COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Thursday, 25th September, 2025

House met in the Main Chamber at 02:30 p.m.

(The Temporary Speaker (Hon. Emily Oginga) in the Chair)

PRAYERS

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members in line with the provisions of Kisumu County Assembly Standing Orders No. 32 (2), I direct that the quorum bell to be rung for the first five minutes. I would like to request Honourable Okoyo to whip the Members.

(Quorum bell rung for the first minutes)

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Okoyo, do we have quorum?

Hon. Okoyo (MCA, Central Kisumu): Thank you Madam Speaker, there is quorum.

The Temporary Speaker (Hon. Oginga, Nominated Member): Thank you. Clerk, can you take us through the order of the day.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

COMMUNICATION FROM THE CHAIR

[Visiting delegation, Students and teachers from Uranga Secondary School, Siaya County)

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, joining us today at the public gallery are teachers and students of Uranga Mixed Secondary School in Gem. That is Siaya County. The students are accompanied by the following teachers. That is Mr. Ohon Abraham, Mr. Ongondo Pius, Ms. Wanyasa Mercy and Ms. Toloi Charity. Your presence here today is a testament to the school's commitment to nurturing a new generation of informed and engaged citizens.

It is crucial to our youth to understand the inner workings of our democratic institutions, and your direct observation of our legislative session is invaluable. We hope that your presence and the visit to this August House today will be both educational and inspiring, and we encourage you to follow the proceedings closely and learn about the roles and responsibilities of the County Assembly in Representing the people, Formulating the laws and providing Oversight of the County Government Departments. I welcome you all.

Honorable Members, as per tradition, I would like to invite a few members to say a word of encouragement to the students. So I will give an opportunity to one gentleman and one lady. Or should I make it two gentlemen and one lady? So I will start with the Honorable Eunice Alando. I know you come from Gem in Siaya County I will give you the opportunity.

Hon. Alando (Nominated Member): Thank you, Madam Speaker for giving me this chance to welcome the students and the teachers that we have in gallery. I want to take this opportunity to welcome students together with their teachers from Uranga Mixed Secondary School. I'm happy to stand here to welcome you to this House being that I also come from Siaya, *Manyar* Gem, I come from Gem Sub-county.

I'm happy to welcome you in this, our super county the so-called Europe, Kisumu in our Kisumu County Assembly. Feel most welcome, and I believe your being here is going to inspire you in future after your learning to be the people we are seeing here, that is the Honourables. And it is equally important to know that this House, we have 47 members. Some of them are out official duty and not all of them are present today. And the ones that you see are the ones that God planned that you were to come and find. Feel most welcome. Out of 47 members, 16 are ladies, while 31 are men. We also have in this county, 35 Electoral wards. That implies we have the 35 elected members and the 12 are nominated members. I believe with that, there are other speakers coming behind me. Feel most welcome, and get to feel the atmosphere Kisumu and ensure after your visit here, go to the lake, and taste the fish. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable, I spotted you first, so I will give you the opportunity to say something. Although I wanted to give two gentlemen and one lady, so I will give two ladies and one gentleman, go ahead.

Hon. Ajumbo (MCA, Central Seme): Thank you, Madam Speaker. The reason why I want to speak is because my ward, Central Seme borders game. As soon as you reach the boundary, you are in Akala. So that is the Central Seme ward. And I thought I would relate with them. They are just my neighbors.

I want to welcome you, students and the teachers and to let you know that we were once students. We used to study civic education and do debates in school. It reminds me of the days we would do debates and one person would be the speaker. Then we would have the opposing the sides and it was quite lovely.

I believe you still do the same thing that prepares you for a future that one day you may be legislators and you may be coming to county assembly. You can go to the Senate or be in the parliament or you can be Governors. So, we look at you and we are seeing future leaders.

We are just reminded of the events of last year when the Gen Z stormed the parliament and you are the Gen Zs. So today you have come live. You've not stormed, but we welcome you here.

I want to say that we are very happy. What we do here, just to repeat again, we do oversight, we do legislation, we do laws and formulate policies. And we also represent the people that come from different wards. We want to welcome you once more and feel at home. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Bill, Oliver, Honourable Were, I've noticed you, Honourable Carren, I've noticed you. I'll give each one of you a chance to say just a word.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Bill, please go ahead.

Hon. Bill (MCA, Kobura): Thank you, Madam Speaker. Thank you for recognizing my seniority. Madam Speaker, I'm really happy that we have the school from Gem here. I'm happy because they're a young population.

I believe that the gap that I have with them is not that big. So, I can really relate with them. So Madam Speaker, I'm taking this opportunity to welcome the students and their teachers to Kisumu County Assembly. This is a very honourable House. And it is my belief that some of you really want to, at some point in life, be part of this honourable House. This is where we make decisions for the County Government.

This is where we make the laws for this county. So, I want to ask you, you know the state of this country right now. You know where we are heading as a country.

You know all the pressures that we've had in this country. So, I am urging you, as you study, work hard, work smart, so that you be the future that we have for this country. This country really needs good leaders and I believe that, your teachers have instilled qualities that will make this country a better place. So, have that drive to give direction to this country. And I am happy that you decided to visit Kisumu County because the Honourable members that you see here, and some of them are out on official duty.

We've tried our best to work with integrity for this County. So, as some of us will be exiting politics, or some of us will be going for bigger positions, or even some of us will want to maintain these positions, please work hard and come and join us so that we help our Country, we help our counties, and we help the generations to come. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Were. Thank you.

Hon. Were (MCA, Nyalenda "B"): Thank you, Madam Speaker. Let me also take this opportunity on behalf of County Assembly of Kisumu to welcome the students and staff, our teachers of Uranga Mixed Secondary School. I know they are our immediate neighbors from Siaya County, and we believe that, whatever we are doing here is also done by the Siaya County Assembly.

We want to share with you what we do as Kisumu County Assembly, and what we do here is to represent our people so that we can make service delivery come to the doorstep of the Kisumu resident. Madam Speaker, I want to encourage our students from Uranga that it is possible.

When we look at you, we see future leaders in you. We have people who may desire to be presidents here, who can even in future become Governors, who can become even Senators, MPs, and Members of County Assemblies. It depends on you.

You have to work hard because when you left your home going to Uranga, it is your sole responsibility. You've gone there to shape your future. So, it depends with you. If you work smart and hard, you shall achieve whatever the goal that took you there. And this is to your teachers, I want to appreciate you for having stood tall and firm in ensuring that you shape the future of these students, nurturing them and preparing them so that they can become future leaders.

We believe in you and we strongly believe that maybe some of you may become future leaders, maybe in Kisumu or even in Siaya because in politics, there's no boundary. You are taking your education in Siaya.

Maybe you are residents of Siaya, but you never know where your future will take you. Maybe you will become great leaders in Busia, in Siaya, Nakuru, or Nairobi, you must be prepared to accept the challenge. Otherwise, I want to thank all of you. As an MCA representing Nyalenda

"B" Ward within Kisumu Central Sub-county, I want to welcome you to Nyalenda "B". That is where we have all the beautiful scenery within Kisumu. It is where people can take good fish and visit Impala Park. Therefore, I welcome you to visit such areas and feel at home. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Carren, I noticed you earlier on, but I will assume you donated your time. Honorable Obaso, I do not think I will give you time because we have already eaten up into the time for welcoming the guests.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

Hon Obaso (Nominated): Most obliged, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

PAPERS LAID

REPORT OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND ICT REGARDING THE STATUS OF FIXED ASSETS AND DISPOSAL OF MOVABLE ASSETS.

BY

HON. CARREN AJWANG', MCA, KALOLENI/SHAURIMOYO

[CHAIRPERSON, FINANCE AND ICT]

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Carren Ajwang'

Hon Carren Ajwang' (MCA, Kaloleni/Shaurimoyo): Thank you, Madam Speaker. Pursuant to the provisions of Orders No. 182 (6) of the Standing Orders, I wish to table today, Thursday, 25th September, 2025, a report by the Departmental Committee on Finance and ICT regarding the Status of Fixed Assets and Disposal of Movable Assets. Thank you.

(Hon. Ajwang lays the paper before the House for consideration)

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members, I want to confirm receipt of the report on a matter sought by Honourable Joachim Oketch regarding Status of County Fixed Assets and Disposal of Movable Assets by the Departmental Committee on Finance and ICT. I, commit this to the Select Committee on House Business for scheduling for debate.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order.

NOTICE OF MOTION

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Carren Ajwang', Chairperson, Finance and ICT Committee.

Hon Carren Ajwang' (MCA, Kaloleni/Shaurimoyo): Thank you, once again, Madam Speaker. Pursuant to the provisions of Order No.45 (1) of the Kisumu County Assembly Standing Orders, THAT, this House adopts the report of the Departmental Committee on Finance and ICT regarding the Status of Fixed Assets and Disposal of Movable Assets. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

MOTION

ADOPTION OF THE REPORT OF THE TRADE, TOURISM, INDUSTRY, AND MARKETING COMMITTEE ON THE OPERATIONS OF THE KISUMU COUNTY TRADE FUND

BY

HONORABLE ALICE WAJEWA.

The Temporary Speaker (Hon Oginga, Nominated Member): Honourable Members, before I allow Honourable Wajewa to move the Motion, I wish to remind you on the matter on the Limitation on Debate on reports. I will not read it again, but this is to serve as a reminder.

The Temporary Speaker (Hon Oginga, Nominated Member): Yes, Honourable Alice Wajewa, Chairperson, Trade, Tourism, Industry and Marketing.

Hon Wajewa (Nominated Member): Thank you, Madam Speaker. Honourable Speaker, Honorable members, during the Assembly sitting on Tuesday, 1st July 2025, Hon. James Were MCA for Nyalenda "B", pursuant to the provisions of Kisumu County Assembly Standing Orders No. 41(2)(a & b), raised a statement requesting the Chairperson for Trade, Tourism, Industry and Marketing to provide a comprehensive written response regarding the operations of Kisumu County Trade Fund (SEE ANNEX I).

The statement regarding the current status and operations of the Kisumu County Trade Fund was duly committed to my Committee for inquiry. We were tasked with investigating the matter and reporting our findings and recommendations to this Honorable House.

Honourable Speaker, Honorable members, I would like to extend my sincere gratitude to the Offices of the Speaker and the Clerk of the County Assembly of Kisumu for their invaluable support in providing a conducive environment that enabled the successful execution of this assignment. I also wish to commend the Members of my Committee, who, despite their various responsibilities, committed their time and energy to attend meetings, review submissions, interrogate the issues, and contribute meaningfully to the compilation of this report.

Additionally, I express appreciation to the County Executive Committee Member (CECM) for Trade, Tourism, Industry, Cooperatives & Marketing, for their cooperation and timely responses to our inquiries. Their input was instrumental in helping the Committee understand the challenges facing the Trade Fund and the future outlook.

Honourable Speaker, Honorable members, I would also like to acknowledge the support of our Committee Secretariat, whose coordination, technical guidance, and meticulous report writing ensured the successful completion of this important work.

It is now my distinct honor and privilege to present this report on the status of the Kisumu County Trade Fund, including its implementation challenges, financial accountability gaps, and proposed transition into a more inclusive Enterprise Fund model. I submit this report for the House's careful consideration, debate, and adoption in line with its oversight and legislative mandate.

Establishment and Mandate of the Committee

Honourable Speaker, Honorable members, the Sectoral Committee on Trade, Tourism, Industry and Marketing is established under Kisumu County Assembly Standing Orders No. 193 and is required to;

a) Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operation and estimates of the assigned departments;
b) Study the Program and policy objectives of departments and policy objectives of departments and the effectiveness of the implementation;
c) Study and review all the County legislation referred to it;
d) Study, access and analyze the relative success of the departments as measures by the results obtained as compared with their stated objectives;
e) Investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;

f) To vet and report all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order No. 187 (Committee on Appointments).
g) Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

Mandate of the Committee

Honourable Speaker, Honorable members, in accordance with the second schedule of the Kisumu County Assembly Standing Orders, the Committee is mandated to consider;

All matters relating to trade development and regulation, including trading licenses, fair trading, local tourism, the cooperative movement, industries, and marketing in the county government, to increase transparency and accountability.

Committee Membership

Honourable Speaker, Honorable members, the sectoral committee on Trade, Tourism, Industry and Marketing is composed of the following members and Secretariat;

Committee Members

1. Hon. Alice Wajewa - Chairperson
2. Hon. Kennedy Ajwang - Vice Chairperson
3. Hon. Samuel Dede - Member
4. Hon. Peter Obaso - Member
5. Hon. Fredrick Adonija - Member
6. Hon. Eunice Alandoh - Member
7. Hon. Bill Oliver - Member
8. Hon. Mildred Ajumbo - Member
9. Hon. Vitalis K'Omudho - Member

Committee Secretariat

1. Pst. David Ochieng - Senior Clerk
2. Patrick Okoyo - Hansard
3. Zachary Nyalalo - Sergeant-at-Arms
4. Calvin Odhiambo - Clerk Assistant

Committee Meetings

Honourable Speaker, Honorable members, the Committee dedicated significant time and effort to addressing this matter. It held five (5) meetings where members discussed the statement and examined the responses from the department.

Additionally, the Committee communicated the queries raised in the statement to the CECM for Trade, Tourism, Cooperatives, Industry, and Marketing through a letter referenced CAK/TTIM/SEC/VOL.04/7/25, dated Friday, 4th July 2025 (SEE ANNEX II).

In response, the CECM for Trade, Tourism, Cooperatives, Industry, and Marketing submitted a detailed reply via a letter referenced CGK/CECM/TTCIM/T/27/VOL.I, dated 11th July 2025.

Subsequently, the Committee requested further information and invited the CECM for Trade to appear before it through a letter referenced CAK/TTIM/SEC/VOL.28/7/25, dated 28th July 2025.

Terms of Reference by the Committee

Honourable Speaker, Honorable members, in order to effectively undertake the assignment regarding the status and operations of the Kisumu County Trade Fund, the Committee adopted the following Terms of Reference:

i. Reviewed the relevant legal and institutional frameworks, including the Kisumu County Trade Fund Act, 2015, the Public Finance Management Act, 2012, and constitutional provisions that govern the establishment, funding, implementation, reporting, and auditing of public funds at the County level.
ii. Critically examined and interrogated the statement sought by the Hon. Member for Nyalenda B Ward, which raised concerns regarding the operational status, financial accountability, and equitable distribution of the Kisumu County Trade Fund.
iii. Examined and analyzed the completeness and accuracy of the information submitted by the Department of Trade, Tourism, Cooperatives, Industry, and Marketing, including details of disbursements, beneficiaries, audit compliance, and challenges facing the Fund.

Introduction - Background

Honourable Speaker, Honorable members, the Kisumu County Trade Fund was established under the Kisumu County Trade Fund Act, 2015, pursuant to Section 116(1) of the Public Finance Management Act, 2012, with the objective of supporting traders and micro, small, and medium-sized enterprises (MSMEs) through access to affordable credit. The Fund was intended to act as a revolving facility, promoting enterprise growth, job creation, and poverty reduction within the County.

As provided in the establishing Act, the Fund was to be financed through appropriations made by the County Assembly or any gift/ donations/grants, and its operations were to be governed by principles of accountability, transparency, and equitable access across all Wards of Kisumu County.

Honourable Speaker, Honorable members, since its inception, the Fund has received a total of Kshs. 15 million in allocations from the County Treasury, with actual disbursements made only

in the 2016/2017 and 2018/2019 financial years. Despite budget approvals in subsequent years, including in FY 2021/2022, no additional funds were transferred to the Fund account, rendering it effectively dormant.

Furthermore, the Assembly has not been furnished with regular financial statements or audit reports on the Fund, contrary to the requirements of Sections 167 and 168 of the Public Finance Management Act, 2012, and Article 229(4) (b) of the Constitution, which mandate that all public funds must be audited and reported on within six months after the close of a financial year.

Additionally, no clear data has been submitted to demonstrate whether the Fund has been equitably accessed across all Wards.

Honourable Speaker, Honorable members, the lack of accountability, transparency, and operational continuity in the administration of the Kisumu County Trade Fund, despite prior budgetary allocations by the Assembly, forms the basis of the statement brought before this Honorable House, and consequently, the Committee's inquiry and this report.

Questions Sought in The Statement

Honourable Speaker, Honorable members, based on the above, Hon. James Were in the statement, requested the Committee to provide a detailed response on the following issues;

i. Whether the Trade Fund is currently operational and has earned any interest over the past three financial years as contemplated by the Kisumu County Trade Fund Act, 2015?
ii. Whether the trade Fund has received budgetary allocations for the financial years 2022/2023, 2023/2024 and 2024/2025, and whether its financial statements have been duly submitted to the Office of the Auditor General as required by law?
iii. Whether the Trade Fund has been equitably distributed across all Wards, who the Beneficiaries have been during the said financial years, and to what extent Nyalenda B Ward has benefited?

RESPONSE BY THE CECM FOR TRADE, TOURISM, COOPERATIVES, INDUSTRY AND MARKETING

Hon. Speaker, the Committee addressed these questions to the CECM for Trade, Tourism, Cooperatives, Industry and Marketing and were responded as indicated hereunder;

1. Whether the Trade Fund is currently operational and has earned any interest over the past three financial years as contemplated by the Kisumu County Trade Fund Act, 2015?

The Department confirmed that the Fund is partially operational, with no budgetary allocations in the past six financial years. However, recoveries from non-performing loans are ongoing. (SEE ANNEX V)

The last official disbursement was made in the financial year 2019/2020. Major challenges cited include high default rates, stringent loan requirements, and the negative economic impact of the COVID-19 pandemic, which made loan recovery more difficult. Currently, there is no disbursement of funds to beneficiaries, but loan recovery is ongoing.

The Fund has earned interest of Kshs. 228,902.83 from 2021 to 2025 as per the table below.

S/NO.	FINANCIAL YEAR	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
1	2021/2022	65,538.46	25,131.59	24,085.71	28,983	143,738.81
2	2022/2023	5,031.25	20,156.25	13,065.85	7,013.80	45,267.15
3	2023/2024	18,669.44	9,684.47	700	-	29,053.91
4	2024/2025	9,702.16	-	87.86	1,052.94	10,842.96
	TOTAL	98,941.31	54,972.31	37,939.42	37,049.79	228,902.83

2. Whether the trade Fund has received budgetary allocations for the financial years 2022/2023, 2023/2024 and 2024/2025, and whether its financial statements have been duly submitted to the Office of the Auditor General as required by law?

The Fund received a total of Ksh. 15 million, with allocations made only in FY 2016/2017 (Ksh. 10M) and FY 2018/2019 (Ksh. 5M). Despite approved budgets, no disbursements have been made since FY 2019/2020. The Department indicated that the FY 2021/2022 allocation was not credited to the Fund account.

FUND ALLOCATION TABLE

NO.	LOAN CATEGORY	RECEIPT FROM COUNTY ASSEMBLY (KSH)
1.	2016/2017	Ksh.10 Million (Credited on the 13th August, 2016)
2.	2017/2018	NIL
3.	2018/2019	Ksh. 5 Million (Credited on the 12th July, 2019)
4.	2019/2020	NIL
5.	2020/2021	NIL

6.	2021/2022	NIL
7.	2022/2023	NIL
8.	2023/2024	NIL
9.	2024/2025	NIL
	TOTAL	15 MILLION

Disbursement Summary:

i. In FY 2016/2017, out of the initial Ksh. 100 million budget allocation, Ksh. 10 million was disbursed to the Fund; only Ksh. 2,120,000 was disbursed to beneficiaries.
ii. In FY 2017/2018, with no new allocation, using residual balances and loan repayments, the Fund disbursed an additional Ksh. 5,890,000 from the previous financial year.
iii. In FY 2019/2020, following a further allocation of Ksh. 5 million disbursed to the Fund, along with repayments from the previous disbursement, the Fund disbursed a total of Ksh. 8,880,000.
iv. The Fund has thus disbursed a cumulative total of Ksh. 16,890,000, leveraging both allocations and repayments. (SEE ANNEX IV)

As of 31st July 2025, the Kisumu County Trade Fund Account reflects a current bank balance of Ksh. 2,147,555.40, as detailed in the account statement attached herein (ANNEX VII). However, it is noteworthy that as at 30th June 2025, the total amount in default stood at Ksh. 10,268,267.

The Fund was last audited by the Office of the Auditor-General (OAG) on 30th June, 2021. Since then, no subsequent audits have been conducted, which is a contravention of Article 229(4) (b) of the Constitution of Kenya and Section 167(3) of the Public Finance Management (PFM) Act, 2012. These legal provisions mandate the annual audit of public funds to ensure accountability and transparency in the use of public resources.

3. Whether the Trade Fund has been equitably distributed across all Wards, who the Beneficiaries have been during the said financial years, and to what extent Nyalenda B Ward has benefited?

The Department provided ward-level data specifying the number of beneficiaries across Kisumu County. The data for Nyalenda B Ward was also presented where the total of 8 beneficiaries benefited from the Fund across the FY2016/2017, 2017/2018 & 2019/2020.

The table below shows the number of beneficiaries per ward and amount for FY 2016/2017, 207/2018 & 2020.

S/NO.	WARD	NUMBER OF BENEFICIARIES	TOTAL AMOUNT PER WARD
1	Ahero	3	220,000
2	Awasi/Onjiko	7	710,000
3	Central Nyakach	4	310,000
4	Central Seme	6	550,000
5	Chemelil/Tamu	8	350,000
6	East Seme	3	180,000
7	Kajulu	13	830,000
8	Kaloleni/Shaurimoyo	13	570,000
9	Kobura	6	570,000
10	Kolwa Central	3	240,000
11	Kondele	24	2,060,000
12	Masogo Nyangoma	1	50,000
13	Milimani Market	27	3,350,000
14	North Nyakach	6	530,000
15	North Seme	2	150,000
16	Nyalenda A	4	550,000
17	Nyalenda B	8	820,000
18	Ombeyi	3	450,000
19	Railways	8	740,000
20	Seme Central	1	50,000

21	South West Nyakach	6	370,000
22	West Kisumu	2	130,000
23	West Nyakach	4	200,000
24	Central Kisumu	10	1,310,000
25	Manyatta B	5	530,000
26	Migosi	3	250,000
27	North West Kisumu	2	180,000
28	South West Kisumu	4	360,000
29	West Seme	3	280,000
	TOTAL	189	16,890,000

The Department stated that there were no formal selection criteria, and that any entrepreneur within the County qualified for the Fund, provided they had collateral. However, the collateral requirement hindered many people from accessing the Fund.

Committee Observations and Findings

1. No comprehensive reports or audit statements have been submitted to the County Assembly for oversight, undermining transparency and accountability.
2. The Fund has remained dormant for the past six financial years, rendering it non-functional and failing to serve its intended beneficiaries.
3. The Fund's design includes overly stringent collateral requirements, making it inaccessible to the informal sector, which comprises a significant portion of potential beneficiaries.
4. There is a complete absence of a Monitoring and Evaluation (M&E) system to track disbursements, identify beneficiaries, or monitor loan recovery progress.
5. The department has been relying on a regulation that has not been approved by the Assembly to operationalize the Fund.

Committee Recommendations

1. The Department must immediately submit financial statements for all applicable years to the Office of the Auditor-General and ensure that copies are also submitted to the County Assembly for oversight.

2. The County Assembly, through the Public Accounts Committee (PAC), should commission an independent audit to comprehensively examine the operations and financial history of the Kisumu County Trade Fund.
3. No further budgetary allocations should be made to the Kisumu County Trade Fund until governance, reporting, and monitoring systems are fully operational and compliant with relevant laws.
4. The Department should explore group-based lending and loan guarantee schemes to reduce default risk and increase access.
5. The department should cease using the regulation that has not been passed by the Assembly and take immediate steps to have it formally approved.
6. The Department should operationalize the Kisumu County Enterprise Fund Act, 2018, which provides an inclusive and flexible framework by targeting youth, women, persons with disabilities (PWDs), SACCOs, and informal traders; relaxing collateral requirements; and incorporating digital reporting and robust financial oversight mechanisms.

In conclusion, l hereby urge the Hon. members to adopt this report with the recommendations herein. Madam Speaker, I wish to urge Honourable Members to adopt this report with the recommendations herein. May I call upon Hon Eunice Alando to second. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Eunice Alando.

Hon Alando (Nominated Member): Thank you Madam Speaker. I rise to second this Motion and also to request this House that if the Motion is approved, the Select Committee on Implementation to take the matter immediately because this Fund is very important to our traders. As members of this House, we know most of our traders are really suffering. They are borrowing money from Shylocks and maybe other people who walk around the market. As a result of that, you now see the urgency of the Implementation Committee to come in and ensure that all the recommendations are implemented by the County Executive so that we serve our traders well. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members, now that the report by the Departmental Committee of Trade, Tourism, Industry and Marketing on the Operations of Kisumu County Trade Fund has been presented and seconded. As per our Standing Orders, I would like to propose a question that this report is now open for debate. I will give gender the first priority. I will allow Honourable Carren to speak first. The Honourable Members on their feet, I have noticed you all.

Hon Carren Ajwang' (MCA, Kaloleni/Shaurimoyo): Thank you, Madam Speaker. I rise to support the report before us. First, I want to start by commending this House Committee for a job well done. At least, we now know how the Trade Fund was disbursed among the beneficiaries.

However, Madam Speaker, I am worried because it did not come clear from the report. During the Financial Year 2016/2017, a total of Kshs. 10,0000,000 (Ten Million Only) was appropriated and only Kshs. 2,120,000 (Two Million, One Hundred Twenty Thousand Only) was disbursed to the beneficiaries. How I wish that, this House Committee would come out clearly and inform this House the challenges the department had that all Kshs. 7 million plus was not disbursed as anticipated. Otherwise, I support the Motion. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): I will give Honourable Tom Nyaoke the chance. Thereafter, I will give Honourable Ouko, Honourable Bill, and Honourable K'Omudho in that order

Hon Nyaoke (MCA, North Nyakach): Thank you, Madam Speaker for such a good arrangement. I want to first start by thanking Honourable James Were who saw it important to seek for a question on clarification on this issue of this Fund. Madam Speaker, the mandate of this House Committee, and I read again at point number one, was to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operation, and estimates of the assigned departments.

Madam Speaker, in this report we have been informed that quite a number of issues that transpired within the Fund Administration. Of course we can, just reading through it, have an idea on exactly what happened and what we feel should be able to be done. Madam Speaker, I know various speakers would now point at the Select Committee on Implementation where Honourable Eunice Alando has just mentioned.

However Madam Speaker, with due respect, as a member of the Select Committee on Implementation, it is my belief that it is high time that the recommendations brought on the Floor of this House were precise, so that we know exactly the prayers. We should not be reading the reports to derive the kind of actions that we are to get. Madam Speaker, if we go to the recommendations, I have looked at the mandate which I am also trying to tie them up with the recommendation.

One of the recommendations this House Committee has presented is that the department must immediately submit Financial Statements for all applicable years to the Office of the Auditor General and ensure that the copies are also submitted to the County Assembly for oversight. Madam Speaker, this is exactly one of the mandates this House Committee was tasked with. Madam Speaker, inasmuch as I would support this report for adoption, it is my opinion that, moving forward, other House Committees that will be presenting their motions for adoption must also try as much as they can to be precise, particularly when it comes to recommendations.

Madam Speaker, with a Fund such as this, there must also be positions of Fund Managers. Madam Speaker, if you look at the observations they have made, like such as no comprehensive reports of Audit Statements have been submitted to the County Assembly for oversight, undermining transparency and accountability. Madam Speaker, I believe that, this House Committee must have identified the person who slept on his job and failing to do this first item.

Madam Speaker, as we adopt this report, I can also beg members that we adopt, but with the reservation that this report is still going to call again another investigation to identify exactly who slept on the job so that appropriate actions can be taken. Madam Speaker, with that few remarks, I beg to support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Ouko.

Hon Ouko (MCA, West Kisumu): Thank you, Madam Speaker. Let me also thank the Member for Nyalenda "B", Honourable James Were for this statement. Let me also thank the Chairperson and the Committee Members for the good work they have done to expose what is not actually known by many, including Members of the County Assembly. The Kisumu County Trade Act, 2015 was enacted by this House to advance credit to entrepreneurs within Kisumu County.

Madam Speaker, after the enactment of this Act in this Assembly, somebody just sat down somewhere and came up with a Business Loan Scheme which cannot be supported by the law. Madam Speaker, whatever we are being given here representing a Regulation which is not a Regulation. This is something which we can sit down as Members of the County Assembly, decide and come up with a business scheme and start giving loans without proper guidance, which is not supported by the law.

Madam Speaker, a Regulation must be put in place by the County Assembly. A Regulation is an official Law or rule, which is created by a government to control or guide within a specific area. If it is probably finance, it should guide very clearly. Madam Speaker, within the regulations, it will specify very clearly who can apply for the loan, the interest rate expected to be charged, the repayment period, and what happens if somebody defaults on that kind of loan. Madam Speaker, in the absence of all these policies, where they say; the scheme is running without a clear criterion on how the loan is to be administered, how to be collected. This fund is illegal. It is illegal to an extent that even if the beneficiaries fail today to pay the loans, we will not have anything to hold on concerning these people because it is not regulated. Madam Speaker, the financial statements have not been sent to this House as required by law.

Madam Speaker, it is a requirement that after every quarter of the year, there should be a financial statement sent to the Committee on Finance and ICT for interrogation. Then after one year, there should be a little statement sent to the House through the Select committee on Public

Investments and Public Accounts (PIC/PAC). This is where we can assess whether the fund is viable, it can help, how it performs, and such kind of things.

Madam, in the absence of all this, this fund was created by somebody sitting somewhere to fleece the county of its resources. Madam Speaker, it is very clear in the Constitution of Kenya, 2010, Article 229(4) of the Constitution of Kenya, which requires the Auditor General within a period of six months after the end of each financial year to audit and report in respect of the financial year on;

The accounts of all funds, remember this is a Trade Fund, under the authorities of National and County Governments. If they have really failed, remember that it is indicated that some of the loanees are remitting their monies in this account. These accounts are not closed. And somebody is sleeping on the job in the name of accounting officer in charge of that fund. Madam Speaker, it is true that we must protect the interests of our people and we must oversight the County Executive. Guided by law, we cannot allow our officers who are vetted in this House and have all the qualifications to mess up our people and do the illegalities while we are watching. Madam Speaker, I support that we have to oversight as required by law, and I support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honorable Bill Oliver.

Hon. Oliver (MCA, Kobura): Thank you, Madam Speaker. I want to thank the Honorable member for Nyalenda "B", Hon. James Were for bringing this statement to this House. I also want to thank our Chairperson, Departmental Committee on Trade, Marketing and Industry and all the committee members, as I am, for bringing this document here.

Madam Speaker, from the document that we presented as the Trade and Industry Committee, if you look at the objectives of the fund when it was established, it was to support traders and micro, small and medium-sized enterprises. In our discussion, I believe we should be looking at how that has also been achieved over the years. It is quite sad that, Madam Speaker, six, seven years down the line, the fund has not grown. We really do not have a financial institution that is monitoring how the funds are repaid by the people that were lent the amount to improve their livelihoods.

Madam Speaker, if you look at how this fund is being operationalized, this is a complete money heist. This is stealing from the public. I am saying this because there are articles of the Constitution that the document has mentioned. We have the Article 229 (4)(b) of the Constitution of Kenya, which shows us that within six months after the end of the financial year, the Auditor General shall audit and report in respect of that financial year. So, it is unfortunate that over six years, we do not have those reports in this House, and we are questioning that. So, it

directly means that, even a layman can really understand that that is complete incompetence in that office.

Madam Speaker, we are representatives of our Wards, and we oversight the county government. If really, they can do this injustice and not let the public know what has really been collected, vis a vis what has been lent out over the years, makes it rather sad. If you look at what they gave us, it does not have a clear picture of who was lent. Being that it is a blind document, Madam Speaker, for us as honourable members, I believe it is right if we say that this is an area where we need more investigations, because money is being embezzled or misappropriated. Madam Speaker, six years is long enough. Money that was given to people to improve their livelihoods and in return, bring it back with at least with little interest so that a bigger population can borrow that money and improve their livelihood. If you look at how that money has been returned, really, you will be amazed. If this is how the county government works, then the system of devolution is failing.

Madam Speaker, if you look at the document, I come from Kobura as the representative of Kobura ward. When it was first given out, Kobura was given Kshs 570,000. My expectation, with the little knowledge in mathematics, anybody can really understand that around Kshs 500,000 given to a particular group of people, at least up to now, that money should have grown to at least Kshs 2 million, because it is given with a small interest in return. It should be a bigger percentage. We should be now talking of Kshs 15 million was given and we should now be talking of around Kshs 60 million or even Kshs 40 million back and disbursed again to a bigger population to improve the lives of the traders, micro, small and medium-sized enterprises.

Madam Speaker, I feel sad that the County Executive is being trusted in handling funds, but they can clearly give us a 100% incompetence when they give us back what we really expected them to handle well. So, Madam Speaker, I want to urge this Honorable House to support this, but again, let us do more investigations, because this is something that really needs to be investigated.

Madam Speaker, as I sit as a member of Trade and Industry Committee, there is something I noted from the document. Yes, we own it, but there is a small mistake that is there, a section of the PFM Act 2012 that has been mentioned, and it is sad if we can have this error, because the PFM Act that we have does not have section 167. We have section 67, and that is what we discussed during the committee meeting. So, it is wrong. This document is going to the public. It should not have such errors as section 167 in it. I believe that was a typographical error because what we discussed was section 67.

Madam Speaker, I urge Honorable members that let us support this. It has at least confirmed to our people that the Department of Trade is sleeping on the job, and I am pleased that this House

Committee is showing this to the public to know that the county government that we expect to fight for us has decided to sleep in the Department of Trade. Honorable Members, I want to thank you as we do our role in oversight. I support.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honorable K'Omudho.

Hon. K'Omudho (MCA, Muhoroni/Koru): Many, many thanks, Madam Speaker. I am privileged this afternoon to contribute to the very good report presented by the Departmental Committee on Trade, Tourism, Industry and Marketing that I equally belong to. Once more, congratulations, Chairperson, for doing some good job together with the team ourselves. A good question came up from my fellow colleague, Honorable Were. It will serve the purpose. I will be very brief, Madam Speaker.

Madam Speaker, it has come out clearly that somebody seated somewhere within the authorities established a fund. The fund was meant to be used in a particular way, and in that particular way, it was to benefit some few individuals in the society and never to be refunded. I am happy because Muhoroni- Koru Ward is not mentioned anywhere, and I do not even think anybody in Muhoroni- Koru Ward knew there was something like that.

Out of the 35 wards, only 27 wards benefited from it. I did not even know that there was such a thing which was going on. However, Honorable Madam Speaker, together with the fellow colleagues, Honorable Members, it is never late. It is never too late because I have heard something like collaterals being mentioned, but I doubt how useful these collateral things are. I want to be surprised that a number of fake title deeds were presented here. I will not be surprised, Honorable Speaker, that a number of fake logbooks were presented here as collaterals under this thing, but it is never late. The report is very clear. The report has given recommendations. We want the Select Committee on Implementation to come and let us see some action being taken. These amounts were taken by people. Some of these people would still be living. Some of them probably have perished, but we want to know exactly what was the purpose of the fund. It came. It died six years ago. We are still seeing that there is some balance of some two million. What is the way forward towards this? Can the Select Committee on Implementation take action immediately and let us have the feedback? I support the report. Many, many thanks once more.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Geoffrey Warindu.

Hon. Warindu (MCA, Miwani): Thank you, Madam Speaker, for the opportunity. Right from the onset, let me thank the originator of the Statement and I want to believe that the concerns that the member raised have been elaborately addressed by the Chairperson, departmental Committee on Trade, Tourism, Industry and Marketing.

Madam Speaker, if you go through the report that we are discussing today, it is like this fund was destined to fail right from the onset. The only regret I am having is that this was a low-hanging fruit and nobody from Miwani Ward took the opportunity to take it.

Madam Speaker, we are being informed that, so far there was a total of Kshs 16,990,000 (Sixteen Million, Nine Hundred Ninety Thousand Only) which was dispersed to beneficiaries and currently the account is reading Kshs 2,147,555 (Two million, One Hundred Forty Seven, Five Hundred Fifty Five Only). The money in default so far is Kshs10,268,267 (Ten million, Two Hundred Sixty Eight, Two Hundred Sixty Seven Only). If we are talking from facts, by the end of this year or maybe next year, this account will be reading zero. All these people will have defaulted in repaying.

My worry is right now they are not disbursing the amount that is there in the fund account and we are still have Kshs 2,147,555 (Two million, One Hundred Forty Seven, Five Hundred Fifty Five Only). I do not know whether the account is still active or dormant. The first objective of this loan and I usually say this, that those who came up with the devolution had a very good idea on how to grow our people. The objective of this was to promote the enterprise: the small-scale, the medium-sized business and those who are doing the business. The second one was for job creation. At least this was going to alleviate our people from poverty. Most of the departments that we are dealing with right now in Kisumu County, very few are directly felt by the people that we are representing.

Besides, this was a very good initiative from the County if it was to succeed. I want to believe that very many people will have been employed through this. If you go through our region, we have very limited manufacturing companies and the only way that our people can be at least employed is through the businesses. Therefore, if this amount of Kshs 15 million (Fifteen Million Only) can be disbursed then repayment done; period and structure was not even there. Everything was a fault from the start. I even really wonder if this fund will be activated and if our people will really benefit from this it. There are a lot of things that the Assembly as the oversighting body, there are a lot of things that we still need to do so that this fund can be operationalized. I wonder the worry and the hurry that was there when giving out almost Kshs15 million (Fifteen Million) whereas there were no proper structure on how this amount was going to be recovered. Initially, it was meant to be a Revolving Fund; you take a loan, you repay and then others can also be given this loan. Those who were given this loan from the first moment, I want to believe some of them disappeared with it just like that and there was no recovery structure put in place.

Madam Speaker, if we are going to make this workable; we need to come up with a Regulation, we need to adhere to the Public Finance Management Act 2012 and we also need to adhere to what the Constitution of Kenya 2010 says on these funds that are being established. Just the

other day we were discussing how the Department of Sports, Culture, Gender and Youth Affairs Department used the Kshs 15 million (Fifteen Million) in the FESTAC event. Again today, we are discussing about Kshs15 million (Fifteen Million) being lost just like that. If you look at our Wards, we are only allocated Kshs 20 million (Twenty Million) to propose projects for that yet this is a total of Kshs 30 million (Thirty Million) which has been lost.

Madam Speaker, we just need to be serious with our work and we need to take responsibility as a House. The idea of throwing everything to the Select Committee on Implementation which has been a norm. Each and every report that is given in this House, the first committee that the recommendations of the Committee is charged with is the is the Implementation Committee. As a House, there are so many things that we need to do to rectify the things that are happening right now which are not benefiting our people. Let us all act as members of the Implementation Committee and do our oversighting role properly, then all the things that we do will go in the right direction. Madam Speaker, I support the report and I want to believe that there is more than what meets the eye in this fund. We cannot just leave it at this point. At least further inquiries should be carried out into this fund and we must also find a way forward. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Mildred Ajumbo.

Hon. Ajumbo (MCA, Central Seme): Thank you, Madam Speaker. I want to add my voice to the ongoing debate on the Kisumu County Trade Fund.

Madam Speaker, I want to thank Honourable James Were for coming up with a Statement to inquire into the loan that was given through this fund. I also want to thank the Chairperson and the entire committee for coming up with such elaborate report. I have looked at the list of disbursements in various wards of a total of 27 in number. I have heard some of the Honourable. Member notably the member representing Chemelil/ Koru Ward complaining about the ward allocations; that his ward never benefited.

Madam Speaker, I have looked at the response by the Chief Officer, Department of Trade, Tourism, Industry and Marketing when she was giving her response and has agreed that there is a need for some strict loan requirements. Besides, she also accepted that it is true the default rates were quite high. In addition to that, the same department was supposed to have come up with the regulations for this fund. The same department is accepting that, it is true they should have come up with the requirements. Also the rates were quite high. The rate at which default was happening. This loan up to now Madam Speaker we can see that those who took the loan are still repaying.

But again, against a background that there is no Regulation, Madam Speaker. So it is high time that the Select Committee on Implementation can take it up so that they do a follow-up and I am sure they are going to come up with a more detailed report on some of these recommendations by the Departmental Committee of Trade, Tourism, Industry and Marketing. The Departmental Committee on Trade, Tourism, Industry and Marketing is giving a recommendation that independent audit needs to be carried out and also the group lending loan guarantee schemes needs to be improved. Madam Speaker, it is my hope because from the Departmental Committee on Trade, Tourism, Industry and Marketing, that is the report they have given.

So, the report needs to be committed to the Select Committee on Implementation that must take it serious. I can see the Vice Chairperson laughing. I also see a member of the Committee seated in the same place with the Vice Chairperson. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Henrietta Bodo.

Hon. Bodo (Nominated Member): Thank you, Madam Speaker. I am on my feet to support today's motion from the Departmental committee on Trade, Tourism, Industry and Marketing. This is a very important report not only for the House but for every Kisumu person. Madam Speaker, there is one thing that all members have raised, if I am not wrong, except Hon. Okoyo. But, majority of us have contributed and the contributions are very, very good plus the recommendations too.

Madam Speaker, there is one thing that we have to do. All the points that have been brought forward are good but if we do not bring an end, a closure to that account, the funds are still going to go out and not coming back in.

So my other recommendation for the House or for the Committee is that we need to freeze that account so that they do not keep on lending and no money is being brought back. Otherwise, I stand to support the motion and I would like to call the mover to reply.

Laughter

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Henrietta Bodo, you just proposed a recommendation. I do not know whether you want to do it formally or it was just a contribution.

Hon. Bodo (Nominated Member): Thank you, Madam Speaker. I think it is a contribution and I stand to be guided, thank you. If there are any persons who want to speak, Madam Speaker, I think you can have a say on that. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated): You proposed a recommendation. You proposed an item to be included in the recommendation so…

Hon. Bodo (Nominated Member): Thank you, Madam Speaker. I thought you were giving Honourable James Were chance to to continue. But that aside, let me call Honourable Tom Nyaoke to second.

The Temporary Speaker (Hon. Oginga, Nominated Member): What is Honourable Tom Nyaoke's…(inaudible)

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, the member has recommended that we include the point that this account should be frozen until clear structures are put in place. That is indeed a very good recommendation and Madam Speaker with that few remarks, I beg to second.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members, we have a proposed recommendation by Honourable Henrietta Bodo that be included in the report and seconded by Honourable Tom Nyaoke. I would like to propose a question and I would like to open the floor for that debate.

The Temporary Speaker (Hon. Oginga, Nominated Member):Yes, Honourable Bill Oliver.

Hon. Bill (MCA, Kobura): Thank you, Madam Speaker. I rise to oppose that. It is not in bad faith but, I am opposing because I am seeing it in terms of; if you close the account, what is left of the people who are still repaying their loans? Thai is because, we want life to this fund. It is something that can really grow Kisumu County. So I am for the idea that instead of closing the account, the department was working on a program of taking that and partnering with the banks. I think Equity Bank. So, if they go that way, they transfer that fund and they let it to be handled by a reputable financial institution, then, I believe that, this is the right way to go. We will be giving life to that fund and not forgetting the people that were granting line of credit to improve their lives. So it will be a continuity towards a better future because the bank will now be handling it. It is not our role as the county government to do follow-ups. I believe if they are given that role to a financial institution, they can do follow-ups to default as well, and in the process we will have more money and the money will benefit more and more members of... so I really oppose and I believe members oppose that.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Henrietta Bodo, I do not know why you are up. We are still debating and you cannot debate as a proposer.

Hon. Henrietta (Nominated Member): Point of information Madam Speaker, I just want to inform my colleague Honourable Bill Odhiambo that I spoke of...

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Henrietta, there is a procedure for informing a Member.

The Temporary Speaker (Hon. Oginga, Nominated Member):Honourable Bill Oliver, do you allow Honourable Henrietta to inform you?

Hon. Bill (MCA, Kobura): No, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Okay, yes Honourable Were James.

Hon. Were (MCA, Nyalenda "B"): Thank you Madam Speaker. I have become more confused because Honourable Henrietta contributed but while sitting down asked the mover to reply. So I do not think this statement of an amendment becomes relevant Madam Speaker until you make a pronouncement and judgement, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Were, you know it wasn't in order for Honourable Henrietta to call the mover to reply but she made a proposal on the amendment so it's either you support because they are debating on the amendment or you reject it.

Hon. Were (MCA, Nyalenda "B"): Thank you Madam Speaker. I wanted you to make that clarification. Madam Speaker, I am also against the proposed amendment. Madam Speaker, this is still account in question. We have people that still owes the government money. We still have money about over Kshs 2 million (Two Million) in that account. Madam Speaker, freezing this account or closing this account, it means that we are agreeing that we don't care about what happens to the 13 million (Thirteen Million) that is still left pending.

Madam Speaker, as we propose as a county that we want to do recoveries, recoveries to where? All the monies that we are going to recover, where shall we take them to? So, Madam Speaker, I oppose. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Geoffrey Warindu.

Hon. Warindu (MCA, Miwani): Thank you again, Madam Speaker. The report read by the Chairperson was very clear that right now there's no disbursement of loans taking place. The only money that is getting into that account is the repayment amounts that were given to the

beneficiaries. And from her report, it was, so far attracted interest of Kenya Shillings 228,902 (Two Hundred Twenty-Eight Thousand, Nine Hundred Two Only) and all this monies are being channeled to this account. The main purpose why this account should be active and should not be closed, Madam Speaker, is that we want to retrieve the amount that was given to the beneficiaries through this account and I want to believe that is the main function that this account is being used for. Therefore, Madam Speaker, I also oppose the proposed amendment.

The Temporary Speaker (Hon. Oginga, Nominated Member): I see no one standing up to continue debating, so I'll call the proposer of the amendment to reply and then I'll put a question.

Hon. Henrietta (Nominated Member): Maybe to Honourable Members, they did not actually understand what I had said. I said that the money that are out cannot be locked from accessing the account, but we can lock the account from the monies that are going out. That is what I meant. Otherwise, thank you very much Madam Speaker. I reply.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members, there is been an amendment proposed by Honourable Henrietta, and as per standing orders, I would like to put a question.

(Question put and negatived)

The Temporary Speaker (Hon. Oginga, Nominated Member): Therefore, the amendments do not form part of the report. Honourable Members, we continue with the debate.

Hon. Okoyo (MCA, Central Kisumu): Thank you Madam Speaker. I did not want to contribute on the amendment because I knew it was going to fall. Madam Speaker, let me say this. The Trade Fund is one of the funds which Kisumu County Government found to be a very noble idea to introduce. And Madam Speaker, going by the ideas which I have seen in other areas, I remember the Trade Fund is not like other funds which are practiced by the other default functions like NGCDF.

Madam Speaker, I want to inform you that, if we really want to empower and more so the women of Kisumu County, we need to have the Trade Fund functioning. But Madam Speaker, just like any other idea which has been brought up in Kisumu County, the Trade Fund should be alive and kicking. But as you know the weakness of the mankind, people sometimes take advantage of good ideas and then they make money out of it. And with the report which has been brought by the Departmental Committee on Trade, Tourism, Industry and Marketing, Madam Speaker, I was really surprised because when I heard Honourable Were bringing up the statement to see what happened to the Trade Fund, I thought I would get a very good report and

maybe know where the loose areas were so that we can tighten them and then go on with the trade fund.

Madam Speaker, it is true, we cannot and we will not close or freeze this account because the county or this fund is owed with so many people. So many people are owing us and we must see how the funds must be brought back to this account. So, I want to beg my fellow colleagues that even if we are complaining about what happened to the Trade Fund, but I am one of the people who know what the Trade Fund can do to our citizen of Kisumu County.

So Madam Speaker, with all the ideas which my colleagues have come up with, I support this motion, but I am asking, let us see how we can revive this Trade Fund and help our women who are more so the traders and doing other businesses and can benefit from this trade fund. So Madam Speaker, I support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable James Were.

Hon. Were (MCA, Nyalenda "B"): Thank you, Madam Speaker. Madam Speaker, Kisumu Trade Fund is like any other county-based fund that is anchored in law.

Madam Speaker, this is in compliance with the Public Finance Act, section 116 to 120, which provides for the establishment of that County Fund. Then section 116, subsection 2, also states that a county government may establish public funds for specific purposes, but they must be approved by the County Assembly. Then section 117 to 119 states that it prescribes the administration reporting and accountability requirements for such funds, including annual reporting and audits.

Madam Speaker, you are finding that the first two sections were complied with. The last one, Madam Speaker, the County Government of Kisumu has done little because we had to put measures in place to ensure that the administration of this fund is clearly stipulated and reporting is done in real time. Madam Speaker, the County Government Act 2012, Section 104, section A, says that the county government is required to plan for economic and social development, establishing trade enterprises funds, which fits within the planning mandate.

Madam Speaker, for the county to come up with this law, it means that there was a need for our people to get a certain fund to empower themselves in terms of business. Madam Speaker, it means that we needed to cover our vulnerable traders who may want to do something, but they lack the financial resources to do this.

Madam Speaker, we were finding that most of our people were facing the financial burden by going to the financial institutions, the microfinances and the shy locks, which was proving to be

a burden to them because the interest that they charge fort their credit facilities after accessing funds from these institutions was too much.

Madam Speaker, what is happening is now we have left our people, we have left our traders because something that we could put right, we refused to make it right. And that's why, as a member of the county assembly representing Nyalenda 'B', I saw it wise to raise such a question so that we can see a way forward on how we can revamp, safeguard this Fund, and make our people benefit from it.

Madam Speaker, the report is clear. I want to commend this House Committee, even though there are gaps. But those gaps we must address, we must address them as a people, as a county, so that moving forward we see the best way. Well, now we can address it. Even before we allow this to be committed to the Committee of Implementation, we need to address some issues.

The report has mentioned recoveries—but the big question is: how many recoveries have actually been done, and by who? Are the names of those who have money to pay back captured and tabulated? Are the names of those who accessed these funds but have never paid even a single coin listed anywhere?

We must deal with facts—figures and names. For instance, out of the 200 or 300 people who benefited, how many have fully paid back, how many have paid partially, and how many have defaulted? Without this information, Madam Speaker, the report remains incomplete. From what I see, there is an absence of recovery records, and that means we are not addressing the real issue.

If this fund is to be strengthened and sustained, then proof of recoveries must be presented. Otherwise, we cannot tell whether the money is being recycled or simply lost. These are critical gaps that must be addressed. I expected that this House Committee to come up with firm recommendations, even punitive measures, because as a county we agreed to establish these funds for the benefit of our people. If it fails, then someone must take responsibility.

The report, unfortunately, is silent on key issues—like the role and accountability of the fund manager. The committee interrogated people, yes, but where is the fund manager's responsibility reflected? Our people remain vulnerable, waiting for this money, while a few individuals are still holding onto it. This must be resolved if we truly want to give our people access to these funds.

Madam Speaker, I am personally satisfied that by raising this matter, we now have clarity. For a long time, there were public pronouncements claiming that over Kshs 50 million (Fifty Million) had been disbursed in Nyalenda "B". Today, it is clear that for the last three financial years, not a single cent has been appropriated to that Ward. At least our people now know the truth.

Moving forward, I believe we must find a lasting solution. If we tighten accountability and enforce recoveries, this fund will work. Our people deserve this financial support for their businesses, and with proper management, even the small interest they pay back will sustain it. For these reasons, Madam Speaker, I stand to support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Obaso.

Hon. Obaso (Nominated Member): Thank you, Madam Speaker. I rise to add my voice to the motion before this House. From this report, it is clear that although the fund was initially intended to benefit our people, it failed to reach its intended objectives.

Madam Speaker, any fund that lacks proper regulation is prone to embezzlement, and unfortunately, that is the situation we are faced with today. Having been part of this process from its early stages, I can confirm that there are glaring gaps in this report. Many of the procedures outlined were never aligned with the requirements of the PFM Act, 2012.

Going forward, I strongly recommend that clear restrictions, guidelines, and frameworks be established for the Enterprise Fund currently in progress, so that it does not suffer the same shortcomings.

With those remarks, Madam Speaker, I support the report and emphasize that once it is forwarded to the Implementation Committee, a thorough audit should follow to ensure accountability. I support.

The Temporary Speaker (Hon. Oginga Nominated Member): I now call upon the mover to reply. Honourable Alice Wajewa, you may proceed.

Hon. Wajewa (Nominated Member): Thank you, Madam Speaker. First, allow me to appreciate you once again for this opportunity, and to sincerely thank all Honourable Members for their valuable contributions on this important report.

Madam Speaker, the Kisumu County Trade Fund was indeed a noble idea. However, from both this report and the views expressed by Members, it is evident that the major gap lies in the manner in which the funds were disbursed—without proper regulations or guidance. Without clear regulations, beneficiaries became confused. There was no Fund Manager, no clarity on repayment timelines, and no defined interest rates. This lack of structure is the root problem.

Therefore, I strongly recommend that the Select Committee on Implementation moves with speed to ensure the recommendations of this House are acted upon, particularly on putting in

place the necessary regulations and frameworks for the proper management of the fund in the future.

Madam Speaker, while the fund has not disbursed loans since 2019, recoveries from beneficiaries are still ongoing. The account currently holds Kshs. 2.1 million (Two Million One Hundred Thousand Only) which appears intact since even the department itself is at a standstill. For this reason, the account cannot simply be closed. Instead, I recommend that both the Select Committees of Implementation and that of Public Investments and Public Accounts Committee conduct further inquiries and a thorough audit to comprehensively review the operations of the fund.

Finally, Madam Speaker, we must remember the original intent of this fund was to support women, youth, and persons living with disabilities. Many of our women continue to be exploited by informal lenders and financial institutions charging exorbitant interest rates. The Kisumu County Trade Fund was designed to give them relief and opportunity. We therefore have a duty to ensure it is revived, strengthened, and implemented fully. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga Nominated Member): Honourable members, allow me to give some guidance. I heard Honourable Alice mention that Regulations are missing in the department. I believe it is the responsibility of the parent committee to push for the formulation and enforcement of those regulations within the department. We cannot leave that responsibility to anyone else—it rests squarely with us.

Honourable members now that the report by the Departmental Committee on Trade, Tourism, Industry and Marketing on the Operations of Kisumu County Trade Fund has been presented, seconded and debated, I therefore want to put a question on the adoption of the same.

(Question put and agreed to)

The Temporary Speaker (Hon. Oginga Nominated Member): Honourable members, the report by the Departmental Committee on Trade, Tourism, Industry and Marketing on the Operations of Kisumu County Trade Fund having been adopted today, Thursday, 25th September 2025 at 1622 hours.

Consequently, I further direct that this report together with the Hansard report be submitted to the relevant department for purposes of implementation.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next Order!!

ADJOURNMENT

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable members, please be upstanding. There being no any other business to transact, this House stands adjourned until Tuesday 30th September 2025 at 02.30pm.

(House rose at 4.23 p.m.)

Addendum

The Hansard Team

Zablon Otiende – Assistant Director, Hansard Services

Hansard Reports

Patrick Okoyo – Chief Hansard Reporter

Jesca Otieno – Chief Hansard Reporter

Fanuel Okode – Chief Hansard Reporter

Vallery Achieng' – Hansard Reporter

Jackline Otieno - Hansard Reporter

Edward Odanga – Hansard Reporter

Brian Omondi – Attache'