

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF KILIFI

THE HANSARD

Wednesday, 4th July, 2018

*The House met at the County Assembly Chamber,
Malindi Town, at 2.30 p.m.*

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

PRAYERS

COMMITTEE OF THE WHOLE HOUSE

(Order for committee read)

[The Speaker (Hon. Kahindi) left the chair]

IN THE COMMITTEE

[The Temporary Chairperson hon. Mumba took the chair]

THE KILIFI COUNTY MICROFINANCE FUND (MBEGU FUND) AMENDMENT BILL, 2018

The Temporary Chairperson (Hon. Mumba): Hon. Members, welcome to the Committee of the Whole House where the rules are relaxed. We are considering The Kilifi County Microfinance Fund (Mbegu Fund) Amendment Bill, 2018. We will go through Clause by Clause.

(Clause 3 agreed to)

Clause 4

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT, Section 3 of the Principal Act is amended by deleting the entire section and rephrasing it as follows:-

3. The object and purpose of the Act is to provide for;
 - a) the establishment and administration of the Kilifi County Microfinance Fund; and
 - b) The provision of seed capital for micro and small enterprises within Kilifi, for their business development and linkages to markets.

(Question of the amendment proposed)

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(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 4 as amended agreed to)

Clause 5

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT, Section 4 of the Principal Act is amended in subsection (2) by deleting paragraph (a) and replacing it with the following new paragraph-

- (a) Monies allocated by the County Executive and approved by the County Assembly of an amount not less than 1.0% of the total County annual revenue per year for 10 years subject to review.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 5 as amended agreed to)

Clause 6

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT, Section 5 of the Principal Act is amended by:-

- (a) Deleting the phrase “subject to section 12 manage and administer” appearing in subsection (2); replacing with the phrase “provide strategic leadership, policy direction and supervision of the fund.”

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 6 as amended agreed to)

Clause 8

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT; Section 7 of the Principal Act is amended by – (a) inserting the number “(1)” between the words “6” and “a”, “6” and “d”

(Question of the amendment proposed)

(Question, that the words to be inserted be inserted, put and agreed to)

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(Clause 8 as amended agreed to)

Clause 9

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT; Section 8 of the Principal Act is amended in sub-section (2)

- (a) by deleting the words “manage, control and administer the Fund” and replacing with the following words “enter into association with such other persons, bodies or organizations within or outside Kenya as the Board may consider appropriate in furtherance of the objects of this Act” in paragraph (b);
- (b) by deleting the word “establish” and replacing it with “Advice the County Executive Member for Finance on”; and inserting the words “as provided under section 116(1), 9 and 145 of the Public Finance Management Act, 2012” immediately after the word “recovery” in paragraph (c).
- (c) by deleting the words “engaged by the Board” appearing immediately after the word “Administrator” in paragraph (d);
- (d) by deleting the word “receive and consider” and replacing it with “Approve” in paragraph (d)(i);
- (e) deleting the word “recover matured loans” and replacing it with “oversee implementation of the fund activities” in paragraph 8(2)(d)(ii);

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 9 as amended agreed to)

Clause 10

Hon. Ziro: Thank you Chairperson. I beg to move:-

THAT, Section 10 of the Principal Act is amended by deleting it and inserting therewith;

Sub County Microfinance Fund Committees

1. There shall be established a Microfinance Fund Committee in every Sub County.
2. The Sub County Microfinance Fund Committee shall consist of -
 - a) the Sub County Administrator who shall be the Chairperson of the committee;
 - b) the Sub County Trade Officer who shall be the secretary of the committee;
 - c) the Sub County Cooperative Officer; and
 - d) A fourth member who is an employee of the County Government of Kilifi co-opted and dully nominated by the Executive Member.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 10 as amended agreed to)

Clause 11

Hon. Ziro: Thank you Chairperson. I beg to move;-
THAT; Section 11 of the Principal Act is deleted.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Clause 11 as amended agreed to)

Clause 12

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT; Section 12 of the Principal Act is amended by deleting the entire section and rephrasing it as follows:-

Functions of the Sub-County Committees:-

- 1) The Sub-County Micro-Finance Fund Committee shall have the following functions-
 - a) To receive, to verify , to reject or to approve such applications to certain limits in accordance with the provisions of this Act and as stipulated in the regulations;
 - b) Identify and profile duly registered/licensed MSEs within the Sub-County using guidelines as provided;
 - c) Receive and appraise duly filled loan application forms;
 - d) Recommend disbursements of funds to the board;
 - e) Undertake monitoring and evaluation of the activities including field visit to beneficiaries and
 - f) Compile update and forward progress to the board on a quarterly basis.
- (2) Pursuant to subsection (1) above, the Sub County Trade Officer and Co-operative Officer shall also:-
 - a) coordinate the Funds activities at their respective units;
 - b) facilitate in Identifying and profiling duly registered/licensed beneficiaries within their units using guidelines provided; and
 - c) Periodically conduct monitoring and evaluation of the beneficiaries' funded projects including undertaking field visits to beneficiaries.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 12 as amended agreed)

Clause 13

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, the Principal Act is amended at Section 14 –

- (a) by deleting the words “Sub-county Micro Finance Fund Committee” appearing immediately after the word “Board”; and
- (b) By deleting the words “and in the case of the Sub-County Committee the appointing authority shall write to the Board requesting for removal of a member in the Sub-County Committee”.

(Question of the amendment proposed)

(Question, that the words to be left out, be left out, put and agreed to)

(Clause 13 as amended agreed)

Clause 14

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT; The principal Act is amended at Section 21 (3) by deleting the number “14” appearing immediately after the word “section” and replacing it with the number “16”.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 14 as amended agreed to)

Clause 15

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 16 of the Principal Act be amended by renumbering it to Section 17.

(Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 15 as amended agreed to)

Clause 16

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 17 of the Principal Act be amended by renumbering it to Section 18.

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(Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 16 as amended agreed to)

Clause 17

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 18 of the Principal Act be amended by renumbering it to Section 19.

(Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 17 as amended agreed to)

Clause 18

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 19 of the Principal Act be amended by renumbering it to Section 20.

(Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 18 as amended agreed to)

Clause 19

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 20 of the Principal Act be amended by renumbering it to Section 21.

(Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 19 as amended agreed to)

Clause 20

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 21 of the Principal Act be amended by renumbering it to Section 22.

(Question of the amendment proposed)

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(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 20 as amended agreed to)

Clause 21

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 22 of the Principal Act be amended by renumbering it to Section 23.

Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 21 as amended agreed to)

Clause 22

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 23 of the Principal Act be amended by renumbering it to Section 24.

Question of the amendment proposed)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 22 as amended agreed to)

New Clauses

Hon. Ziro: Hon. Chairperson, I beg to move:-

New Clause 16

THAT; the principal Act is amended by inserting the following new section immediately after section 15.

Other Staff of the Fund:-

15 (a) The Board may appoint such officers, agents and other staff as are necessary for the proper and efficient discharge of the functions of the Fund under this Act, upon such terms and conditions of service as the Board may determine.

(Question of the New Clause proposed)

(New Clause 16 read the First Time)

(Question, that the New Clause 16 be read a second Time, proposed)

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(The New Clause 16 was read a second Time)

(Question, that the New Clause 16 be added to the Bill, put and agreed to)

(Clause 16 agreed to)

New Clause 18

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT; the principal Act is amended by inserting the following new section immediately after section 17 -

18. Fund Oversight;-

1. The County Executive Committee Member for Finance shall oversee the performance of the activities of the fund under this Act and may, in writing, give directions and make Regulations to the Act on matters of policy not inconsistent with the provisions of this Act under section 23 and subsection 116(9) of the Public Finance Management Act, 2012.
2. The County Executive Committee member for finance shall ensure that a security given in respect of a loan under this section is given in the name of the county government as provided under section 145(4) of the Public Finance Management Act, 2012.
3. The County Executive Committee member for finance may, on behalf of the county government, carry out any of the responsibilities, and exercise any of the powers, of the county government with respect to securing a loan granted by the county government. Pursuant to Section 145(5) of the Public Finance Management Act, 2012.

(Question of the New Clause proposed)

(New Clause 18 read the First Time)

(Question, that the New Clause 18 be read a second Time, proposed)

(The New Clause 18 was read a second Time)

(Question, that the New Clause 18 be added to the Bill, put and agreed to)

(Clause 18 agreed to)

Clause 2

Interpretation;-

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, Section 2 of the principal Act is amended by;-

- (a) By inserting the words “Kenya Shillings” immediately after the word “exceed” in paragraph (a) of the definition of the word “micro enterprise”.
- (b) By inserting the word “thousand” between the words “five hundred” and “and” in paragraph (a) of the definition of the word “small enterprise”.

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- (c) By inserting the words “Kenya Shillings” immediately after the word “between” in paragraph (a) of the definition of the word “small enterprise”.
- (d) by inserting the following new definitions in their proper alphabetical sequence, “Sub-County Administrator” means an administrator responsible for the coordination, management and supervision of the general administrative functions in the sub-county unit as provided in section 50 of the County Governments Act;
- (e) by deleting the definition of “Financial Year”;
- (f) by deleting the words “section 11” in the definition of the word “fund” and replacing it with the words “section 4”;
- (g) In the definition of the word “Fund Manager”-
 - (i) By deleting the words “any” and replacing it with “the”,
 - (ii) By deleting the words “by the County Executive Committee Member under section 15” and replacing it with the words “section 17(1)”; and by deleting the words ‘micro and small enterprise’ and its definition.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 2 as amended agreed to)

Short Title

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT; The Short Title be amended by deleting the phrase “2017” and replacing therewith the phrase “2018”

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Short Title as amended agreed to)

Long Title

Hon. Ziro: Hon. Chairperson, I beg to move:-

THAT, The Long Title of The Kilifi County Microfinance (Mbegu Fund) Act, 2016, in this Act referred to as “the Principal Act” is amended by inserting the words “(Mbegu)” immediately after the word “Microfinance”.

(Question of the amendment proposed)

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(Question, that the words to be inserted be inserted, put and agreed to)

(Long Title as amended agreed to)

Hon. Ziro: Thank you. I beg to move that the Committee do report to the House its consideration on The Kilifi Micro-Finance (Mbegu Fund) Amendment Bill, 2018 and its approval thereof with amendments.

(Question Proposed)

(Question put and agreed to)

(The House resumed)

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

REPORT, CONSIDERATION OF REPORT AND THIRD READING

THE KILIFI COUNTY MICROFINANCE FUND (MBEGU FUND) AMENDMENT BILL, 2018

The Speaker (Hon. Kahindi): Yes, let us proceed.

Hon. Mumba: Thank you hon. Speaker. I beg to report that the Committee of the Whole House has considered The Kilifi County MicroFinance (Mbegu Fund) Amendment Bill, 2018, and approved the same with amendments. Thank you.

Hon. Ziro: Thank you Mr. Speaker. I beg to move that the House do agree with the said Report and I call upon hon. (Ms.) Philister Messo to second.

(Hon. (Ms.) Messo seconded)

(Question proposed)

The Speaker (Hon. Kahindi): Thank you hon. Members. A Motion has been presented by the Mover for the adoption of the Report and the same is ready for debate. Hon. (Ms.) Philister Messo, please proceed.

Hon. (Ms.) Messo: Thank you Mr. Speaker. I am really happy about the amendments of the Mbegu Fund Bill. The thing is this Bill has taken so long because since 2016 and during the campaign period, our Governor was telling people that the funds were ready but to our surprise things were not moving. So I am a 100 percent sure so long as we finish everything here, women and youths can start their own small businesses. In that regard I really support it and I urge the House to support it. Thank you so much.

(Question put and agreed to)

Hon. Ziro: I beg to move that the The Kilifi County Microfinance Fund (Mbegu Fund) Amendment Bill, 2018 be now read a Third Time. Mr. Speaker, before I call upon my seconder,

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when we had the last meeting we went through these amendments and we found that there are some contentious issues in the Bill like the percentage that had been given was very low at 0.5 percent and we agreed unanimously that this percentage should be increased and we raised it from 0.5 percent to one percent.

We did this because we realized that the money that was supposed to be distributed to the ward was very little. Last week when I was going through the records with my Ward Administrator, I discovered that only Garashi Ward has about 700 applications. So if we base on the number of applications from every Ward, that means we are going to give very huge amounts to our people. That is why we decided to raise the percentage. Again, we discovered that there were some complaints from the public on the way some of the Members were handling themselves, so we decided to remove the Ward Administrators and get people that would be proposed by the CEC (County Executive Committee) Member in place of the Ward Administrators because some of them have become more of the politicians than civil servants.

Mr. Speaker, on agreeing on this, we realized that it is imperative that we come to this House and make sure that this Bill is passed in good time so that the money that is being awaited by our brothers and sisters down there can be distributed so that we can start moving Kilifi ahead. Now because of this, I want to urge this House to support this Bill so that we can pass it and make sure this money goes to our people so that they can continue with their daily course. With those few remarks, I want to call upon hon. David Kadenge to second this Motion. Thank you.

(Hon. Kadenge seconded)

The Speaker (Ho. Kahindi): Thank you, a Motion has been moved to have the Bill be read a Third Time. I now propose that the same is ready for debate. Proceed hon. Kadenge.

Hon. Kadenge: Asante Bw Spika, kwa kunipatia nafasi ya kuunga mkono Hoja ambayo iko mbele yetu kuhusu mswada wa Mbegu Fund. Kwa kweli, Mswada huu umechukua muda mrefu sana na sisi ambao tuko kule mashinani vijana, kina mama na hata kina baba wamekuwa wakiuliza kila wakati. Wakati mwingine imekuwa ni kama tunarushiana matusi kutoka watu ambao wako kule mashinani. Hii ni kwa sababu watu wamengojea kwa mda mrefu hata huwa wanasema waheshimiwa wamekula hizi pesa za Mbegu Fund hususan wale waheshimiwa waliokuwa kwa lile Bunge la kwanza.

Kwa hivyo, ni ombi langu kwa Bunge hili la Pili ili tupitische huu Mswada ambao uko mbele yetu ili uweze kuwafaidi watu wetu wa Kilifi ambao wameteseka kuomba pesa kutoka kwa SACCO nyengine. Kwa hivyo, Mswada huu ukipita hivi leo utakuwa ni msaada mkubwa sana kwa wakaazi wetu wa Kaunti ya Kilifi. Hivyo basi, waheshimiwa wenzangu nawaomba sana huu Mswada umengojewa, tuipitische ili wakazi wetu wa Kilifi waweze kujiendeleza. Asanteni sana.

The Speaker (Hon. Kahindi): Thank you. After having that deliberation, I now put the Question.

(Question put and agreed to)

(The bill was accordingly read the Third Time and Passed)

ADJOURNMENT

Hon. Members, in the absence of any other Business in the Order Paper, I now move to adjourn the House until next week. Thank you.

The House rose at 2.58 p.m.