

REPUBLIC OF KENYA



KENYA NATIONAL ASSEMBLY

**DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LANDS AND NATURAL RESOURCES**

REPORT ON VISITS TO

FISH LANDING BEACHES ON LAKE VICTORIA,

KAPTAGAT FOREST IN UASIN GISHU,

ELGEYO SAW MILL IN MARAKWET AND

PAN AFRICAN PAPER MILL AT WEBUYE.

(10TH TO 11TH DECEMBER, 2004)

Clerk's chambers,
National Assembly,
NAIROBI

December, 2004

CONTENTS

No.	Page
1.0. Preface	1
2.0. Fish landing beaches on Lake Victoria	
Background.....	5
Asat beach.....	6
Kaloka beach.....	7
Ogal beach.....	8
Recommendations.....	8
3.0. Kaptagat forest	
Harvesting operations at the forest.....	11
Remarks by Deputy Chief Conservator of forests....	12
4.0. Elgeyo Saw Mill	13
5.0. Pan African Paper Mill	
Background.....	14
Human resource.....	15
Wood supply.....	15
Difficulties encountered in wood supply.....	16
Re-afforestation programme.....	17
Water treatment.....	18
Effluent treatment.....	18
Marketing.....	18
Social welfare.....	19
Recommendations.....	19

A REPORT ON THE COMMITTEE'S VISITS TO THE FISH LANDING BEACHES IN KISUMU, KAPTAGAT FOREST IN UASIN GISHU, ELGEYO SAW MILLS IN MARAKWET AND PAN AFRICAN PAPER MILLS IN WEBUYE

1.0. PREFACE

Mr. Speaker Sir,

The Departmental Committee A. on Agriculture, Lands and Natural Resources was constituted at the commencement of the Ninth Parliament pursuant to the provisions of Standing order No 151 of the Kenya National Assembly Standing Orders. The said Standing order No 151(1)4 mandates the Committee to do the following while carrying out its functions:-

- (a) To investigate, inquire into and report on all matters relating to its mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
- (b) To study the programme and policy objectives of ministries and departments and the effectiveness for the implementation;
- (c) To study and review all legislation after the first reading subject to the exemptions under standing order No 101A(4);
- (d) To study, asses and analyze the relative success of the ministries and departments as measured by the results obtained as compared with its stated objectives;
- (e) To investigate and inquire into all matters relating to the assigned ministries and

departments as it deems necessary and as may be referred to it by the House or a Minister; and

- (f) To make reports and recommendations to the House as often as possible including recommendation of proposed legislation.

Mr. Speaker Sir,

The Committee's subjects are:-

- (a) Crop and livestock production;
- (b) Marketing;
- (c) Lands and settlement;
- (d) Natural Resources;
- (e) Water resources;
- (f) Land reclamation and irrigation; and
- (g) Co-operative development.

The Committee oversees the performance of six (6) Ministries, namely:-

- (a) Agriculture;
- (b) Livestock and Fisheries Development;
- (c) Environment and Natural Resources;
- (d) Water Resources;
- (e) Co-operative Development and Marketing;
- (f) Lands.

The Committee comprises:-

The Hon. Franklin Bett, M.P. - Chairman
The Hon. Mwanicha S.N. Okioma, M.P.
The Hon. (Prof) Patrick A. Olweny, M.P.
The Hon. Mwangi Waithaka, M.P.
The Hon. Julius Arunga, M.P.
The Hon. Patrick Muiruri, M.P.

The Hon. John Serut, M.P.
The Hon. Philip Rotino, M.P.
The Hon. P.G. Muriithi, M.P.
The Hon. J.N. Gachagua, M.P.
The Hon. Isaack Shaaban, M.P.

Mr. Speaker Sir,

On 10th and 11th December 2004, the Committee visited Asat, Kaloka and Ogal Fish landing beaches on Lake Victoria, Kisumu, Kaptagat Forest in Uasin Gishu, Elgeyo Saw Mills in Marakwet and Pan African Paper Mills Ltd at Webuye.

The visit to the fish landing beaches was necessitated by the Committee's concern about the performance of the country's fish industry and the fisherman's plight.

The Committee was concerned about forest conservation and environmental pollution hence the visit to Kaptagat Forest, Elgeyo Saw Mills and Pan African Paper Mills.

Mr. Speaker Sir,

The following Members made the visit:-

The Hon. Franklin Bett, M.P. - Chairman
The Hon. (Prof) Patrick A. Olweny, M.P.
The Hon. Julius Arunga, M.P.
The Hon. John Serut, M.P.
The Hon. Philip Rotino, M.P.

The following staff members accompanied them:-

Mr. George Gazemba - Clerk Assistant;
Mr. Bonnie Mathooko - Research Assistant.

Mr. Speaker Sir,

The Committee is grateful to the Speaker and the Liaison Committee for allowing it to make the visits. The Committee is also grateful to the office of the Clerk for providing technical support.

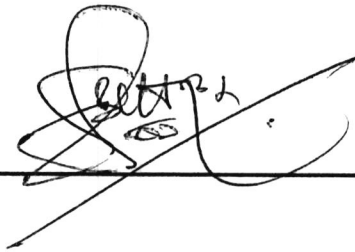
The Committee is further grateful to the Offices of Permanent Secretaries, Ministries of Livestock and Fisheries Development and that of Environment and Natural Resources for facilitating the visits.

Mr. Speaker Sir,

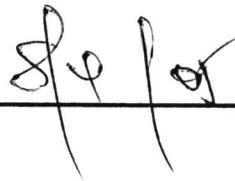
On behalf of the Committee, I now beg to lay on the table of the House a report of the Committee on the visits, pursuant to provisions of Standing Order No 162 of the Kenya National Assembly Standing Orders.

**THE HON. FRANKLIN BETT, M.P.
CHAIRMAN, DEPARTMENTAL COMMITTEE ON
AGRICULTURE, LANDS AND NATURAL RESOURCES**

Sign _____

A handwritten signature in black ink, appearing to read 'Franklin Bett', written over a horizontal line. The signature is stylized and somewhat cursive.

Date _____

A handwritten date '8/4/05' in black ink, written over a horizontal line. The numbers are written in a simple, clear style.

2.0. TOUR OF FISH LANDING BEACHES ON LAKE VICTORIA, KISUMU

The Committee was accompanied on the tour by the Permanent Secretary, Ministry of Livestock and Fisheries Development and the Nyanza Provincial Director of Fisheries.

2.1. Background

Lake Victoria is vital to economies of Kenya, Uganda and Tanzania. The lake covers 68,000 square kilometers. Kenya occupies 6% of the lake.

The average annual fish landing in the country is 150,000 metric tonnes worth over 6 billion Kenya shillings. Since 1999 when 200,159 metric tonnes of fish worth 7.2 billion landed, landing has been constantly reducing.

The factors responsible for the reduction are:-

- Use of illegal fishing gear;
- Practice of illegal fishing methods;
- Open access to fisheries;
- Environmental degradation.

The Nile Perch accounts for 50% of the fish landings in terms of weight and 70% in terms of value. It is followed by *rastrineobola argentea* (omena) which accounts for 30% with a value of 11% of the annual earnings.

Tilapiines account for 15% of the landings with a value of 16%. Other types of fish account for 5% of the annual landings with a value of 3%. These are *protoprterterus* spp (lung fish), *clarias* (mud fish) and *schilbe*.

About 70% of the Nile perch are processed for export. In 2004, 16,000 metric tonnes of fillets worth 4 billion shillings were exported.

Apart from Nile perch fillets, fish maws (swim bladders) and skins are exported to china. In 2004, 292 metric tonnes of maws and skins valued at 95 million were exported.

In 1990, Kenyan waters of Lake Victoria had about 15,000 fishermen operating about 5,000 fishing craft on 279 beaches. By April 2004, there were 37,348 fishermen operating 12,284 fishing crafts. Fish landing sites were 304 spread along the slope line and on islands.

Annual fish landings for Kisumu District in 2003 were estimated to be 892 metric tonnes valued at 538 million shillings. Tilapiines accounted for 40% of the fish landings, rastrineobola argentea (omena) 28%, nile perch 22.7 and mud fish 3.7%. In 2004, the District had 2800 fishermen operating 1070 fishing craft.

2.2. Tour of Asat Beach

The beach is situated in Kisumu District.

The fish landing on the beach are Nile perch, tilapiines and rastrineobola argentea (omena) which accounts for 72% of the landings.

The Beach has 185 fishermen operating 80 fishing craft.

According to the Beach's Management Unit, the fishing equipment was too expensive to afford. It costs not less than 40,000 shillings to own a boat which no

individual fisherman could afford. The fishermen thus owned boats jointly, while others hired at a high price.

The beach's Co-operative Society had collapsed owing to mismanagement. This had made operations difficult.

The beach lacked medical facilities. The Lake Victoria Environmental Management Project had allocated the beach 900,000 thousand shillings for the construction of a dispensary. The project got started, but stalled owing to insufficiency of funds. The beach was expecting additional funds from the same sponsor to complete the project.

The Committee was not impressed by sanitation on the beach. Just to mention the water was polluted. Human waste could also be seen around. All these were clear indications of poor management.

2.3. Tour of Kaloka fish landing beach

The beach is situated in Kisumu District and is among the oldest in the country.

The beach has 73 fishermen operating 24 fishing craft. 23 metric tonnes of fish worth 1.7 million shillings land on the beach every month.

Nile Perch and Tilapia are the most landing fish. With proper management, the beach has the potential of landing more quantities.

The beach recently received funds from the Lake Victoria Environmental Management Project for installation of electricity and soon, the beach will be having electric power. A jetty would also be constructed on the beach courtesy of the Government.

The Beach's Management Unit and Co-operative Society were effective. The beach had sub committees in the Management Unit, among them the sanitation and Law enforcement committees. The committee was impressed by the beach's sanitation.

2.4. Tour of Ogal Beach

The beach is situated in Winam Division, Kisumu District.

The Beach is known for landing of tilapiines and is reputed for receiving fishermen from other beaches when pursuing fish. In fact during the tour, the Committee came across fishermen from Budalangi which is in Busia District.

The beach is among the few with jetties. The jetty construction was funded by the Government. The beach's fish banda had also been renovated courtesy of the Government.

2.5. RECOMMENDATIONS

During the tour, the Committee made several findings. The Committee's recommendations to the findings are as follows:-

- i. There is urgent need for the government to improve on infrastructure on the beaches:-
 - The road network must be improved to make roads passable during all seasons.
 - The fish bandas must be modernized to facilitate proper handling of fish
 - Electricity must be supplied to the beaches

- Modern storage facilities are required on the beaches. Refrigeration will be possible if electricity is supplied. Fishermen incur heavy losses on account of lack of storage facilities.
 - Medical facilities must be provided on all beaches. The committee decries the absence of such facilities at Asat beach.
 - Adequate toilet and bathing facilities must also be provided on the beaches. These were inadequate at Asat beach.
 - There is need for all beaches to have their own processing plants. External processing greatly reduces the fisherman's income and this has been a factor for poverty amongst fishermen.
- ii. The Committee calls upon the Government to urgently ensure improved sanitation on all beaches for the good of the lake, fish and human life. The sanitation at Asat beach was worrying.
- iii. The Committee further calls upon the Government to urgently address the issue of pollution. The water at Asat beach was very polluted.
- iv. The Committee heard about rampant cases of net thefts and robbery of boat engines in deep seas at gun point. The Committee recommends that the Government urgently arrests the situation before it gets out of hand. Pursuant to the Permanent Secretary's indication that the Government was to acquire surveillance and or

security gear, the Committee calls upon the Government to expedite in so doing.

- v. The Committee heard appeals from fishermen that fishing nets be undersized to enable them catch more fish. The Committee is strongly opposed to the idea as this will lead to catching of juvenile fish which will have far reaching consequences on the fishing industry.
- vi. The Committee also heard of cases of use of illegal trawlers, fishing methods and gear. The committee recommends that the Government stops these illegalities. The Committee desires that the Government enacts various subsidiary legislations in order to bring to an end the practices. Stiffer penalties should be meted out to culprits.
- vii. The Committee learnt that some breeding and nurseries areas were not protected. These areas are vital to the industry and must be protected. The committee recommends that there be collaborative management, monitoring and surveillance between the Government and the community if positive results are to be achieved.
- viii. During the tour, it emerged that many fishermen were not acquainted with modern fishing techniques. This was an impediment to the development of the industry and the Committee recommends that the Government comes up with, and implements a long term capacity building programme for the benefit of all fishermen.
- ix. The fisherman spends up to eighteen hours in the lake, mostly at night fishing. This fisherman

cannot procure a market for himself and will have to entirely rely on Middlemen. Middlemen exploit fishermen and the Committee recommends that fishermen market fish on their own to avoid the exploitation. The marketing should entail owning vehicles for transport to the market.

- x. Since it is difficult or impossible to achieve some of the aforesaid objectives individually, the Committee recommends that all beaches have well managed Beach Management Units and Co-operative Societies.
- xi. Access to credit facilities is difficult and or impossible for fishermen. At the moment, financial institutions would not loan fishermen citing lack of various insurance covers. Insurance companies on the other hand would not provide covers to fishermen owing to the nature of their business. The Committee recommends that the Government makes it easier for fishermen to access to credit facilities.

3.0. TOUR OF KAPTAGAT FOREST

The area Member of Parliament, Hon. Joseph Lagat accompanied the Committee. Also accompanying the Committee were the Deputy Chief Conservator of Forests and high ranking officials from Pan African Paper Mills Ltd.

The forest is partly in Keiyo and Uasin Gishu Districts. Most of the timber used by Pan African paper Mill comes from the forest. It was thus important for the Committee to tour the forest before touring the company at Webuye.

The Company has a tree nursery at the forest where it produces 6 million seedlings annually. The Company was determined to increase the production to 7 million in the year 2005. The main beneficiary of the seedlings was the Government.

At the nursery, the Hon members planted eleven trees for each and every Member of the Committee. The exercise was intended to show the Committee's commitment and determination to see the Government increase the current 1.7% forest cover to the projected 10%.

The exercise was also done to pay tribute to the Nobel Peace Prize winner, Hon Wangari Maathai, in the light of her efforts towards environmental conservation. The Committee challenged the 30 millions Kenyans to plant a tree each in honour of Hon Maathai.

3.1. Harvesting operations at the forest

The forest belongs to the Government. The Committee witnessed harvesting operations at the forest where 22 year old exotic trees were being harvested by Pan African Paper Mills. The Company pays the Government for the harvested trees.

The trees are planted and managed by the Ministry of Environment and Natural Resource's Forest Department. Pan African Paper Mills supports the Government in the exercise, particularly by providing seedlings.

It is the Forest Department which decides on the felling plan but in consultation with stakeholders. The last plan ended in 2003 and the department was working on another five year plan.

3.2. Remarks by the Deputy Chief Conservator of Forests

The Government was planting trees on 7000 hectares of land annually. The backlog was 25,000 hectares.

The Government was the primary planter and conservator of forests. Though stakeholders like Pan African Paper Mills Ltd provided support, the Forest Department was short of personnel. Many of its employees had been retrenched in 1999 and the few available could not cope up with the huge volume of work.

The Department was also unable to hire casual labourers unlike the past. This was attributed to inadequate allocation of funds from the Government. The allocation was not even commensurate to the revenue generated by the sale of trees. This was the main reason for the backlog.

Forest extension officers were ineffective because of lack of resources and or facilities from the Government.

4.0. TOUR OF ELGEYO SAW MILL LTD IN MARAKWET

The Company was closed in 1999 following a Government ban on logging in Government forests. At the time of the ban, the Company had acquired trees from a nearby estate, which would sustain it to the year 2001. 6000 hectares of mature trees the company had acquired were drying up while a further 3000 hectares were ready for harvesting.

The Company took issue with the Government for intending to sell the trees it had acquired to Pan African Paper Mills.

The Company had employed 702 permanent employees with several casuals. Up to 4000 people lived on the company premises on which the company had a school and a clinic.

Following the closure, machines and equipment worth billions of shillings went to waste. The company was spending half a million shillings every month on security and other expenses connected to buildings and machines maintenance and security.

Though the Committee supported the ban on logging, it was sympathetic with the company management and staff's predicament.

5.0. TOUR OF PAN AFRICAN PAPER MILLS AT WEBUYE

5.1. Background

The company was conceived by the Government in late sixties not only to utilize the vast forestry plantations, but also for socio-economic development of the region. The company commenced production in 1974 with a rated capacity of 45,000 tonnes of paper per annum.

Through various modernization and expansion programmes, the company has increased production capacity to 120,000 tonnes of paper per annum. Orient Paper & industries Ltd provides technical and management services to the company.

The company has today become a large industrial complex with a chemical pulp mill, mechanical pulp mill, waste paper recycling plant, four paper machines and utilities like a power generation plant. The company is the only one in the country producing caustic soda, chlorine and hydrochloric acid.

The company's fixed assets are currently valued at 17.5 billion shillings compared to initial assets of 360 million shillings.

The company contributes 7 billion shillings per annum to the economy.

5.2. Human Resource

The company has a workforce of 1500 employees.

In pursuit of efficiency and competence, learning is a continuous process at the company. Even before commissioning of the mills, a training school had been established in 1973.

The training school is approved by the Directorate of Industrial Training, Ministry of Labour and Manpower Development. To date, 3000 employees at all levels have undergone training at the school.

Apart from training opportunities at the school, the company sponsors employees for training in other institutes locally and internationally.

5.3. Wood supply

The company's primary raw material is wood, which comes from Government plantations. The plantations are situated within a radius of 120 kilometers. This is in accordance with the operation license.

To conserve wood resources, the company has a waste paper recycling plant which utilizes waste paper collected locally.

The company's initial long term licence was for 31 years. It expired on December 31, 2003 and was extended for another one year. It was to expire on December 31, 2004 and the company was optimistic it would be renewed.

Though the licensing terms did not provide for tree planting, the company has assisted the Government in replanting over 44,000 hectares of land against 24,000 hectares felled to date.

5.4. Difficulties encountered by the company in wood supply

- i. In the past, squatters had caused fires in forests. Between September 2002 to February 2003, 45,000 tonnes of felled timber were destroyed by fire.
- ii. The felling plan had not been followed in recent years unlike the past. Since May 2002, the company had been required by the Government to operate on piece meal basis. Before 2002, the company operated on a five year felling plan which provided flexibility to move to different areas depending on weather conditions. This also enabled the company to construct roads in good time ahead of operations.
- iii. Operations in Turbo, which is a pulpwood circle closest to the factory, wound up prematurely in January 2003 due to low densities and allocation of the plantations to private parties. This was notwithstanding the fact that clause 26 of the license recognized Turbo as a permanent pulpwood circle for the company.

- iv. Unseasoned rains from October to December 2002 and prolonged heavy rains in April 2003 to September 2003 disrupted operations.
- v. Owing to frequent bans on forest operations in the last two years, the company operated below capacity. This resulted in production loss of over 30,000 tonnes of paper and paperboard thus crippling the company's finances.
- vi. Operations have in recent times shifted to distant and scattered areas with difficult terrain which has created major logistical difficulties. This has also led to increased cost of transport.

5.5. Re-forestation programme

Recognizing the need to conserve Kenya's forests, the company supports the Government's re-forestation efforts and forest renewal programmes. The company has tree nurseries at Webuye, Kaptagat and Ainabkoi. The company has planted indigenous trees in the denuded catchment areas of Kaptagat and Mount Elgon Forests.

The company was working with Kenya Forestry Research Institute (KEFRI) on a collaborative research projects to develop disease resistant trees. The species would be for large scale commercial plantations.

The company had recently initiated a farm forestry project. Under the project, potential farmers were being identified and encouraged to plant trees and biomass on their farms. Seedlings of suitable species and technical support would be given to farmers at a subsidized cost with assurance that the trees and biomass would be purchased by the company on maturity.

The project was in line with the Government economic strategy for wealth and employment creation.

5.6. Water treatment

The company uses about ten million gallons of water daily. 95% of the water comes from River Nzoia. The water is treated and discharged back to the river. The Committee toured the discharge point into River Nzoia and Members were satisfied with the quality of water discharged back to the river.

5.7. Effluent treatment

Discharge of effluent is an inevitable consequence of manufacture of pulp and paper. These effluents are subjected to primary treatment in a clarifier and further treated in secondary biological ponds using aerators for transfer of oxygen. There was foul smell emanating from the biological ponds which the company management described as unavoidable.

5.8. Marketing

The total domestic market of the company's product range was 140,000 tonnes per annum. The domestic market had been satisfactory until 2001 when it declined owing to severe drought and wood shortage. The market has nevertheless improved at this point in time.

Over the last eight years, exports had grown to about 15,000 tonnes. The establishment of the East African Community was a blessing to the company. Uganda imports 75% of the company's products. Through Uganda, the Company also exports products to other countries.

5.9. Pricing

The company maintains prices of products at import parity basis. To substitute parity and enable Kenyan exporters to be globally competitive, the company allows converters and printers discounts of up to 22% for products meant for direct and indirect export.

6.0. Social Welfare

The company has a clinic for employees and families. About 8000 non employees also benefit from the facility. The company has a family planning centre and child care mobile units. The Mobile Units were recently launched at Kaptagat and Ainabkoi.

The company has a secondary school which admits students indiscriminatively. Every year, the company sponsors two students from the school to study a degree course in forestry at Moi University.

The company houses for its staff and has a staff recreational centre. It has football, Volleyball and chess teams.

The Company sponsors Golf tournaments in the country and the Kenya Open Chess tournament, an international event.

6.1. RECOMMENDATIONS

- i. Environmental conservation is vital to the prosperity of this country. Trees form an integral part of the ecosystem and it is very important that they are conserved. The committee recommends the imposition of a total ban on logging in Government plantations and the forest cover be substantially increased. At the moment,

the country's forest cover is 1.7% as opposed to the required minimum of 10%. This is a case for alarm.

- ii. In line with the above recommendation, the Committee recommends that Pan African Paper Mills shifts to other technologies of paper manufacture. Paper can be manufactured from bagasse, a sugar cane industry by product. Brazil has achieved remarkable success in the manufacture of paper from bagasse.
- iii. Further to the foregoing, the Committee recommends that the next license to be issued to Pan African Paper Mills be issued on condition that the company will shift to alternative technology of paper manufacture within a reasonable time.
- iv. The Biological ponds at Pan African Paper Mills emit foul smell. The company management argued that the smell was inevitable wherever sulphur dioxide was used. The committee was not satisfied with the management's contention and is convinced that through advanced technology, the smell can be eradicated. The Committee therefore recommends that the company arrests the situation urgently.
- v. Iron sheet roofing of houses in Webuye has been an exercise in futility. This is because the sheets are destroyed by emissions from the factory. The company management's contention that the destruction was as a result of poor quality iron sheets does not hold and the committee recommends that the company arrests the situation urgently.

- vi. Sections of Kaptagat forest had not been re-afforested after harvesting by Pan African Paper Mills. This was attributed to inadequate funding to the Ministry of Environment and shortage of staff. In this regard, the Committee recommends that the Government allocates adequate funds to the Ministry of Environment and also increases the Forest Department's workforce.
- vii. The Committee recommends that the Government allows the public to practice *shamba* system in exotic forests for the purposes of tending young trees. Once the trees are mature, they should vacate the forests. All that is required is proper supervision of the exercise by the Government. It should be noted that the Committee is strongly opposed to the system being practised in indigenous forests and water catchment areas.
- viii. Finally the Committee calls upon the Ministry of Environment to expedite in the enactment process of the Forest Bill. The Ministry must however ensure that the views of all stakeholders are incorporated.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX