

# **COUNTY GOVERNMENT OF BUNGOMA**

## **COUNTY ASSEMBLY OF BUNGOMA**

### **COUNTY ASSEMBLY DEBATES**

#### **THE DAILY HANSARD**

**WEDNESDAY, 23<sup>RD</sup> APRIL, 2025**

**Morning Sitting**



# COUNTY ASSEMBLY OF BUNGOMA

## THE DAILY HANSARD

WEDNESDAY, 23<sup>RD</sup> APRIL, 2025

The House met at the County Assembly Chamber at 9:30 a.m.

(Mr. Deputy Speaker [Hon. Stephen Wamalwa] in the Chair)

### PRAYER

### MOTION

#### REPORT BY THE COMMITTEE OF AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVE DEVELOPMENT ON THE STATUS OF SACCO'S IN THE COUNTY UNDER NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

**Mr. Deputy Speaker:** The Chairperson of Agriculture Committee, I can see the Hon. Bernard Kikechi member for Mbakalo, can you confirm whether you are moving the report or not.

Order members! Let Hon. Bernard Kikechi confirm.

*(Loud consultations)*

**Hon. Bernard Kikechi:** Thank you, Hon. Speaker. I am here to move a report by the Committee of Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development on the Status of SACCO's in the County under National Agricultural Value Chain Development Project (NAVCDP).

Allow me skip the mandate of the committee because it is well stipulated.

#### Committee Membership

The Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development as currently constituted comprises the following Members:

- |                           |                |
|---------------------------|----------------|
| 1. Hon. Wafula Waiti      | Chairperson    |
| 2. Hon. Idd Owongo        | V. Chairperson |
| 3. Hon. Busolo Sudi       | Member         |
| 4. Hon. Everlyne Mutiembu | Member         |
| 5. Hon. Meshack Simiyu    | Member         |
| 6. Hon. Anthony Luseneka  | Member         |

7. Hon. Simotwo Franklin	Member
8. Hon. Jerusa Aleu	Member
9. Hon. Alfred Mukhanya	Member
10. Hon. Caleb Wanjala	Member
11. Hon. Edwin Opwora	Member
12. Hon. George Tendet	Member
13. Hon. Bernard Kikechi	Member
14. Hon. Martin Chemorion	Member
15. Hon. Everton Nganga	Member

### **Acknowledgement**

The committee appreciates the offices of the Speaker and the Clerk to the County Assembly for the logistical support accorded to it during the exercise. The Committee further appreciates members of the committee and the secretariat for their input and valuable contributions and dedication during the entire exercise.

It is therefore my pleasant duty and privilege, on behalf of the Sectoral Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development to present this report on the Status of SACCOs under NAVCDP before this honorable House for deliberation and adoption.

Report signed by Hon. Wafula Waiti Chairperson, Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development

One of the key initiatives aimed at supporting the agricultural sector and enhancing the capacity of cooperative societies is the National Agricultural Value Chain Development Program (NAVCDP). This program, funded by the national government and various development partners, seeks to improve the productivity, profitability, and sustainability of agricultural value chains across all wards in the county.

A significant component of the NAVCDP involves providing financial support to SACCOs that demonstrate strong governance, financial health, and a commitment to advancing agricultural value chains.

However, concerns have been raised regarding the performance and governance of some SACCOs within the county. Issues such as mismanagement, lack of transparency, and poor financial oversight have been identified as major challenges that could undermine the potential benefits of these SACCOs. Additionally, the processes involved in selecting SACCOs for funding under the NAVCDP have come under scrutiny, with allegations of favoritism, lack of clarity in selection criteria, lack of sensitization and insufficient monitoring and evaluation of the programme.

The Committee conducted an assessment of the SACCO's under NAVCDP within the county to gather detailed information on their structure, governance practices, and financial health and evaluate the

processes used for selecting them for NAVCDP funding. This assessment was to provide the basis for developing strategies to enhance the performance and governance of the SACCO's, ensuring they fulfill their intended role in driving economic growth and improving the livelihoods of the residents of Bungoma County.

## Terms of Reference

**The committee was guided by the following terms of references;**

1. Conduct physical inspections to ascertain the status of SACCO's under NAVCDP in the County.
2. To review and analyze the processes involved in selecting SACCO's for funding under the NAVCDP programme.
3. To identify challenges facing the SACCO's and overall performance of the NAVCDP programme.
4. To provide recommendations for enhancing the effectiveness of the NAVCDP programme to ensure that it benefits the people of Bungoma County.

## SACCOs and Farmers' Cooperative Societies per Sub-County

Submissions from the department of Cooperative Development stated that Bungoma County has 283 SACCOs and Farmers Cooperative Societies.

**Table 1: SACCOs per Sub-County**

S/No.	Name of Sub- County	Number of SACCOs	SACCOS	FCs
1.	Mt. Elgon	30	7	23
2.	Kabuchai	18	10	8
3.	Webuye West	22	17	5
4.	Webuye East	20	19	1
5.	Kimilili	43	37	6
6.	Sirisia	34	25	9
7.	Tongaren	54	42	12
8.	Kanduyi	37	37	0
9.	Bumula	25	20	5
	<b>Total</b>	<b>283</b>	<b>214</b>	<b>69</b>

### Transition to NAVCDP (2023)

NAVCDP, launched in 2023, directly builds upon the National Agricultural and Rural Inclusive Growth Project (NARIGP), with a stronger focus on agricultural value chains. The new program shifts away from the broader rural development approach of NARIGP to target value addition, commercialization, and market linkages. It aims to improve the competitiveness of specific value chains including dairy; tea, coffee, and horticulture, offering higher potential for food security and income generation for smallholder farmers. The project covers all the 45 wards in the County and the Prioritized value chains are; Poultry, Dairy, Banana, Avocado and Coffee.

### **The program focuses on:**

- Developing agricultural value chains and improving market infrastructure.
- Strengthening SACCO governance and financial sustainability.
- Promoting sustainability and climate resilience to ensure productivity in changing environmental conditions.

### Assessment of the NAVCDP Governance Structure

The governance structure of the National Agricultural Value Chain Development Project (NAVCDP) in Bungoma County is designed as a multi-tiered system, facilitating collaboration across different administrative levels. At the top, the National Project Coordination Unit (NCPU) oversees national policies and provides strategic direction. Below it, County Chief Officers (C.O.) for Agriculture, Livestock, and Cooperatives manage operations at the county level, ensuring alignment with national objectives. Sub-county and Ward Officers are responsible for local implementation, focusing on production sectors such as poultry, dairy, avocado, and fish farming. Farmers are organized into Community Interest Groups (CIGs), which eventually form SACCOs through Community-Driven Development Committees (CDDCs).

While the structure emphasizes farmer participation through ward-level engagement, there are critical gaps that undermine the effectiveness of the governance model. A significant challenge is the lack of clarity in SACCO mapping, validation, and selection, leading to inconsistent communication between field officers and local informants. This has resulted in confusion over eligibility criteria and project goals. Additionally, concerns have been raised about transparency in SACCO representation and loaning policies, which could leave the program vulnerable to private interests overtaking the intended farmer-led model.

### **SACCO Selection and Governance under NAVCDP**

NAVCDP aims to enhance farmers' financial access through SACCOs, particularly those formed under NARIGP or the Kenya Climate-Smart Agriculture Project (KCSAP). The program identifies suitable ward-based SACCOs that can provide affordable credit to the farming community.

A Selection Committee is formed in each ward comprising of 11 to 13 members drawn across the ward. The nomination of members of the committee is done through Barazas convened by a Cooperative Officer.

The role of the Selection Committee is integral to the process of identifying and approving SACCOs under the National Agricultural Value Chain Development Program (NAVCDP). This committee is responsible for ensuring that SACCOs selected for participation meet specific standards of governance, financial capability and readiness to serve their members in the context of the value chain approach.

**The selection process involves:**

1. **Data Collection:** Using digitized tools to map and grade existing SACCOs.
2. **Sensitization and Training:** Training trainers and enumerators on the use of digital tools.
3. **Screening:** Listing, cleaning, and validating SACCOs based on set criteria, including governance structures, membership, savings mobilized, automation readiness, and willingness to work with NAVCDP.

**Role of the Selection Committee in NAVCDP**

The **Selection Committee** operates at both the county and national levels, playing a key role in screening, evaluating, and approving SACCOs for participation in NAVCDP. Its main responsibilities include:

1. **Validating SACCOs:** The committee reviews the list of all registered SACCOs provided from diagnostic mapping and ensures that each SACCO meets the established criteria. They validate and profile potential SACCOs based on their ability to support the farming community and meet the project's requirements.
2. **Shortlisting of SACCOs:** The committee is tasked with scrutinizing and shortlisting SACCOs that will undergo further evaluation. This process involves grading SACCOs based on governance structures, financial performance, membership size, and the existence of agricultural loan products, among other criteria.
3. **Second-Ranking Evaluation:** Once the initial grading is done, the committee conducts a second round of screening to ensure that shortlisted SACCOs are ready for NAVCDP participation. The committee's due diligence ensures that selected SACCOs are financially stable and capable of participating in the project.
4. **Approval of SACCOs:** After the grading and screening process, the Selection Committee submits the final list of SACCOs to the County Project Steering Committee (CPSC) for approval. The CPSC, in collaboration with the National Project Coordination Unit (NPCU),

gives the final endorsement for SACCOs to join the project. This approval is critical for SACCOs to be eligible for funding and support under NAVCDP.

5. **Communication and Feedback:** The committee communicates the results of the grading to the SACCOs' management committees, providing feedback on areas that need improvement. This allows SACCOs that were not selected to work on enhancing their structures and resubmit for future consideration.
6. **Oversight of New SACCO Formation:** In wards where no SACCO exists, the Selection Committee is responsible for recommending the formation of new SACCOs.

### Key Criteria for SACCO Selection

The Selection Committee uses several criteria to evaluate and rank SACCOs, including:

- **Membership Size:** SACCOs with larger memberships, particularly those mobilized under NARIGP or KCSAP, are prioritized.
- **Governance:** SACCOs with sound governance structures, including separation of roles between management and oversight bodies, are given higher consideration.
- **Financial Capacity:** The availability of up-to-date audited accounts, savings mobilized, and the ability to offer agricultural loans to members are critical.
- **Readiness for Automation:** SACCOs that are technologically ready, such as those with automated systems for record-keeping and transactions, are preferred.
- **Willingness to Work with the Project:** SACCOs must demonstrate a commitment to work with NAVCDP, opening their membership to new members and aligning their operations with the project's goals

SACCOs are evaluated based on their ability to meet a 50% ranking threshold; with final approval for participation given by the National Project Coordination Unit (NPCU).

### NAVCDP Funding Model

The NAVCDP Funding Model is structured to provide targeted financial support to SACCOs and Farmers' Cooperative Societies (FCS) through a combination of grants and low-interest loans, aimed at fostering growth, enhancing capacity, and promoting financial sustainability. The model begins with an inclusion grant of Kshs

750,000/=, which is specifically designed to cover critical operational costs such as mobilization, utilities, rent, and the hiring of essential staff. This initial grant provides a financial cushion to newly established or small-scale SACCOs

The inclusion grant enables the SACCOs to focus on increasing membership, improving organizational infrastructure and expanding service offerings. By addressing these core expenses, the inclusion grant ensures that SACCOs can operate smoothly without being bogged down by day-to-day financial constraints, allowing them to concentrate on their primary goal of empowering farmers and small-scale entrepreneurs.



Additionally, the funding model incorporates a matching grant system, available at an extremely low loan interest rate of **1%**, which SACCOs can leverage to finance larger initiatives or expansions. This grant is designed to match the cooperative's contributions or existing capital, encouraging SACCOs to engage in more ambitious projects, such as value chain development, market access programs, and technology upgrades. The low-interest rate significantly reduces the financial strain typically associated with borrowing, making it easier for SACCOs to undertake growth-oriented activities.

### **SACCO Identification and Distribution for NAVCDP Funding**

The identification process targets a blend of both newly registered and pre-existing SACCOs, ensuring diverse representation within communities. The table provided showcases 45 SACCOs distributed across several sub-counties, with 20 SACCOs selected for the inclusion grant, 7 existing SACCOs adopted into the program, and 18 currently undergoing registration for future funding. This distribution strategy appears comprehensive but raises some concerns regarding transparency, inclusiveness, and the alignment of non-agricultural SACCOs with the agricultural focus of NAVCDP.

<b>Sub-County</b>	<b>#</b>	<b>Ward name</b>	<b>SACCO names selected for Inclusion Grant NAVCDP Funding</b>	<b>Adopted existing SACCOs for Inclusion Grant NAVCDP Funding</b>	<b>SACCOs -on going Registration for NAVCDP Funding</b>	<b>Agripreneurs Advert</b>
<b>Kanduyi-8</b>	1	Bukembe West			Bukembe West SACCO	√

	2	Bukembe East			Bukembe East Community Sacco	√
	3	Township			Township Farmers SACCO	√
	4	Khalaba		Women of Favour SACCO		√
	5	Musikoma			Musikoma Farmers SACCO	√
	6	East Sang'alo			East Sang'alo Ward Farmers	√
					SACCO	
	7	West Sang'alo			Naburawesa SACCO	√
	8	Tuuti /Marakaru		Arise and Shine SACCO		√
<b>Bumula - 7</b>	9	South Bukusu			Mumakilu SACCO	√
	10	Bumula	Bumula Farmers SACCO			
	11	Khasoko	Inua Khasoko SACCO			
	12	Kabula	Kabula SACCO			

	13	Kimaeti		Kitewa SACCO		√
	14	West Bukusu	West Bukusu Wakulima SACCO			
	15	Siboti	Siboti SACCO			
<b>Webuye East-3</b>	16	Mihuu	Mihuu Wakulima SACCO			
	17	Ndivisi	Ndivisi Wakulima SACCO			
	18	Maraka	Maraka Ward Farmers SACCO			
<b>Webuye West-4</b>	19	Sitikho		Sitikho Gishe SACCO		√
	20	Matulo		Webuye Shuttle SACCO		√
	21	Bokoli			Bokoli Ward Farmers Community SACCO	√
	22	Misikhu			Misikhu Ward Farmers Community SACCO	√

<b>Kabuchai-4</b>	23	Kabuchai/Chwele			Chwele/Kabu chai Wakulima SACCO	√
	24	West Nalondo			West Nalondo Ward Wakulima SACCO	√
	25	Bwake/ Luuya		Khalubwa SACCO		√
	26	Mukuyuni			Mukuyuni Ward Wakulima SACCO	√
<b>Sirisia-3</b>	27	Namwela	Namwela SACCO			
	28	Malakisi/So uth Kulisiru	Masibi SACCO			
	29	Lwandanyi	Lwandanyi Wakulima SACCO			
<b>Tongaren-6</b>	30	Mbakalo		Kimusembe Rural SACCO		√
	31	Naitiri/ Kabuyefwe			Naitiri/Kabuy efwe Kilimo SACCO	√
	32	Milima			Milima Kilimo SACCO	√

	33	Ndalu			Ndalu Tabani SACCO	√
	34	Tongaren			Tongaren Kilimo SACCO	√
	35	Soysambu/ Mituwa			Mitua Soysambu Kilimo SACCO	√
<b>Kimilili</b> <b>-4</b>	36	Kibingei	3KC SACCO			
	37	Kimilili	Kimilili Ward SACCO			√ <b>kiminini</b> ***
	38	Maeni	Maeni Wakulima SACCO			
	39	Kamukuyw a	Kamukuywa Ukulima SACCO			
<b>Mt Elgon-6</b>	40	Cheptais	Chepworthy SACCO			
	41	Chesikaki	Chesikaki Narigp SACCO			
	42	Chepyuk	Chepyuk SACCO			
	43	Kapkateny	Kapkateny Farmers SACCO			

	44	Kaptama	Tulwenyon SACCO			
	45	Elgon			Elgon Farmers SACCO	√
<b>Total</b>		45	20	7	18	26

### **SACCOS STATUS REPORT AS AT 25<sup>TH</sup> JANUARY, 2025**

Out of the 45 wards in the County; Registration is still ongoing in 25 wards, 20 wards that were previously under NARIGP have already benefitted and 16 wards out of the 20 wards are now loaning.

The 20 wards benefited from the NARIGP Program and were given the inclusion grant of Kshs. 750,000 each.

The Sacco status report on the performance of the 20 SACCOs which received the funding is annexed (**ANNEXED**)

### **COMMITTEE OBSERVATIONS**

The committee having scrutinized submissions from the Executive and information obtained from the fact finding visits to the various SACCOs under NAVCDP across the County made the following observations;

1. There is a challenge for most SACCOs to raise the required membership of 600 and the minimum share capital of Kshs. 500,000 to benefit from the NAVCDP Funding.
2. There is no clear timelines for SACCO alignment with NAVCDP funding guidelines potentially causing delays in Fund access.
3. The merging of CDDCs and Common Interest Groups (CIGs) into SACCOs has faced resistance. Some leaders previously enjoyed privileges and informal benefits that are now disrupted by the formal governance structures required for

SACCOs by NAVCDP program, leading to tension and power struggles.

4. There was no proper handing over during transition in some SACCOs. Some CDDCs have not surrendered records of Funds and balances to the new SACCO management.
5. The information obtained from the department that most SACCO's are performing well is contrary to the information gathered from the fact finding visits. Most SACCO's out of the remaining 25 wards are struggling to raise the minimum required number of shares and membership. A number of SACCOs are faced with leadership wrangles, disagreements with the CDDC and intrusion from the local Chiefs.
6. The Committee established that there are wards where SACCO's have recently been formed with some formed as late as February, 2025 and are on the initial stages of recruiting members and may miss out on the Funding.
7. People have lost faith in SACCO's due to mismanagement of previous SACCOs which has made mobilization difficult while others believe that it's a government grant and hence no need to contribute shares.
8. There is inadequate budget allocation to the department of Cooperatives for operations, monitoring and evaluation of the SACCOs.
9. The department is facing serious financial constraints to meet its statutory obligation to the residents of Bungoma County, for instance funding of one SACCO in a ward under NAVCPD programme is not impactful. Considering the ceiling imposed, the department may not fulfill its obligations through annual budgetary allocations; hence the need for alternative funding programmes to bridge the gap.

## COMMITTEE RECOMMENDATIONS

The Committee made the following recommendations:-

- 1) **THAT**, the department and NAVCDP should carry out Continuous sensitization of the residents of various wards on the importance of being members of the SACCOs and establish clear, transparent membership criteria that ensure

SACCOs are open to all eligible individuals within a ward, regardless of socio-economic status, occupation, or community size.

- 2) **THAT**, the department in liaison with NAVCDP should introduce specific deadlines for SACCOs to meet NAVCDP requirements, ensuring timely compliance and disbursement of funds.
- 3) **THAT**, the department should clearly state the roles of CDDCs and SACCO officials to reduce the tension and power struggles. Furthermore the department should develop capacity-building programs to strengthen SACCO leadership, governance, financial management skills and ensuring a consistent understanding of NAVCDP goals, policies, and procedures.
- 4) **THAT**, the department through the cooperative sector should ensure that CDDCs hand over all financial documents to the new SACCO officials. Any former official who declines to surrender SACCO documents, necessary legal action should be taken against such a person. Compliance report together with the handing over reports should be submitted to the County Assembly within **60 working days** from the day of adoption of this report.
- 5) **THAT**, Department and NAVCDP should develop a comprehensive Monitoring and Evaluation (M&E) framework to track the performance of SACCOs in real-time, ensure that SACCOs comply with funding guidelines and provide timely interventions when challenges arise. The department should submit the performance report on the SACCOs under NAVCDP 60 days from the adoption of this report.
- 6) **THAT**, the department should advocate for an extension of deadlines for newly formed SACCOs to allow them to align with the funding criteria. Additionally, the department should provide capacity-building support to help SACCOs quickly meet the NAVCDP requirements so as not to miss out on the Funding.
- 7) **THAT**, the department of Cooperative Development should prioritize transparency and good governance within SACCOs and ensure that training and support programs on financial management, accountability, and leadership is mandatory for SACCO leaders.
- 8) **THAT**, the department and the County Executive Committee should make deliberate decision to enhance budgetary allocation to the sector of Cooperative



development to effectively oversee SACCO operations and assist in establishing “a Cooperatives Fund” to offer affordable loans to all SACCOs and Cooperatives Societies which will spur economic growth in the County.

- 9) **THAT**, the department should actively seek partnerships with both international and local donors focused on agricultural development to ensure that farmers receive the necessary financial support.

There is the adoption schedule duly signed by members of this committee and we also have annexures attached behind this report for members' perusal. That is it for this report and looking around, I see members of this committee are in and very attentive.

I would like to call upon Hon. Sudi Busolo who is also the Deputy Majority Chief Whip to second this report

*(Applause)*

**Mr. Deputy Speaker:** Thank you so much, the Hon. Kikechi Bernard for moving the report. Let us have the Hon. Isaiah Busolo Sudi, a moment.

**Hon. Isaiah Sudi:** Thank you, Hon. Speaker, for allowing me to second the motion that has been well moved by my able member of the Agriculture Committee who is also a member from Mbakalo Ward. Most issues in the report are well explanatory and I will go to point number where the report has said the wards that were covered by NAGRIP are doing well, unlike where NARIC was not there.

And indeed Chair, like my ward was not covered by NAGRIP. I have a problem and there is a lot of suspicion among the people of South Bukusu because of the past histories. Like given the report you will see that there is leadership wrangles and it's not isolated in one area, in most of our wards and also handing over was a problem.

We have highlighted a lot of issues and given some timelines on when some of those issues should be addressed and be reported back to this House. It is also an eye-opener that we should encourage our people to join SACCOs because the lending rates are very friendly, they are loaning at 1%.

It is the only way we can come out of poverty by coming and working together especially in agricultural value chain where we add value to things like milk. You don't sell raw milk. If we become together as a SACCO, and do value addition and have things like Mala, Yogurts and other milk related products then we shall be creating opportunities for our people.

Look at Central Kenya; they have milk like Aberdares and Mount Kenya milk product that is now very popular in our supermarkets and most of our shops across the country. Most of them started as a SACCO and they are now cooperative societies. As elected leaders, we should be in the forefront by encouraging our people to join SACCOs.

As I second, if you look at the report as stated, we have around 283 SACCOs but actually if you move around you can't feel them. 283 SACCOs are enough to stimulate the economy of Bungoma County.

I propose that as a county; let us see how we can salvage some of these SACCOs, especially through the cooperative department so that we empower them through budgetary allocation.

I challenge this House to formulate a policy on how we can improve and support financially our SACCOs because members are from our Wards and they need our support. By so doing, the poverty index of our county will come down because people will have money in their pockets. And in line with the Bottom-Up transformation Agenda of Kenya Kwanza ruling coalition, if we allocate money in the department of the cooperative, we shall be supporting the manifesto of our coalition. I second.

*(Applause)*

**Mr. Speaker:** Thank you, the Hon. Isaiah Sudi

*(Question proposed)*

I can see the Hon. Chemion is lifting up his hand.

**Hon. Francis Chemion:** Thank you, *Mwalimu*.

**Mr. Deputy Speaker:** Hon. Masai, Proceed.

**Hon. Francis Chemion:** Thank you, Hon. Speaker. First, I have read the report and recommend further scrutiny of the SACCOs because we now have an in-depth scrutiny of each individual SACCO.

As an Assembly we get to know how much have been contributed by members of the community? How much have been loaned out to the members, and how are these SACCO operating as we speak? Are they having wrangles as mentioned in the report? So that we need to scrutinize each individual SACCO, we dig deep inside it so that we can be able to assess even the impact of the SACCO on their members.

If they had 750,000 for mobilization and they have not reached the target of 600,000, I thought this money should have assisted them then to reach more members so that they could have got the 600,000 that was a condition for them to benefit from NAVCDP. So my major recommendation on this is that committee should dwell on individual SACCOs.

On the issue of handing over; the 20 wards that had programs on NAGRIP, the report has recommended that legal action should be taken against those ones who are still holding on public properties and records and that is a very true case Members. We still have SACCOs, those members who are running the NAGRIP; they still have properties that should now be handed over to NAVCDP. They are using them as personal property. The deadline should be shortened to 20 days because 90 days is a long time. These properties are available and it doesn't require long duration for them to be handed over to NAVCD. Some of the properties have been grabbed as those people who were using them under NAGRIP have taken them to their houses and they are using them to do their own activities.

The issues of SACCOs, as a team we are supposed to be very tough because those members who have contributed to the shares, they expect loans and other services. If the money is put there and they cannot receive or get the services, then they are beneficial to the Society. So the management needs to undergo training on how to manage these SACCOs. And we should further recommend that the managers of these SACCOs operating in our wards should be trained regularly, so that they are able to manage the monies entrusted in them.

Otherwise, this model is a new model. It has detached the CDDC and the SACCO. In fact, CDDC are like policy makers only. Initially under NAGRIP, CDDC were running the show. Now those members who are in CDDC and they

are not running the show.

**Mr. Deputy Speaker:** Honorable Members, please I want to urge that you consult in low-tones, because what Hon. Masai is actually articulating is very important for each one of us. Be it specially elected or elected under universal sovereign, it's very important. So Hon. Kawa and Mukhongo, I want both of you to be keen on this. Proceed.

**Hon. Francis Chemion:** Thank you, Speaker for protecting me from Hon. Kawa. I don't know where he is seated.

*(Laughter)*

This is a new model that has come in our wards. Previously, under the 20 wards that were operating the NAGRIP program, the CDDC were running the show. In fact, they were the ones looking for those groups, but this new model has put them aside. Theirs is to give policy guidelines, etc.

All the funding comes through the SACCO and that is what has brought some wrangles in the 20 wards especially because those ones who are elected to be in CDDC feel they have been detached from the funding. Maybe their thinking was to access the funds. So if you hear those wrangles, it is because money has now been channeled to the SACCOs

Otherwise, members this is a very good report for our consumption but I am still recommending that we allow the committee to now go and handle each SACCO properly. They should even invite each SACCO officials to appear before them, so that you get all the records. This is a very enriching report; I want to thank the committee for coming up with a wonderful report.

**Mr. Deputy Speaker:** Thank you, Hon. Francis Chemion. Hon. Kennedy Wanyama,

**Hon. Kennedy Wanyama:** Thank you, Mr. Speaker. I rise to support the motion before us from the Committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development. I personally like this NAVCDP program because it focuses on value addition which has a lot of benefits and as we all know, agriculture is the backbone of our economy.

Value addition, brings about increased income, it creates jobs for our youth, women and men, it brings about market expansion for our products, assists in

reducing post-harvest losses, leads to industrial growth but above all, Mr. Speaker, it brings about improved food security.

The observations about loss of faith due to past mismanagement, which affected contribution from Members, this requires a lot of aggressive sensitization campaigns by the Department, and so I just want to urge the Department of Agriculture to ensure that they actually allocate funds towards sensitization campaigns.

There is a recommendation saying that the Department should put in place a comprehensive monitoring and evaluation mechanism. This is extremely important based also on what Hon. Chemion said. For these SACCOS to succeed there is need for continuous monitoring and evaluation, so that then the Department can be able to make the necessary changes to ensure the success of these SACCOS.

Lastly, money that is being allocated to these SACCOS, that is the Kshs.600, 000 and then the seed money of Kshs.500, 000 from the member that is the shares, this is not enough. So to seek partners both locally and internationally to ensure that there are enough resources to support these SACCOs. I support.

**Mr. Deputy Speaker:** Thank you, Kennedy Wanyama. Hon. Caleb Wanjala.

**Hon. Caleb Wanjala:** Thank you, Mr. Speaker. I want applaud the Honorable Member who just read the report.

This report is timely and I believe if more efforts are put on this program; it is going to help our people because you realize our county has got a lot of potential. If you compare our county with other counties like Kiambu, we have a lot of resources here; our people have big parcels of land. Unfortunately our people are not self-reliant. These Honourable Members are not comfortable walking outside because everywhere they go, people are begging and running after their vehicles, and the only way to end these menace is by supporting such programs.

A lot of sensitization needs to be done. Many people outside there are joining the SACCOS with an intention of just getting money, not realizing that this money is a revolving fund. Also there are vested interests; you realize that some of our Agricultural Officers, Village Administrators and Ward Administrators are not included in this program. Some of the disagreement on the ground in some of the Wards is caused by the chiefs, because they have an interest inside there. How I

wish that our officers on the ground will be included and also take interest on how the program is running.

Otherwise, a lot of emerging fund entities or companies in Central Kenya began like this and the best example is UNITAS Bank, Family Bank and Cooperative Bank and many others which started like SACCOs and now they are banks. So we are on the right direction to lift this county higher. I support this report.

**Mr. Deputy Speaker:** Thank you, the Hon. Caleb Wanjala. Hon. George Makari,

**Hon. George Makari:** Thank you, Mr. Speaker. For the first time, the Agriculture Committee has done a very good report. You will remember that the last time they had a report on crop insurance; they never delivered that report to the House. But this one, we should clap for them because they have delivered.

*(Applause)*

Honourable Speaker, allow me to digress just for one minute. I am not blaming anyone but there is a time we passed some small motion here for the welfare of members that in case the exchequer releases delay for the member's salaries, our commercial banks can assist members to get the salaries then when it comes, it pays back and you know we are not like the other department, which borrowed KShs.470 Million and when it came, they did not repay. So I don't know where that facility went to. I was thinking the substantive chair of CASB was here, so that he could also reply to members.

We passed and you were here in this House, that in case things go haywire, the KCB bank will be able to assist us then the repayment will come back later. What happened, Honourable Speaker?

**Mr. Deputy Speaker:** I want to rule that you are out of order...

**Hon. George Makari:** But first of all, I asked for an apology. I said I want to digress a little bit.

*(Loud consultations)*

**Mr. Deputy Speaker:** But now you can proceed.

**Hon. George Makari:** Now I can proceed, but even if you behave like you do not hear, you have heard me, Honourable Speaker.

*(Laughter)*

I want to support the motion. Most of these SACCOS operate in an opaque manner and that was why Hon. Chemion said most of them have to be scrutinized. Some of them are briefcase SACCOS. They even don't have membership and I have seen here a requirement that for it to be called a SACCO, it must meet the requirements of the NAVCDP; which puts membership to around 600 members but most of them do not meet that criteria. And some of them just sit with the agriculture officials and try to do some paperwork and present, but their real life membership is only about 10 members. So we must be able to look into this and scrutinize the membership and every other activity that these SACCOS are doing.

For our people to benefit from the SACCO, they must be able to raise a share capital of KShs.500, 000. With our poverty levels in our villages, are you sure these people are going to be able to raise KShs.500,000 for them to access the funding of NAVCDP? I think when the chair will be replying, he must be able also to elaborate whether it is tenable? I don't know maybe where the chair has people who are very rich but where I come from, people are very poor and I doubt if they can be able to come up with KShs.500, 000. If you tell them to raise this amount of money, then these SACCOS will remain for the rich and it will lose the initial objective. So I think there is need to revise the terms so that we get many people to join the SACCO. I support the report.

**Mr. Deputy Speaker:** Thank you, Hon. George Makari. I now call upon the mover, Hon. Bernard Kikechi to reply.

**Hon. Bernard Kikechi (Mover):** Thank you, Honourable Speaker. Listening to the contributions that have been presented towards this report, you will agree that indeed this report is very crucial and it touches on a very key economic sector of this county. I would like to appreciate all the Honourable members who have contributed towards this report, beginning with the Hon. Chemion who appreciated this report, that indeed as a committee, we have done good work. On his suggestion for further scrutiny in terms of how much has been loaned, how are the SACCOS operating among other issues, this is well in order because for effective functioning of these SACCOS, we have to be keen on those issues that were clearly raised by Hon. Chemion.

On the issue of handing over, it is true that we still have these challenges, especially from the previous SACCO officials towards the new ones and that's why I'm requesting this Honourable House to approve this report, because in our

recommendations we have clearly stated what is supposed to be done on this issue of wrangles of handing over from the previous officials to the new ones.

I also appreciate CPA Ken Wanyama; it is true this report adds value to the overall agricultural sector. Thank you, Honourable member for that positive compliment.

The monitoring and evaluation component is key, as clearly stated by Hon. Wanyama because without close supervision, this cooperative sector, which is volatile, will clearly disintegrate. And that is why the issue of monitoring and evaluation should be adhered to.

The Hon. Caleb applauded that indeed Bungoma County has a great potential, which if well utilized, will lead to maximum output, especially in the cooperative sector. On the issue of leadership wrangles and disagreement as emphasized by Hon. Caleb, this is majorly caused by competing forces on the ground, especially the administration side and in our report; we have clearly stated the remedies to address such issues.

Thank you Hon. Makari, before you touched on this report, you put across a very genuine concern which is affecting almost all these Honourable Members although it was outside this report, but the content was well appreciated.

Otherwise, on the issue of the Kshs. 500,000, which the Hon. Makari has clearly said that it is a bit on the higher side, I would like to say that when you check on the minimum requirement for membership to these SACCOS, it is 600 Members. So with a minimum of 600 Members and each Member is contributing KShs.1, 000, that is already KShs.600, 000 so this figure when compared to the requirements on the membership of these SACCOS, you will see that it is not too much.

I request that the key focus should be on sensitization, so that these SACCOS can recruit many members to meet the minimum threshold. Otherwise, I would like to urge these Honourable Members that this report is very crucial for our cooperative sector.

I request Honorable Members present here to move with speed and approve this report for the betterment of the cooperative sector and the overall agricultural sector within Bungoma County.



**Mr. Deputy Speaker:** Thank you, Hon. Bernard Kikechi for the reply.

*(Question put and agreed to)*

The report is adopted and the Clerks at the Table will ensure that the report and its recommendations will be disseminated to the various offices for implementation.

### **ADJOURNMENT**

**Mr. Deputy Speaker:** Honorable Members that has been our last item on the Order Paper, so the House stands adjourned and convened later today at 2:30 p.m.

*The House rose at 10:46 a.m.*