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SCHEDULE

Meetings of the Boards (s.14)
THE COCONUT INDUSTRY DEVELOPMENT BILL, 2016

A Bill For

AN ACT of Parliament to provide for the production, processing, marketing and distribution of Kenya coconut and its products; establish the Coconut Industry Development Board; provide a framework for coconut farming development; ensure value addition to coconut and its related products; and for connected purposes.

ENACTED by the Parliament of Kenya, as follows—

PART I—PRELIMINARY

1. This Act may be cited as the Coconut Industry Development Act, 2016.

2. In this Act,—

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to Agriculture;

“County Executive Committee Member” means the County Executive Committee Member for the time being responsible for matters relating to agriculture;

“coconut” means the coconut tree from seedling, mature tree, all the products from the tree and any other by-products related directly or indirectly to the coconut tree;

“coconut products” includes—

(a) copra, coconut oil and any product made wholly or in part from any part of the coconut;
(b) all the products of medicinal value from coconut tree;
(c) coconut products used in the construction industry;
(d) all products from the coconut tree that are edible and used as food and food supplements;
(e) all coconut by-products used as soap; or
(f) all coconut products used as beauty products;

“copra’ means the kernel of the coconut, wholly or partly dried;

“Board” means the Coconut Industry Development Board established under section 4;
“Secretary” means the person appointed under section 9;

“person” includes a company, association or other body of persons whether incorporated or unincorporated; and

“Principal Secretary” means the Principal Secretary for the time being responsible for matters relating to Agriculture.

3. The object of this Act is to —

(a) facilitate and develop a framework for promoting a globally competitive coconut industry;

(b) increase production and processing of safe and healthy coconut trees and products;

(c) ensure value addition to the coconut tree and coconut products;

(d) generate higher income for coconut farmers and traders by introducing better varieties of coconut tree with higher yield;

(e) provide continuous and sustained research and extension services for the development of the coconut industry;

(f) facilitate the introduction of modern coconut farming techniques and general modernization of the coconut industry;

(g) create a coconut fund to support the Coconut industry though the provision of loans and other facilitation; and

(h) implement effective marketing strategies.

PART II—ESTABLISHMENT, FUNCTIONS AND POWERS OF THE COCONUT DEVELOPMENT BOARD

4. (1) There is established the Coconut Industry Development Board.

(2) The Board is a body corporate with perpetual succession and a common seal and in its name is capable of—

(a) suing and being sued;
(b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable or immovable property;

(c) enter into contracts;

(d) borrowing and lending money; and

(e) doing or performing all such other things or act as may be necessary in furtherance of its object and functions.

(3) The headquarters of the Board shall be in Kilifi county.

(4) The Board may establish other branches in all other counties.

5. (1) The Board comprises the following members —

(a) a non-executive chairperson appointed by the Cabinet Secretary from amongst members appointed under paragraph (d);

(b) the chief officers in the departments for the time being responsible for matters relating to Agriculture from the coconut producing counties;

(c) one person from the coconut producing counties nominated by the Kenya National Chamber of Commerce and Industry;

(d) one person representing special interest group nominated by the Coast Development Authority; and

(e) six people one from each of the coconut producing counties representing coconut farmers nominated by the farmers union from the coconut producing counties.

(2) The members under subsection (1) (b) may appoint alternate members in writing who must be senior officers to represent them in Board meetings.

(3) A person is not qualified for appointment if that person—

(a) prior to the consideration for appointment, was convicted of a criminal offence;

(b) is a member of Parliament or County Assembly; or
(c) is adjudged bankrupt.

(4) The nominations for appointment of members of the Board, other than members representing county government Departments shall be done competitively by the Public Service Commission through—

(a) invitation of applications from qualified persons by a notice in at least two newspapers of national circulation;

(b) consideration and short listing of qualified persons;

(c) interview and nomination of at least twice the number of required members; and

(d) submission of the nominees to the Cabinet Secretary for appointment.

(5) The Cabinet Secretary shall, by notice in the gazette, appoint members of the Board from among the nominees submitted under subsection (3) taking into account the principle that not more than two-thirds of the members should be of one gender.

(6) The Cabinet Secretary may appoint one third of the members in a staggered manner to ensure that their terms do not lapse at the same time.

(7) The Chief Executive Officer is an ex officio member of the Board with no voting rights.

6. A person is qualified for appointment as a member of the Board if that person—

(a) is a citizen of Kenya;

(b) holds a degree from a recognized university in Kenya;

(c) has at least five years senior management experience in —

(i) agriculture;

(ii) farming;

(iii) entrepreneurship; or

(iv) any other relevant field; and

(d) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.
7. (1) The Board shall—

(a) promote an accelerated and orderly development of the coconut industry;

(b) facilitate and advance industrialization in the coconut industry and the diversification and proper utilization of coconut products and by-products, including oil palm products and by-products;

(c) promote the effective utilization and marketing of coconut products and by-products in the domestic and foreign markets and preserve the competitiveness and reliability of the country as a producer and supplier of coconut products by establishing national acceptable standards acceptable in the international markets;

(d) increase production by expanding the planting and replanting program of coconut trees in strategic areas identified as having the most potential and the rehabilitation and fertilization of existing coconut trees;

(e) conduct scientific research and investigations in all areas pertaining to agricultural, industrial, marketing and socio-economic aspect of the coconut industry and encourage the participation of small farm holders in research and technology;

(f) encourage and promote the organization of coconut farmers cooperatives, associations, and organizations and provide them with credit and financing schemes;

(g) generate and disseminate information and communication to farmers, producers and other sectors to ensure the appreciation and adoption of appropriate technology and practices, inventions, as well as the proper awareness and correct understanding of issues and development in the coconut industry;

(h) co-ordinate and integrate all efforts of various agencies of government and provide general direction for the steady and orderly development of the industry;

(i) regulate the marketing and the exportation of coconut products and by-products to conform with
quality or food standards recognized by both domestic and international market;

(j) provide training, extension service programs and disseminate information to coconut farmers, farm workers and processors relative to production technology, market systems, farm workers, entrepreneurial and other technical skills and values, attitude formation and socio-economic development strategies;

(k) regulate the marketing and exportation of coconut products and by-products to conform with quality or food standards recognized in the international market;

(l) adopt a special programme to maximize the yield of coconut farmers;

(m) collaborate with relevant institutions so as to promote access to credit and other financial services;

(n) formulate and adopt a general program of development geared towards increased farm productivity, through planting or replanting of suitable seedling varieties, rehabilitation and fertilization of coconut, integrated coconut-based farming systems and product processing;

(o) facilitate the construction of related support and infrastructure facilities; and

(p) perform any other functions assigned to it under this Act or any other written law.

8. (1) The Board has all powers necessary for the performance of the functions under this Act.

(2) Despite the generality of subsection (1), the Board has power to—

(a) invest any monies of the Authority Board not immediately required for its purposes in the manner provided under this Act;

(b) open and maintain bank accounts;

(c) partner with any institution or person so as to further the purpose for which the Board is established;
(d) receive grants, gifts, donations or endowments and make legitimate disbursements from them;

(e) delegate any of its powers; and

(f) undertake any activity necessary for the fulfillment of any of the functions of the Board.

(3) The Board may, on such terms and conditions as it considers fit, delegate any of its powers, in writing, to any one or more of the members or the Secretary or an employee of the Board.

9. (1) There is a Secretary of the Board who shall be appointed by the Cabinet Secretary, on recommendation of the Board, on such terms and conditions as may be specified in the instrument of appointment.

(2) A person is qualified for appointment as a Secretary if that person—

(a) is a citizen of Kenya;

(b) holds a degree from a university recognized in Kenya;

(c) has at least five years experience in—

(i) senior management; and

(ii) a profession directly relevant to the functions of the Board; and

(d) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.

(3) The Secretary is subject to the directions of the Board and is responsible to the Board for the—

(a) implementation of the decisions of the Board;

(b) day to day management of the affairs of the Board;

(c) organization and management of the employees; and

(d) any other function that may be assigned by the Board.

(4) The secretary shall hold office for a term of five years and is eligible for re-appointment once.

(5) Before the Secretary is removed from office on any of the grounds provided under section 16, the Secretary
shall be given sufficient notice of the allegations made against them.

(6) The Secretary may be removed from office on the recommendation of the Board on the grounds provided under section 16.

10. The Principal Secretary in consultation with the Board shall make available to the Board the services of adequate public officers as are necessary for the proper and efficient exercise of the functions of this Act.

11. (1) The Board may establish committees for the better carrying out of its functions.

(2) The Board may co-opt persons to committees established under subsection (1) for a particular reason and such persons shall hold office for such period as the Board may determine.

(3) The persons co-opted under subsection (2) shall not be more than two.

12. (1) Every member of the Board holds office on a part time basis for a term of three years but may be eligible for reappointment once.

(2) Where a member of the Board opts to apply for reappointment in accordance with subsection (1), the reappointment may only be considered based on the exemplary performance of the applicant.

(3) The Cabinet Secretary shall put in place measures to ensure that one third of the members of the Board are appointed in a staggered manner separated by a year.

13. The members shall be paid such allowances as the Cabinet Secretary may from time to time determine, in consultation with the Salaries and Remuneration Commission.

14. The business and affairs of the Board shall be conducted in accordance with the schedule.

(2) Except as otherwise provided in the Schedule, the Board may regulate its own procedure subject to the provisions of the law governing state corporations.

(3) The Board may invite any person to attend any of its meetings and to participate in its deliberations, but such
person shall not be entitled to vote on any of the Board’s decisions.

15. (1) A member may be removed from office for—

(a) inability to perform the functions of the office arising out of physical or mental incapacity;

(b) gross misconduct;

(c) incompetence or negligence; or

(d) absence from three consecutive meetings of the Board without a reasonable explanation.

(2) Before the Cabinet Secretary takes a decision under subsection (1), a member shall be given an opportunity to defend the allegations made against them.

(3) Despite subsection (1) and subject to subsection (2), the Board may remove a member on any of the grounds specified in subsection (1) and by a resolution taken by two thirds majority of all the members of the Boards in a special meeting for that purpose.

16. A person ceases to be a member of the Board if the member—

(a) having been nominated by virtue of their office, the appointment is revoked;

(b) resigns in writing to the Cabinet Secretary;

(c) is convicted of a criminal offence and sentenced to a term of more than six months;

(d) is declared bankrupt; or

(e) dies.

17. Where a vacancy occurs in the membership of the Board, the Cabinet Secretary in consultation with the Council of Governors, shall appoint a new member in accordance with this Act.

18. (1) The affixing of the common seal of the Board may be authenticated by the signature of the Chairperson and the Secretary.

(2) A document not required by law to be made under seal and all decisions of the Board may be authenticated by the signatures of the Chairperson and the Secretary, in the case of the Board.
(3) Where the Chairperson or the Secretary is absent, in the case of the Board, that Board may nominate a member to authenticate the seal on behalf of either the Chairperson or the Secretary.

(4) The common seal of the Board shall be kept in such custody as the Board may direct and shall not be used except on the order of the Board.

(5) The common seal of the Board when affixed to a document and authenticated is officially noticed and unless the contrary is proved, an order or authorization of the Boards under this section is presumed to have been given.

PART III—GENERAL PROVISIONS RELATING TO COCONUT INDUSTRY

19. A person directly or indirectly engaged in the manufacture, processing and other business involving coconut products and by-products shall apply for registration with the Board

20. The coconut industry, its institutions, farmers and participants are entitled to tax incentives under existing laws as the Cabinet Secretary responsible for Finance may from time to time determine by notice in the gazette.

21. The Board may charge fees including —
(a) training fee payable by the trainees;
(b) loan processing fees; and
(c) such other fee as may be authorized under this Act or any other law.

22. In order to conserve and protect the resources devoted to coconut industry, the Board shall regulate the cutting or destruction of coconut trees in accordance with this Act.

23. (1) A person is entitled to a credit facility if that person has entered into an agreement with the Board in a prescribed manner.

(2) A credit facility under this Act shall only be granted for purposes of promoting coconut farming, marketing or processing.
24. (1) The Board may enter into an agreement with any person or institution for the performance of such functions under the Board as may be specified in the agreement including—

(a) ensuring proper training of any coconut farmers;
(b) the raising of funds, financing, grants, loans for promotion of the coconut industry and recovery of debts;
(c) facilitating the implementation of business development service strategies in the industry; and
(d) arbitration of disputes in the coconut industry.

(2) An agreement under this section shall contain terms and conditions as the Board may determine.

(3) The Board may terminate an agreement under this section where the party referred to in subsection (1) fails to comply with any of the terms or conditions of the agreement.

PART IV—FINANCIAL PROVISIONS

25. (1) There may be established a Fund to be known as the Coconut Development Fund which shall be administered by the Board.

(2) The Fund shall consist of—

(a) gifts, grants and donations;
(b) such monies as may accrue to the Board pursuant to subsection (3);
(c) such monies as the Cabinet Secretary may grant the Board, out of monies that may, in the future, be provided by Parliament, or otherwise; or
(d) such monies as may, in the future, be provided by Parliament from time to time.

26. The Fund shall be applied to the following purposes—

(a) general administration expenses of the Board which, in each financial year;
(b) such activities as may be necessary to fulfill the Board’s mandate; and
(c) assistance or support to coconut farmers in the form of incentives or compensation.

27. (1) At least three months before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Board.

(2) The annual estimates shall make provision for all the estimated expenditure of the Board for the financial year concerned and in particular shall provide for the—

(a) payment of allowances, and other charges in respect of the employee of the Board;

(b) payment of benefits and other charges which are payable out of the funds of the Board;

(c) funding of the registration, licensing and evaluation activities of the Board;

(d) maintenance of the buildings, grounds and equipment of the Board;

(e) funding of training, research and development of activities of the Board;

(f) reserve funds to meet future or contingent liabilities in relation to insurance or replacement of buildings or equipment;

(g) provision for grants, facilitation, loans, compensation and other incentives for the development and advancement of the coconut industry; and

(h) such other matters as the Board may consider fit.

(3) The annual estimates shall be approved by the Board at least two months before commencement of the financial year to which they relate and shall be submitted to the Cabinet Secretary for presenting to Parliament.

28 The financial year of the Board shall be the period of twelve months ending on the thirtieth of June every year.

29 (1) The Board shall keep proper books of account of the income, expenditure, assets and liabilities of the Board, and shall in this regard be subject to the provisions of any other law.
(2) The annual accounts of the Board referred to in subsection (1) shall be audited and reported upon in accordance to the law relating to public audit.

PART V—MISCELLANEOUS PROVISIONS

30. The Cabinet Secretary shall oversee the performance of the activities of the Board under this Act and may, in writing, give the Board directions on matters of policy not inconsistent with the provisions of this Act.

31. (1) The Board shall publish and publicize all important information within its mandate.

(2) A request for information in the public interest by a citizen—

(a) shall be addressed to the Secretary or such other person as the Board may for the purpose designate and may be subject to the payment of a reasonable fee in instances where the Board incurs an expense in providing the information; and

(b) may be subject to confidentiality requirements of the Board.

(3) Subject to Article 35 of the Constitution, the Board may decline to give information to a person where—

(a) the request is unreasonable in the circumstances;

(b) the information requested is at a deliberative stage by the Board;

(c) failure of payment of the prescribed fee; or

(d) the person fails to satisfy any confidentiality requirements by the Board.

(4) The right of access of information under Article 35 of the Constitution is limited to the nature and extent specified under this section.

(5) Every member and employee of the Board shall sign a confidentiality agreement.

32. (1) The Cabinet Secretary may, in consultation with the Board, make regulations generally for the effective carrying out the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the regulations may provide for—
(a) conditions for registration—

(i) the fees payable for services provided by the Board; and

(ii) monitoring and evaluation mechanisms for projects.

(3) The power to make regulations conferred under this Act shall be—

(a) for the purpose and objective of giving effect to the Constitution and this Act;

(b) limited to the nature and scope specifically stipulated in the Constitution and this Act; and

(c) based on the general principles and standards contained in the Constitution and this Act.

33. No act done by any member of the Board, or employee of the Board shall, if the act was done in good faith for the purpose of carrying out the provision of this Act, subject the person to any liability, action, claim or demand.

34. A person who—

(a) willfully violates the provisions of this Act; or

(b) knowingly gives false information;

commits an offence and is liable on conviction to a fine not exceeding three hundred thousand shillings or to imprisonment for a term not exceeding two years or to both.

35. A person who contravenes any provision of this Act commits an offence and is liable on conviction to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or both.
SCHEDULE

PROVISIONS RELATING TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

1. (1) The Board shall have at least ten meetings in every financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting.

(2) The County Board shall have at least ten meetings in every financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting.

(3) Meetings shall be convened by the Secretary in consultation with the Chairperson and shall be held at such times and such places as the Chairperson shall determine.

(4) The respective Chairpersons shall preside over all meetings and in the absence of the Chairperson, by a person elected by the Board as the case may be at the meeting for that purpose.

(5) The Chairperson may at any time convene a special meeting of the Board as the case may be, and shall do so within one month of the receipt by the Chairperson of a written request signed by at least five other members.

(6) Unless half of the members of the Board otherwise agree, at least seven days’ notice of a meeting shall be given to every member of the Board as the case may be.

2. The quorum of a meeting of the Board is half of the total number of members.

3. A decision of the Board shall be by a majority of the members present and voting and, in the case of an equality of votes; the person presiding at the meeting shall have a second or casting vote.

4. Minutes of all meetings shall be kept and entered in records kept for that purpose.

5. (1) If a person is present at a meeting of the Board or respective committee at which any matter is the subject of consideration and in which matter that person is directly or indirectly interested in a private capacity, that person shall as soon as is practicable after the commencement of the meeting, declare such interest.
(2) The person making the disclosure of interest under subsection (1) shall not, unless the Board or committee otherwise directs, take part in any consideration or discussion of, or vote on any question touching on the matter.

(3) A disclosure of interest made under subsection (1) shall be recorded in the minutes of the meeting at which it is made.

(4) A person who contravenes subsection (1) commits an offence and upon conviction is liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding seven years or to both such fine and imprisonment.

(5) A member or employee of the Board shall not transact any business or trade with the Board.
The principal object of this Bill is to establish the Coconut Industry Development Board with the aim of saving the coconut industry by revamping the policy and institutional framework and strengthening the institutional framework within which the industry operates. The coconut industry is the biggest agricultural industry in the coastal parts of Kenya covering a total landmass of two hundred thousand (200,000) acres and affecting the lives of the entire Coastal region population either directly or indirectly as custodians, beneficiaries or bearing the greatest impacts negatively. There is therefore a genuine need for a strong and robust policy and institutional foundations to support and guide the multitude of activities, operations, and interactions with the industry.

Governmental issues, regulatory challenges, national and international economic realities, and scientific reliability are some of the pressing concerns that need to be addressed by the institution responsible for coconut industry development.

The highlight of this bill is the revamping of coconut farming in order to make it a profitable, sustainable and development-oriented activity. It proposes to provide an avenue for appreciating the medicinal, aesthetic, touristic and artistic value of coconut by encouraging value addition in the processing of coconut and its products. The bill therefore establishes the Coconut Industry Development Board. It further provides for research and development to cultivate a culture of scientific excellence and professionalism in coconut farming and industrial development.

Part I (clauses 1-3) contains preliminary matters.

This part contains the short title, interpretation of terms, and the object of the Act.

Part II (clauses 4-18) provides for the establishment, functions and powers of the Coconut Industry Development Board.

This part establishes the Board. It also establishes the Coconut Industry Development Board as well as its composition and qualifications for appointment of its members. It further provides for the functions of the Board and its powers as well as the office of the secretary. It also provides for the establishment of the secretariat.

This part also provides for the establishment of Committees of the Boards as well as tenure of office of Board members. It further provides for remuneration of the members as well as the meetings of the boards. It also provides for removal from office and vacation from office of members. Finally, it provides for the filling of any vacancies as well as the Common Seal of the Board.
Part III (clauses 19-24) contains the general provisions relating to the industry. It provides among other things for the registration with the Board and also incentives for coconut farmers.

Part IV (clauses 25-29) sets out the financial provisions.

This part contains provisions on the proposed Coconut Development Fund and its sources and management. It also provides for the preparation of annual estimates of income and expenditure of the Board. It further provides for the period of the financial year of the Board and the preparation and auditing of its accounts.

Part V (Clauses 30-35) This part contains provisions relating to the management of information. It also provides for oversight by the Cabinet Secretary, the management of information of the Board as well as the enactment of Regulations by the Cabinet Secretary. It also provides for the protection from personal liability of the scheme’s members and employees. It also sets out offences under the Act as well as a general penalty of the Act.

Schedule

The schedule contains provisions relating to meetings of the Board and the conduct of such meetings.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

This Bill does not delegate any legislative powers nor does it limit fundamental rights and freedoms.

Statement on how the Bill concerns county governments

Agriculture is a devolved function in section 7 of part 2 of the Fourth Schedule to the Constitution and therefore this is a Bill that concerns county governments. By facilitating the development of coconut industry in the county the Bill ensures that coconut farmers have opportunities to enhance coconut farming and value addition to coconut products. This is in turn facilitates the growth and development of the county and the success of devolution in the Country at large.

The Bill therefore concerns county governments in terms of Articles 110(1) (a) of the Constitution.

Statement that the Bill is not a money Bill within the meaning of Article 114 of the Constitution

This Bill is not a money Bill within the meaning of Article 114 of the Constitution.

Dated the 8th February, 2016.

MASHA ELIZABETH ONGORO.