatives Development. I agree with that so that we have centralized engagement in terms of co-operatives. I am also happy that we have included Public-Private Partnerships (PPPs). That should be one of the functions of the Commissioner, so that we have centralized engagements.

I know that we have partners in the name of donors who give us conditional funds and grants. Let them engage through the PPPs. For example, Denmark is biased towards dairy farming. They should be allowed to partner, for example, with farmers in Nandi.

I am sad because the current Governor of Nandi, hon. Sang, who has turned the source of champions into the source of corruption, started constructing Nandi Co-operative Creameries (NCC). Can you believe that he has used almost Kshs1 billion, yet they have not even packaged a half a litre of milk? Construction of a normal factory should consume about Kshs350 million. It is unfortunate that as I speak, the farmers of Nandi have not gotten value for money.

There are many, is it white or yellow, elephants in Nandi. The NCC in Kibiyet has consumed almost Kshs1 billion, yet they did not even buy land. When you go to mother and baby unit in Kapsabet County Referral Hospital, that project has stalled.

Construction of Governor's Office Block has also stalled. Kobujoi Hospital Project, which is a stone throw away from Governor Sang's home – God forbid if he gets a medical emergency – has stalled but it has consumed almost Kshs100 million. The same case applies to Chepterwai and Kapsengere dispensaries. It is unfortunate. I am saying this because the issue of PPPs can also apply to coffee and avocado sectors.

Mr. Temporary Speaker, Sir, your governor has proposed a project to deal with farmers. That project needs funding. We need co-operatives to fund such projects. That will be the work of the County Director for Co-operatives. I am happy that there will be an intergovernmental engagement so that there is a relationship between the

Commissioner for Co-operatives Development based in Nairobi and 47 county directors for co-operatives, so that we do not undermine anyone.

The biggest threat to devolution are claw-back clauses. This legislation by the National Assembly wants to claw back some of the devolved functions like health and co-operatives. We need to be very careful as a Senate.

The price of democracy is eternal vigilance. Therefore, we must be vigilant. There is a saying that when one's goat goes missing, the aroma of the neighbour's soup becomes suspicious. We should be careful about what the National Assembly wants to achieve because they are slowly taking functions of the counties and transferring them back.

They are telling us that the National Government-Constituencies Development Fund (NG-CDF) has done much more than the counties. They say that before you kill a dog, you give it a bad name. There is corruption everywhere.

I want to challenge Members of the National Assembly. If they have balls of steel---

I am sorry, Mr. Temporary Speaker, Sir. If they have courage, they should oversight the work of the national Government. There is so much corruption everywhere. We should be calling the Ethics and Anti-Corruption Commission (EACC). I pity and empathize with Garissa County, because unfortunately, the Chief Executive Officer (CEO) of the EACC comes from Garissa County. I do not know whether he will be conflicted and whether he will take action against the County Government of Garissa. That is a story for another day.

The final point that I would like to make is on the structure of cooperatives. I am happy there are producer cooperatives that will encourage farmers. I have a farmer, Mr. Kosgei, who comes from Nandi Hills. They have their own tea factory. They have a building in Nandi Hills Town called Siret. Your dad was a Provincial Commission (PC). He knew Nandi well. We once went with him during my state of address at the Nandi County Assembly. They have a huge building, courtesy of Siret Outgrowers Empowerment Project (OEP). This is what we call producer cooperative. Sadly, the Government did not give them exception of Value Added Tax (VAT), yet these are small scale farmers. Let us avoid giving tax exemptions to who is who and, instead, give small farmers.

I am happy there are Savings and Credit Cooperative Societies (SACCOs). We must check out the ones giving credit. There is a famous Savings and Credit Cooperative Organization called Kenya Women Microfinance Bank. In fact, I would like to advise Senators, to be careful on the loans your wives take, because if they take from the Kenya Women Microfinance and do not pay, Kenya Women Microfinance Bank will come with police and take your sofa set, beddings, television and the house. There is hue and cry in villages in Nandi County because of the Kenya Women Microfinance Bank. Wives take loans and do not repay.

With those remarks, I beg to support. I will bring amendments at Committee of the Whole stage.

I thank you for the indulgence.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Senator.

Sen. Godfrey Osotsi, please proceed.

Sen. Osotsi: Thank you, Mr. Temporary Speaker, Sir, for giving me an opportunity to also make my valued comments on the Cooperatives Bill (National Assembly Bills No.7 of 2024).

The cooperative movement, as my colleagues have said, is a very important sector in our economy. If you look at the figures from the economy, you will realize the importance of cooperatives in our economy because 63 per cent of Kenyans depend on cooperatives. This means, more than half of the population of Kenya depends on cooperatives, either directly or indirectly, through members of the cooperative societies and their dependents, or through the programmes that they do in the society. I believe this number will likely go up as we continue to improve the status of cooperatives in the country.

Mr. Temporary Speaker, Sir, 45 per cent of our Gross Domestic Product (GDP) of Kenya is from cooperatives. This is huge, and therefore, it is a sector that is very significant to our economy. We are talking about an asset base for cooperative of Kshs1 trillion. This is nearly half of our national budget. This is a huge amount of money.

Mr. Temporary Speaker, 30 per cent of our national savings are coming from cooperatives. These figures clearly indicate that this sector is important in our economy.

The popular Session Paper No. 10 of 1965 that many of us have been referring to, talked about African socialism, where they were seeking to africanize the economy. One of the tools they used to Africanize the economy was through the cooperative movement. Even our forefathers had a very good vision of what cooperatives could do to our economy.

Mr. Temporary Speaker, Sir, having given a good picture of what cooperatives can do to our economy, including even having a loan portfolio of Kshs700 billion, the money that cooperatives have lent out to Kenyans, there are other issues that we need to look at.

Kenya has been ranked very highly in the cooperative movement, being ranked as the top country in Africa and among the top ten in the world. However, that ranking has been going down and something has to be done about it so that we maintain our position as a leader in the cooperative movement, not just in Africa but globally. That is retarding, it is going down. I am aware other countries are coming up very fast, especially West African countries which are coming up to claim their space.

One of the negative things that have happened in this country when it comes to cooperatives is the corruption and the stealing at the Kenya Union of Savings and Credit Cooperatives (KUSCCO). As we talk now, depositors are at risk of losing Kshs6 billion as a result of the stealing, looting and corruption at KUSCCO, which is the apex cooperative in Kenya, where, according to PricewaterhouseCoopers, Kshs6 billion is not accounted for because of irregular and illegal withdrawals, illegal cash transfers, illegal dividends and many other malpractices that happened.

What I fail to understand is that the report is there, but these people who have been involved in this fraud are still enjoying their ill-gotten wealth and the police are

dragging their feet. Many of the people who are victims of this fraud are teachers and civil servants who have lost their money in KUSCCO.

Even as we pass this Bill, we need to call out on the investigative agencies, the police, to arrest the culprits involved in the looting and stealing at KUSCCO. We cannot have a scenario where the apex cooperative in the country, which is supposed to be the key cog in the entire sector, becomes a target of thieves and looters, and very little is done to protect the funds that have been invested in this KUSCCO.

Even in KUSCO, they say that these people were stealing upwards of Kshs580 million annually in the last 10 years and yet, we have a regulator; SACCO Society Regulatory Authority (SASRA). Where was SASRA all these years, when all this was happening? Did they see it? Did they participate? Were they conspirators in this fraud?

I think a lot needs to be answered, not just by the KUSCCO directors, but also the regulator. What did the regulator do to safeguard Kenyans' investment in KUSCCO?

We have other secondary SACCOs which have suffered. Stima SACCO, Mhasibu SACCO and others have suffered. They have lost a lot of money in KUSCCO and the loss of this money means the SACCO members have also lost their money. We cannot grow the co-operative movement if there are no proper systems in place to manage the apex co-operative.

Mr. Temporary Speaker, Sir, having given that picture, I think this Bill will help us deal with the challenges as what we have seen in Kenya Union of Savings and Credit Co-operatives Limited (KUSCCO) and other SACCOs which have been mismanaged.

We have had many SACCOs in this country, which do not even give dividends, which when you apply for a loan, it will take ages for you to get your money. We are hoping that this scenario will end with this Bill because it gives the mandate to the Commissioner to regulate the co-operative.

This Bill seeks to promote the co-operative movement in this country. It also provides a mechanism for registration and supervision of co-operatives, and most importantly, their regulation.

What is not very clear to me when I go through this Bill is how that regulation of co-operatives at a global perspective is going to be aligned to regulation of savings and co-operative societies, the SACCOs, which are regulated by SASRA. So, who is going to do what when it comes to SACCOs? Is it the co-operative, the Commissioner of Cooperatives, or SASRA? I think that is where we are likely to have some conflict.

I think moving forward, this is a matter that we need to discuss, even as we go to the Committee of the Whole House, so that it is very clear who does what when it comes to regulation, because SACCOs are just a category of co-operatives.

Mr. Temporary Speaker, Sir, we are talking about intergovernmental relations, co-operative relations, where they are seeking to create a forum, which will be headed by the Office of Commissioner of Co-operatives. We will have all the 47 county directors of co-operatives, among other people. I think that is a very good forum of ensuring that we have constant and sustainable engagement and consultation and dispute management. That will help this country to manage the co-operative movement better.

This Bill also provides a very good framework for promoting good governance and ethical conduct in co-operatives. This is one of the measures to try and deal with the challenges that we have seen in the co-operative movement such as looting, stealing and corruption.

Most importantly, this Bill seeks to have a framework to ensure we have a sustainable and competitive co-operative sector in this country, which has been lacking over the years. It also provides a clear framework on how primary, secondary and even co-operative federations and apex co-operatives are going to interlink with each other. The primary co-operative has a minimum of 20 members, and the secondary has five on the minimum, who are from the primary co-operative. The federation has at least two secondary co-operatives, and then we have the apex.

That kind of structuring is important, because you saw KUSCCO was even performing, competing with the ordinary co-operatives in their function. I am happy that the new Cabinet Secretary for Cooperatives and Micro, Small and Medium Enterprises (MSMEs) Development has come out clearly to say that their role will be limited to advisory, training, capacity building and such. This should have been the case from the beginning.

Mr. Temporary Speaker, Sir, one important thing that cooperatives can contribute to this economy is in addressing the housing problem. Our Government has a housing plan which it is charging us in our payslips - the housing levy and many of us are not happy about it. How I wish the Government could put more effort in promoting housing cooperatives, so that people can invest with the purpose of borrowing to build or to own a house.

The scenario that we now have, of being deducted money and you do not know when you will own a house is a challenge. Let us develop housing cooperatives and empower them. Even the money that is being deducted from our payslips should go to a housing cooperative. Let it go and be managed there so that when I want a house, I will go there and borrow using the money that has been deducted from me and own a house.

The cooperative movement contributes to about 500,000 houses a year, which is 25 per cent of our requirement for housing. Why can the Government not invest in a housing cooperative? Maybe, when this Bill becomes law, it should be a matter they need to reflect on so that we have investment in a housing cooperative. The money that is being deducted from salaried Kenyans will now be directed to a housing cooperative so that people can access that money because, right now, we do not know how we are going to access our money.

Mr. Temporary Speaker, Sir, it is a tax. Let it be a fund which can be funded through cooperatives and then people can recoup back their money and participate in economic development.

I also join my colleague, Sen. (Dr.) Boni Khalwale, to say that the new Cabinet Secretary for Cooperatives and Micro, Small and Medium Enterprises (MSMEs) Development is doing a wonderful job. This sector had been forgotten. However, I see the kind of energy, hard work and attention from hon. Oparanya and it is unmeasured. These are the kind of Cabinet Secretaries we need in this country. We need Cabinet

Secretaries who will come to Parliament, answer questions properly and then go back to the office and deliver.

Mr. Temporary Speaker, Sir, sometimes I wonder why we call Cabinet Secretaries here. They come, answer our questions and we give feedback and yet, we never see any change happening. I know we are talking about cooperatives, but the Cabinet Secretary for Labour and Social Protection was in this House. I raised an issue about a lady who had been killed in Saudi Arabia. The Cabinet Secretary promised this House that he will give an answer in one week. It is now two months. I have written a letter to the Speaker and I have not received any feedback. Meanwhile, the family of this deceased person is suffering.

Mr. Temporary Speaker, Sir, we want Cabinet Secretaries who will deliver like Oparanya, Mbadi and others. That is why when we, as a Party, say we have taken experts to the Government, we see our experts working, led by Oparanya, Mbadi and others. We want to see our Cabinet Secretaries delivering in their respective dockets, so that the country can move forward in a better way.

Mr. Temporary Speaker, Sir, with those remarks, I would like to say that I have seen an amendment saying that directors of cooperatives will be allowed to vie for only two terms. I have seen contestation about that provision, where some people are saying that the provision should not be allowed because it is a democracy, let people vie as many times as they wish.

It is important that we have a time limit in the cooperative movement. With that, we will not have a scenario where one person serves as a director of a cooperative for too long. There are those who have been directors since my university days. I later started working and became a member of that cooperative and the guy was still there. Later on, I went into business and became a Member of Parliament and he was still there. I am now a Senator and the guy is still there. He has served for 30 years! I will not mention names, but if you walk around here, in the cooperatives around parliamentary precincts, you will find out how long some of those directors have been there. They have been there for many years.

They should borrow a leaf from our PACOSO and Bunge Sacco. We keep changing them after one or two terms. The issue of time limit is important. I know there is a lot of resistance, but I think it is important for us to have time limit to avoid a scenario where people are in office for life. We should have freshness and new ideas injected into the cooperative movement.

Mr. Temporary Speaker, Sir, with those few remarks, I support this Bill.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Senator.

Sen. Omogeni: Thank you, Mr. Temporary Speaker, Sir, for giving me an opportunity to also make my contribution to the Cooperatives Bill (National Assembly Bills No.7 of 2024).

This Bill was passed by the National Assembly on 3rd December, 2024. You can see how good-mannered the Senate is. When we receive Bills from the National Assembly and we know that they are beneficial to our people, we process them without

being mischievous and petty. We do not bring the rivalry of the two Houses into play. That is how it should be.

I am happy to speak after the inspirational address that was made to Senators today by the former Prime Minister, Hon. Raila Amolo Odinga. That speech was momentous because it reminded us of where we have come from and that we need to guard our democracy. This Bill demonstrates to our farmers that we want to give them the responsibility to manage their cooperatives. We want to see how they can lead their cooperatives and bring more income to the people that they lead, who can be farmers or traders.

I listened to the former Prime Minister today and was reminded that if we are not careful, we could easily drift to the KANU years of the years gone by. When we were in secondary school, a Member of Parliament from Central Kenya, Hon. Kihika Kimani, was expelled by the KANU. He was expelled because school children sang for President Moi, but put in a stanza that purported to praise Hon. Kihika Kimani.

When we were in Form Six, our history teacher told us a story of what befell Joseph Munyao, who was the Member of Parliament for Mbooni in 1989. President Moi visited Mbooni and he mentioned the name of hon. Munyao, who was then the Member of Parliament, but hon. Munyao made the mistake of not standing. The following day, the Okiki Amayo Committee summoned him and he was expelled by the close of business.

There is a story we were told about Samuel Poghio, who spent only four months in Parliament before being expelled. He was simply fighting for the rights of the Pokot, alongside the late Hon. Francis Lotodo.

Therefore, we must safeguard our democratic space. When we listen to experienced leaders like Rt. Hon. Raila Amolo Odinga, we are reminded that we serve a greater cause and must protect our democracy. The speeches we make here will be referenced by future generations.

He once recounted how he made a speech while moving a Motion, and all Members of the opposition walked out on him. However, he did not give up. He kept pushing and pushing. I am honoured to contribute to this Bill on a day when we had such an inspirational address from the former Prime Minister.

Where I come from, Nyamira County, farmers survive on the goodwill of cooperative societies. Our tea farmers, and I believe even my good friend and neighbour, the Senator for Kericho County, can attest to the immense contribution of the Chai SACCO to farmers, despite a few teething problems of management.

The coffee farmers in North Mugirango Constituency benefit from the Magwawa Cooperative Society, while those in West Mugirango Constituency are supported by the Nyamaiya Cooperative Society. In North Mugirango, Visembe Cooperative Society plays a vital role.

In Borabu, where I live, Borabu Cooperative Society was once vibrant. I remember, as a child, delivering milk and receiving payments through our cooperative society in Tinderet. Unfortunately, that vibrancy is fading.

I hope this Bill will rejuvenate cooperative societies, so that our farmers can organize themselves into groups with stronger bargaining power. Currently, the most

active cooperative society is Vision Point, led by a *mzee* I consider like a father, as he was my father's agemate. He has continued to provide leadership to local farmers. His name is Mzee Menge. Perhaps, Sen. Cheruiyot knows him.

Mzee Menge has been a dedicated farmer, always striving to inspire others. He played a crucial role when the Government delivered the cooler machine. He mobilized me to assist farmers in connecting power and water to support its functionality. His contributions have been instrumental in ensuring that farmers are well-organized and able to deliver their produce efficiently, making their lives easier.

Mr. Temporary Speaker, Sir, there are still many farmers at the mercy of middlemen. If you drive from Nairobi and pass Nyansiongo, you will find women hawking bananas and avocados at Ikonge Market and Keumbu. These are shared market between Kisii and Nyamira counties.

I hope the passage of this Bill will help organize these farmers so that cooperatives can facilitate bulk purchases, conduct market surveys, and improve market access. By aggregating their produce, farmers will gain stronger bargaining power and fairer prices.

Currently, middlemen from Nairobi buy our bananas and avocados at throwaway prices. I hope the passage of Bill will ensure direct benefits for farmers, ensuring they are not exploited by middlemen. We want to sell our bananas in bulk, so that the buyers can engage in value addition. This idea of buying one or two bananas from one farmer does not add value to the farmer because they sell at a throwaway price.

Farmers have faced many problems, including mismanagement of our co-operative societies. I am happy that this Bill has created serious offences. That includes barring or disqualifying some people from serving as members of co-operative societies.

You have heard the sorry state of mismanagement at KUSCCO Limited. I read in the newspapers that sometimes you can find one director of KUSCCO Limited disappearing with Kshs20 million, money that belongs to poor contributors. The problem with our criminal justice system is that you can steal from the poor and get away with it. In other jurisdictions, if you steal public money and the law catches up with you, you will be consigned to poverty forever.

Here, somebody can steal from poor Kenyans who have made contributions to our co-operative societies and the case drags forever. Finally, when a conviction is made, you are told that there is no evidence. When the case stays in court for too long, some witnesses end up disappearing. That is not the way our justice system should be.

I am happy that we have also created offences of misconduct or falsifying documents, so that we bring discipline to co-operative societies. I wonder when people complain that they do not want to serve for two terms. For many years, at the Law Society of Kenya (LSK), every new chairman used to be told to walk the story of George Washington.

When George Washington became the President of the United States of America (USA), there was no term limit. The 1789 Constitution did not have a term limit. However, George Washington said that there were many Americans who could bring

some ideas on how to lead the country because he was not the only one. So, he did two terms and left.

The one who followed did the same thing. It was like that until 1933 when Franklin Roosevelt decided to do four terms. Americans realising that there are people who would want to die in office, they amended the Constitution and created two terms.

You used to take leadership as the President of the LSK and you were told the road you walk is the road of George Washington. You do two terms and go. Why do people want to lead co-operative societies for eternity? There are many farmers who can provide leadership to our co-operative societies.

I am happy that the law is now clear, that before a co-operative society charges its property to a bank, there must be a special general meeting for members to authorise the officials to charge the property. I know of a co-operative in Simbauti that took a loan but they were unable to repay. That is land that could have been productive for farming. However, the land has been sold to repay the loan. So, it is important that members themselves pass a resolution to authorise board members of a co-operative society to borrow.

Mr. Temporary Speaker, Sir, I oppose Clause 16 that gives power to the CoG to pick a nominee. We passed many laws here giving powers to the CoG, but you find that the Chair of the day picks their friends or relatives to be representatives of the CoG. That was not the intention.

We must find a way. Let us be innovative. We can even say that in each county, the Office of the Senator should propose a person to sit in the selection panel. The Governor and area MPs should also send one person each, so that---

The Senate Majority Leader (Sen. Cheruiyot): Point of information.

The Temporary Speaker (Sen. Abdul Haji): Yes, Senate Majority Leader.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Temporary Speaker, Sir, I associate myself with the comments by Senior Counsel, Sen. Okongo. That is something that has troubled me for a while. However, you need to find comfort in the fact that we have now since enshrined the Council of Governors (CoG) in law, making it a body corporate. Perhaps, during the Committee of the Whole stage, we should add the words "through a competitive process". If we do that, then it will serve the purpose.

However, what he is raising is very important.

I thank you.

Sen. Omogeni: Thank you, for informing me. That will be a good middle ground, if we say 'through a competitive process,' so that an advert is placed in the newspapers, Kenyans apply, and the one who is most qualified is offered the opportunity.

Section 12 provides for the County Public Service Board to employ a number of technical officers that it may deem fit. Sen. Cheruiyot, you know the problems that we have with employment in our counties. Currently, in my county, 62 per cent of the revenue that they get goes to employment. We need to find a way. Perhaps, we need to limit the number of staff. For instance, in the Judiciary, we have a limit of how many judges the Judicial Service Commission (JSC) can employ. The Constitution is prescriptive. You cannot have more than nine judges of the Supreme Court. Is it nine or

seven? We need to do something. If you put this blank cheque, the moment we enact this law, counties will employ even up to 300 people.

All the money that we were fighting today to go to counties will still be consumed by salaries at our counties. So, we need to be careful with this power that we are giving to the County Public Service Board in Clause 12. Otherwise, Sen. Cheruiyot, the moment you enact this law, your governor will employ even up to 400 people because they want to employ their relatives, supporters and as somebody said, even their girlfriends.

With regard to Article 124, we cannot say that the JSC will pick members of the Tribunal from nominees of the Cabinet Secretary. The correct language should be that, "The Judicial Service Commission, through a competitive process, will pick members of the Cooperative Tribunal." This is because, if you give that power to a Cabinet Secretary, it means the process will not be competitive.

Finally, as I wind up, the animal in Article 153 called "the Cooperative Development Fund, which shall be money paid by cooperative societies as the Minister may direct." I always try to defend farmers. If the Cabinet Secretary wakes up and says each cooperative society will make a certain percentage of contribution to this Fund, it means that instead of helping our cooperatives, we will still be giving with the right hand and taking with the left.

I propose that we find a way that, we can collect this levy, but without punishing the farmer. The person I want to fight for is the farmer. Let us not pass laws that are going to add more pain to the farmer or that will take from the pockets of the farmer. I hope that at the Committee of the Whole stage we can find a way of creating a Fund that does not punish the farmer.

Otherwise, Mr. Temporary Speaker, Sir, by and large, I welcome this Bill. I also congratulate the work of Cabinet Secretary (CS) Oparanya. I have invited him to visit my coffee farmers in Nyamira County, who are in cooperatives. I hope he will find time to be in Nyamira County. We were with him in Uasin Gishu County, together with Sen. Cherarkey, and we commended him. We told him he is doing a good job, and encouraged him to continue doing the good work on behalf of the Government of the day. That is what we need---

(Sen. Omogeni's microphone was switched off)

The Temporary Speaker (Sen. Abdul Haji): Thank you, Senator.

Sen. Olekina, please, proceed.

Sen. Olekina: Thank you, Mr. Temporary Speaker, Sir. I rise to make some brief comments on this very important Bill; the Cooperatives Bill of 2024.

These three distinguished Senators who are here were with me in the last Parliament when we passed one piece of legislation, which I was always praying that it would be implemented; the Warehouse Receipt System Bill.

We are poor because we are not able to coordinate and make sure that we take care of our produce. When I saw this Cooperatives Bill today, I decided to come and make some contribution, which will at least guide the debate on this Bill. Sometimes I

think we over legislate and we are in the business of creating offices for certain individuals.

One of the biggest problems that I have with this piece of legislation is the establishment of the director of cooperatives at the national level. There is establishment of a director of cooperative at the county level.

I have had a very negative experience on the issue of cooperatives. The process is selective and it is predetermined. Once you become selective in the process of registering a cooperative society, you predetermine how even the bylaws should be drafted and that is a recipe for disaster.

If we had fully implemented the Warehouse Receipt System Act, today, the farmers in Narok County would not be using empty fields to dry their wheat. They would send money into county governments, set up warehouses, set up silos and driers so that the moisture content in wheat can be one that millers can come and buy and farmers can benefit.

Today, when we come here with a very long Bill - I am still reading it; it has about 284 pages long. My only conclusion is that we are going the wrong direction. We are over legislating. We talk about devolution. Agriculture is devolved. By and large, when we interrogate this Bill, it talks about produce; how people can come together, work together to be able to produce.

Today, we have a Cabinet Secretary in charge of cooperatives, but this Bill wants to set up a director of cooperatives at the national level. Then what is the job of that Cabinet Secretary, if we have a director at the national level? Agriculture is devolved, health is devolved, but we are still clawing back on devolution.

When it comes to the Committee of the Whole, of this Bill, we must scrutinize and go through it with a toothpick to ensure that, firstly, we do not over legislate; secondly, we do not create offices for particular individuals who will be living large, collecting money from farmers or members of a cooperative, drive big SUVs and live in Karen, yet the farmers themselves struggle in terms of developing and storing their produce. Then once they sell, these directors come and say, we want our levy.

I have always had a problem with the Kenya Dairy Board because I think it is completely misplaced.

It does not understand the challenges that farmers go through; the adulteration of the milk in this country or the challenges that women in our counties face when they do not have a proper call chain. I wish the Kenya Dairy Board was investing heavily in developing a good call chain, so that when farmers milk, they take it directly to the call chain without going through brokers.

We must stop over legislating. I wish this Bill was talking about a process where the Government will invest in the farmers by giving them subsidies setting up cooperatives for free.

Mr. Temporary Speaker, Sir, I even spoke to the Cabinet secretary. I was trying to register a cooperative in Narok, but was taken rounds in circles. I just ended up registering a limited liability company and said that based on how I work with the farmers, I could give shares.

Sometimes it is a bit frustrating. We need to sit with the county governments. I would support the proposal of setting up a county and not the national director of cooperatives. Let the Cabinet Secretary deal with issues of cooperatives.

When we go down to the county level, a County Executive Committee Member (CECM) in charge of agriculture can then appoint a director of cooperatives. The CECM or CEO in charge of cooperatives ensures that every county budgets for money that is supposed to build these cooperative movements.

Mr. Temporary Speaker, Sir, about 10 years ago, I travelled to Brazil to study the cooperatives system there. I was mesmerized. That is why when we came to debate the warehouse Receipt Bill, which is now an Act, at least everything was making sense to me.

Cooperative movements in countries such as Brazil have their own community banks. Farmers have their own warehouses where they bring their produce. It is a cooperative where they have their membership. It is not a matter of a big but rather a small government.

This case seems to be misadvised in terms of where we want the Government to be in every little pocket. A big government is not going to help us. Creating a job for a nationwide director of cooperatives is not going to help us. The first things should be to ask county governments to set up cooperatives movements.

In Narok county, we have six constituencies. We know what does well in Emurua Dikirr, Kilgoris, Narok South, Narok West, Narok East and Narok North.

Before coming here, I had a meeting with gentlemen from Narok North. Of course, they were disgruntled because of land issues. Some of them were left out when Mau Forest was being surveyed and still have a genuine case. These are farmers who grow wheat and barley. The most important thing is to bring them together and make sure they have good silos to store their produce and good driers, so that they will not be selling to brokers who then come and turn part of Narok Central into a drying field.

There is a place called Emashariani two kilometers before one gets into Narok Town. There are makeshift silos, but people do not even use them because of the moisture content. You will then see a field which is about 20 acres. During the harvesting season, that field will be littered with grain.

Down about a kilometer away, there is the Kenya Cereals and Produce Board. People come individually and dry their wheat there. Once the wheat moisture content has reduced, they now take it to the silos for the millers to buy. We need to do things differently and not only come up with such a huge Bill, but develop legislation that can encourage a small government rather than a big government. We need to come up with legislation that will ensure that it creates wealth rather than overburden farmers.

Mr. Temporary Speaker, Sir, when the Kenya Dairy Board today is saying that you need to pay this levy. Tomorrow, with the passage of this Bill, the co-operative members will have to pay money. Why? We are being overtaxed on a daily basis.

For me, the four-tier structure of these co-operatives is a lot of bureaucracy for nothing. Why do you have to create four tiers? It is like the other piece of legislation we were discussing here the other day, the Coffee Bill. It now requires that a buyer be

licensed, a seller be licensed and a broker be licensed. You are stifling innovation. We therefore need to be cognizant of the fact that we are living at a time when artificial intelligence is guiding the future.

Tomorrow, I will be meeting students who we are sponsoring to study agribusiness. Co-operatives is one of the subjects that we are going to be discussing. However, if tomorrow I have to sit down and tell them that we have a Bill that is proposing to have a four-tier structure for co-operative movements; I am sure most of them will be like, for what? If we had a database of how many co-operatives we have in this country, for instance, in Narok County, we would say we have 20 co-operative movements.

Co-operative number one is for wheat farmers. Co-operative number two is for dairy farmers. Co-operative number three; tea farmers. Co-operative number four, livestock farmers. Then the next question we ask would be; how much are we supporting these co-operatives?

Mr. Temporary Speaker, Sir, we had the Cabinet Secretary here the other day in charge of Gender, Culture, the Arts and Heritage. The subject of the day was the issue of women enterprise fund. If there is a way we can make sure that for any piece of legislation we develop, we tie in all these Government resources. There is a lot of money in the Ministry of Agriculture and Livestock Development today.

When the Government wants to give coolers, they use the Ministry of Agriculture and Livestock Development. Can we find a way, similar to the way the disaster management office used to work; where it was coordinating services from each and every Ministry, so that when disasters strike, there is support from the Ministry of Gender, Culture, the Arts and Heritage, the Ministry of Lands, Housing and Urban Development and the Ministry of Local Government then?

If you are telling me that being a member of a co-operative gives you priority and that becomes your security or collateral, when you are applying for a loan from the Women Enterprise Fund, I will be the first one to clap and say that is progressive; that is building and creating wealth. However, there is no nexus between this piece of legislation and the other piece of legislation; this department and the other department.

We have heard of this notion and the Cabinet Secretary said it here; that it is an all-government approach. Meaning as the Cabinet Secretary in charge of Interior and National Administration or as a Cabinet Secretary in charge of Agriculture and Livestock Development, if you go to a place, you should be in a position to respond to the issues being raised by that community or by those citizens.

Mr. Temporary Speaker, Sir, any piece of legislation that we draft now should not be the one that continues creating jobs for people but it should be for making things to happen. We need to be clear now that we are no longer in a unitary state of governance. We are in a devolved state of governance that does not require everything to be coordinated by the Cabinet Secretary.

I will give an example of the United States of America. They have school districts. I lived in Massachusetts, and Concord has its own school district. They get support from the federal government, state government and the local government. We

seem to be completely confused from the way we are moving ahead. It is like the national Government always wants to have control.

I wish my colleagues in the National Assembly would take time to read the pieces of legislation that they propose. Once you read through these pieces of legislation, you can tell that we are in a different era. We are no longer at a time when everything has to be controlled from a central level. Let us devolve everything. Agriculture, which is the backbone of this economy, is devolved.

Mr. Temporary Speaker, Sir, time is up, though I wish I could speak on this. I will seek your eye during the Committee of the Whole of this Bill for me to try and make sense out of it. It will be the first Bill for me to do so.

With those few remarks, I will allow the Senate Majority Leader to make his remarks.

The Temporary Speaker (Sen. Abdul Haji): Thank you very much, Senator. I call upon the Mover to reply.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Temporary Speaker, Sir, for indulging me.

I seek your permission, under Standing Order No.1, that you allow us to extend by 15 minutes. I will reply in three minutes and conclude. I will not use the entire 15 minutes, if you can permit. You can even give us an extra five minutes, so that I do not rush.

The Temporary Speaker (Sen. Abdul Haji): Very well. I will extend the sitting for not more than 15 minutes.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Temporary Speaker, Sir. I will not use more than five minutes.

I want to respond to some of the things that my colleague, Sen. Olekina, has said, so I need time. I can tell when someone has read a Bill and when one just walks in, picks a Bill and wants to comment on it. Sen. Olekina has said many useful things on how we can enrich this Bill. I agree with him and it is something we must do.

Had he been in the House earlier, he would know the urgency with which we want to bring sanity to this space. He would have listened to the things our colleagues said about the challenges in the cooperative space and the need to address governance and legacy issues spontaneously. I know he follows news in this country, hence he knows about the Kenya Union of Savings and Credit Co-operatives (KUSCCO) Scandal. That scandal was enabled by weak legislation that exists.

We are now amending statutory instruments. It has been 15 years since the promulgation of the new Constitution, yet we do not have a law governing the cooperatives movement. That is why people, including people in your county, Narok County, fear touching cooperatives despite their great potential. This is because they know that there is no guarantee of safety of those returns the minute we have more than 10, 50 or 100 people.

We must tighten that particular space for us to go back to 1980s and 1990s. During those days, people used to gather at the KICC during the annual cooperatives day and leading cooperatives across the country, would be commended and rewarded for

exceptional performance during the financial year. That is what we are seeking to achieve.

When I was moving this Bill, I mentioned that it is voluminous because it is a combination of industry stakeholder views that has been collected for the last 15 years. This is the third time this Bill is coming to Parliament. We tried it in the 11th Parliament but it died in the National Assembly. If you recall, we began this Bill in the Senate in the last Parliament. However, as is the tradition, it died a natural death when it got to the National Assembly.

This time, we are lucky because it is their Bill. The Senate is the ‘upper’ House. We are not the ‘upper’ House because we need powers or anything. We are the ‘upper’ House because we know that there are things that are not worth fighting for. We do not look at who commenced a Bill. If a Bill is good, we should separate on it. I, therefore, urge Sen. Ledama to take the weekend to improve this Bill by reviewing it page by page. It contains many important proposals, which I have already examined step by step in my moving notes.

I heard Sen. Ledama’s point regarding the necessity of a national director for cooperatives. This role is crucial as it serves as the registrar of all cooperatives. While we have established county-level registrars, we must consider that some SACCOs and cooperatives operate across multiple counties.

Take Imarisha SACCO as an example. It operates in Kericho, Narok and Bomet counties. If it were solely managed by a county registrar, how would issues arising in neighbouring counties be addressed?

This demonstrates the need for coordination at the national level, and not under a Cabinet Secretary. This is because a Cabinet Secretary is the head of policy formulation. However, for day-to-day operations and management, a designated official at that level is necessary.

Therefore, our colleagues have good reason to take time before concluding this matter. We still have ample time to finalize the work. I am aware that the Standing Committee on Labour and Social Welfare tabled their report last week. I urge Members to read it thoroughly and appreciate the insights shared by stakeholders, particularly why they consider this matter to be of urgent importance.

Sen. Ledama, I encourage you to carefully review the report from the Standing Committee on Labour and Social Welfare paying special attention to the memorandum submitted by the SACCO Societies Regulatory Authority (SASRA) regarding the challenges in this space. More importantly, beyond the challenges, we must consider the opportunity costs we are missing as a country by not regulating our SACCOs properly. If we get this right, we may not even need the many banks currently operating, as SACCOs are increasingly competing with them.

Many banks focus on buying and selling Government securities rather than lending to ordinary citizens. If SACCOs are strengthened and properly regulated, they could provide better financial access to the people, driving economic growth from the grassroots level. A stronger SACCO, Sen. Ledama---

The beauty of the SACCOs is that they provide financial support directly to the people we represent in this House. Very few of those who vote for me rely on commercial banks for loans; perhaps hardly 10 per cent. However, more than 90 per cent are members of a SACCO, where they save and access credit. Therefore, as representatives of the people, it is in our best interest to ensure that SACCOs are properly regulated and guided to expand their services and impact.

Since we are at the Second Reading stage and we have agreed--- I have listened to the comments made by Sen. Omogeni. He has proposed certain amendments to this Bill. I am sure that after Sen. Ledama has read the Bill thoroughly, he will compile additional recommendations.

I also heard Sen. Cherarkey's remarks regarding the regulations needed to strengthen the SACCO movement in this country. This kind of investment and innovative thinking is precisely what built the so-called Asian Tigers. They ensured that they moved beyond the call of duty.

Mr. Temporary Speaker, earlier, I expressed my disappointment with the former Chair of the Committee on Finance and Budget in the National Assembly over statements made about the National Social Security Fund (NSSF). He claimed that the NSSF's role is to seek what he theoretically referred to as 'optimal investments', without properly defining what those optimal investments are.

For the past six years, NSSF has largely been occupied with paving roads with cabro blocks and constructing estates in this country. Meanwhile, if you look at the Nairobi Securities Exchange (NSE), it thrives on pension funds from across the world. Investors are actively seeking opportunities here, including the largest shareholders in Safaricom and East African Breweries Limited (EABL), among other companies.

When our pension fund explores creative investments, we, as leaders, must not spread fear. Some claim people's money is at risk simply because NSSF wants to partner with other investors. Take the Mau Summit-Rironi Road, for example. This is a viable investment opportunity. I had also pointed out the Nairobi Expressway.

Is the Member not aware that the company that runs the Expressway borrowed from savings of people in their home country to come and invest in such a project and recoup the money over the years? Have they heard if the entity has collapsed? In fact, there is more business than they can afford. That is why there is traffic nowadays even on the Expressway, especially during rush hours because many people are using it. That tells you that there is an opportunity.

We should not allow that as leaders. Instead of being leaders in hope, we become agents of gloom and hopelessness simply because we have fallen out of political favour. We must resist that kind of political culture and encourage our institutions to be bold. That is what we expect of the National Social Security Fund (NSSF) and SACCOs to be investors as well.

Sen. Olekina, it will be good that after we have regulated our own SACCOs properly, they invest in the Nairobi Securities Exchange (NSE). People from Ilmotiok, Ololulunga and other parts of Narok; young men who can organise themselves, young

people who do business, *boda boda* riders, and *mama mboga* should be trained on how to harness investment opportunities that are available.

That Member needs to know that Kenya is a wealthy country. Even the offices of the NSSF equivalent of Tanzania are in Upper Hill, just next to us here. They are trying to seek investment opportunity in Kenya, but we are telling our own NSSF not to seek opportunities within our own country. We have to be bold and courageous. We should not be leaders who misinform our people.

I had promised not to take more than five minutes and I can see I have already done that. That was just a comment with regards to opportunities that are available especially to ordinary citizens; those who flood our SACCOs given that this Bill is in honour of them.

Mr. Temporary Speaker, Sir, with those many remarks, I beg to reply. Pursuant to Standing Order No.66(3), I request that you defer the putting of the question until a later date.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Hon. Senators, the putting of the question is thus deferred. I appoint Tuesday, 27th May, 2025, as the day when the question will be put.

(Putting of the question on the Bill deferred)

ADJOURNMENT

The Temporary Speaker (Sen. Abdul Haji): Hon. Senators, it is now 6.37 p.m. Having concluded the business for which I extended the hours of sitting, pursuant to Standing Order No.34(2A), the Senate stands adjourned until next week Tuesday, 27th May, 2025, at 2.30 p.m.

The Senate rose at 6.37 p.m.