



**REPUBLIC OF KENYA**

**THIRTEENTH PARLIAMENT**

**NATIONAL ASSEMBLY**

**THE HANSARD**

**VOL. II NO. 114**

## THE HANSARD

Thursday, 23<sup>rd</sup> November 2023

The House met at 2.30 p.m.

*[The Deputy Speaker (Hon. Gladys Boss) in the Chair]*

### PRAYERS

**Hon. Deputy Speaker:** You may proceed.

### COMMUNICATION FROM THE CHAIR

DELEGATION FROM THE NATIONAL ASSEMBLY  
OF THE REPUBLIC OF UGANDA

**Hon. Deputy Speaker:** Hon. Members, I wish to introduce to you a delegation of Members of the Parliamentary Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises) from the Parliament of Uganda who are seated in the Speaker's Gallery. It comprises the following:

1. Hon. Joel Ssenyonyi - Leader of the Delegation
2. Hon. Lucy Akello - Member
3. Hon. Irene Linda - Member

*(Applause)*

It seems they have not arrived. I will wait to be informed when they arrive. We can move to the next Order. We will come back to it.

### PAPERS

**Hon. Victor Koech** (Chepalungu, CCM): On a point of order, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** What is your point of order, Member for Chepalungu?

**Hon. Victor Koech** (Chepalungu, CCM): Hon. Deputy Speaker, I rise on a serious point of order. First of all, I want to declare that my firstborn daughter sat for examinations which were released. We, as parents, were told that we would get our results via a code, 40054.

**Hon. Deputy Speaker:** Hon. Member, you can raise that under Statements.

**Hon. Victor Koech** (Chepalungu, CCM): It is serious.

**Hon. Deputy Speaker:** Do not raise it as a point of order under Papers. Raise it in Order No.7. I will give you an opportunity to do it. This is on the Order Paper under Questions and Statements.

**Hon. Victor Koech** (Chepalungu, CCM): I am well guided, Hon. Deputy Speaker. Thank you.

**Hon. Deputy Speaker:** Leader of the Majority Party. Hon. Martha Wangari, did you quit?

**Hon. Martha Wangari** (Gilgil, UDA): Hon. Deputy Speaker, I am sitting in for the Leader of the Majority Party today.

Hon. Deputy Speaker, I beg to lay the following Papers on the Table:

1. Reports of the Auditor-General and Financial Statements for the year ended 30<sup>th</sup> June 2023 and certificates therein in respect of:
  - (a) National Agricultural Value Chain Development Project (Credit No. IDA-7064-KE) – State Department for Crop Development.
  - (b) Kenya Cooperation and Partnership Facility (KCPF) Project No.KE/FED 2019/041-712, Credit No. FED/2021/423-175 – State Department for Devolution.
  - (c) East Africa Skills for Transformation and Regional Integration Project (EASTRIP) (IDA Loan No.6334-KE) – Meru National Polytechnic.
  - (d) Small-Scale Irrigation and Value Addition Project – (ADF Loan No. 2000130014530 and Grant No. 557015000751) – State Department for Crop Development.
  - (e) Roads 2000 Phase Two – Central Kenya Rural Roads Improvement and Maintenance Project (AFD Credit No. CKE 101201B, Credit No. CKE 104601J and Credit No. CKE 109401 M) – Kenya Rural Roads Authority.
  - (f) Women Empowerment for Gender Equality Project – Grant No.PA002836RD – State Department for Gender and Affirmative Action.
  - (g) UNICEF-Kenya Generation Unlimited (GENU) Project (Programme No. 2400/A0/A6) – Executive Office of the President.
  - (h) Kenya – EU Partnership for the Implementation of the National Strategy to counter violent extremism in Kenya – National Counter Terrorism Centre.
  - (i) Promotion of Youth Employment and Vocational Training in Kenya Phase II Loan No. BMZ 2018 65 120 – State Department for Technical, Vocational Education and Training;
  - (j) Promotion of Youth Employment and Vocational Training in Kenya (Phase I) Reference: Loan No. BMZ 2016 67 211 and BMZ No.2016 65 298 and Project Grant Reference No.1930 05 527 – State Department for Technical, Vocational Education and Training;
  - (k) Promotion of Youth Employment and Vocational Training in Kenya (Phase II) Loan No. BMZ 2018 65 120 – State Department for Technical, Vocational Education and Training; and
  - (l) Kenya Marine Fisheries and Socio-economic Development Project Credit No. 65400 – KE) – State Department for the Blue Economy and Fisheries.

**Hon. TJ Kajwang'** (Ruaraka, ODM): On a point of order, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** What is your point of order, Hon. TJ Kajwang'? Give him the microphone.

**Hon. TJ Kajwang'** (Ruaraka, ODM): Hon. Deputy Speaker, I rise on a point of order to ask if it is in order for the First Chairperson of Committees to properly rise in her place and purport to have delegated powers from the Leader of the Majority Party to lay Papers before you. I do not know which Standing Order allows that to happen. I assume the Deputy Leader of the Majority Party can do that or any other Member, with written consent from the Leader of the Majority Party. Will you investigate the Standing Orders? I may not be a practitioner on a day-to-day basis. Find out if these Papers have been laid properly within the Standing Orders.

Thank you, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** Hon. Wangari, you have the instructions. You can clarify them to Hon. TJ Kajwang'.

**Hon. Martha Wangari** (Gilgil, UDA): Thank you, Hon. Deputy Speaker. I respect Hon. TJ and the issues that he has raised. However, being a seasoned Member of this House, I am sure he knows I am also the Member for Gilgil, but not just the First Chairperson of Committees. The instructions I have from the Leader of the Majority Party are as a Member of the United Democratic Alliance (UDA) and the Member for Gilgil Constituency.

**Hon. Deputy Speaker:** Just hold on. You may proceed.

**Hon. TJ Kajwang'** (Ruaraka, ODM): Hon. Deputy Speaker, the point I am making is a novel one to make sure we are following the Standing Orders. I know Hon. Wangari is the Member for Gilgil. Firstly, I know it is not in the Standing Orders. Secondly, as a tradition, when a Member nominates another to stand in for him, there is a written instruction to the Speaker. He tacitly gives the authority to that Member to rise on behalf of the other one. This is just a matter of order, if we are following the procedure.

Thank you, Hon. Deputy Speaker,

**Hon. Deputy Speaker:** There is nothing in the Standing Order that prohibits Hon. Martha Wangari as the Member for Gilgil from being requested to lay Papers on behalf of the Leader of the Majority Party.

*(Several Members spoke off the record)*

Which Standing Order is that? You can quote it.

**Hon. TJ Kajwang'** (Ruaraka, ODM): I will do it in a short while.

**Hon. Ken Chonga** (Kilifi South, ODM): On a point of order, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** Hon. Chonga, what is your point of order?

**Hon. Ken Chonga** (Kilifi South, ODM): Thank you, Hon. Deputy Speaker. I do not want to waste the time of Parliament. It is exactly what Hon. Kajwang' has asked. We want to know because we are in a learning process. I have been here for some time, but we are guided by the Standing Orders. That is exactly what I want to learn.

**Hon. Deputy Speaker:** Hon. Ken Chonga, both of you are on a fishing expedition. You are just throwing the rod out there hoping that you will catch something. Unless you present before me an actual Standing Order, I will ignore you for the moment.

Let us proceed. Yes, Hon. Milemba.

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you, Hon. Deputy Speaker. That could possibly just be a hangover from previous traditions. Members who were appointed to the Speaker's Panel would completely limit themselves and even forget that they were representing their constituencies and hence, were Members of Parliament.

What is happening is very good. I should also be nominated to perform any other task in this House as a Member of Parliament. Members serving on the current Speaker's Panel are contributing far more than those who served on previous panels, who would retreat and act like they were not Members of Parliament.

**Hon. Deputy Speaker:** Hon. Members, we will proceed to the next Paper. Chairperson of the Departmental Committee on Finance and National Planning, Hon. Kimani Kuria, you may proceed.

**Hon. Kuria Kimani** (Molo, UDA): Hon. Speaker, I beg to lay the following paper on the Table:

Report of the Departmental Committee on Finance and National Planning on its consideration of Sessional Paper No.2 of 2023 on the National Tax Policy.

**Hon. Irene Mayaka** (Nominated, ODM): On a point of order, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** What is your point of order, Hon. Irene Mayaka?

**Hon. Irene Mayaka** (Nominated, ODM): Thank you, Hon. Deputy Speaker. I recall that last week, I raised a Statement querying the issue of what the Kenya Revenue Authority

(KRA) was doing to visitors coming into the country. The Chairperson of the Departmental Committee on Finance and National Planning promised to give a response in seven days. That was a matter of interest for the country. I would like to know how far it has progressed.

**Hon. Deputy Speaker:** There is no relevance or nexus between the Paper that he has just laid before the House and the issues that you previously raised in your Statement. However, I will allow you to raise your issue under Order No.7, and then he can clarify.

Let us proceed. Chairperson of the Public Petitions Committee.

**Hon. Robert Mbui** (Kathiani, WDM): Hon. Deputy Speaker, I beg to lay the following Paper on the Table:

Report of the Public Petitions Committee on its consideration of Public Petition No.05 of 2023 by Eng. Victor Okuna regarding Ward-Based Solution as a long-term remedy to perennial water shortage in Kenya.

### COMMUNICATION FROM THE CHAIR

#### DELEGATION FROM THE NATIONAL ASSEMBLY OF THE REPUBLIC OF UGANDA

**Hon. Deputy Speaker:** Before we go to the next Order, allow me to recognise our guests who have arrived.

Hon. Members, I wish to introduce to you a delegation of Members of the Parliamentary Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises) from the Parliament of Uganda, who are seated in the Speaker's Gallery. The delegation comprises the following:

- |                               |   |                       |
|-------------------------------|---|-----------------------|
| 1. Hon. Joel Ssenyonyi, MP    | - | Leader of Delegation; |
| 2. Hon. Lucy Akello, MP       | - | Member;               |
| 3. Hon. Irene Linda, MP       | - | Member;               |
| 4. Hon. Robert Wandwasi, MP   | - | Member;               |
| 5. Hon. Nathan Itunga, MP     | - | Member; and,          |
| 6. Hon. Abdallah Kiwanuka, MP | - | Member.               |

The delegation is accompanied by three members of staff. They are in the country to engage and share best practices regarding public accountability and oversight with their counterpart committee in the National Assembly and the Office of the Auditor-General.

On my behalf, that of the substantive Speaker of the National Assembly, and that of the National Assembly, I welcome the delegation to Parliament and wish them fruitful deliberations.

I also wish to recognise the presence of students from the following institutions in the Public Gallery:

1. Elgon View Technical and Vocational College from Suna West Constituency, Migori County.
2. Zetech University from Ruiru Constituency, Kiambu County.

Next Order.

### NOTICE OF MOTION

#### APPROVAL OF SESSIONAL PAPER NO.2 OF 2023 ON NATIONAL TAX POLICY

**Hon. Deputy Speaker:** Hon. Kuria Kimani, Chairperson of the Departmental Committee on Finance and National Planning.

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**Hon. Kuria Kimani** (Molo, UDA): Hon. Speaker, I beg to give notice of the following Motion:

THAT, this House adopts the Report of the Departmental Committee on Finance and National Planning on its consideration of Sessional Paper No.2 of 2023 on the National Tax Policy, laid on the Table of the House on Thursday, 23<sup>rd</sup> November 2023, and approves Sessional Paper No.2 of 2023 on the National Tax Policy as recommended in the Report.

**Hon. Deputy Speaker:** Next Order.

## QUESTIONS AND STATEMENTS

### STATEMENT

#### KENYA INNOVATION WEEK 2023 - COMMONWEALTH EDITION AND THE 6<sup>TH</sup> EDITION OF THE YOUTHCONNEKT AFRICA SUMMIT 2023

**Hon. Deputy Speaker:** Chairperson of the Departmental Committee on Social Protection, Hon. Alice Ng'ang'a.

**Hon. Alice Ng'ang'a** (Thika Town, UDA): Hon. Deputy Speaker, I rise pursuant to Standing Order 44(2)(b) to give a Statement on behalf of the Departmental Committee on Social Protection regarding the upcoming Kenya Innovation Week 2023 – Commonwealth Edition and the 6<sup>th</sup> Edition of the YouthConnekt Africa Summit 2023, which will take place from 27<sup>th</sup> November to 1<sup>st</sup> December 2023 and 8<sup>th</sup> to 12<sup>th</sup> December 2023, respectively, in Nairobi.

The Kenya Innovation Week 2023 - Commonwealth Edition organised by the Kenya National Innovation Agency (KeNIA) themed “Innovating to Unlock our Common Wealth,” is scheduled to take place from 27<sup>th</sup> November to 1<sup>st</sup> December 2023 at the Edge Convention Centre in Nairobi. Over the past two years, Kenya has successfully hosted the Kenya Innovation Week convening over 7,000 delegations from across the globe and attracting participants from over 70 countries. This annual gathering has become a vital platform for stakeholders, including Government bodies, innovators, start-ups, investors, development partners, the civil society, the media and the private sector to converge and advance innovation in the country and the border region.

In 2022, His Excellency President (Dr) William Samoei Ruto took a monumental step by issuing a presidential directive to elevate the event to international status. It is on this basis that the Government, through the Ministry of Youth Affairs, Creative Economy and Sports, bid to host the Commonwealth Edition, which will bring together participants from across the Commonwealth.

The second event, the 6<sup>th</sup> Edition of the YouthConnekt Africa Summit, will be a four-day summit under the overarching theme: “Youth Innoveit Budapest, African Renaissance.” The event will take place from 8<sup>th</sup> to 12<sup>th</sup> December 2023 in Nairobi at the Kenyatta International Conference Centre. The event is organised by the Ministry of Youth Affairs, Creative Economy and Sports and its agency, the Kenya National Youth Council, in close collaboration with the United Nations Development Programme (UNDP) and the YouthConnekt Africa Hub. The main goal of the Summit is to maintain a Pan-African platform with the aim of connecting African youth for socio-economic transformation in line with the Bottom-Up Economic Transformation Agenda (BETA). The Summit will create a platform for young people to connect, share ideas, and collaborate on projects that will have a positive impact on their community and the continent.

It will be noted that the concluding date of the YouthConnekt Africa Summit coincides with the historic 2023 Jamhuri Day celebrations marking 60 years of Independence (Kenya@60). This is a deliberate and intentional coincidence designed to display Kenya's 60<sup>th</sup> Independence anniversary, a symbolic ignition of Africa's liberation from colonial borders that restrict free movement of people, goods, and services.

As I conclude, I urge Government ministries and agencies to actively participate in the Kenya Innovation Week 2023 and the 6<sup>th</sup> Edition of the YouthConnekt Africa Summit as the events will provide an unparalleled opportunity to contribute to the advancement of innovation, economic growth and societal well-being.

I invite Members to attend the two events.

**Hon. Deputy Speaker:** Member for Kilifi South, Hon. Ken Chonga. Do you have a Statement?

## REQUESTS FOR STATEMENTS

### ILLEGAL EVICTIONS AND DEMOLITIONS IN HALF LONDON PLACE IN MTEPENI WARD IN KILIFI SOUTH CONSTITUENCY

**Hon. Ken Chonga** (Kilifi South, ODM): Hon. Deputy Speaker, pursuant to the provisions of Standing Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Administration and Internal Affairs regarding the illegal eviction and unauthorised demolition of property of residents of Half London Place on Plot No.151/111/MN in Mtepeni Ward of Kilifi South Constituency.

On 27<sup>th</sup> October 2023 around 12.00 a.m., a contingent of police officers in two Land Cruiser pick-ups under the command of the Kilifi South Constituency DCIO, who were armed with guns, batons and a bulldozer descended on Half London Place and started demolitions on Plot No.151/111/MN as the residents were asleep.

The incident disturbingly escalated into violence resulting in the unexplained arrest of two individuals, who still have no clear indication of when they will be presented in court. The lack of a court-sanctioned order and the absence of any prior notification to the residents compound the gravity of the situation. Additionally, no official statement has been issued by the police department explaining the reasons for the eviction.

It is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Administration and Internal Affairs on the following—

1. Why did the Sub-County Director of Criminal Investigations, Mr Leonard Kurgat, conduct an eviction and demolition on residents of Half London Place without a court order?
2. Reasons for the arrest of the two individuals during the eviction along with information on why they have not been presented in court?
3. Why have the police not issued a statement to explain the reasons for the eviction and demolitions?
4. What steps are being taken to ensure that residents of Plot No.151/111/MN are compensated, both for the demolitions and the psychological trauma they experienced during the distressing incident?

**Hon. Deputy Speaker:** The request will be referred to the Departmental Committee on Administration and Internal Affairs.

Next request for Statement is by the Member for Lari, Hon. Mburu Kahangara.

### ADMINISTRATION AND MANAGEMENT OF THE NSSF

**Hon. Kahangara Mburu** (Lari, UDA): Hon. Deputy Speaker, pursuant to Standing Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Social Protection regarding the administration and management of the National Social Security Fund (NSSF).

Section 20 of the NSSF Act, 2013 provides for mandatory contributions to the Fund at 6 per cent for the employer and a 6 per cent contribution deducted from the employee's earnings. Implementation of the said Act commenced in February 2023 following conclusion of a court dispute.

It is estimated that the Fund had grown by 63.8 per cent by the end of June 2023. The informal sector also contributes to the Fund through the Haba Haba Programme. However, over the years, the Fund has been characterised by inefficiencies occasioned by claims of financial mismanagement, alleged corruption, inordinate delays in processing of pensions, leadership wrangles and lack of public trust and confidence. This has led to concerns amongst Kenyans on the risk of financial mismanagement.

Hon. Deputy Speaker, the said Act further provides for a full opt-out at Tier II level of contributions for employees contributing to pension schemes approved and registered by the Retired Benefits Authority. However, there have been concerns on the risk of financial mismanagement for contributions above the lower earning limits. Additionally, there have been allegations that the funds have previously been invested in non-viable fixed assets, including apartments, which may lead to loss of contributions of innocent Kenyans.

It is against this background that I seek a Statement from the Chairperson of the Departmental Committee on Social Protection on the following:

1. Could the Chairperson provide information to the House on the measures put in place by the Board of Trustees of the said Fund to ensure effective management of the Funds?
2. What mechanisms has the Board of Trustees put in place to ensure public participation and involvement of stakeholders in the decision-making process?
3. What administrative structures has the Board of Trustees put in place to guarantee no conflict of interest in the management of the said Fund?
4. What is the current financial statement and economic viability of the Fund's investments in fixed assets including buildings and land?

I thank you, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** That will go to the relevant departmental committee. Leader of the Majority Party, I think you are next, but allow me to dispense with two oral statements. One by Hon. Irene Mayaka and another one by the Member for Chepalungu. I will dispense with those two and then come to you.

**Hon. Irene Mayaka** (Nominated, ODM): Thank you, Hon. Deputy Speaker. My question is to the Chairperson of the Departmental Committee on Finance and National Planning. Last week, I raised a question in regard to the fees being charged to travellers who are coming into the country by the Kenya Revenue Authority. I raised this issue in particular because when KRA did a statement, they said they have started to charge these fees as they make regulations for the same.

My worry is that the JKIA has turned into a disastrous place. We are having long queues and people being charged without a proper regulation. I would just like to hear from the Chairperson on the response from the KRA as this is a matter that is not only urgent, but of concern to the entire public.

I thank you.

**Hon. Deputy Speaker:** Hon. Kimani Kuria.

**Hon. Kuria Kimani** (Molo, UDA): Thank you, Hon. Deputy Speaker. I would really like to thank Certified Public Accountant (CPA) Mayaka for raising this matter and seeking



this Statement. We are well versed on the matter. We held a meeting with the Kenya Revenue Authority. Unfortunately, the Cabinet Secretary for the National Treasury and Economic Planning was out of the country this week. I think he came back yesterday and so, we have scheduled a meeting with him on Tuesday morning. I want to assure this House that we will have a response on this particular matter on Tuesday afternoon.

Having said that and without pre-empting debate, we had a conversation with the Kenya Revenue Authority. The amount of money they were collecting per month was Ksh81 million and for the last few months, they have only been able to raise Ksh51 million. We actually had a candid conversation with them that although this is the East Africa Community Customs Act of 2004 that they are implementing, the multiplier effect of that action is more disastrous because people will choose other destinations other than Kenya. Secondly, the value of US\$500 has also changed. So many things have happened with inflation over the years, and so, the figure of US\$500 is too little. And even the way you ascertain whether these particular goods are worth US\$500 is also quite subjective.

I was also a victim a few months ago when I came back with an iPhone and we had a conversation with them. While I agreed with them that the phone might be worth that, I asked them why they were picking on my phone? I had suits that were worth more than that. I had also brought home some perfumes and clothes for my kids that were actually more expensive than that. I asked them why they were specifically picking on the phone? I also questioned them on the 'how'. I did not like the way they scanned the bag and then said that I was carrying an iPhone as if it is a contraband good. So, we had a conversation. Things are improving from the remarks that we have heard from the public.

Hon. Deputy Speaker, the treatment is now more humane and that fishing expedition you had alluded to earlier on has gone down. I will, however, give a comprehensive Statement on the same next week on Tuesday. Again, I really want to thank CPA Mayaka for bringing this to our attention.

**Hon. Deputy Speaker:** Hon. Mayaka, I hope you are satisfied.

**Hon. Irene Mayaka** (Nominated, ODM): Hon. Deputy Speaker, that is quite in order. Tuesday is not too far.

**Hon. Deputy Speaker:** Member for Thika Town.

**Hon. Alice Ng'ang'a** (Thika Town, UDA): Hon. Deputy Speaker, allow me to just add more information to the Chairperson of the Departmental Committee on Finance and National Planning. I hear that all those officers working at the airport are given targets. And that explains why they are harassing people because if they do not meet their targets, they lose their jobs. They are harassing members of the public because they want to meet their targets. They are really going out of their way to harass everybody. You better check into that. Those people are being told that if they do not meet their targets, they will be fired, and so, they are doing their best because they need their jobs. That must stop.

**Hon. Deputy Speaker:** Thank you. My eyesight is failing me. I cannot see the face. Oh, Hon. Mburu Kahangara.

**Hon. Kahangara Mburu** (Lari, UDA): Thank you, Hon. Deputy Speaker. I just sought a Statement from the Chairperson of the Departmental Committee on Social Protection. I have seen that the Chairperson is around. Could we get timelines on how soon they will issue the Statement?

**Hon. Deputy Speaker:** Which Committee?

**Hon. Kahangara Mburu** (Lari, UDA): The Departmental Committee on Social Protection.

**Hon. Deputy Speaker:** She is right next to you.

**Hon. Kahangara Mburu** (Lari, UDA): Yes. She could tell the House so that we can put it in the *Hansard*.

**Hon. Deputy Speaker:** Chairperson. You can respond now or at a later date.

**Hon. Alice Ng'ang'a** (Thika Town, UDA): Thank you, Hon. Deputy Speaker. If he can give us 14 days, I will be back with the report.

**Hon. Charles Nguna** (Mwingi West, WDM): On a point of order, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** I think there was a point of order from Hon. Ngusya. *Sema?*

**Hon. Charles Nguna** (Mwingi West, WDM): Thank you, Hon. Deputy Speaker.

I am rising on the Petition which was presented by Hon. Ken Chonga, Member of Parliament for Kilifi South. I am very much interested. I have not heard your directions regarding this Petition on how we are going to handle it because it was not done procedurally. I want your ruling on the same.

**Hon. Deputy Speaker:** I think I pronounced that it will be marked to the relevant committee.

**Hon. Charles Nguna** (Mwingi West, WDM): Okay.

**Hon. Deputy Speaker:** Thank you.

**Hon. Omboko Milemba** (Emuhaya, ANC): On a point of order.

**Hon. Deputy Speaker:** What is your point of order, Hon. Milemba?

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you, Hon. Deputy Speaker. I am concerned that Members are casualising the House because somebody stands on a point of order and seeks a Statement. There is a procedure of seeking Statements in this House. So, I just wanted to bring your attention to that so that we do not casualise the rules.

**Hon. Deputy Speaker:** I think I ruled on that and that is why I asked Hon. Mayaka and the Member for Chepalungu to wait until Order No.7, and it is now that we are on it. I have given an opportunity for them to raise an oral Statement before we go to the final Statement which is by the Leader of the Majority Party. I think Hon. Irene Mayaka has had her request responded to. Member for Chepalungu, are you still interested in making your Statement briefly?

**Hon. Victor Koech** (Chepalungu, CCM): Yes. Thank you, Hon Deputy Speaker, once again. I would like to bring to the attention of the House that today 23<sup>rd</sup> November, the KCPE results were released. Upon release of the same results, the Cabinet Secretary advised Kenyans that they will get their results via Code 40054.

**Hon. Deputy Speaker:** Hon. Member, have you checked now? I think you have been overtaken by events. Are there other Members who have checked?

*(Laughter)*

Is the Chairperson of the Departmental Committee on Education around? We do not need to belabour the point.

**Hon. Victor Koech** (Chepalungu, CCM): Let me finish my point, kindly. It may have worked now, but initially I tried for like 10 times, and each of the SMSs cost Ksh25. I personally lost Ksh250. How about other Kenyan parents who tried the same severally? That is my point.

*(Applause)*

I am rising to seek a Statement as to what happened to this particular code that we were promised was going to work by the Cabinet Secretary. That is my point, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** The Chairperson of the Departmental Committee on Education will take it up. But you can respond to it briefly.

**Hon. Julius Melly** (Tinderet, UDA): Yes. Thank you, Hon Deputy Speaker.

I just want to agree with the Member and members of the public that a few hours ago, the Cabinet Secretary released results and gave the members of the public an SMS code. However, after around 30 minutes, the code and the SMSs collapsed.

**An Hon. Member:** On a point of order.

**Hon. Deputy Speaker:** Kindly let him finish his sentence so that you can have a substantive point of order. He is not yet done. You cannot respond to an incomplete response.

**Hon. Julius Melly** (Tinderet, UDA): Thank you, Hon Deputy Speaker. I am not the Cabinet Secretary, but I am just trying to tell Members that as at now, the SMS code is working. However, I want to agree with the Member who is seeking a Statement that this particular code cost Kenyans some money yet the messages did not come through.

When I inquired from the Chief Executive Officer (CEO) of the Kenya National Examinations Council, he shifted the blame to Safaricom. I told him that it was best if he could give us a Statement on that issue. He agreed that he is going to bring a Statement on that particular issue next week.

**Hon. Deputy Speaker:** Member for Chepalungu, the Statement will come from the Cabinet Secretary next week. Even if we belabour the point now, nobody has a straight answer.

*(Loud consultations)*

*(A Member raised his hand)*

Whose hand is up there next to Hon. Irene Mayaka? Do you have a point of order?

**Hon. Amos Mwago** (Starehe, JP): Yes. I would like to add my voice to that.

Thank you, Hon. Deputy Speaker. We are living in the 21<sup>st</sup> Century and I do not know what happens in such scenarios where it appears that Kenyans have lost their money. Is there any form of reimbursement that is going to happen? Secondly, what amount of that Ksh25 is taxation so that we can address this issue from a point of information? Was it a scam or is the Government and the Ministry trying to rob Kenyans through these schemes?

**Hon. Deputy Speaker:** Like it has been said, there will be a substantive response on that matter to address those issues by the Cabinet Secretary next week. Kenyans will be at liberty to seek a refund, maybe. Let us wait for it.

Let us proceed.

*(Loud consultations)*

Order, Hon. Members.

*(Hon. Kangogo Bowen spoke off the record)*

Hon. Bowen, it does not matter how much we speculate here. We are talking to ourselves because there is no one to respond to it. It is a futile exercise. So, let us proceed.

Leader of the Majority Party, please, make your weekly Statement.

## STATEMENT

BUSINESS FOR WEEK OF 27<sup>TH</sup> NOVEMBER TO 1<sup>ST</sup> DECEMBER 2023

**Hon. Kimani Ichung'wah** (Kikuyu, UDA): Thank you, Hon. Deputy Speaker. I know Hon. Bowen Kangogo's son was sitting for his KCPE and he has done extremely well. Congratulations to the young Kangogo for the exemplary performance in his KCPE. That is

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why you see Hon. Kangogo is very keen to contribute to that. But just for the record, let me also take this opportunity to congratulate Angela Wamuyu Kimani, who was also sitting for her KCPE. She has done exceptionally well.

*(Applause)*

I can confirm that the system is working. I actually just checked my daughter's results while seated here. It is true there was a problem with Safaricom earlier on, but it has since been rectified and the system is now working.

Hon. Deputy Speaker, I will now go to the usual Statement on behalf of the House Business Committee.

Pursuant to the provisions of Standing Order 44(2)(a), I rise to give this Statement on behalf of the House Business Committee which met on Tuesday, 21<sup>st</sup> November 2023 to prioritise business for consideration during the week.

Hon. Deputy Speaker, I continue to commend Members and committees for the active participation which has seen the conclusion of several key items of business in the House this past week, including the Supplementary Budget. I encourage Members not to tire, as we head to the end of this Session, and ensure they attend sittings of the House and committees as they expedite any urgent business to enable its conclusion by the House before the recess period.

With regard to business scheduled for Tuesday next week, the House is expected to consider the following Bills at various stages, some of which are listed in today's Order Paper:

1. Committee of the whole House on —
  - (a) The Statutory Instruments (Amendment) Bill, 2023.
  - (b) The National Government Constituencies Development Fund (Amendment) Bill, 2023.
  - (c) The Conflict of Interest Bill, 2023.

*(Hon. George Sunkuyia consulted loudly)*

Hon. Deputy Speaker, please, protect me from Hon. Sunkuyia who is behaving like he is selling cattle at Kiserian Market. He is conversing in Kimaasai right behind me.

**Hon. Deputy Speaker:** Order, Hon. Sunkuyia.

**Hon. Kimani Ichungw'ah** (Kikuyu, UDA): Hon. Deputy Speaker, Hon. Kangogo and Hon. Sunkuyia are being very bad examples to younger Members. They have been here long enough to know that these microphones pick up everything they converse in vernacular behind the person speaking. It is only fair that when someone is up on his feet speaking, those around them desist from conversing in vernacular because Kenyans do not understand your vernaculars except those from your village.

*(Laughter)*

Hon. Kangogo is from one region of the country, and the other one is a pastoralist from another part of the country. You can guess the kind of conversation they were having about cattle and...

Hon. Deputy Speaker, let me move on. I was saying that so that we can get the attention of Members on the Committee of the whole House on the National Government-Constituencies Development Fund (Amendment) Bill, 2023. I can see Hon. Kwenya Thuku has noted. I know what interest he has in that Bill. Those who had an issue with that Bill, it is scheduled for the Committee of the whole next week.

2. Second Reading of —

- (a) The National Lottery Bill, 2023.
- (b) The Gambling Control Bill, 2023.
- (c) The National Disaster Risk Management Bill, 2023.
- (d) The Land Laws (Amendment) Bill, 2023.

Additionally, debate will also be undertaken on the following Motions, some of which are listed on the Order Paper today, should they not be concluded in the course of the sitting this afternoon:

1. Report on the loans contracted by the National Government between May 2022 and April 2023.
2. Report of the Kenya Delegation to the 4<sup>th</sup> General Assembly of the Eastern Africa Parliamentary Alliance on Food Security and Nutrition (EAPA-FSN), held in Kigali, Rwanda.
3. Reports of the Auditor-General on Twenty-Three (23) Non-Compliant State Corporations.
4. Report on the proceedings of the Second Ordinary Session of the Sixth Pan-African Parliament (PAP).
5. Report on the proceedings of the 2023 United Nations High Level Political Forum on Sustainable Development.
6. Report on Enhancing Reporting of Parliamentary business on Online Platforms.

With regard to the attendance of cabinet secretaries to answer Questions from Members, I wish to inform the House that due to priority business scheduled for next week, the cabinet secretaries who were scheduled to appear on Wednesday, 29<sup>th</sup> November 2023 have been rescheduled to a later date. This is to allow us to conclude on the very important Government Bills that are scheduled for Tuesday, Wednesday and Thursday sittings next week.

In conclusion, the House Business Committee will reconvene on Tuesday, 28<sup>th</sup> November 2023 to schedule business for the rest of that week.

I now wish to lay this Statement on the Table of the House. Thank you, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** Are you done with all your Statements? Nothing else?

**Hon. Kimani Ichungw'ah** (Kikuyu, UDA): Yes.

**Hon. Deputy Speaker:** Okay. Let us move to the next Order.

## MOTION

### SENATE AMENDMENTS TO THE COUNTY GOVERNMENTS

#### ADDITIONAL ALLOCATIONS BILL

(NATIONAL ASSEMBLY BILL NO.23 OF 2023)

**Hon. Deputy Speaker:** Chairperson of the Budget and Appropriations Committee, Hon. Ndindi Nyoro.

**Hon. Ndindi Nyoro** (Kiharu, UDA): Thank you very much, Hon. Deputy Speaker.

I rise to move the Report on the amendments by the Senate on the County Government Additional Allocations Bill (National Assembly Bill No.23 of 2023).

Around June, we came to this House and passed this Bill, and as it should be, it proceeded to the Senate. What happens in the process of this kind of a Bill is that if the Senate amends even a comma on the Bill, it should come back to this House for concurrence. From the outset, it is important that I put this across, that even as I move, the Budget and Appropriations Committee...

**Hon. Deputy Speaker:** Hon. Chairman, just move it as it is, then you can proceed to justify. I know you always do it the other way round.

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**Hon. Ndindi Nyoro** (Kiharu, UDA): Thank you very much, Hon. Deputy Speaker, for the guidance.

Hon. Deputy Speaker, I beg to move the following Motion:

THAT, the Senate amendments to the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023) be now considered.

**Hon. Deputy Speaker:** *Asante*. Now you can proceed to justify.

**Hon. Ndindi Nyoro** (Kiharu, UDA): Hon. Deputy Speaker, in June this year, we came before this House as the Budget and Appropriations Committee and this House passed the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023) then. How it should be is that once we consider and pass such kind of a Bill and it proceeds to the Senate, then the Senate should consider it, and if there are any amendments to this kind of Bill, the Bill should come back to this House. If there is concurrence, we proceed. If we reject it, then we proceed to mediation.

From the outset, the Budget and Appropriations Committee met for the last two weeks and considered the Report from the Senate. I stand here because this Committee actually rejected the amended version from the Senate. I make it very clear and I repeat for guidance of this House, that we rejected the amended version from the Senate.

The additional allocations that we make to the counties are usually conditional and non-conditional. One of the premises on which the Budget and Appropriations Committee rejected the amendments from the Senate is on the library services budget. There are some 33 counties that have previously been considered with conditional grants to the county governments to take care of library services and salaries of the officers who run the library services.

What happened is that there has been a case that had been sponsored by our governors for the last few years in regard to what constitutes equitable share. In that regard, some of these conditional and non-conditional grants were exempted by the courts to be considered under equitable share. What happened is that this House previously passed the non-amended version that then included that money for library services. What happened is that when it proceeded to the Senate, then the money was actually... Previously, we had allocated equally because any money that goes to the equitable share is subjected to the formula that is made by the Commission on Revenue Allocation (CRA).

When this Bill proceeded to the Senate, they amended that Bill by adding Ksh424 billion, money they are considering as conditional grants to library services. What we are literally doing is to double allocate money for library services because this House had allocated that money. It was then divided equally because once it goes to the equitable share according to the judgement of the courts is that this kind of money is subjected to the formula. However, upon proceeding to the Senate, they proposed to add an equivalent amount.

The ramification of this is that the way we had divided before using the equitable share, of the 33 counties, 11 were getting additional money that they deserved while 22 are losing. Some of the counties are losing marginally while 14 counties are benefitting from this kitty inadvertently because they were not part of the 33 counties that were previously designed to earn money from this kitty or these conditional grants.

The other area that made us reject the amended version from the Senate is that there are some conditional grants that county governments get from the national Government. What the Senate was proposing is that the money given by the national Government should not pass through ministries, departments and agencies (MDAs), but the county governments should get them directly. Some of this is the money the national Government advances to five county governments for building county headquarters for counties that never had existing structures before especially in the headquarters. What the Senate is proposing is that in this kind of conditional grants, the counties should receive money directly, therefore, exempting the roles of MDAs in terms of overseeing the conditional grants.

We want to revert to what this House passed and that is why we recommended the rejection of the amended version of the Bill. We have already appropriated money for this financial year. When the Senate returns the Bill for us to fund extra money to a tune of Ksh424 million, this money is not provided in the budget. We will be contravening the same Appropriations Bill that we already passed in this House, and which the National Treasury is currently implementing.

As I come to the conclusion, I also want to laud our governors because this is not an issue around governance and especially county governments. Our governors have continued to do their bit and work very hard. I also want to laud the Senate because disagreement does not necessarily mean that there is anything between both Houses; it is just a consideration in principle. Our Senate has been doing a great job in terms of supporting devolution and for this to proceed to mediation, it does not mean that there is any House that is looking down on the other. We are all equal Members of Parliament. We respect the Senate and the great role they are playing in terms of advancing devolution in Kenya. This is just a matter of principle that we have appropriated the money. The money the Senate is seeking to introduce is not in the Appropriations Bill as it is now. Therefore, it would be in vain that we adopt a report that is suggesting extra resources that are not available. I wish and hope that once we proceed to mediation, we will iron out these small issues so that counties can receive the money due to them.

I also want to laud this administration led by our President, His Excellency William Samoei Ruto. I am saying this because we are doing something unprecedented, that our counties are now receiving money and especially equitable share on time. By the close of the last financial year, we crossed over with no arrears owed to our county governments. This is very important because we are not just devolving functions, but also making sure that our esteemed governors are able to discharge their duties without the handicap of illiquidity.

This goes a long way in reducing some of the unnecessary expenses especially around interest rates. When, for example, county governments take overdrafts from commercial banks to pay some of the money that have no luxury to wait like salaries, by advancing money to our county governments in time, we are reducing those kinds of expenditure and, therefore, it is something that is laudable.

Again, the fact that this House is rejecting the proposed version from the Senate is just part of our job and it is in no way trying to undo the work of the Senate. I am repeating because these Houses have been working very harmoniously. We are rejecting in principle because there is no money to add. The Appropriations Bill has already been passed by this House. We cannot, therefore, come back and pass a Bill that is proposing more money that is not available. I have just repeated that three times to buttress the fact that this is part of our work. We can reject, then go to mediation, and then get a way out.

With those many remarks, I want to thank the Members of Budget and Appropriations Committee, Members of this House, our technical team in the Parliamentary Budget Office, led by Millicent who is here, with Kioko and all the other members who have taken part in coming up with this Report.

With those many remarks, I want to request the Vice-Chair of the Budget and Appropriation Committee, Hon. Mary Emaase to Second.

**Hon. Deputy Speaker:** Give Hon. Emaase the microphone. There she is.

**Hon. Mary Emaase** (Teso South, UDA): Thank you, Hon. Deputy Speaker. I second the Motion.

At the outset, I want to say that the County Governments Additional Allocations Bill, (National Assembly Bill, No.23 of 2023), is normally a very straightforward Bill. It is just meant to provide for additional allocation to the county government either from the national Government as conditional grant for devolved functions or unconditional allocations. In this

case, it is to provide county governments with additional funds collected from court fines, mineral royalties, conditional allocations from loans, and grants from our partners. As has already been explained by the Chair, I want to say that even as we prepare to go to mediation, I know those who will find themselves in that team will prosecute this matter with the urgency it deserves so that county governments can get money.

Even as we discuss the disbursement of additional funds to counties, I was looking at the poverty index report and was saddened by how some of our counties are doing poorly. Busia was ranked at the penultimate in development. I foresee a situation in a decade or two where we will have a replica of the developed and the under-developed worlds. As we appropriate and devolve money to county governments, I implore governors to use the funds for the intended purposes. If it is a conditional allocation, it should be used for the intended purpose. I want to conclude and allow other Members to contribute.

I second. Thank you.

*(Question proposed)*

**The Deputy Speaker:** I note that it is the mood of the House that I put the question.

*(Question put and agreed to)*

Next order.

## COMMITTEE OF THE WHOLE HOUSE

*(Order for Committee read)*

*[The Deputy Speaker (Hon. Gladys Boss) left the Chair]*

### IN THE COMMITTEE

*[The Temporary Chairman  
(Hon. David Ochieng') in the Chair]*

#### SENATE AMENDMENTS TO THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL (National Assembly Bill No.23 of 2023)

**The Temporary Chairman** (Hon. David Ochieng'): Order, Hon. Members. During this stage, we will allow a few comments by Members who would like to contribute.

*(Several Hon. Members stood in their places)*

I request that you resume your seats. We are now in the Committee of the Whole House. You are aware of how this works. Let us proceed.

*(Loud consultations)*

Order, Members.

*Senate amendment to Clause 4*



THAT, Clause 4 of the Bill be amended:

(a) In Subclause (1) by inserting the words “additional allocations” immediately before the words “loans and grants” in paragraph (c);

(b) by inserting the following new sub-clauses immediately after subclause (2):

(3) The Cabinet Secretary shall facilitate the negotiation of an agreement for additional allocations between a county government and a development partner.

(4) The Cabinet Secretary shall submit an agreement under subclause (3) to Parliament for tabling before inclusion in the Budget Policy Statement.

**The Temporary Chairman** (Hon. David Ochieng’): Chairperson of the Budget and Appropriations Committee

**Hon. Ndindi Nyoro** (Kiharu, UDA): Hon. Temporary Chairman, I do not want to belabour the point by repeating myself on every clause. Allow me to make a brief statement. As I said before, if the Senate amends any of the Clauses of the Bill, it comes back to this House. We then decide whether it goes as a Senate proposal or reject it. Upon perusal of the amendments by the Budget and Appropriations Committee, we decided to reject them. We rejected it not because there is supremacy between this House and the other but purely, on principle. One of the issues under consideration was the library services. The Ksh424 million had been appropriated for 33 counties as an equitable share because this is a devolved function. So, when this Bill went to the Senate, they proposed adding a similar amount to the Ksh424 million we had already appropriated.

This House has already passed the Appropriation Bill. So, the money we are drawing for MDAs or county governments is from the express authority of the Appropriations Bill. Therefore, there is no additional money to give.

Two, we rejected the proposal by the Senate that county governments directly receive money from the conditional grants we give them. For example, money to build headquarters for five counties is sent directly to the State Department for Public Works because it plays a supervisory role. If we send the money directly to counties, we will remove the supervisory role from the relevant MDA. Let me repeat that we are against all the amendments to the six clauses and vote no.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. The Chairperson of the Departmental Committee on Finance and National Planning.

**Hon. Kuria Kimani** (Molo, UDA): Thank you, Hon. Temporary Chairman. Without over-emphasizing, we could have dealt with this issue before the Committee of the whole House. But that is water under the bridge. The import of voting on these clauses is that if we agree with the recommendations of the Senate, we will be allocating money. The problem is that we have already passed the Appropriations Bill, which is now the Appropriation Act.

Regarding a double-entry debit-credit way, we are allocating additional funds, but have not provided money. In essence, if we agree with these recommendations by the Senate, they will be irregular and illegal unless we amend the Appropriations Act for additional allocation to the votes as described by the Chairperson of the Budget and Appropriations Committee. I beg that we reject these amendments by the Senate and vote no for all the clauses.

Thank you.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Now, I must allow this side. I will give a chance to the Hon. Thuku.

**Hon. Kwenya Thuku** (Kinangop, JP): Thank you, Hon. Temporary Chairman. I agree with the Budget and Appropriations Committee Chairperson because he is very polite. The fact is that the Senate is attempting to appropriate money, which is not within their purview. This

role is within the purview of the National Assembly. Indeed, once the Appropriations Bill has been passed, that is it. The only thing the Senate can do is redistribute. In terms of appropriating, that is the business of the National Assembly.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Hon. Makali Mulu.

**Hon. (Dr) Makali Mulu** (Kitui Central, WDM): Thank you, Hon. Temporary Chairman. I have two issues. First, I want to thank my Chairperson for what he has said. Second, if we had moved the House in that direction, we would have killed this Bill at Order No.8 by voting no. So, we would have no need for Order No.9. Now that we are past that because we voted yes, we should go clause by clause since we cannot say no to all clauses. Just take us through the Motion very quickly, clause by clause; we clear this and go to the next level.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Hon. Zamzam.

**Hon. Zamzam Mohammed** (Mombasa County, ODM): Mhe. Mwenyekiti wa Muda, inatamausha sana wakati Spika amezungumza na kupitisha jambo, kisha linaenda kujadiliwa kando liweze kuwa *reversed*. Magavana hawa wamepata matatizo mengi sana, na sisi tumeshuhudia. Tukiangalia hata mafuriko, gavana wetu ametukanwa sana kwa kukosa pesa. Tunasema hizi pesa ambazo wameomba...

*Chairperson of the Budget and Appropriations Committee*, kwa hisani yako, vile zimepita hapa, ni Mungu ametaka ili counties zipate pesa. Wape magavana pesa waweze kufanya kazi na tujenge taifa pamoja. Hili limepita. Ni kazi ya Mungu ndio watu wa chini waweze kusaidika.

Ahsante sana, Mhe. Mwenyekiti wa Muda.

**The Temporary Chairman** (Hon. David Ochieng’): Hon. Members, we have four clauses. Let me put the question on this one, and then you can speak on the next clause.

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

*(Senate amendment to clause 4 negated)*

#### *Senate Amendment to Clause 5*

THAT, Clause 5 of the Bill be amended-

- (a) in sub-clause (5) by inserting the following new paragraph immediately after paragraph (d)-
  - (e) Conditional allocations for the transfer of library services as set out in Column F of the First Schedule.
- (b) in sub-clause (6)-
  - (i) by deleting the word “a” appearing immediately after the words “financed by” in paragraph (a) and substituting therefor the words “an IDA”;
  - (ii) by deleting the word “a” appearing immediately after the words “financed by” in paragraph (c) and substituting therefor the words “an IDA”;
  - (iii) by deleting the word “a” appearing immediately after the words “allocations from” in paragraph (d) and substituting therefor the words “an IDA”;
  - (iv) by inserting the words “IDA” immediately after the words “credit from the” appearing in paragraph (f);

- (v) by inserting the words “the IDA” immediately after the words “credit from” appearing in paragraph (i); and,
- (vi) by inserting the words “IDA” immediately after the words “credit from the” appearing in paragraph (j); and,
- (vii) by inserting the following new paragraph immediately after paragraph (m)-
  - (n) Conditional allocations financed by a grant from the German Development Bank (KfW) to finance Locally-Led Climate Action Program (FLLoCA) – (County Climate Resilience Grant) as set out in Column P of the Third Schedule.
- (c) In sub-clause (9) by inserting the expression “(4), (5), (6) and (7)” immediately after the words “subsection (2)”.

*(Several Hon. Members stood up in their places)*

*(Hon. Raphael Wanjala spoke off the record)*

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Hon. Wanjala, you have been in this House for ‘donkey’ years. You know the rules and obviously do not have the numbers. So, you may resume your seats?

*(Question of the amendment proposed)*

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

*(Question, that the words to be left out be left out, put negative)*

*(Senate amendment to clause 5 negated)*

**Hon. Raphael Wanjala** (Budalangi, ODM): On a point of order, Hon. Temporary Chairman.

**The Temporary Chairman** (Hon. David Ochieng’): Hon. Wanjala, what is out of order? You have the microphone.

**Hon. Raphael Wanjala** (Budalangi, ODM): Hon. Temporary Chairman, it is unfortunate, that I rose on a point of order but you disregarded me. Whatever I was raising has passed.

**The Temporary Chairman** (Hon. David Ochieng’): You are now regarded.

**Hon. Raphael Wanjala** (Budalangi, ODM): I am wondering because Members on the other side, who are the shareholders, seem not to know what they are doing. They are being spoon-fed by the Departmental Committee on Finance and National Planning Chairperson to reject the amendments, which is wrong. They are supposed to think and vote on their own.

**The Temporary Chairman** (Hon. David Ochieng’): Hon. Wanjala, you can do the same for your side.

*Senate Amendment to Clause 8*

THAT, Clause 8 of the Bill be amended in paragraph (b) by deleting the words “section 4(1) and (2)” appearing immediately after the words “allocations made under” and substituting therefor the words “section 5(4), (5), (6) and (7)”.

*(Question of the amendment proposed)*

**The Temporary Chairman** (Hon. David Ochieng’): Member for Nyando, you have the microphone, go ahead or use the next one.

**Hon. Jared Okello** (Nyando, ODM): Thank you, Hon. Temporary Chairman. We must acknowledge we are in a bit of a quandary. First and foremost, our Senate colleagues have done nothing unconstitutional. They have expressed themselves on this fundamental issue, and that matter has been brought to us. Under the spirit of complementarity, we would not wish to create friction between the two Houses. That is why the drafters of this Constitution saw it wise to come up with mediation. So, there is a middle ground where both warring factions can meet. What is being demonstrated on the Floor of this House this afternoon is undermining our very good ladies and gentlemen who make laws in the other House - the Senate. It is an absurdity, so to speak, that we have to be shepherded or shown which direction to take, whereas we had our conscience when we came to this House. We have our intellect. We have our know-how. No one should dictate to us how to vote in a particular way or not.

Therefore, because we want to maintain the friendship, brotherhood, and sisterhood between the two Houses, we should employ a high degree of decorum even as we go through this Bill.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Allow him to finish.

**Hon. Jared Okello** (Nyando, ODM): Without being coerced by anybody from across the aisle, we must accept all the proposals as they came from the Senate. Finally, our Governors...

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Allow him to finish. Hon. Chair, give him his time.

**Hon. Jared Okello** (Nyando, ODM): Please give me time to speak. Hon. Temporary Chair, what the country is experiencing now on flooding is a shame to this country.

**The Temporary Chairman** (Hon. David Ochieng’): Hon. Member for Nyando.

**Hon. Jared Okello** (Nyando, ODM): Kindly give me time to prosecute my mind.

**The Temporary Chairman** (Hon. David Ochieng’): I have.

**Hon. Jared Okello** (Nyando, ODM): Kindly. The country is going through a very difficult situation with flooding. We have lost more than 80 lives. Eighty people have since died as a result of flooding.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you.

**Hon. Jared Okello** (Nyando, ODM): The monies are domiciled in Nairobi. Give me only one more minute.

*(Hon. Jared Okello spoke off the microphone)*

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Member for Nyando, we are on the Committee for the whole House. Give him 30 seconds. Let us be relevant on this matter.

**Hon. Jared Okello** (Nyando, ODM): Thank you. Whereas monies are sitting pretty here in Nairobi, our governors have nothing. They have no recourse. No money to handle the flooding menace that has claimed more than 80 lives.

*(Applause)*

**The Temporary Chairman** (Hon. David Ochieng’): Just a minute.

**Hon. Jared Okello** (Nyando, ODM): I believe sense will prevail in this House, and money will be given to governors.

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**The Temporary Chairman** (Hon. David Ochieng’): Member for Nyando, to ask: Is there any money for floods in this Bill? Chair of the Budget and Appropriations Committee.

**Hon. Ndindi Nyoro** (Kiharu, UDA): Hon. Temporary Chair, I highly regard the two Members who have spoken, Hon. Zamzam and my friend Hon. Okello. However, there is no point in sensualising this matter. The question before us is very simple. We are not fighting with any House. This House, the National Assembly, and the Senate work very well and smoothly. The issue before us is one. We took the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023) to the Senate. Let me go sequentially.

**The Temporary Chairman** (Hon. David Ochieng’): No, Chairman. You do not have time.

**Hon. Ndindi Nyoro** (Kiharu, UDA): There are moneys allocated. The point I am trying to make is that the additional resources, as proposed by the amendment from the Senate, first, is not money for floods, and there is no flexibility on how to use the money. The money is purely for library services. We have already provided for those monies. As we go through the amendments from the Senate, we can only appropriate money already in the Appropriations Act. These monies are not there. Therefore, it is in futility even if we were to pass our suggestion.

Lastly, how do we go to mediation? We have already rejected the first amendment. Consequently, we are already mediating.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Leader of the Majority Party.

**Hon. Kimani Ichung’wah** (Kikuyu, UDA): Thank you, Hon. Temporary Chairman. In fact, the Chair of the Budget and Appropriations Committee has already made the point I wanted to make regarding what the Member for Nyando was saying. There is nothing untoward we are doing in rejecting all these amendments. The next natural cause of action is to go into mediation. Good relations between the two Houses are to mediate and agree on a common position.

Therefore, I urge Members to join the Chair of the Budget and Appropriations Committee in rejecting not just this amendment, but also the two amendments that follow.

**The Temporary Chairman** (Hon. David Ochieng’): Thank you. Hon. Kahangara, you will be the last to contribute to this. The other people will speak in the next clause. Let us hear from Hon. Kahangara.

**Hon. Kahangara Mburu** (Lari, UDA): Thank you, Hon. Temporary Chairman. I want to add my voice to the same and say that while some Members may be trying to whip emotions on the relationship between the Senate and the National Assembly, it has been made very clear that money to be appropriated is normally appropriated by the National Assembly. The additional money the Senate is talking about is nowhere to be found. Let me remind this House that the Senate did something similar in 2015. They added county governments Ksh3 billion and yet, the accounting standard is debit-credit. You must tell us where to get money from the moment you add it to expenditure. They have not done so in this case. What we did then was to take the money that we had appropriated to the Senate to cover the deficit they created.

Hon. Temporary Chairman, I join the Chair in rejecting the amendments so that they can go to mediation. Thank you.

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

*(Senate amendment to Clause 8 negated)*

*Senate amendment to the First Schedule*

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THAT, the Bill be amended by deleting the First Schedule and substituting therefor the following new schedule be now approved—

### FIRST SCHEDULE

Conditional allocations to County Governments from National Government Revenue in Financial Year 2023/24 (Kenya Shillings)								
S/ N	County	FY 2022/23	FY 2023/24					
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant for Leasing of Medical Equipment	Conditional Grant for Aggregated Industrial Parks Programme	Conditional Grant for Provision of Fertilizer Subsidy Programme	Transfers of Library Services	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	Baringo	110,638,298	-	124,723,404	-	75,977,677	24,613,310	<b>225,314,391</b>
2	Bomet	110,638,298	-	124,723,404	-	131,684,382	8,846,856	<b>265,254,642</b>
3	Bungoma	110,638,298	-	124,723,404	250,000,000	242,962,800	6,865,428	<b>624,551,632</b>
4	Busia	110,638,298	-	124,723,404	250,000,000	126,591,665	-	<b>501,315,069</b>
5	Elgeyo/ Marakwet	110,638,298	-	124,723,404	-	63,970,782	5,795,078	<b>194,489,264</b>
6	Embu	110,638,298	-	124,723,404	250,000,000	110,930,145	8,163,074	<b>493,816,623</b>
7	Garissa	110,638,298	-	124,723,404	250,000,000	3,965,101	19,694,322	<b>398,382,827</b>
8	Homa Bay	110,638,298	-	124,723,404	250,000,000	165,917,803	-	<b>540,641,207</b>
9	Isiolo	150,638,298	60,000,000	124,723,404	-	2,501,812	7,025,011	<b>194,250,227</b>
10	Kajiado	110,638,298	-	124,723,404	-	41,355,485	-	<b>166,078,889</b>
11	Kakamega	110,638,298	-	124,723,404	-	289,728,678	19,061,018	<b>433,513,100</b>
12	Kericho	110,638,298	-	124,723,404	-	131,255,114	16,797,733	<b>272,776,251</b>
13	Kiambu	110,638,298	-	124,723,404	250,000,000	159,665,074	13,607,579	<b>547,996,057</b>
14	Kilifi	110,638,298	-	124,723,404	-	134,390,478	17,405,946	<b>276,519,828</b>
15	Kirinyaga	110,638,298	-	124,723,404	250,000,000	117,510,449	-	<b>492,233,853</b>
16	Kisii	110,638,298	-	124,723,404	-	186,645,942	8,557,807	<b>319,927,153</b>
17	Kisumu	110,638,298	-	124,723,404	-	120,042,858	19,735,914	<b>264,502,176</b>
18	Kitui	110,638,298	-	124,723,404	-	179,499,580	4,701,081	<b>308,924,065</b>
19	Kwale	110,638,298	-	124,723,404	-	90,011,220	4,903,510	<b>219,638,134</b>
20	Laikipia	110,638,298	-	124,723,404	-	66,899,161	15,758,878	<b>207,381,443</b>

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<b>Conditional allocations to County Governments from National Government Revenue in Financial Year 2023/24 (Kenya Shillings)</b>								
S/ N	County	FY 2022/23	FY 2023/24					
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant for Leasing of Medical Equipment	Conditional Grant for Aggregated Industrial Parks Programme	Conditional Grant for Provision of Fertilizer Subsidy Programme	Transfers of Library Services	Total Conditional Grants from the National Government Revenue
21	Lamu	132,638,298	48,840,000	124,723,404	-	13,675,370	-	<b>207,394,723</b>
22	Machakos	110,638,298	-	124,723,404	250,000,000	195,350,986	-	<b>570,074,390</b>
23	Makueni	110,638,298	-	124,723,404	-	162,562,856	20,155,949	<b>287,286,260</b>
24	Mandera	110,638,298	-	124,723,404	-	13,777,962	2,737,805	<b>141,239,171</b>
25	Marsabit	110,638,298	-	124,723,404	-	2,389,320	5,373,662	<b>132,486,386</b>
26	Meru	110,638,298	-	124,723,404	250,000,000	225,426,721	23,880,620	<b>624,030,745</b>
27	Migori	110,638,298	-	124,723,404	250,000,000	144,621,807	3,624,996	<b>522,970,207</b>
28	Mombasa	110,638,298	-	124,723,404	250,000,000	6,495,711	13,732,919	<b>394,952,034</b>
29	Murang'a	110,638,298	-	124,723,404	250,000,000	197,960,790	13,019,070	<b>585,703,264</b>
30	Nairobi	110,638,298	-	124,723,404	-	14,721,991	8,859,455	<b>148,304,850</b>
31	Nakuru	110,638,298	-	124,723,404	250,000,000	234,883,209	14,033,063	<b>623,639,676</b>
32	Nandi	110,638,298	-	124,723,404	250,000,000	128,705,606	5,047,663	<b>508,476,673</b>
33	Narok	110,638,298	-	124,723,404	-	135,373,204	13,956,754	<b>274,053,362</b>
34	Nyamira	110,638,298	-	124,723,404	250,000,000	92,563,428	-	<b>467,286,832</b>
35	Nyandarua	169,638,298	121,000,000	124,723,404	-	121,624,039	5,730,418	<b>373,077,861</b>
36	Nyeri	110,638,298	-	124,723,404	-	138,968,433	24,582,673	<b>288,274,510</b>
37	Samburu	110,638,298	-	124,723,404	-	12,431,664	-	<b>137,155,068</b>
38	Siaya	110,638,298	-	124,723,404	250,000,000	166,455,063	15,637,939	<b>556,816,406</b>
39	Taita Taveta	110,638,298	-	124,723,404	-	43,540,521	12,335,620	<b>180,599,545</b>
40	Tana River	152,638,298	121,000,000	124,723,404	-	15,049,566	-	<b>260,772,970</b>
41	Tharaka Nithi	110,638,298	103,160,000	124,723,404	-	71,299,830	-	<b>299,183,234</b>
42	Trans Nzoia	110,638,298	-	124,723,404	250,000,000	116,941,692	-	<b>491,665,096</b>

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Conditional allocations to County Governments from National Government Revenue in Financial Year 2023/24 (Kenya Shillings)								
S/ N	County	FY 2022/23	FY 2023/24					
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant for Leasing of Medical Equipment	Conditional Grant for Aggregated Industrial Parks Programme	Conditional Grant for Provision of Fertilizer Subsidy Programme	Transfers of Library Services	Total Conditional Grants from the National Government Revenue
43	Turkana	110,638,298	-	124,723,404	-	12,815,035	-	<b>137,538,439</b>
44	Uasin Gishu	110,638,298	-	124,723,404	250,000,000	118,799,152	20,521,280	<b>514,043,836</b>
45	Vihiga	110,638,298	-	124,723,404	-	97,662,444	-	<b>222,385,848</b>
46	Wajir	110,638,298	-	124,723,404	-	2,235,432	19,853,614	<b>146,812,450</b>
47	West Pokot	110,638,298	-	124,723,404	-	72,161,965	-	<b>196,885,369</b>
	<b>TOTAL</b>	<b>5,363,000,006</b>	<b>454,000,000</b>	<b>5,862,000,002</b>	<b>4,500,000,000</b>	<b>5,000,000,003</b>	<b>424,616,045</b>	<b>16,240,616,050</b>

*(Question of the amendment proposed)*

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

*(Senate amendment to the First Schedule negated)*

*Senate amendment to the Third Schedule*

THAT, the Bill be amended by deleting the Third Schedule and substituting therefor the following new schedule—



## THIRD SCHEDULE

## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY																
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally-Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24		
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q		
1	Baringo	220,999,360	-	-	90,000,000	-	9,297,750	11,000,000	1,733,647	-	126,616,044	-	36,500,000	-	-	-	275,147,441		
2	Bomet	210,828,615	-	250,000,000	90,000,000	-	10,048,500	11,000,000	1,716,655	-	-	-	-	-	-	-	362,765,155		
3	Bungoma	256,762,319	150,000,000	250,000,000	-	-	16,227,750	11,000,000	593,849	-	-	50,000,000	34,500,000	-	-	-	512,321,599		
4	Busia	261,070,587	-	250,000,000	90,000,000	-	10,972,500	11,000,000	2,450,905	-	-	-	30,500,000	22,585,560	-	-	417,508,965		
5	Elgeyo Marakwet	215,638,157	-	-	90,000,000	-	7,045,500	11,000,000	1,042,262	-	138,144,044	50,000,000	36,500,000	-	-	-	333,731,806		
6	Embu	360,933,552	150,000,000	250,000,000	-	-	7,854,000	11,000,000	961,306	-	106,400,361	-	-	10,257,551	-	-	536,453,218		
7	Garissa	630,550,225	-	-	90,000,000	600,000,000	12,820,500	11,000,000	3,047,337	-	169,365,353	-	-	-	-	-	886,233,190		

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

No	COUNTY	2022/23 FY	2023/24 FY														
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit; Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q
8	Homa Bay	331,552,504	150,000,000	250,000,000	-	-	12,300,750	11,000,000	2,659,580	-	-	100,000,000	-	12,909,422	-	-	538,869,752
9	Isiolo	401,955,171	-	-	90,000,000	-	7,738,500	11,000,000	2,188,644	-	188,968,553	-	-	-	-	-	299,895,697
10	Kajiado	131,205,935	-	250,000,000	90,000,000	-	11,723,250	11,000,000	1,085,811	-	-	44,974,785	-	10,509,643	-	-	419,293,489
11	Kakamega	289,429,131	-	250,000,000	90,000,000	-	18,999,750	11,000,000	1,254,212	-	-	141,964,677	30,500,000	24,417,125	-	-	568,135,764
12	Kericho	193,578,632	-	250,000,000	90,000,000	-	9,817,500	11,000,000	1,027,779	-	-	-	-	-	-	-	361,845,279
13	Kiambu	417,141,278	150,000,000	250,000,000	-	-	17,209,500	11,000,000	2,583,952	-	-	50,000,000	-	19,395,531	-	-	500,188,983
14	Kilifi	1,432,906,84	150,000,000	250,000,000	-	1,300,000,00	19,057,500	11,000,000	1,248,343	-	-	250,000,000	-	-	-	-	1,981,305,84

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY														
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q
15	Kirinyaga	294,835,827	150,000,000	250,000,000	-	-	7,738,500	11,000,000	900,970	-	-	-	-	13,779,259	-	-	433,418,729
16	Kisii	301,793,207	150,000,000	250,000,000	-	-	14,206,500	11,000,000	1,168,601	-	-	-	-	21,486,575	-	-	447,861,676
17	Kisumu	321,169,783	-	250,000,000	90,000,000	-	12,474,000	11,000,000	536,771	-	-	400,000,000	-	15,407,244	-	-	779,418,015
18	Kitui	374,080,509	150,000,000	250,000,000	-	-	16,112,250	11,000,000	1,292,965	-	-	133,683,244	-	-	-	-	562,088,459
19	Kwale	826,196,478	150,000,000	250,000,000	-	900,000,000	14,206,500	11,000,000	611,669	-	-	21,905,911	-	-	-	-	1,347,724,08
20	Laikipia	121,371,954	-	-	90,000,000	-	7,623,000	11,000,000	1,933,282	-	-	-	-	-	-	-	110,556,282
21	Lamu	102,529,473	-	-	90,000,000	-	4,735,500	11,000,000	1,622,700	-	-	150,000,000	-	-	-	-	257,358,200

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY														
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q
22	Machakos	273,245,808	-	250,000,000	90,000,000	-	14,148,750	11,000,000	1,761,966	-	105,095,561	-	-	12,262,438	-	-	484,268,715
23	Makueni	314,007,349	150,000,000	250,000,000	-	-	13,513,500	11,000,000	601,751	-	-	-	-	-	-	-	425,115,251
24	Mandera	250,006,419	-	-	90,000,000	-	18,653,250	11,000,000	2,257,207	-	180,282,153	-	-	-	-	-	302,192,610
25	Marsabit	398,076,912	-	-	90,000,000	-	12,358,500	11,000,000	1,431,190	300,000,000	195,679,753	-	37,500,000	-	-	-	647,969,443
26	Meru	421,288,012	150,000,000	250,000,000	-	-	14,668,500	11,000,000	1,105,100	-	121,171,561	67,546,296	-	23,306,984	-	-	638,798,441
27	Migori	315,785,957	150,000,000	250,000,000	-	-	12,358,500	11,000,000	1,120,452	-	-	-	-	13,617,785	-	-	438,096,737
28	Mombasa	724,317,035	-	-	-	1,000,000,000	12,878,250	11,000,000	512,539	-	-	250,000,000	-	-	-	-	1,274,390,78

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY														
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit; Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q
29	Murang'a	328,840,184	150,000,000	250,000,000	-	-	11,492,250	11,000,000	1,899,127	-	-	-	-	-	-	-	424,391,377
30	Nairobi City	204,781,620	-	-	-	-	29,048,250	11,000,000	3,507,770	-	-	400,000,000	-	-	-	-	443,556,020
31	Nakuru	522,398,243	150,000,000	250,000,000	-	-	19,115,250	11,000,000	583,629	-	-	400,000,000	34,800,000	-	-	-	865,498,879
32	Nandi	380,965,571	150,000,000	250,000,000	-	-	9,759,750	11,000,000	516,946	-	-	50,000,000	-	-	-	-	471,276,696
33	Narok	373,384,611	150,000,000	250,000,000	-	-	14,668,500	11,000,000	1,119,636	-	-	-	-	-	-	-	426,788,136
34	Nyamira	225,758,466	150,000,000	250,000,000	-	-	8,778,000	11,000,000	531,293	-	-	19,440,308	-	-	-	-	439,749,601
35	Nyandarua	215,234,247	-	250,000,000	90,000,000	-	8,893,500	11,000,000	499,617	-	-	50,000,000	-	-	-	-	410,393,117

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY														Total Loans and Grants for FY 2023/24
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit; Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally-Led Climate Action (FLLoCA) Program County Climate Change	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q
36	Nyeri	282,137,853	-	250,000,000	90,000,000	-	9,875,250	11,000,000	1,741,641	-	-	60,000,000	-	19,315,146	-	-	441,932,037
37	Samburu	330,038,486	150,000,000	-	-	-	8,431,500	11,000,000	2,793,523	-	200,970,153	-	37,500,000	-	-	-	410,695,176
38	Siaya	127,677,482	-	250,000,000	90,000,000	-	10,568,250	11,000,000	1,037,537	-	-	-	30,500,000	13,838,473	-	-	406,944,260
39	Taita Taveta	855,426,510	-	250,000,000	90,000,000	950,000,000	7,738,500	11,000,000	1,991,302	-	-	40,000,000	-	-	-	-	1,350,729,80
40	Tana River	207,230,277	-	250,000,000	90,000,000	-	10,683,750	11,000,000	1,296,539	-	-	-	-	-	-	-	362,980,289
41	Tharaka Nithi	264,103,837	-	250,000,000	90,000,000	-	7,161,000	11,000,000	1,785,670	-	105,805,161	20,000,000	-	12,810,384	-	-	498,562,215
42	Trans Nzoia	364,997,911	150,000,000	250,000,000	-	-	10,510,500	11,000,000	1,051,336	-	-	300,000,000	35,500,000	-	-	-	758,061,836

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## Conditional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2023/24 (Figures in Kenya Shillings)

Z/S	COUNTY	2022/23 FY	2023/24 FY															
		Total Loans and Grants for FY 2022/23	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Livestock Commercialization Project (KELCLOP)	Aquaculture Business Development Project (ABDP)	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Grant (CCRG))*	Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change	Total Loans and Grants for FY 2023/24	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column P	Column Q	
43	Turkana	570,438,214	150,000,000	-	-	-	19,230,750	11,000,000	3,845,117	465,000,000	220,986,953	-	-	-	-	-	870,062,820	
44	Uasin Gishu	258,281,182	-	250,000,000	90,000,000	-	11,550,000	11,000,000	1,022,165	-	-	173,698,769	-	-	-	-	537,270,934	
45	Vihiga	199,126,283	150,000,000	250,000,000	-	-	8,489,250	11,000,000	490,847	-	-	-	-	-	-	-	419,980,097	
46	Wajir	804,570,030	-	-	90,000,000	600,000,000	15,592,500	11,000,000	3,901,152	-	178,454,153	180,000,000	-	-	-	-	1,078,947,80	
47	West Pokot	250,674,252	-	-	90,000,000	-	9,124,500	11,000,000	2,730,960	-	131,007,244	-	-	-	-	-	243,862,704	
	<b>TOTAL</b>	<b>17,159,322,284</b>	<b>3,150,000,000</b>	<b>8,250,000,000</b>	<b>2,160,000,000</b>	<b>5,350,000,000</b>	<b>577,500,000</b>	<b>517,000,000</b>	<b>72,797,253</b>	<b>465,000,000</b>	<b>2,302,630,289</b>	<b>3,269,530,746</b>	<b>344,300,000</b>	<b>245,879,120</b>	<b>6,187,500,000*</b>	<b>1,200,000,000**</b>	<b>34,092,137,408</b>	

\* The FLLoCA-(CCRI) Grant is to be allocated among County Governments on the basis of the criteria in section 5(6)(m) of the County Government Additional Allocations Act, 2023.

\*\*Germany Development Bank (KfW) Loan for Financing Locally- Led Climate Action (FLLoCA) Program County Climate Change Resilience Grant - CCRIG Loan is to be allocated among Sixteen (16) County Governments on the basis of the criteria in section 5(6)(n) of the

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County Government Additional Allocations Act, 2023. The Counties to be allocated the Ksh.1.2 billion include; Trans-Nzoia, Uasin-Gishu, Elgeyo-Marakwet, Nandi, Kericho, Bomet, Kakamega, Vihiga, Bungoma, Busia, Siaya, Kisumu, Homa Bay, Migori, Kisii and Nyamira.

*(Question of the amendment proposed)*

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

*(Senate amendment to the Third Schedule negatived)*

*Senate amendment to Clause 2*

THAT, Clause 2 of the Bill be amended in the definition of the word “Cabinet Secretary” by inserting the words “matters relating to” immediately after the words “responsible for”.

*(Question of the amendment proposed)*

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

*(Senate amendment to Clause 2 negatived)*

*Senate amendment to Clause 1*

THAT, the Bill be amended by deleting Clause 1 and substituting therefor the following new clause—

Short title and commencement.

1. This Act may be cited as the County commencement. Governments Additional Allocations Act, 2023, and shall be deemed to have come into force on 1<sup>st</sup> July, 2023.

*(Question of the amendment proposed)*

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

*(Senate amendment to Clause 1 negatived)*

**The Temporary Chairman** (Hon. David Ochieng’): Hon. Members, that marks the end of the Committee of the whole House on the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023). We now move to reporting. Mover, the Chair, go ahead.

**Hon. Ndindi Nyoro** (Kiharu, UDA): Thank you very much, Hon. Temporary Chairman.

I beg to move that the Committee do Report to the House its consideration of Senate amendments to the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023) and its approval thereof with amendments.



**The Temporary Chairman** (Hon. David Ochieng’): Okay, thank you.

*(Question proposed)*

*(Question put and agreed to)*

*(The House Resumed)*

IN THE HOUSE

*[The Temporary Speaker (Hon. Omboko Milemba) in the Chair]*

### MOTIONS

#### CONSIDERATION OF REPORT ON SENATE AMENDMENTS TO THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL

*(Loud consultations)*

**The Temporary Speaker** (Hon. Omboko Milemba): Order, Hon. Members.  
Hon. Chairperson.

**Hon. David Ochieng’** (Ugenya, MDG): Hon. Temporary Speaker, I beg to report that the Committee of the whole House has considered the Senate amendments to the County Governments Additional Allocations Bill (National Assembly Bill No.23 of 2023) and approved the same with amendments.

**The Temporary Speaker** (Hon. Omboko Milemba): Mover.

**Hon. Ndindi Nyoro** (Kiharu, UDA): Hon. Temporary Speaker, I beg to move that the House do agree with the Committee in the said report. I also request the Member for Gilgil, Hon. Martha Wangari, to second the Motion for agreement with the report of the Committee of the whole House.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Martha.

**Hon. Martha Wangari** (Gilgil, UDA): Thank you, Hon. Temporary Speaker. I second.

*(Question proposed)*

**Hon. Members:** Put the Question.

**The Temporary Speaker** (Hon. Omboko Milemba): Is it the mood of the House that I put the Question?

**Hon. Members:** Yes.

*(Question put and agreed to)*

*(Senate amendments approved with amendments)*

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Members, before I call out the next Order, may I inform the House that the effect of what you have done is that the Bill is now committed to mediation. The substantive Speaker will name the mediation committee to deal with the matter. Let me also inform the House that this is the ordinary and normal business of the House. It gives a chance to Senators and Members of this House who will be nominated

to that committee to have a session, mediate and agree on a way forward, which both Houses will then adopt.

Next Order.

## MOTION

### ADOPTION OF REPORT ON LOANS CONTRACTED BY THE NATIONAL GOVERNMENT BETWEEN MAY 2022 AND APRIL 2023

**The Temporary Speaker** (Hon. Omboko Milemba): The Chairman of the Public Debt and Privatisation Committee. Will you move the Motion?

**Hon. Abdi Shurie** (Balambala, JP): Yes.

**The Temporary Speaker** (Hon. Omboko Milemba): Proceed. Leader of the Majority Party, approach the Clerks-at-the-Table.

**Hon. Abdi Shurie** (Balambala, JP): Hon. Temporary Speaker, I beg to move the following Motion:

THAT, this House adopts the Report of the Public Debt and Privatisation Committee on its consideration of the loans contracted by the national Government between May 2022 and April 2023, laid on the Table of the House on Thursday, 28<sup>th</sup> September 2023.

Hon. Temporary Speaker, I would like to thank the Members of the Public Debt and Privatisation Committee for their steadfast resolve to consider the Loans Report that was submitted to Parliament and table this comprehensive Report for consideration by the House.

Pursuant to Section 31 (1) of the Public Finance Management (PFM) Act, 2012, the Ministry of National Treasury and Economic Planning submitted to the National Assembly three Reports on new loans contracted by the national Government for the following periods:

1. 1<sup>st</sup> May 2022 to 31<sup>st</sup> August 2022.
2. 1<sup>st</sup> September to 31<sup>st</sup> December 2022.
3. 1<sup>st</sup> January 2023 to 30<sup>th</sup> April 2023.

As per the reports, a total of 19 externally financed loans totalling Ksh213 billion were signed between the national Government and international creditors in various currencies between May 2022 and April 2023. By the time these reports were tabled before the National Assembly, only three of the 19 loans were partially disbursed, thus indicating an estimated disbursement rate of only 11 per cent. The partially disbursed loans were primarily commercial, totalling Ksh24.2 billion. Due to the low disbursement rate, 89 per cent of the loan resources remained under the accounts of the creditors, despite being signed for. It is, therefore, noted that there is a need to increase the rate of disbursement of the loans acquired if the budgeted expenditures are to be financed in full and projects are to be completed on time. This will also be beneficial in addressing the ongoing liquidity and foreign exchange imbalances arising from high debt servicing expenditure, stimulate the economy, the economic development, and eventually promote public debt sustainability.

An intention policy initiative should target increasing the disbursement rate of concessional loans from bilateral and multilateral lenders due to the low cost and grace period. They have lower repayment pressures. Thus, they allow borrowing to be undertaken with a reasonable impact on debt sustainability indicators. Additionally, their disbursement is critical for projects with low repaying capacity, like social and climate change projects. They contribute to economic development.

While the submission of the loan report to Parliament is a good step, there is a need to enhance transparency and accountability on loans acquired by the national Government. As such, the submission of full and complete information is critical in ensuring full oversight of

any public debt-related activities. During the review of the Report, it was noted that information pertaining to loan balances brought forward and carried down, amortisations and borrowings undertaken by national Government entities were among the key pieces of information that were left out of the Report. This made it hard to determine the overall impact of the loans acquired on the overall debt stock.

Hon. Temporary Speaker, there is a need to go beyond the parameters that are set for oversight and apply innovation to achieve effective and efficient use of resources for the country. This can be done through the submission of project-specific information when the Reports are submitted to Parliament. There are benefits to this end. First and foremost, this will enable the National Assembly to review the quality of projects financed by loans contracted. Therefore, it will firm up the country's repayment capacity. It will also streamline the project assessment and appraisal process.

Secondly, this will guarantee the efficient utilisation of resources and maximise the benefits accruable from the selected projects before the commencement of the loan repayment. This will promote confidence in the national Government processes and public debt regulatory institutions, which may ultimately contribute to the deduction of borrowing costs by our international development partners.

Hon. Temporary Speaker, after consultative engagements, the Committee makes several recommendations for consideration by the House. To mention but a few, the Committee recommends:

1. Subsequent reports submitted by the National Treasury should ensure full compliance with Section 31(1) and (3) of the PFM Act, 2012.
2. The National Treasury should ensure that the reports indicate all loans made to the national Government, national Government entities, and county governments, as well as loan balances, brought forward, and carried down, drawings and amortizations on new loans.
3. Quarterly reporting on project/programme loans should be guided by programme-based budgeting principles, and the respective project valuations, appraisals, and assessment reports should be attached.
4. To facilitate oversight of debt and to promote transparency and accountability of loans and contracts entered into, the National Treasury should attach the contracts signed against each submitted report and should not enter into any contract that does not adhere to the principles of public finance as set out under Article 201 of the Constitution.
5. The National Treasury should address factors affecting timely and full disbursement of loan financing and submit a report to the National Assembly within 60 days of adopting this Report, indicating actions taken to increase the efficient disbursement of loan financing.
6. Within 90 days, the National Treasury should fully digitise the loan approval and monitoring system to enhance reporting, transparency and accountability. This should also include training technical personnel and establishing a system accessible to other public finance management institutions such as the Central Bank of Kenya (CBK), the Office of the Controller of Budget and the Office of the Auditor-General.

In conclusion, the Committee also noted that reforms relating to public debt management have lagged, even as strides have been made in other areas of public finance management, such as enhancing procedures for revenue collection and expenditure determination. As such, the Committee is dedicated to addressing gaps prevalent in the legal framework relating to reporting, transparency and accountability in loan appreciation and the

efficient use of the same, and will continuously present policy recommendations for consideration by this House.

I, therefore, beg to move and request Hon. Makali Mulu, the Vice-Chairperson of the Select Committee on Public Debt and Privatisation, to second.

**The Temporary Speaker** (Hon. Omboko Milemba): Dr Makali Mulu.

**Hon. (Dr) Makali Mulu** (Kitui Central, WDM): Thank you very much, Hon. Temporary Speaker. Let me first thank the Chairperson for moving the Motion well.

We are discussing a very important matter to this country. As we are all aware, public debt has become the elephant in the room. Every Kenyan and every Government official is talking about it. This Report is very important. I urge my colleagues to take its recommendations very seriously because they will provide the roadmap as we move to the future.

You have heard the Chairperson say that we signed for about 11 loans in the period that we are discussing, and only three have been disbursed. That means that the normal challenge of paying commitment fees for loans that have not been disbursed will continue. I wish the House would pass a resolution such that after the Report is adopted, we summon all ministries, departments, and agencies (MDAs) that have borrowed money from different countries and are not using it. The National Treasury normally signs for loans while MDAs implement them. You will be surprised to learn that some MDAs have taken more than 10 years to withdraw loans that have been signed for. I urge my colleagues to support us so that such MDAs are summoned immediately after this Report is adopted by the House to explain why they are not drawing money and the reasons hindering them from doing so. Such loans can be cancelled if the reasons are not clear enough to the House.

This House approved the Medium-Term Debt Strategy. We realised there were gaps despite our approval of this document. We sometimes approve the document, but we do not have a specific list of what will be funded. I recommend that in future, the National Treasury submits a specific list of projects and programmes that will be funded within that year as they submit the Medium-Term Debt Strategy. That will enable us to know what will be funded and oversee it effectively.

Counter-part funding is also important. The Government is expected to fund part of those loans through counter-part funding. The Government signs off on certain loans, but counter-part funding was not factored into our annual budget process. If we get a list of all projects that will be funded through loans, we will ensure that there is counter-part funding for those specific projects so that we do not have loans that have been signed and yet, we cannot draw funds.

It emerged that our technical capacity to negotiate for loans effectively is doubtful from our interactions with some of those MDAs and the National Treasury. We should make provisions to build the technical capacity of those who negotiate loans so that we get value for money as a country. We will continue seeing gaps if the people who negotiate for those loans do not have the right capacity.

We also dealt with the matter of the Central Bank of Kenya overdraft. The law allows the National Treasury to only borrow up to a maximum of 5 per cent of the national revenue as an overdraft from the Central Bank of Kenya. How does a normal overdraft operate? Any time you get money, you reduce it to zero and start building up again to a specific time. The National Treasury is expected to end each financial year with zero overdraft facility as we move from one financial year to another. We realised that they end each year with an 80 per cent overdraft, meaning they have a very slim window for borrowing. Let me give an example. If our debt is Ksh80 billion and we borrow Ksh72 billion by the close of the year but do not clear it to zero, there will only be about Ksh80 billion to borrow in the following year. That complicates cash flow management.

The Report brings out very important issues, which we need to agree on as a House and support this important Committee to get value for those loans.

In conclusion, the Government is reverting to domestic borrowing, which is good and easier to accomplish. However, the challenge with domestic borrowing is the interest rates, which are currently above 15 per cent, while we could get concessional loans at 2.5 or 3 per cent interest rates. We should delicately balance our borrowing ratio so as not to over-burden Kenyans. Borrowing domestically crowds out the market sector because the Government starts competing with small-scale industries and individuals in the private sector. The Government will always get first priority in terms of borrowing. We should get that ratio right to allow small-scale industries, factories, and individuals to borrow from our local banks. The Government can borrow externally from other countries. We will be helping this country.

Public debt is contagious and critical to this country.

As a House, anything that will help us to push this agenda forward and, more so, in reducing the public debt, will be very important. We all observed that we moved the budget deficit from 4.4 per cent to 5.3 per cent in the Supplementary Budget that we passed. As long as we are increasing our budget deficit, we will have no choice but to continue borrowing. It is time that we went for fiscal consolidation and, more so, reducing the budget deficit to the expected rates, which are normally around 3 per cent. With those many remarks, I second.

Thank you.

**The Temporary Speaker** (Hon. Omboko Milemba): Order, Hon. Members! You need to listen to this so that you make accurate decisions.

*(Question proposed)*

**The Temporary Speaker** (Hon. Omboko Milemba): Who will take the first chance? The Leader of the Majority Party.

**Hon. Kimani Ichung'wah** (Kikuyu, UDA): Thank you, Hon. Deputy Speaker. I rise to support the Public Debt and Privatization Committee's Report. I particularly thank the Chair, Hon. Shurie, and his able Vice-Chair, Hon. Makali Mulu, who when I last passed through "Kitui City," I heard he is a prospective Governor in Kitui County. I want to tell the people of Kitui that they will never have a better governor than Hon. Makali Mulu when that time comes. With Hon. Shurie, he has not only done well in the Public Debt and Privatization Committee, but also in the Budget and Appropriations Committee. Let me take this opportunity to thank them and the other Public Debt and Privatization Committee members, including the very agile and able Member for Kinangop, Hon. Kwenya Thuku. He has been a very active Member of this Committee. He has made sure that they do their work overseeing our public debt position in the country and putting the National Treasury on its toes. As they have put in this Report, they have to ensure that the National Treasury is not only submitting all the reports it ought to submit to the House, but doing so promptly.

I have noted the observations and recommendations that the Committee has made in their Report, particularly those that relate to reports under Section 31(1) and (3) of the Public Finance Management (PFM) Act, 2012. These reports are critical not just to the work of the Public Debt and Privatization Committee and the House, but also to the Budget and Appropriations Committee and the Departmental Committee on Finance and National Planning. As those committees and the House interact with the country's finances, these reports will help to inform them of the level of indebtedness of the country and measure whether, in the subsequent financial year, the country will enter into a higher or a lower level of debt than it was in the year that the National Treasury last reported.

As the Committee has noted in its recommendations, it is important that these reports are brought before the House on a quarterly basis. There is a reason why the drafters of the

PFM Act, 2012, required that the reports be submitted on a quarterly basis. As I had mentioned, the timely submission and consumption of these reports by the House will help to inform us and the country where we are in terms of our debt level so that we do not find ourselves in a position of continuously continuing to get into debt problems without knowledge, just because we do not have accurate information at the right time. I must re-emphasize, as the Committee has emphasized in its Report that the National Treasury, upon adoption of these reports, must ensure that they are submitted from the first quarter to the fourth quarter of every year in line with the fiscal calendar year of our Financial Year from 1<sup>st</sup> July to the end of June.

I have also noted a recommendation by the Committee that says that, upon the adoption of this Report, the National Treasury should prioritise the sourcing and disbursement of concessionary finance. The concession finance contains what they have noted as a grant element, implying that larger borrowing can be sourced within minimum impact on debt sustainability by reducing the refinancing and interest rate risk. I know this particular recommendation because, as it is today, we have a problem with the Supplementary Budget that we passed last week, and on Tuesday, we passed its Appropriation Bill. If Members remember, we noted that within that Supplementary Estimates Bill, a figure of about Ksh143-145 billion is on account of the financing risk that comes with the exchange rate fluctuations within this Financial Year. Therefore, it is important that the National Treasury seeks to pursue more concessional loans so that we can enjoy those lower interest rates and do not expose ourselves to the financing risks and interest rate risks that we have previously exposed ourselves to.

These reports will also help inform not only the House, but also the country. I had an occasion this morning to interact with a young Kenyan trader in Nyamakima who told me she was keenly listening to one of the local FM stations. I have no fear of naming the station. It is Kameme FM station. In this *kamehemehe* FM, an illiterate class eight dropout presenter – who I know hails from my constituency and has no understanding of anything in finance – was misinforming the country and listeners of Kameme FM that this country has borrowed to the tune of Ksh4.5 trillion in this Financial Year. The young trader in Nyamakima had the brain to decipher that if our budget is in the region of over Ksh3 trillion, there is no way the country would have borrowed Ksh4.5 trillion within one year. That is why the National Treasury must ensure that these reports are brought to the House and the Public Debt and Privatization Committee on a timely basis. When these reports come to the House, they help inform Kenyans on the right debt position of the country. We will avoid situations where illiterate radio presenters misinform Kenyans like those in *kamehemehe* FM. You will understand why a presenter who boasts of the ownership of Kameme FM is intent on deliberately misinforming the country about the level of debt and indebtedness that the current administration has got into. Factual and accurate information in accounting and economics is critical in decision-making. This House and the National Treasury cannot make credible decisions without factual, accurate and timely reporting.

Recommendation 8.8 of the Committee says that the National Treasury should address factors that affect the timely and full disbursement of loan financing and submit a report to the National Assembly within 60 days of the adoption of this Report, indicating actions taken to increase the efficient disbursement of loan financing. Again, let me take this opportunity to commend the Public Debt and Privatization Committee. This tells you a lot about the Members of this Committee. You can see that they are in the House, unlike the Members of other committees of this House who, when their reports are debated, are not there. The Chair and the Vice-Chair of the Public Debt and Privatization Committee are here, and I commend them again for their leadership ability.

Hon. Temporary Speaker, despite chairing this Sitting, you are also a Member of the Public Debt and Privatisation Committee. Hon Dawood, Hon. Kwenya Thuku, Hon. Makilap

and Hon. Abraham Kirwa are all Members of this Committee. Members of this Committee have been diligent in their work and I must commend them. This is unlike many other Committees where the Chair tables a report and he does not even have a Secunder. In the case of this Committee, the Chairman moved the Motion and the Vice-Chair and at least not less than half the membership of the Committee is in the House to debate their Report. That tells you of their diligence.

I want to speak to Recommendation 8.8 on slow disbursement of loan financing. I wish Hon. Ndindi Nyoro had been patient after doing his business to sit in the House and consume part of these things because they affect our budgeting process. Hon. Makali Mulu will bear me witness that when I served as the Chairman of the Budget and Appropriations Committee, one of the key issues that we would always raise was the slow disbursement of loan financing. In fact, our loan books carry such huge amounts of loans that are not being disbursed on a timely basis. There are some that the Government of Kenya has not given the counterpart funding. Therefore, the amount remaining in the loan books is not able to implement projects because of the counterpart funding. I really want to ask Hon. Shurie and the Committee to ensure that within the 60 days that you have recommended for adoption of this Report, the National Treasury informs the House the handicaps that make them unable to absorb debt financing. Some loans come with penalties when you do not consume the money on a timely basis.

The Government borrows money on behalf of Kenyans who are not able to enjoy the services and goods that would have been provided through timely disbursement of the monies. I will be very keen in the course of early next year. In fact, if we are able to adopt this Report within the 60 days, it will fall around the time we resume from the long recess. It will also be in time before the annual estimates for the next financial year. I want to encourage the Public Debt and Privatisation Committee that when we will be scrutinizing budget estimates for next year and as they start working on the BPS, they must ensure that they have this Report so as to interrogate the figures that will come before them. They should provide information about the handicaps that slow down the full disbursement of our loan financing.

Let me conclude by correcting the misnomer that is not just being perpetuated by illiterate radio presenters at Kameme FM, but also in political and funeral gatherings on the level of our indebtedness. On Monday...

**Hon. Dorice Donya** (Kisii County, WDM): On a point of order.

**Hon. Kimani Ichung'wah** (Kikuyu, UDA): Hon. Temporary Speaker, there is a point of order. I truly hope that the person seeking the point of order can indicate the Standing Order she is rising on.

*(Laughter)*

**The Temporary Speaker** (Hon. Omboko Milemba): Relax, Hon. Member. I have heard you. What is your point of order?

**Hon. Dorice Donya** (Kisii County, WDM): Thank you, Hon. Temporary Speaker. I am a journalist by profession. I went to school. While we can differ on opinions, it is not right to call others illiterate. All of us have different ways of airing our opinions, but our party leader...

*(Laughter)*

**The Temporary Speaker** (Hon. Omboko Milemba): We do not have a party leader here.

*(Laughter)*

**Hon. Dorice Donya** (Kisii County, WDM): Sorry. I did the best at Egesa FM, and that is why my community believed in me and elected me as their County Woman Representative.

**The Temporary Speaker** (Hon. Omboko Milemba): What is your point of order?

**Hon. Dorice Donya** (Kisii, WDM): He should withdraw the word 'illiterate'. No one is illiterate; our old women in the village did not go to school but they educated us on what was right and wrong. They told girls to keep themselves safe to get the right men and to say no even if it meant yes, but not to allow themselves to be used. Let him withdraw that statement.

**The Temporary Speaker** (Hon. Omboko Milemba): Very well. You have been heard.

**Hon. Kimani Ichung'wah** (Kikuyu, UDA): Thank you, Hon. Temporary Speaker. I did not know Hon. Dorice Donya is a journalist. She knows that I have tremendous respect for journalists, but I meant that particular radio presenter is financially illiterate. It is a fact. I know him because he is from my village and when I tell you that he is financially illiterate, you better believe me.

If I go back to what I was saying, there is a misnomer on the level of our indebtedness. I want to commend the National Treasury and the current administration. When His Excellency the President said that this administration will do responsible borrowing, he meant business. During campaigns last year, he told us that he was a man on a mission, but many people took him for granted. His Excellency President William Ruto is, indeed, a man on a mission. He has proved that he is on a mission to transform Kenya and make sure that our economy gets back to its feet.

I take this opportunity to also commend the World Bank. At the management level, they have confirmed that they will grant us about US\$12 billion over the next three years. We are also getting US\$1 billion from the International Monetary Fund (IMF). This is a concessional financing that the Public Debt and Privatisation Committee is talking about. We can finally retire most of our expensive commercial debts. With this concessional financing, we can re-establish a stable economy that will work for the majority of Kenyans. The leadership that we see under the Kenya Kwanza administration and the able leadership of the Public Debt and Privatisation Committee led by Hon. Shurie and deputized by Hon. Makali Mulu will ensure that our public debt levels are properly managed and are sustainable for our country. Debts will now go towards financing actual projects.

While serving with Hon. Makali Mulu in the Budget and Appropriations Committee, we always insisted in our reports that all our debt must be traceable to specific projects. The Public Debt and the Privatisation Committee, being a stand-alone Committee dealing with public debt, should now ensure that the National Treasury is able to specifically drill down each of the debts that we borrow in this country to particular projects. They should also ensure that they are projects that have a return to the people of Kenya, and that we eventually pay back the debt that we incur as a nation.

Hon. Temporary Speaker, with those many remarks, I ask Members to support this Report as I congratulate all the Members of the Public Debt and Privatisation Committee. Unlike many other Committees of this House, they have proved to be very diligent Legislators who know that their work is not just to churn out reports, but also being in the House to debate and support their reports. I want to request all our Chairpersons to emulate the Chair, Vice Chair, and members of the Public Debt and Privatisation Committee.

With that, I beg to support.

**The Temporary Speaker** (Hon. Omboko Milemba): Leader of the Majority Party, I am a very serious Member of the Public Debt and Privatisation Committee. The next chance will go to Hon. Thuku Kwenya.

**Hon. Kwenya Thuku** (Kinangop, JP): Thank you, Hon. Temporary Speaker, for this opportunity to support our own Report on loans contracted between May 2022 and April 2023. I want to join other Members in acknowledging the amount of work that our Committee is



putting into matters debt. In my opinion, we should have a Public Debt Authority that will be tasked to look into the issues of debt because it is becoming a big issue in this country and Africa in general for the simple reason that our budgets are just about a quarter of our combined public debt.

At the moment, our debt is at about Ksh10.5 trillion, while our Budget for this financial year is about Ksh3.5 trillion. Therefore, you can see we oversee budget more than our debt. It is about time this House, in its wisdom, considered how best to deal with this issue and be in a position to oversee every penny that is borrowed, so that the people of Kenya can get value for the money that they are paying out in terms of principle, interest and fees such as commitment fees.

I want to thank our Committee because in our recommendation, it has been well captured that Ministries, Departments and Agencies (MDAs) and Semi-Autonomous Government Agencies (SAGAs) will now be in a position to report to the House as to where they have put the money and the National Assembly will be able to check where the monies have been put.

The reason we did this Report is that we looked into a situation where the National Treasury has borrowed up to Ksh213 billion in a year and only 11 per cent of that money has been absorbed or disbursed. If this is going to be the trend, if you look at this exponentially, it could take a whole 10 years to absorb Ksh213 billion. This should concern us.

Today, we are moining, toiling and having an issue with the exchange rate and the interest rate. We also have an issue with commitment fees because once you borrow, you have a grace period or a window as to how long it should take before you start paying off the money. The grace period is expiring even before we start consuming or absorbing the money that we have borrowed. That should concern us because I believe that the hole that we are in today, in terms of debt, is self-inflicting.

As we speak, about Ksh1.1 trillion has not been absorbed. Monies borrowed over the years for projects that were envisaged are yet to be utilized. The projects have not even kicked off. Why is it that the National Treasury is borrowing happy? Why is it that we are borrowing money and yet we do not have a plan as to how...In terms of procurement, why is it that we are taking so long to procure such that specific projects that we borrow for do not take off?

This Report will bring to life the role of Parliament in terms of oversight because we cannot just be overseeing budget implementation of our own revenue, which is so little as compared to the amount of money that we have borrowed over time.

There is a recommendation in this Report by the Controller of Budget to the effect that state-owned agencies that borrow money or that National Treasury borrows money on their behalf, should be made to pay back if they are generating money or income. There are corporations like Kenya Power and Kenya Electricity Generating Company (KenGen) which generate their own income yet they are guaranteed by the national Government. Interestingly, the Government takes upon itself to pay such loans yet the state-owned agencies are generating their own income. It is about time this House pronounced itself so that we do not get into an abyss of debt spiralling over because of inaction or lack of oversight.

I realised today as we were debating the County Governments Additional Allocation of Revenue Bill, there was money that was borrowed in last Financial Year 2022/23. The same money was committed to budget and appropriated through County Government Additional Allocation Act of 2022, but the money never came through. Therefore, we are required as a House, again, to go back and amend that Act so that we can see whether the same money is going to be absorbed this financial year.

As the Leader of the Majority Party has stated, non-absorption of loans affects our budget cycles and what we envisage as a country to be in the next financial year. I have singled out that loan that was supposed to see implementation of the second phase of the Kenya

Informal Settlement Improvement Project (KISIP), worth Ksh6.6 billion. The funds were appropriated and there was a county government additional allocation that that was passed in 2022/2023 yet the money was never absorbed. Parliament will then have to re-do its work yet we know that Parliament does not act in vain.

I do not want to belabour what is in this Report, but I pray that this House will find it in its wisdom to pass or adopt the Committee's Report so that, going forward, we can exercise our constitutional duty of oversight and see to it that there is proper use of all the money that has been advanced to this country.

Finally, on the issue of liquidity, the Government at times suffers because it borrows money but the money remains in the purse of the lender. Therefore, we are unable to access that money because at times the clauses in the contracts when we borrow are not friendly to Kenya or to the borrower. How is it that I walk into a bank and borrow money, but it is under the purview of the bank to tell me how I am going to spend that money or at what rate I can withdraw? In the same breath, I am expected to be repaying that money while it is not in my pocket! They are not going to charge interest on the money that I have drawn down, but on the entire loan.

It is upon us to pronounce ourselves on the matter. The National Treasury needs to re-look into the contracts that they are signing, so that once we borrow money, it hits our coffers here and helps improve our liquidity. This will also cure the depreciation of the Kenya Shilling in terms of the exchange rate compared to foreign currency since we shall have enough in our coffers.

I wish to support this Report and request all the Members of this House to find it in their hearts to support this because it is going to be a game changer in terms of how we oversee our loans.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Abraham Kirwa, Member of Parliament for Mosop.

**Hon. Abraham Kirwa** (Mosop, UDA): Thank you, Hon. Temporary Speaker, for this opportunity to support this Report of the Public Debt and Privatisation Committee. I truly want to commend the Committee for the great job that they have done.

This Committee plays a huge role in making sure that the loans that this country undertake are actual loans that can be disbursed, accounted for, and go towards what they were intended to do. I want to support some of the suggestions and recommendations from this Committee because looking at some of the loans, this country undertook a huge loan but the amount of loan that was disbursed was only 11 per cent. During the review of this loan, it was noted that only three loans totaling to Ksh24.2 billion, primarily commercial loans, had been partially disbursed indicating a disbursement rate of only 11 per cent. The rest of the loans were not disclosed as to whether they were disbursed or not in a timely manner. As such, the country committed to take these loans and it continues to pay commitment fees which is continuously causing the country to pay a lot of money without the loans being used within the country.

Recommendation 8.3 of the Committee Report, says that in order to facilitate the oversight of debt and to promote transparency and accountability of loan contracts entered into, the National Treasury should attach the contract signed against each submitted report and should not enter into any contract that does not adhere to the principles of public finance as set under Article 201 of the Constitution.

Hon. Temporary Speaker, this will help us because for every contract that is signed, Parliament should look into who signed it, what it was intended for, and how it is going to help this country.

On Recommendation No.8.9, not later than 30 days of the end of each financial year, Ministries, and MDAs responsible for the projects for which the loans have been obtained should submit a report to the National Assembly indicating the measures taken. This period of

30 days is going to help us so that if there were any monkey games being played, we should catch it at the Public Debt and Privatisation Committee and follow it with the appropriate departments as to why the loan has been incurred and whether it was used for the intended purpose.

On Recommendation No.8.11, as from Financial Year 2024/2025, at the end of the sector working group engagement, the National Treasury and Economic Planning should submit to the National Assembly a report containing the list of potential projects for which the loan financing will be contracted to the potential creditors and the respective loan terms. This will make us understand exactly why we are taking loans and if the loans have been used and disbursed.

Under Recommendation No. 8.12, arising from 8.11 above, the final list of the projects to be financed through the borrowing should be submitted to the National Assembly. All these recommendations are coming to the National Assembly so that we become the watchdogs of the money that we are taking as a nation. This is because our loan right now is standing at about Ksh9.6 trillion. Most of those loans are non-performing loans. Some of them have not been disbursed and as a country we are paying dearly for what we have not incurred.

Next is Committee observation No.7.1. The submitted report lacked project specific information required to guide policy-making and oversight, which indicates low level of transparency and accountability. Most of the loans that were taken are not transparent. It does not show when they were taken, why they were taken, and where the money was used. This Committee says that within 30 days of signing the contract, it should be submitted to Parliament so that they review the terms.

Under Committee observation 7.2, only three loans have been disbursed, which is 11 per cent. The rest, 89 per cent of the loans, remain undisbursed. I truly support this Report that we need to look into the loans we take as a nation and hold the National Treasury and the concerned departments accountable. That way, the country will be responsible for every loan and all the debts we take as a nation.

I support this Report.

**The Temporary Speaker** (Hon. Omboko Milemba): In other jurisdictions such as Ghana, any loans taken by Government are sanctioned by Parliament. But, we are moving on well.

Next to speak on this matter is Hon. Catherine Omany. Are you ready? Proceed.

**Hon. Catherine Omany** (Busia County, ODM): Thank you, Hon. Temporary Speaker. I have looked at the Budget and I realise that borrowing is haphazardly done. It is too much. The rate at which Kenya is borrowing compared to the rate at which development is happening, shows there is something amiss.

I do not understand why there is no money to go to counties to help in disaster management because right now governors are in a quagmire. They are stranded because there is no money to handle problems caused by *El Nino* rains yet I am seeing the country has been borrowing over and over. Even right now I am sure where the President is, he has gone to borrow again. We need to cut our cloth according to our size as a nation and not exorbitantly keep borrowing and putting our future generations in trouble. All we are doing today is what our future generations will feel. In fact, it is not future generations, we are already feeling it right now. It is better to borrow and make sure that we use that money to create new money and avenues for everybody in our country. We must come up with ways of making life bearable. At the moment, if you see how much the Government has been borrowing compared to what Kenyans are receiving, it is imbalanced. We need to hit a pivot at the right place to balance what we are asking compared to what we are doing. If we do not have industries and things that will create jobs and new money in our country, then we are headed to a brink.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Paul Biego.

**Hon. Paul Biego** (Chesumei, UDA): Thank you, Hon. Temporary Speaker for giving me this opportunity. I stand here to support the Report from the Public Debt and Privatisation Committee and kudos to the Chairman, his Vice Chairman and the Committee Members for giving us a very good Report. What has interested me is the fact that they have factored in what has been taken note in Recommendation 8.3. That in addition to the Public Finance Management (PFM) Act 2012 provisions, the reports indicated above should also include information related to... That is what has made me rise in support of the Report on the use of Export Credit Agencies (ECAs) and the respective contingent liability exposure. This will include contracts signed, expected benefits to the country, and any guarantee offered should be subject to the approval of Parliament. I believe if that is effected, then we will take good care of any liabilities or loans that are being taken on behalf of the country.

What I support strongly is the fact that the use of Central Bank of Kenya's (CBK) overdraft facility would be factored in. There would probably be no misuse of such funds. The quarterly reporting on the projects would be known and well guided. I take this opportunity to strongly support the Report by the Committee.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Daudi.

**Hon. Aden Mohammed** (Wajir East, JP): Thank you, Hon. Temporary Speaker for giving me this opportunity to add my voice in support of this very important Report by the Public Debt and Privatisation Committee. I take this opportunity to thank not only the Members of the Committee led by the Chairman, Hon. Shurie, but also the able secretariat from the Parliamentary Budget Office (PBO) led by the Lead Clerk, Mr. Chacha.

The basis for us getting these reports is Section 31 (1) of the PFM Act 2012. I can read it for my colleagues. It says and I quote:

“Section 31 (1) says that the Cabinet Secretary, that is, the Cabinet Secretary for National Treasury and Economic Planning, shall submit to Parliament, every four months, a report of all loans made to the national Government, national Government entities, and county governments in accordance with Article 211 (2) of the Constitution.”

You will note that the Report that is being discussed this afternoon considered a lot of loans that have been contracted by the national Government. Those loans are not all the loans.

The loans being discussed here are only those that are foreign in nature. There are no domestic loans in this Report. So, I urge the Committee, in line with Section 31(1) of the PFM Act, to demand the Cabinet Secretary for National Treasury and Economic Planning to report all loans, including domestic ones. The Supplementary Budget that we passed had a fiscal deficit of Ksh861 billion, which is the amount we will borrow this year. To reiterate what the Leader of the Majority Party has said, we are not borrowing Ksh4.3 trillion; we are only borrowing Ksh861 billion. Approximately half of what will be borrowed will be from external borrowing. The remaining amount of about Ksh449 million, which is slightly over half of the amount to be borrowed, will be domestic borrowing. So, this House should be given a report of the domestic borrowing in addition to what we are discussing now. That is what the law demands.

Section 31(1) of the PFM Act also talks about borrowings by the national Government, national Government entities and county governments. Constitutionally, there is a separation between the Senate and the National Assembly, but the section states that the Cabinet Secretary must report these loans to Parliament. So, in addition to the foreign and domestic loans, we also need to see borrowings by county governments. I hope that the next time we discuss loans or another report of this Committee, all those loans will be factored in.

Borrowing in public finance is underpinned by Article 201 of the Constitution. I would like to remind my colleagues that this Article states that burdens and benefits of resources must

be shared between this and future generations. As these loans are reported and they must also include inter-generational equity. We do not want to burden our grandchildren with debts that they have not taken; neither do we want to take the burden of our grandchildren and pay for debts that should be for later generations.

Article 201 also talks about geographical equity. The next report that comes to this House must also show whether the loans that have been taken have equity as far as their geographical distribution is concerned. We do not want a situation where Kenyans pay for loans yet the loans go towards development of only certain parts of Kenya. If we share the burden of paying for the loans, we must also share the benefits of those loans. Therefore, I hope that the next report from the Committee, to which I am a member, will include both inter-generational and geographical equity.

The submissions by the Controller of Budget indicated in the Report on Paragraph 6.3, show that some of the loans owed by some Semi-Autonomous Government Agencies (SAGAs) were signed for by the national Government. The Committee noted that that is not the mandate of the national Government. According to our Constitution, the national Government should only guarantee loans for SAGAs and not sign the loans on behalf of those institutions. So, this is something else that this Committee should look out for to make sure that we are not burdened by loans taken by SAGAs that can pay those loans. A case in point are the guarantees that we are now paying for Kenya Airways (KQ). There are some loans which are signed for by the national Government but are disbursed to county governments. This Committee needs to be seized of such matters. In the next report, those loans must be factored in. An example is the World Bank loan that is disbursed to my area by the name Development Response to Displaced Impact Project (DRDIP). The loan is appropriated in this House but utilised by county governments. This Committee must also look at those loans. When we look at the cost-benefit analysis of these projects, we must also be informed of loans that have been taken on behalf of county governments but are appropriated by this House.

Other than those points, I agree with all the observations and recommendations by the Committee. I hope that the next report will be richer and informed by the observations made by Members. Hon. Temporary Speaker, I support.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Amina Mnyazi.

**Hon. Amina Mnyazi** (Malindi, ODM): Asante sana, Mhe Spika wa Muda, kwa kunipatia fursa hii nizingumze kuhusu hii Ripoti ya Kamati ya Deni la Umma na Ubinafishaji. Kama kiongozi mchanga, kwa sababu ni mara yangu ya kwanza kuchaguliwa katika Bunge la Taifa, nina wasiwasi mkubwa sana kuhusu madeni ambayo tunajiwekea kama taifa. Takriban miaka 20 ijayo, maisha ya Wakenya yatakuwa magumu zaidi. Hii ni kulingana na zile pesa ambazo Serikali yetu ya Kenya inaomba kila mara. Waswahili husema dawa ya deni ni kulipa. Kwa hivyo, haya madeni yote tunachukua, dawa yake ni kwamba lazima Wakenya wayalipe. Tusipolipa sisi, inamaanisha ni watoto, wajukuu au vitukuu wetu ambao wataumia kwa kulipa madeni ambayo tunachukua sasa.

Nimeangalia Ripoti hii vizuri. Inaonyesha kuwa kati ya mwezi wa Mei 2022 na Aprili 2023, Ksh213.24 bilioni zilikapwa. Ni lazima pia sisi tueleze kuwa serikali ya *handshake* kwa kipindi cha mwaka mmoja ilichukua Ksh1.6 bilioni. Inamaanisha kwamba pesa ambazo tunakopa kwa sasa zimeongezeka zaidi. Ukilinganisha Serikali ya Kenya Kwanza na ile serikali ya *handshake*, kuna tofauti kubwa ya pesa ambazo zimekopwa. Kabla ya kukopa pesa kule nje, ni lazima tuangalie pato letu la kitaifa liko vipi. Pato letu la kitaifa ni pesa ambazo zinaweza kustahamili mikakati yote inayohusu jinsi ambavyo mikopo italipwa.

Serikali inajua kuwa kuna namna nyingi ya kupata pesa. Jambo la kwanza ni Serikali iweze kuongeza ushuru. Lakini jambo hilo la kuongeza ushuru tumelikataa kama watu wa Azimio. Hatutaki kuongezewa ushuru kwa sababu tayari bei ya maisha iko juu. Mbinu ya pili ambayo Serikali inaweza kupata pesa ni kupunguza matumizi. Jambo la tatu la kusaidia

Serikali kupata pesa ni kukopa. Lakini Serikali ya Kenya Kwanza inasema kuwa wakati wa *handshake* tayari kulikuwa na pesa ambazo zilikuwa zimekopwa. Lakini cha kustaajabisha kwa sasa ni kama tumefungua milango ya watu kwenda kuomba kila mahali: kushoto, kulia, mbele na nyuma. Kila siku tunaona watu wanatoka hapa wanaenda nje ya nchi kuomba mikopo. Wanazidishia Wakenya madeni. Kama kiongozi, jambo hilo linaniuma hasa nikifikiria kuna watoto na wajukuu wangu ambao watateseka kulipa madeni ambayo tunachukua wakati huu.

Mhe. Bwana Spika wa Muda, hapo awali, kiwango cha juu kabisa, yaani *the national debt ceiling* kilikuwa ni Ksh10 trilion. Sasa hivi kiwango hiki kimeondolewa. Katika hiyo Ksh10 trilion tuko na deni ya Ksh9.6 *trillion*. Iwapo kiwango hiki cha juu kabisa hakingekuwa kimeondolewa basi Wakenya tungekuwa tumetahayari kwa sababu hatungejua ni vipi tungelipa madeni haya. Kutolewa kwa kiwango hiki ni hatari sana kwa sababu sasa hivi ni mambo mengi sana ambayo hayaeleweki. Tunapokopa pesa hizi, ni vyema tujue jinsi tutazilipa. Jambo hili linapaswa kuwekwa wazi ili Wakenya waelewe nia ya mikopo na mikakati ipi imewekwa kuhakikisha mikopo hii imelipwa. Ripoti hii haijaangazia mikakati kama hiyo. Tunakopa tu bila kufikiria jinsi mikopo hii italipwa.

Mikopo hii pia haina uwazi. Wakati wa kwenda kuchukua mikopo, ni watu wachache tu huhusishwa lakini sote, wazee kwa watoto, wanawake kwa wanaume tunatarajiwa kuilipa. Sifurahii jambo hili. Tunataka uwazi. Waziri wa Fedha anapoulizwa kuhusu deni la umma, yeye hupeana tu hadithi. Hatujawahi kuona *agreements* kati yetu Wakenya na nchi zinazotufadhili. Takwimu kama hizi ni lazima ziwe wazi ndiyo Serikali inapoeleza kuna madeni, tunajua ni yapi na ni pesa ngapi tunapaswa kulipa kila mwezi au kila mwaka.

Serikali yetu ni lazima iwache kutegemea misaada kutoka nje. Misaada hii ndiyo inatusukuma kama nchi leo. Hivi leo, tukitaka pesa kutoka nchi fulani, ni lazima tupitische sheria za ushoga na usagaji, kwa kimombo *LGBTQ*. Tumekataa kujitegemea na basi tunawekewa sheria ngumu ngumu kama hizo. Kwa kukubaliana na sheria ambazo hata sisi hatuzielewi, tunaipoteza nchi yetu. Hapo zamani, utalii ulikuwa unaleta pesa nyingi sana hapa Kenya. Sasa hivi, watalii wamekimbilia Tanzania na Zanzibar na sijasikia mikakati yoyote kwenye Ripoti hii ya kufufua utalii wetu. Leo hii hatuna pesa za kigeni za kutosha. Tungeweka mikakati katika sekta ya utalii, angalau tungekuwa na afueni kama Wakenya.

Kila siku tunadanganywa kuwa pesa zinakopwa ili kufanya miradi. Ukweli ni kuwa matumizi ya mikopo hii ni mabaya. Ufisadi ni mwingi sana nchini. Mikopo hii ni deni lakini haitumiwi kufanya miradi ya kusaidia watu bali pesa hizi zinaishia katika mifuko ya watu. Jambo hili la ufiisadi pia linanisikitisha sana.

Pendekezo langu ni mikopo hii ipitishwe na Bunge la Kitaifa. Sisi huketi hapa na kugawa na kuidhinisha matumizi ya pesa nchini. Vile vile tunahaki ya kujua mikopo hii inachukuliwa vipi ili tuiptishe. Sisi ndiyo sauti ya wanyonge. Sasa hivi, anatupatia hadithi pasipo na mwelekeo mzuri.

Ombi langu lingine ni tuweze kufanyia deni la umaa ukaguzi, yaani *audit*. Tufanye ukaguzi wa deni la umma ili tuelewe ni wapi tulipo na ni vipi tunaweza kujiondoa kwenye hii shida.

Asante sana Bwana Spika wa Muda.

**The Temporary Speaker** (Hon. Omboko Milemba): Very well spoken. *Sasa tumsikize Mbunge wa Tetu, Mhe. Geoffrey Mwangi.*

**Hon. Geoffrey Wandeto** (Tetu, UDA): Thank you, Hon. Temporary Speaker for giving me an opportunity to contribute and support the Report on the loans contracted by the National Government between May 2022 and April 2023.

This Report is much welcome because we get different answers for some questions depending on who you ask in this country. One of the things asked is the level of national debt. This has become the subject of media speculation, analysis and all sorts of accusations. The discussion turns to who borrowed more or less and who borrowed what and when. All this

debate is unnecessary and unhelpful. My recommendation is for the establishment of a national debt registry. Debt is not a crime. Government borrowing is not a crime. All governments across the world operate on debt from other governments, multilateral lenders, and the domestic markets. Debt being a public issue, I see no reason for the National Treasury and the Executive not to seek transparency by having a national debt registry.

I have said this here many times. Anyone who wants to access any information about any loan should have access to the national debt registry. The registry should include how much was borrowed, how it was used, the loan terms, any collateral issued, and when it is due. No loan is taken in secrecy. All these loans are borrowed with good intentions. This national debt registry should contain multilateral loans and domestic loans. Domestic loans like treasury bills, bonds, and infrastructure bonds are published by the Central Bank of Kenya (CBK). At each point, we should know how much the Government has borrowed from the people. This should include any guarantees given to government entities, any loans by county governments, and any money borrowed by government agencies.

Hon. Temporary Speaker, even as we bring transparency into this debt situation, going forward, we must think of how we want to manage our debt. Debt should not be subject to speculation. It is not a secret that our debt level is quite high right now. Something needs to be done. I propose two things as I support this Report. One, we need to rein in wastages and corruption, especially unhelpful recurrent expenditure. We need to ensure that the few resources we have go to the productive economy. We must also ask ourselves what projects are undertaken by these loans. What is the return on investment? What can we invest in and get the highest returns either in terms of improving infrastructure to guarantee better access to markets or by building certain capacities so that the nation is more productive? These are the things that we must concern ourselves with.

The other issue is that we must widen the tax base. As a country, we have to reduce our budget deficit. The only way to do this is not by borrowing more, but by widening the tax base so that we have enough for ourselves. This is because no country can grow if it does not produce its own resources either in form of taxes or levies. So, it is very important that we widen the resource base.

When we borrow domestically, we also crowd the productive private sector. Part of the reason our interest rates have grown to 18 or 20 per cent is that you and I as borrowers are also competing with the Government for resources. The Government should widen the tax space so we have less domestic borrowing. Then, we supplement the deficit with foreign loans.

Hon. Temporary Speaker, I rise to support. I like the transparency because, for once, we are tabling such a Report. Let us build this national debt register and ensure it is transparent. In this country, there will be no secrets on debt. This is because every country in the world borrows but we must emphasise responsible borrowing. Let us ensure the funds we borrow are used for the most productive aspects of the economy so we stem any wastage in borrowing.

I support.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Emmanuel Wangwe.

**Hon. Emmanuel Wangwe** (Navakholo, ODM): Thank you, Hon. Temporary Speaker. I rise to support the Report by the Public Debt and Privatisation Committee on the status of the loans contracted by the national Government between May 2022 and April 2023.

This Report is good and has come at a time when there is so much speculation in the country on how much money has been borrowed and when. Looking at the Report, it was scheduled between the month of May last year to April this year and Ksh213 billion was borrowed. Therefore, it confirms the status of our borrowing from foreign countries.

What does borrowing mean? The question that comes into play is this: is borrowing bad? The answer is no. Borrowing for a good cause is not bad. Let us understand whether resources borrowed have been expended for a good cause. Looking at the itemised

expenditure, I want to single out one issue on a programme which cost Ksh4.25 billion, being food security and youth employment in Western Kenya through the local climate resilience project.

I come from Western Kenya and if we are borrowing for the purpose of helping the people to defeat the challenges in climate change, then it is good. Money was borrowed but it has not been disbursed. We now have floods and challenges of climate change in Western Kenya. What are we to say? This is a good Report that has come at a time when Parliament has to oversee what the Executive has done. It has a good idea but we must enforce disbursement of resources to our people because they need them.

We are talking about our debt portfolio being Ksh10.5 trillion. This money is congesting that space because we have figures on paper. We want the Executive to implement it as planned. Another issue which caught my attention is the programme on promotion of entrepreneurship and employment. The Centre for Entrepreneurship has borrowed Ksh3.55billion. For what cause? This is meant to address issues of youth unemployment so that they use the skills they have acquired in universities to earn a living. Instead, the Report is showing that the resources are undisbursed. Therefore, the Executive has a good cause, but disbursement of resources is taking a whole year. For both cases, the debt was signed in December 2022 by the Government of Kenya together with the Federal Republic of Germany. This is a good cause but why is there no implementation? That is where we come in. It is high time Parliament took its position to fully oversee the Executive and put it to account.

The President has delivered by signing the concessional loans. What is the Cabinet Secretary for Agriculture doing that is keeping this money from being disbursed? The activity should be there so that the National Treasury can disburse resources. Therefore, we should put the Cabinet Secretaries to task so that they can do their work and deliver.

Hon. Temporary Speaker, I served with you in the 12<sup>th</sup> Parliament and you will agree with me that such Reports were not there. We never used to discuss them. So this is a golden opportunity. We need to go a notch higher and say we will not only discuss reports in this House... Let the Executive, when signing these concessions, get notes from Parliament. Papers should not be dropped to Parliament if they have not been conceded to.

This is a step in the right direction. The country can move to the next level. Looking at Article 114 (3) of our Constitution 2010. It talks about receipts of public resources. We need to go a notch higher and say before we receive these resources, Parliament should have a say. The Committee can now sit down and dissect two things: the Report we discussed yesterday on the Consolidated Fund System (CFS) and the one we are discussing today. This means, Kenyans can now access the right information. They need not rely on hearsay. We have the right information so we can discuss and debate using the figures given. We can tell Kenyans that, indeed, we have over-borrowed or are borrowing for x,y,z cause.

I see Parliament growing. It is legislating well and performing its oversight of the Executive. Further, to what I have said, we should not just be receiving reports. My suggestion to the Committee is we have this as an annual statement despite releasing the quarterly reports. We ought to dissect and monitor the various loans the Government has borrowed within a fiscal year.

I support the Report.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Moroto, do you want to speak on this?

**Hon. Samwel Chumel** (Kapenguria, UDA): Asante sana, Mhe. Naibu Spika, kwa kunipatia nafasi ili nichangie Ripoti ya hii Kamati. Kwanza, ningetaka kuishukuru kwa kuketi na kukubaliana hadi tumepata hii Ripoti. Huu ni mwenendo mzuri na mwelekeo utakaowapeleka Wakenya inavyostahili ili wasaidike siku za usoni.



Kamati kama hii haikuwa kwa hizo *Parliament* ambazo zimepita. Kwa hivyo, ninachukua nafasi hii kushukuru viongozi wetu kuanzia *Speaker* na waliochangia kamati hii kuundwa na kuleta Ripoti hii. Sasa tunajua wanao *deal* na madeni. Si kusema ni huyu ama yule bali Kamati hii inajua ni deni gani imechukuliwa na gani imelipwa. Huo ni mweleko mwema. Ningetaka kuwauliza wenzangu, kama wanajua huu ni mkono mmoja wa Serikali, kwa sababu ina mikono mitatu. Tukisema Serikali imefanya kitu fulani, sisi wenyewe lazima tuweke kidole na kufanya ule mkono uangalie upande wetu. Vile hii Ripoti imekuja inafaa *Committee on Implementation* wafuatilie na kujua ni nini kinaendelea. Sisi ndio tunajenga Kenya. Kama vile mwenzangu mmoja amesema hapa, ni wananchi walijitokeza na kutuchagua ili tuwawakilishe. Hakuna kitu ambacho tunaweza kuharibu tukiwa hapa.

Ukiangalia wale wanaenda kuomba, ni kweli vile watu wanasema. Kwamba, pesa nyingi zinaingia lakini hatuoni zinafanya nini. Ninatoka sehemu ya North Rift. Kule ni *Arid and Semi-Arid Lands* (ASALs). Vita unavyosikia watu wanapigana na kugombana ni kwa sababu ya shida na umaskini ulioko katika sehemu ile. Watu wanaumia. Badala mtu afe njaa, anaona ni afadhali aende kwa jirani akachukue mboga ya watoto. Hiyo imeleta shida. Tunajua shida itapungua chakula kikiwepo.

Ninakumbuka kuna wakati tulipitisha hapa kwamba askari jeshi na polisi waende kusaidia kuweka usalama katika eneo hilo. Ukienda huko saa hii, utapata watu wakilia kuwa hawana mafuta au hiki na kile ilihali kuna pesa tulipeana. Hatujui ilienda wapi. Kazi yetu hapa ni kutazama, kutoa macho, na kuangalia ni nini kinafanyika. Pesa lazima imfae mwananchi. Hii pesa si ya mtu. Ni raia walitoa kodi na jasho lao. Lazima tuone kwamba ile jasho wanapata ni ya ukweli—wapate haki yao na wafurahie. Ndiyo maana ninasema tusiwe nyumba inayoongea tu, *a talking House*. Tusiwe nyumba inayoongea na kutengeneza Ripoti kama hii ambayo inakusanya vumbi tu. Lazima tufuatilie na wakati mwingine tuulize hizo Kamati kuhusu zilipofikisha baadhi ya mapendekezo ya Ripoti zao. Isije ikawa tunaongea tu na watu wanatazama. Saa nyingine wananchi wanapata mawazo safi tukiongea. Wao huanza kuwa na matumaini kwamba inaonekana kuna mwelekeo mzuri. Mwishowe hakuna mwelekeo.

Ninahimiza Nyumba ya sasa, *the current Parliament*, iwe na watu wawezao kusema ukweli bila kuficha lolote. Kuna wakati hungenesema kitu hapa kwa sababu nyumba ilikuwa upinzani kule na serikali hapa. Lakini saa hii utapata kwamba hata kiongozi anayetoka upande wa Walio Wachache anabebwa na gari la Serikali. Kwa hivyo, sisi sote ni Serikali. Tuweke nguvu yetu pamoja. Niliona yule kijana wangu ambaye tulimweka kuwa Kiongozi wa walio Wachache katika Bunge hivi majuzi, leo anatembea na gari la Serikali. Nilimwambia, “Basi, Serikali hukaa namna hiyo”. Kitambo usingeona mtu wa Upinzani na mtu wa Serikali pamoja. Hawangeweza kuangaliana ilihali sisi sote ni Wakenya. Sasa sisi ni nyumba moja. Ukiangalia yaliyoandikwa hapa, hii Nyumba ni ya Wakenya ambao ninataka wafurahie.

Sitaki kusema zaidi. Ninataka niunge mkono na kushukuru hii Kamati. Twende namna hii na kuweka nguvu zaidi mpaka tufaulu. Juzi tumesikia kuna mama anahangaishwa kwa sababu ya mafuta ya Ksh17 billion. Ninashukuru wale walifukuza watu wa kanisa. Watu wanaenda huko kusema haleluya na hali walifanya dhambi jana. Mimi ninaweza kurarua watu kama hawa.

Asante.

**The Temporary Speaker** (Hon. Omboko Milemba): Hon. Zamzam Chimba, Mombasa.

**Hon. Zamzam Mohammed** (Mombasa County, ODM): Asante sana Mhe. Spika wa Muda. Kwanza, ningependa kusema tuwe tukiangalia tarakilishi kuhakikisha kuwa mtu ambaye amekuja mwanzo kutoa hoja zake katika Bunge anapewa nafasi mwanzo. Wengine tunakuja mapema ili tuwahi. Pengine tuna safari zingine.

Kama Mama Mombasa Kaunti, ninshataka kuwa mwazi nikichangia hii Ripoti ambayo imeletwa hapa kuhusu mambo ya deni na *privatization*. Serikali ya Kenya imekuwa ikikopa

kila siku. Kila uchao ni madeni. Madeni yakichukuliwa na taifa, kawaida huwa yanakusudia uzalishaji zaidi. Hivyo, madeni hayo huweza kulipwa. Deni huchukuliwa kwa sababu ya mambo ya maendeleo, kujenga taifa na kutoa mzigo ambao Mkenya angetozwa kama ushuru zaidi.

Inasikitisha kuwa pesa zinabadhiriwa licha ya kuwa madeni yamekuwa makubwa. Kutoka Septemba 2022 mpaka Aprili 2023, inasikitisha kuwa deni la ndani ya Kenya limefika Ksh4.7 trilioni. Nikilinganisha na serikali iliyoondoka, hiyo ilichukua deni ya Ksh6 trilioni kwa miaka kumi. Kwa mwaka mmoja tu, tayari Serikali hii imetutia deni la Ksh4.7 trilioni la ndani. Inasikitisha kasi ambayo Serikali hii inachukua deni ukilinganisha na mazao tuonayo. Ninazungumzia takwimu ninazoangalia hapa. Hakuna makosa kwa Serikali kuchukua deni. Serikali inaweza kuchukua deni ikiwa inakusudia mema.

**The Temporary Speaker** (Hon. Omboko Milemba): Order, Hon. Member. What is your point of order, Hon. Shurie?

**Hon. Abdi Shurie** (Balambala, JP): Hon. Temporary Speaker, this is a House of records. I just want to correct my colleague that it is the total debt of Ksh10.5 trillion we are talking about and Ksh4.7 trillion being the local domestic borrowing. This Report does not just talk about this period.

**The Temporary Speaker** (Hon. Omboko Milemba): You may proceed.

**Hon. Zamzam Mohammed** (Mombasa County, ODM): Asante Mwenyekiti wa Kamati iliyoandaa Ripoti hii. Ndiyo maana nikasema hili ni deni la ndani. Sikusema deni la nje. Nimesema deni la ndani. Bado hii yote inasikitisha kwa sababu Wakenya wamekamuliwa sana. Nikifikiria kama Mama wa Kaunti ya Mombasa, wajukuu wangu ama vitukuu vyangu watakuja kudaiwa pesa ambazo hawazijui. Inaonyesha Serikali ama taifa haliendi vizuri ikiwa deni lachukuliwa hapa kulipa kule. Linalosikitisha hata zaidi ni kwamba sisi Wabunge tunajadili Ripoti kuhusu madeni ya Kenya ilihali Bunge halihusishwi wakati wa kuchukua madeni. Kama Mheshimiwa katika Bunge, naomba tuhusishwe kupiga msasa na kuuliza maswali kuhusu madeni yoyote ambayo Serikali inatarajia kuchukua ili tupinge kama si deni la dharura. Twafaa tuulize maswali na tujue kwa nini deni au mkopo unachukuliwa. Je, ni deni la dharura? Ikiwa litakuwa deni la dharura, tutaelewa ikiwa Serikali haina namna.

Nimeona World Bank ilileta msaada wa Ksh16 bilioni. Nimeona wakizungumzia visima katika sehemu ambazo zimeathiriwa na ukame lakini watu wa sehemu hizo wanalia kuwa hawajapata hivi visima. Ni utata mkubwa kwa sababu kila mwaka tunasema Ksh700 bilioni zinapotea. Hivi ndivyo pesa hupotea. Mhe. Spika wa Muda, Serikali inaweza kuwa na nia nzuri ya kuchukua pesa. Lakini hizi pesa zinapotelea katika mifuko ya watu na hazileti natija kwa taifa. Ninasikitika kama mama katika taifa hili kuona kuwa pesa zinabadhiriwa kiholela. Pesa zinachukuliwa na kwenda kwa mifuko ya watu. Kumbuka hali ilivyokuwa ndani ya Jomo Kenyatta International Airport juzi. Maji yalikuwa yanamiminika na kumwagika. Ilikuwa aibu kwa taifa hili kuona wageni wanaingia huku wananyeshewa ndani ya *airport*, wala siyo nje wakitoka kwenye ndege. Walinyeshewa wakiwa ndani, kwenye *check-in*. Wageni wanamwagikiwa na maji wakati tunajua pesa za ukarabati na kufanya mambo haya zipo. Lakini hatukuona natija yake yoyote pale *airport*. Ilikuwa aibu.

Kuna aibu nyingine. Sisi tumeona mvua kubwa sana Kaunti ya Mombasa. Kama Mama Mombasa Kaunti, ninatuma rambirambi zangu na pole kwa wale waliofiwa na jamaa zao. Pole kwa waliopoteza mali yao. Awali ya yote ni kwamba ninasikitika kuwa hapa hapa kuna Mbunge, Mwenyekiti wa Kamati ya Bajeti na Uidhinishaji wa Matumizi, ambaye amesema kuwa Ksh6 bilioni zilikuwa za *disaster management*. Hizi pesa hazikufikia magavana.

Mheshimiwa Spika wa Muda, Naibu wa Rais alienda kuangalia waathiriwa. Badala aomboleze nao, alianza kutukana magavana. Ni vibaya kwa sababu tunaambiwa kwamba pesa za matumizi ya dharura zilikuwa katika mamlaka yake. Kwa hivyo, ingekuwa bora zaidi kama angetoa pole kwanza kwa waathiriwa halafu aeleze kilichosababisha kuchelewa kupelekwa

kwa pesa na aseme amezileta. Alianza kwa kuwasingizia magavana na kuwashurutisha watumie pesa zilizotengewa maendeleo katika kaunti kushughulikia janga la mafuriko. Kila senti zinapotolewa katika kaunti huwa zinashughuli zake. Gavana akitumia pesa za mishahara leo kushughulikia janga la mafuriko ataleta shida nyingine kubwa. Wafanyikazi wa kaunti wakikosa mishahara leo, itakuwa tena izara katika taifa nzima. Hili lilinifanya nikatamaushwa sana, kama Mama wa Kaunti ya Mombasa. Sikupenda zile tetesi zilizokuwa zikiendelea kwa sababu ya pesa ambazo zilikuwa katika Bajeti. Pesa zozote zinazokuja katika taifa hili kwa msaada wowote zina malengo yake. Pesa hizo zinafaa kutumika kutimiza malengo ambayo yamekusudiwa.

Pesa zinazoibiwa ni nyingi. Tumezungumza hapa leo na ikatamausha sana kumsikia Kiongozi wa Wengi Bungeni akiita mwandishi wa habari *illiterate*. Matamshi kama hayo hayafai ndani ya Bunge hili. Wale waandishi wa habari wanaoonekana kuwa *illiterate* ndio wanaolipa ushuru na wanafinyika kule chini. Tuheshimu Wakenya wote. Maskini ama tajiri apewe heshima yake.

Nimeangalia tena katika Ripoti hii nikaona kuwa pesa zilitengwa za kujifunza ujuzi ambao unagusia Jumuiya ya Afrika Mashariki. Lakini sijaona mambo haya yakitendeka ndani ya Kaunti ya Mombasa. Haya ndio yale tunasema Makadirio ya Bajeti yanakuja lakini hayaendi kwa wale wamelengwa. Kila Mkenya ni mtoaushuru. Kila anayetoea ushuru ni lazima matumizi ya pesa yamfikie kule chini.

Ninajua kwamba kati ya malengo ya kukopa pesa ni kuweza kuzuia Wakenya kulipa ushuru wa juu. Lakini kutoka hivi karibuni, ushuru mkubwa sana unatozwa Wakenya hadi wanalia sasa. Ushuru umeongezeka. Kila kitu kimeongezeka bei. Deni pia limeongezeka. Kitu ambacho ninaweza kupongeza katika Ripoti hii ni zile pesa zilizoenda kwa wakulima kwa sababu walikuwa wanazihitaji sana ili tuweze kuleta mazao na taifa lipate chakula. Pia, ninatoa pongezi kwa zile pesa ambazo zimeenda kwa sekta ya afya. Watu wanahitaji afya bora. Kuna vifaa ambavyo vinatumika ndani ya hospitali. Kuna hospitali nyingi ambazo hazijapata vifaa hivyo. Pengine wananchi ni watano na mwizi achukue kumi. Hayo ndiyo mambo ambayo yanaendelea katika taifa hili.

Kwa hivyo, mimi ninapinga, haswa uchumi mbaya na Serikali kukopa kila siku na kwa kasi sana. Iwache kuombaomba. Pesa ambazo wanatoa kwa mwananchi, wawekeze mahali ambapo ni sawa na wananchi waweze kupunguza ule uzito wako nao. Deni likiendelea hivi, litakuja kutusumbua. Mkisikia wananchi wanalia kule chini, tuwaelewe. Tusiwapelekee mambo ya ubishi. Hao ndio walituchagua. Leo tuko Bungeni na wananchi wanalia hali ni mbaya. Tusigombane hadharani kuonyesha mambo ambayo sio sawa wakati wananchi wanahangaika.

Ninamalizia kwa kusema kwamba dawa ya deni ni kulipa. Kama tumeamua kulipa deni, basi tusiwafinye wananchi. Pesa tulizozichukua kama mkopo, ni lazima tuletewe hapa na waje hapa Bungeni watuambie zilienda sehemu fulani, mazao yake ni haya, tumebaki na pesa kiasi fulani na tunadaiwa pesa kiasi fulani. Lakini, mambo ya kuletewa tarakimu ambazo zimeandikwa na sisi hatujui pesa zimetumika vipi, hatuwezi kubali katika Bunge la Kenya. Wakenya wanatungalia sisi. Walituamini na wakatupigia kura. Tuliweka ahadi kuwa tutakuja kuwapigania. Leo hii, angalia Bunge lilivyo wazi. Tukileta Hoja katika Bunge hili ya kumfinya mwananchi, Bunge huwa limejaa Wabunge wa kusema '*aye*.' Hoja inahusu mwananchi leo na wote wameenda kufanya biashara zao. Mimi ninachukia hali hii. Ninawaambia Wabunge wenzangu, haswa Wabunge wa Kenya Kwanza, kuwa hii sehemu yao iko tupu. Inaonyesha vile nyinyi hamuwafikirii Wakenya na wale wanaohangaika kule chini. Ninasikia kulia. Hoja hii inahusu mwananchi wa chini. Ninawaambia chuma ni chenu. Mtarudi kule kwa wananchi kutafuta kura na mtapata majibu yenu.

*[The Temporary Speaker (Hon. Omboko*

*Milemba) left the Chair]*

*[The Temporary Speaker (Hon. David Ochieng') took the Chair]*

Asante sana, Mhe. Spika wa Muda.

**The Temporary Speaker** (Hon. David Ochieng'): Nafasi hii itaenda kwa Mbunge wa Kitui Rural, Mhe. David Mboni.

**Hon. David Mwalika** (Kitui Rural, WDM): Thank you very much, Hon. Temporary Speaker. I really want to be brief.

First of all, let me thank the Chairman, Hon. Shurie and his team for bringing this Report, which has a lot of gaps that need to be filled. However, it is a very good attempt.

Before 2002, we did not have a very clear register of debts because they were being managed by the Central Bank of Kenya (CBK). Currently, the CBK manages domestic debt. The National Treasury manages external debts. Recently, we passed a debt anchor – the debt at present value, which is at 55 per cent plus or minus the Gross Domestic Product (GDP). The Report shows that we are at 66 per cent of GDP. We passed the Supplementary Budget this week with a deficit of Ksh800 billion. That means we will add our debt. I normally say that as the National Assembly, we are a contributor to the national debt, especially when we approve budgets with deficits. That is telling the National Treasury, and the Government by extension, to go and borrow. As the National Assembly, we cannot run away from blame.

The Report speaks to the fact that from May 2022 to April 2023, we signed loans with 19 external finance entities. That is something we need to be very careful about. Only three loans amounting to Ksh24 billion out of Ksh213 billion were disbursed. If you look at the report, the National Treasury does not give us reasons why the loans were not disbursed. That is one of the gaps which the Committee should look into.

When I was working at the National Treasury, before I joined this place, I negotiated a loan for this country at one time. I also managed a donor funded project. One of the reasons why there are delays in disbursement is lack of provision of counterpart funds. Normally, when you negotiate for a loan, the donors tell you that they will fund 80 per cent and then you look for the 20 per cent. In most instances, the Government does not provide the 20 per cent. The donors will not give you the 80 per cent before you provide the 20 per cent.

The other reason is the administrative conditions that they give you. They tell you to, first, set up an office or unit and if you do not do so, they do not give you the loan. The delayed loan disbursement has implications. Two weeks ago, the Controller of Budget brought up an issue of penalties that the country is paying because of not accessing the funds. She said that in the last financial year, we paid Ksh1.5 billion as penalties. That is a lot of money. You are giving out this money without any returns. We need to look into this issue.

The other reason is that we may not benefit from the project by the time the repayment begins. All the projects have a start and end period. By the time you are accessing all the money to implement the project and start paying, the impact of that project may not assist in repayment of the loan. We also have incomplete projects. At times when the period ends, you may end up with an incomplete project. We have over 4,000 projects in this country which are incomplete. That is the money that the country has put in those projects but they have no impact to the socio-economic welfare of Kenyans.

Hon. Temporary Speaker, the Report points out that the National Treasury failed to give critical information. It is true because when you look at the Report, the National Treasury did not provide the debt register. We need to have a debt register. That is something very important to this country, which should indicate the implementing agencies. Who is implementing this project? Who is this person? What are the key performance indicator outputs and contracts

signed. Since the start of the Standard Gauge Railway until now, I still do not know how much money we were supposed to pay and how much money we got for it. There was a lot of contradicting information. Some people said Ksh300 billion while others said Ksh400 billion. At the end of the day, we are not sure of the amount that we took as a loan and how much we are going to pay in the process.

The register should also have regions where these projects are being implemented. We may be taking a lot of loans but they are only used in particular regions. What about the distribution of these projects funded by donors that all of us are contributing in repayment? I will give you an example. I come from the Lower Eastern Region, and since Independence, we have only had two big projects: the Kibwezi-Kitui-Mbondoni Road and the Thwake Dam, which are incomplete.

I hope the Chairman of the Committee will go back to the last 10 years or so and give us a report of the total amount we got as loans, how the money has been utilised, and the impact of these projects on the welfare of this country. As the Report alludes to, the slow disbursement is mostly because of lack of budget allocation. That is something we need to lay before the National Treasury. We have passed a law here which requires that we look at the loans that are taken. Before Government officials go ahead and sign, the loans should be tabled in this House to tell us where they are going to get the funds so that there are no delays in disbursement. We also need proper planning for the loans. We cannot be taking loans because somebody is giving them to us. We have that problem. We have quite incompetent negotiators in the Government. If they hear there is money to give as a loan, they run there without even reading the requirements for the loan. At the end of the day, we take loans with high interest rates without knowing what we are going to do with it.

Hon. Temporary Speaker, we need to move from commercial and domestic loans. Domestic loans have a very bad negative impact on our businesses. When the Government competes with the private sector, we get into what we call 'crawling out effect'. Many people resort to investing in Treasury Bills and Treasury Bonds because of the security. The risks are lower than in the private sector. We need to go for concessional loans. We need to look at concessional loans and their conditions. Let us not just go for loans because they are there. Let us look at the conditions of these loans so that we, at least, get loans that are going to benefit this country.

**The Temporary Speaker** (Hon. David Ochieng'): Member for Kitui Rural, your time is up. This is now the chance for the Member for Mandera West.

**Hon. Yusuf Adan** (Mandera West, UDM): Hon. Temporary Speaker, I am eagerly waiting for the next Order.

**The Temporary Speaker** (Hon. David Ochieng'): Member for Kaiti.

**Hon. Joshua Kimilu** (Kaiti, WDM): Thank you, Hon. Temporary Speaker, for giving me an opportunity to contribute to this Motion. I take this chance to thank the Chairman of the Committee for the good work they have done on this Report.

The Report is good but it has some question marks. We all know that borrowing is not bad because we all borrow. Even Members of Parliament borrow. For a country, borrowing is not a big problem. The problem comes when we borrow the money and instead of prioritising what we are going to do with the money, we undertake projects which are not priority to the country. As we speak, there are necessities for this country. For instance, food security is key to our country. The economies of West African countries are not that strong but because of food security, they can undertake their daily activities smoothly. We are currently in the rainy season but some parts of the country have water problems, especially where I come from in the Lower Eastern Region. T

The Thwake Dam Project was started in 2016/2017. I wish we could prioritise completion of that dam. As we speak, there is a lot of water going to the Indian Ocean. Two or

three months after the rains subside, we will be crying because of lack of water. People will be walking for many kilometres to look for water. Our economy is not doing well. It will help if we had water in areas like the Lower Eastern Region, which does not have rains for purposes of irrigation. If we engage in farming, we can improve our food security and avoid looking for money for relief food or asking donors to give relief food to our people. It is very surprising that we borrow a lot of money but still have too many stalled projects across the country. It will be beneficial if we could borrow the money and use the balance to complete projects in our country.

Hon. Temporary Speaker, with the current economy, it is true that we need money to support our Budget. As we can see, our country's debt ceiling is approaching Ksh10 trillion. It is a threat to our country. We need to be open to each other as we are borrowing money. The blame game between those in the previous regime and those in current regime should stop. Those in the current Government should take the mantle and move on. We want to see what they are going to do with the money they are borrowing. We want to see the stalled projects being completed.

Yesterday I went to my constituency. There is a road which links Kasikeu and Kilungu. This road cuts across two counties. As we speak, the road has been cut off by floods. There is no road link between Maasailand and Kambaland through the Kasikeu-Kilungu Road. It is a serious issue that needs a lot of assistance. When I approached the Kenya Rural Roads Authority (KeRRA), they told me that there is no money. Now you see how the people of Kaiti will suffer because the road has been cut off. We depend on agriculture. Now we cannot transport our yields from the lower side to upper side. We cannot transport our produce from Kaiti to Nairobi through that road because it has already been cut off. I think these are some of projects that should be prioritised, if we borrow. We have no other ways. As a country, we need to chart the way forward.

Despite the fact that we are borrowing, I saw the current Government trying to increase taxes to increase the revenue. This is not the way to go because the more we increase taxes, the less revenue we are going to collect. Instead, we will create more poor people. We will create poverty in our country. Instead of creating an atmosphere for our people to do business to create revenue, we will be creating a problem for our country.

As we undertake our projects, we need to address the loopholes through which we lose public funds. One loophole that we have in our country is corruption. We borrow money but almost a half of it goes into peoples' pockets. We divert it and lose focus. We need to fight this animal of borrowing. If we seal the loopholes of corruption, we will be in a position to do great things for our country. Why do we borrow? We borrow to meet our needs. Sometimes we approve budgets knowing very well that we do not have enough resources to finance it. Time has come for us, as a country, to chart the way forward in terms of seeing how we can avoid this heavy borrowing. I remember when this Government took over the leadership of the country, they said that they would not borrow but now they are borrowing even more than the previous regime. I think we need to do something. We need to chart the way forward. We need to see how we can be independent.

We can use the little resources that we have if we concentrate, for example, with one item like infrastructure and make sure that we have good roads that give our villages access to the market. If we have good roads, farmers in Western, Nyanza and Central Kenya can transport their produce to the market and generate revenue for this country. I support the Report but I advise the Government to avoid over-borrowing.

Thank you.

**The Temporary Speaker** (Hon David Ochieng'): Next is the Member for Kisii, Hon. Donya Dorice.

**Hon. Dorice Donya** (Kisii County, WDM): Thank you, Hon. Temporary Speaker. This is such a good moment when we are talking about what is on the ground and how the economy is doing. Looking back at Mwai Kibaki's time, he left office and Kenyans were very excited that the economy had improved. When a county has more debts, so many things happen in that particular country. Even the bank interest rates increase. Business people cannot do without borrowing. So, a country's debt status affects that country's businesses. You can see at this particular time that too many people have closed their bank accounts or they have been rendered inactive. Most business people cannot afford to restock because what they sell goes directly into their stomachs, and not into their bank accounts.

There is a Swahili saying which goes "*kukopa harusi kulipa matanga*." It has always been a cry. We have this and that debt. When there is borrowing there are good photos that are taken. The media reports how today Kenya has received this and that loan. Sometimes you are not even told what this money has done. However, come to the time of payment, that is when it becomes "*kulipa ni matanga*". There is a lot of cry. Oh, we need to do this with our budget so that we can pay. If you go to the ground, you will want to understand what the money that was borrowed did to improve the welfare of the citizens. Things are changing, and the economic times are very hard.

There are very many things we can do as leaders to improve our economy instead of taking more loans. A half of Kenya is not developed. A half of it is left idle. Our land is not cultivated. The rains are here. We have no good storage facilities. The rains will soon be gone and drought will set in again. People will be crying of hunger while we have this precious commodity called water carrying away our people and destroying properties instead of it being stored so that it can be used in future.

Only recently, we planted trees. I do not know why this exercise came at such a particular time. With the kind of rains that we have, all the trees that were planted must have been washed away. There is nothing you can do when you have a lot of water submerging trees that have just been planted. We have misplaced our priorities. We seem to be prioritising things that are not supposed to be given priority. Right now, public universities are crying that they do not have funds. The same applies to schools, and yet education is key. The best gift you can give to your child is education. The Government has promised to give education priority but it is not funding public universities.

Come to Junior Secondary School (JSS), the pain that the teachers go through is too much. One teacher teaches 12 subjects. How do you teach sign language if you are not trained in that area? What subject will you have to offer as an alternative? Why have I brought up this issue? Misplaced priorities. If we get our priorities right, Kisii County alone can serve as the food basket of this country. It can feed the whole of this country. You go there. The land is very green. You will just love it as you overfly that area. You will look down and say, 'These people are blessed.' It rains well. The grass and the trees are ever green. What is shocking is that if it rains at 11.00 a.m, by 6.00 p.m, the women are carrying jerrycans to fetch water in the river. As a country, we cannot understand that instead of taking loans to do other things, we can build dams in Kisii because we have a lot of water. Why are there good dairy farmers in Central Kenya? It is because they have 60 per cent water connectivity. There are other good places in Nyanza like Kisii, Luoland and Western Kenya which are evergreen and good farming projects can be undertaken. We can also grow enough food in Kitale.

Hon. Temporary Speaker, as we speak about loans, let me assure you that if I take a loan, I will pay it back. I will not misuse that money and later on say that I did not spend it well. If I misuse it, I will have to look for another way of repaying it. From where? We must be accountable at all times. Hon. Zamzam said that before the Government takes a loan, it should undertake public participation and Members of Parliament should discuss it. So, next

time we will not have three or four people signing loan contracts. When things become erratic, we are told to come together and assist in paying such loans.

Hon. Temporary Speaker, we are doing it the wrong way. Even the common *mwananchi* out there is saying, '*Vitu haviko saw. Mambo ni mabaya.*'

Thank you, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. David Ochieng'): Thank you. Member for Laikipia East.

The next to speak is Hon. Mwangi Kiunjuri. Your microphone has a problem. Use the one in front of you.

**Hon. Mwangi Kiunjuri** (Laikipia East, TSP): Thank you, Hon. Temporary Speaker. I rise to support this Report. The Chairperson and his Committee have done a good job because Kenyans need to know where we are coming from.

Hon. Temporary Speaker, at the outset, let me say that loans are not bad. If you assess how many successful Kenyans in business do not have loans, you might find none. This is because even people with billions of shillings want to have a trillion shillings to expand their businesses. The only problem is taking a loan without knowing what to do with it, having a wrong projection or getting excited and using it for the wrong purpose.

We need to ask ourselves when the rain started beating us. The loans we are discussing today are an accumulation of previous loans. They were not taken last year. We are talking about loans which had been taken since the Government of Mwai Kibaki, the administration of Uhuru Kenyatta and now the administration of William Samoei Ruto. We need to ask ourselves how Kibaki managed his loans. At what time did our appetite for loans supersede the reasons for borrowing? How have we been managing our loans? Have we been able to evaluate ourselves? Did we have a plan before we took the loans?

Even in business, you must have a business plan of what you intend to do and the expected outcome. If you get a moratorium, for how long? If you are repaying your loan, at what juncture will you bridge the gap and start getting profit? This is because a loan is always a loan whether taken by *mama mboga*, an industrialists or government. The end game is that when a government borrows, there is a grace period whereby at a particular juncture, we shall break even. If we are borrowing to build roads, it might take 50 years before the country starts benefitting from that loan. Maybe, you are borrowing to construct a certain road or provide electricity in a certain area to trigger economic activities.

A loan is supposed to stimulate the economy in one way or another in the short-term or the long-term. When we took a loan to build the Standard Gauge Railway (SGR), we were told that we will start reaping the benefits 50 years later. I agree with that. The loans we are taking today to build roads will take another 20 years to gain. We must ask ourselves if today, we are talking of eradicating hunger and the high cost of living, if we start blame games of who took the loan, how it was used and how the next one will be taken, we will not address the issues we are facing.

This administration is only one year old. The loans we are paying were taken five, six or seven years ago. We know how bonds were taken. We cannot ask this administration to explain to Kenyans why we are in a deep hole. It is very clear that we have debts and whoever comes in even after William Samoei Ruto will shoulder the responsibility of paying loans that his administration will have taken. We must repay the loans borrowed by the previous governments. It is high time we started planning.

Kenyans need information, so that they can understand every step we are taking to stabilise this economy. Already, we are in the deep sea. The waves and the undercurrents are very strong for us. So, how do we navigate to safety? We need to think of short-term and not long-term solutions. Looking at all the loans tabulated here, some have gone to the pastoralist economy, some to the agriculture value chain, and some to concessional short-term loans.



Looking at the Micro, Small and Medium-sized Enterprises (MSMEs), they are distributed across the country.

Nobody can argue these loans were directed to one region of Kenya. They are distributed all over the country, from North Eastern to Coast, western, Nyanza and Central regions. Therefore, this is our problem. As we blame each other, let us remember that the monies were directed all over. No region can say it benefited more than another. The question is whether the loans were correctly used. Looking at some, they enhanced water and agriculture.

We should ask ourselves when Ksh5 billion or Ksh10 billion was taken to a certain region to develop agricultural value-chain, was it used for that purpose? If it was about water, was it used for that purpose? In the last 15 years, we have done a lot of work in Northern Kenya on water development. Look at what is happening today. The *El Nino* rains are here and people in that area will be left without a drop of water. Also, looking at the western region, a lot of our agriculture value-chain money went there. Today, are we able to pay the loans out of the intended use of that money. Looking at the MSMEs, are we able to generate money. Ten years down the line, we ought to see the benefits that would have accrued from the loans taken.

When we talk about agriculture value-chain, are there supporting institutions for livestock, horticulture and cash crops grown in this country? All the directorates are dead – sugar, tea, coffee and horticulture. Everything is dead. Looking at the pastoralist areas, are we improving their animals, controlling disease or are they selling the same bull which is 20 or 30 kilogrammes when it is supposed to be a high breed that weighs 100 kilogrammes? Are we supporting farmers and institutions which can give us immediate income?

When I was the Cabinet Secretary for Agriculture, we had a programme which required Ksh2.4 billion to make Kenya a potato seed exporter. The programme was only taking 21 months. If you look at how we can improve our animal breeds today, in three years' time, you can turn around that economy.

The Hon. Temporary Speaker can tell us that we can turn that economy around in as short a period as two to three years. Today, a coffee farmer will line up looking for grafted seedlings when we have the Coffee Directorate. which is dead and cannot be supported.

We are now asking ourselves whether we shall continue relying on rains or water. Israel and Egypt rely on water while Kenya relies on rains. At what juncture shall we transit from traditional ways of doing things to modern ways of doing things? We can turn around the economy of this country by using very little amounts of money, and by being committed. If I come in as a Cabinet Secretary today, what I see is the five years that I am the Cabinet Secretary...

**The Temporary Speaker** (Hon. David Ochieng'): You actually have one more minute.

**Hon. Mwangi Kiunjuri** (Laikipia East, TSP): The issue here is our mindset. That we come in as an administration of William Samoei Ruto and we think about five years only, and what will benefit us as leaders in those five years. We are not planning for our future generation. We come in as United Democratic Alliance Party (UDA) administration and as opposition, Azimio, and do not think about our mother country Kenya. That is if Azimio will ever take over, they will take over from where Kenya Kwanza will leave. I believe it is high time that we thought as Kenyans and not as political parties. Let us know who is leading this country and that Kenya is our baby and together we must take care of it.

**The Temporary Speaker** (Hon. David Ochieng'): Thank you. Peugeot 504.

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you, Hon. Temporary Speaker. I have been waiting to make my contribution on this Report by the Public Debt and Privatisation Committee.

At the outset, I will not shy away from what I always begin with, which is very important that Kenyans always remember as we progress with the issue of debt. I like the

previous speaker, who said that this debt has been accumulating over time. Sometimes there is no need of just throwing blame from one place to another because these things were happening when we were in this country. I always begin by telling this House that by the time Mwai Kibaki left, the so-called debt was only Ksh1.89 trillion. This is very important to show where we are coming from. That means Moi, who ruled for 25 years together with Jomo Kenyatta – who also ruled for about 13 years – must have incurred a much smaller debt because Kibaki left it at Ksh1.89 trillion. In June 2013, that was our debt. Then all of a sudden, from June 2013 to June 2022, the debt increased to Ksh8.588 trillion.

It is, therefore, important to comprehend where we are coming from and what happened between June 2013 and June 2022. In fact, if we may state this in terms of per centum, which I have here, we increased the debt by 353 per cent. That was terrible. I would love to hear from former *Waziri*, because he was putting it into perspective. He said that everyone who comes into office borrows with his five or ten-year development programmes in mind and then he goes away. We must start looking at the national debt in a holistic way for the entire country.

The statistics we have are very limited. I am happy that this House, for the first time in many years, is able to speak about public debt in terms of how much we have borrowed, how much we are borrowing and where we are taking the money to. The 12<sup>th</sup> Parliament did not have the opportunity to do this. People would speak about the budget and concentrate on expenditure rather than where we are getting the money from, especially on the debt. This Report covers only 12 months, beginning 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2023. It is so specific because it deals with foreign debt. It has not included internal borrowing, which is made up of Treasury Bills and Treasury Bonds which, as I heard someone indicate, are also very high.

I see great space for this Parliament. If we continue with this discourse, we have a chance of enacting laws that will force the Executive to bring reports to Parliament on loans that they sign with international organisations, whether it is the World Bank, the IMF, the London Club or Paris Club or whatever other bilateral country. The case studies are very rich. That will not be happening in Kenya alone. Countries like Ghana have already gone that direction. Any borrowing by the Government is actually approved Parliament. When you talk to people at our National Treasury, they will tell you that that will take too long, it is complex and it will waste time but that is not the case. Zimbabwe is another good example where Parliament is responsible for resolving the issue of public debts.

I am proud of this Committee because they tell you that externally we have borrowed over 19 loans and the disbursement is very little. I do not want to repeat what people said about this. The only danger in this has been what we call ‘commitment fees’, which many speakers spoke about. We have not received the money yet we are paying some commitment fees. The last time I heard about it, it was Ksh1.5 billion. You can imagine that. You are not using the money you committed yourself to take because you have not yet taken it but you have to pay Ksh1.5 billion. I am aware that in the last financial year we paid Ksh499 million in form of commitment fees alone. That is quite a substantial amount of money. We must take loans when we are ready, and not just rush and take loans because the money is available for lending.

The other thing I would wish to speak on is how the loans are disbursed. Very many Members have spoken on this. A loan needs to be disbursed very quickly so that it can have an impact on the Budget. Loans are usually taken to finance budgets. At a time when we are experiencing liquidity and exchange rate difficulties, imbalances in the balance of trade and very high debt servicing expenditures, we need to have these loans disbursed quickly.

Management of debts is another issue that I want to speak about. If you manage your debt well, you will always remain afloat and survive the rigours of the economy. Your currency will also survive the shockwaves that come with rising interest rates. Many investors will shy away from Kenya because they are not sure whether we shall be paying the Eurobond or not. They would not want to do business with us. So, debt management becomes very important.

Historically, debts have been dangerous for countries. In the recent past, we have had the cases of Greece and another country in Eastern Asia. I could even take it back to the times of Khedive Ismail of Egypt, who took too many loans and was unable to pay. Therefore, foreign countries, notably France and Britain, took over the management of the Suez Canal and the economy of the country. The most recent vivid example has been Greece, which could not manage itself. So, debt management is very important.

The National Treasury is still lagging behind in terms of debt reporting. It is not willing to give a full disclosure on debts and who borrowed those debts and where the money went to. It is important that this Committee continues to bring reports to this House so that we know the exact amounts of monies that Kenya owes to which countries. I am happy to hear the President speak on this issue less than a month ago. He said that the Government was not very sure about the country's debt stock. There is need to establish to whom and how much debt we owe, both domestically and externally. We do not have those details because of lack of a debt stock register. It is important that we establish a debt register. People in Government, particularly at the National Treasury, do not want to declare these debts openly. It is like they are hiding something. That is why the Eurobond has become a problem for us. I am happy that the Member who spoke before me was *Waziri* Kiunjuri, who I am proud to be here with. When the Eurobond was taken, we are told that it never reached Kenya. At one point, a debate on corruption was raging. There are people in Government who use external borrowing as an avenue for embezzling public money. That is how we lost the Eurobond. Loans are taken but they disappear before getting to Kenya. We have another case study, where Kenya Power and Lighting Company (KPLC) borrowed Ksh17 billion, as a government entity, but they could not account for that money. When they were confronted by Parliament, the KPLC management indicated that they were not aware of such borrowing. I am sure that the Chairman is aware of this matter...

**The Temporary Speaker** (Hon. David Ochieng'): Thank you. Next is Hon. Farah Maalim, EGH.

**Hon. Farah Maalim** (Dadaab, WDM): Hon. Temporary Speaker, I thank you for giving me this opportunity to weigh in on this debate. I thank the Committee for the unique exercise they have done. For a long time, Parliament never knew how our debt was incurred, who took it, for what purpose and whether that purpose was achieved. There are a lot of debts that we are servicing right now whose projects were not implemented. We took the loans which Kenyans are paying back yet those monies ended up lining the pockets of the political elites who were in power at the time of the borrowing.

As Hon. Omboko put it, the debt at the time when President Kibaki left office was about Ksh1.8 trillion. Today, it stands at Ksh10.5 trillion. You can imagine how we accrued almost 1,000 per cent in the shortest possible time. Syndicated loans are loans that largely end up in the pockets of the political elites.

**The Temporary Speaker** (Hon. David Ochieng'): How do you define 'syndicated loans' again? Did you say they are loans that end up in pockets of individuals?

**Hon. Farah Maalim** (Dadaab, WDM): Yes, syndicated loans are usually borrowed from commercial banks. When you go and ask for a euro bond, for example, they force you to pay the loans that you took from banks in their own region.

When you borrow from commercial banks for projects like the Standard Gauge Railway (SGR), firstly, they are punitive in terms of the interest charged. Secondly, they do not insist on a serious project and financial audit of those loans. However, when you take it from the World Bank, the International Monetary Fund (IMF) and some other bilateral bodies that are very big, of course, the interest is almost concessional. It is very cheap. They also make sure that the money serves the purpose for which it was intended. So, percentages of commissions, which almost always end up in the pockets of people in government are not there. That is why

the SGR is costing us twice, if not thrice, of what it would ordinarily have cost us. The Ethiopians paid for a much longer dual line electrical railway for a much cheaper price than what we are paying. The money was stolen.

When we are given loans for certain critical sectors like agriculture to enhance the capacity of the National Cereals and Produce Board (NCPB) and the farmers, and help them with value addition, we do not do that. The farmers go for a bumper harvest and are subjected to market forces. Instead of the Government buying all these things as a strategic reserve at the guaranteed minimum returns, they are told to sell their produce at the market. When they sell it at the market, we shortly afterwards suffer a shortage of the same grain. We then import, and the political elites make money from such importation. If you allow the sugar sector to go down the way it has, you give yourself an opportunity to import sugar from places like the Common Market for Eastern and Southern Africa (COMESA) and Brazil and you make a kill. That is exactly what it is.

I keep saying that if somebody is stealing their own money, there is no way they can account for it. If Hon. Kiunjuri, a onetime Cabinet Secretary, has a business right now, and has money in his account, and he decides to steal it from himself, there is no way you can stop that. This country is being robbed by the very people who are supposed to be its trustees. Hon. Kiunjuri was talking about how we can help our livestock sector. A small country like Botswana, whose livestock sector was developed by Kenyan experts, is exporting beef all over the world. We have a potential in this country, which no other African country has except Ethiopia and Somalia, in terms of the livestock numbers we have. Do we want to develop them? No, we do not.

These days we import everything from South Africa. Our coffee sector, which was supposed to be one of the best and a trailblazer in the continent and in the world, was destroyed. The coffee that gives us the biggest competition in the world right now is Vietnamese coffee. It was introduced by an international civil servant who was a Kenyan. So, the idea came from here, the same way the idea of the European Union came from the East African Community. The Europeans borrowed the idea from us and established the European Union, but we destroyed our own first EAC. They now have the European Union, which works very well.

Hon. Temporary Speaker, I thought I had 10 minutes. I can see I am being put on notice. Anyway, I beg you for some more minutes.

Hon. Temporary Speaker, I see that money has been set aside for the development of the livestock sector in Northern Kenya and other places. I hope it comes out true because this is going to revolutionise Northern Kenya completely though it is not much. There is groundwater resilience in the Horn of Africa. Currently, our whole region is cut off from the rest of the country. Why? Because we do not have a surface runoff water harvesting service. We could have harvested all that water.

There are countries in the world where rivers flow through them and those rivers do not drain into the seas. They make sure that it is re-routed at the point of the sea and put in reservoirs for their people.

**The Temporary Speaker** (Hon. David Ochieng’): Hon. Farah, you have one more minute.

**Hon. Farah Maalim** (Daadab, WDM): Give me two minutes, please. I do not know how my minutes were used.

**The Temporary Speaker** (Hon. David Ochieng’): There is pressure from other Members to speak. One more minute, Sir.

**Hon. Farah Maalim** (Daadab, WDM): Anyway, that is where the problem is. How do we treat corruption? How do we treat people who are not patriotic yet those people are not ordinary? These people are the trustees of the country. Every shortage in this country is an opportunity for some political class to make money out of it. The shortage comes expensively

and destroys the lives of Kenyans and sectors of our economy. The sugar sector is gone. The coffee sector is gone. The tea sector is gone. The pyrethrum sector is gone. The only reason the flower sector is still flourishing is that it is in the hands of foreigners. The same foreigners do what you call ‘transfer billing’, which means the money never comes to us. Our people do not even get paid properly. We do not even have a regulatory system to protect our workers and protect the produce from our country that ends up in other parts of the world, like the flowers. This is all because of corruption.

These so-called ‘cartels’ in every sector work with the political class. I do not know when we are going to get an ordinary person in this country to lead us and make the revolutionary changes that every Kenyan yearns for. I do not know, Hon. Temporary Speaker. I do not know whether you are going to run for the presidency. I know you have a party of your own. I do not know how corrupt you will be if you get such an opportunity, but I do not think you will be corrupt.

**The Temporary Speaker** (Hon. David Ochieng’): I have no comment on that, Hon. Farah.

Next is Hon. Salasya.

**Hon. Peter Salasya** (Mumias East, DAP-K): Thank you, Hon. Temporary Speaker. I have an observation from the Report.

*(Hon. Farah Maalim walked out of the Chamber)*

**The Temporary Speaker** (Hon. David Ochieng’): Hon. Farah, I order that you sit and listen to Hon. Salasya before you leave.

**Hon. Peter Salasya** (Mumias East, DAP-K): Thank you, Hon. Temporary Speaker.

I support the Report tabled 100 per cent. From the short period of time I have been in Parliament, and I have been involved in the budget-making process at the Committee level, I have observed that there are many things happening behind the scenes. The Ministry will tell you that these are the donor funds. When you ask them of what kind, they will give you examples of tsetse fly control. You ask yourself how essential is it to our country. My understanding is that Parliament needs to establish another office. We have the Office of the Auditor-General and the Office of the Controller of Budget. We also need to establish an independent office in the Constitution to guide us on loans. If you ask to get deeper details about loans, you will not get them.

That is why, as a House, we need to come up with an office to control debt in the country. We also need to come up with an office that will guide Members on revenue generation policies so that we avoid the challenges that we went through to come up with the Finance Act of 2023, which cannot even solve the problems that this country is facing.

Lastly, you will realise that some of the policies being made by the Executive Arm of Government are as if it has taken over the House. Whatever they bring to the House does not go through scrutiny. It becomes an issue of the majority, who have the numbers. We need to look at how the issue of oil has been dealt with. I can assure you that we called the Cabinet Secretary to come and clarify to the Members of the Committee but he was not bothered.

The Government said it would be repaying Government-to-Government loans after six months. However, they have not even factored in the exchange rates. As a country, we need to come out and say ‘No’ to some issues. We thank President Kibaki for the construction of the Thika Super Highway. We need to take loans that will add value to the Gross Domestic Product (GDP) of our country. Certain projects like the Nairobi Expressway and the Thika Super Highway add value to our GDP. These are the things we ask the Government to consider. Government-to-Government loans will affect this country.

Hon. Temporary Speaker, we need to bring the Cabinet Secretary for Energy and Petroleum, Mr Chirchir, to the House to explain these issues.

Thank you, Hon. Temporary Speaker. I support the Motion.

**The Temporary Speaker** (Hon. David Ochieng’): There are two Members remaining who want to contribute to the Motion. I request the next speaker to mind the Member speaking after him, so that all of us can contribute.

Member for Sotik.

**Hon. Francis Sigei** (Sotik, UDA): Hon. Temporary Speaker, I thank you for giving me an opportunity to add my voice to this important Motion.

At the outset, I thank the Committee for doing an excellent job and bringing out the issues on the public debt. This country belongs to all of us. We are speaking about issues affecting all *wananchi*, since the cost of living does not select where a person comes from. It touches across the board. On the issue of public debts that we are talking about, we have to look at how loans are borrowed right from the word ‘go.’ What is in these agreements? We need to look at the details because as they say, the devil is in the details. This is the area we must look at because we can sign for something that will kill our children. The future generation of this country will blame us for that. As Hon. Kiunjuri has said, we should not take loans, if we do not have plans on how to use the money. They should be used to stimulate the economy of this country for the benefit of Kenyans.

I am proud of the Kenya Kwanza Government for giving out subsidised fertilisers. I am the Member for Sotik Constituency. I have seen its impact. There is plenty of food now. We should address food security. We imported food in the past, which was very difficult. It really drained the National Treasury. It will be very important to address the production side of the economy.

I want to talk about tea. As we speak, we are taking our tea in sacks from Kenya Tea Development Agency (KTDA) factories in Sotik and other areas to Mombasa. We have to add value to our tea, which has been a major foreign exchange earner. The situation will continue to be the same if we do not do so. It will be unfair to kill a sector that has been feeding this country.

I also ask the Government to look into dairy and livestock farming so that we assist our farmers. We will ask the Government to allocate more money to areas where farmers benefit more. There is a lot of borrowing by other agencies like universities and county governments. I also ask this House to take control. I thank the Chairperson of the Public Debt and Privatisation Committee for doing a good job. We want him to follow up the budgetary process.

I support the Report.

**The Temporary Speaker** (Hon. David Ochieng’): Member for Rangwe, please, make your point in two minutes.

**Hon. (Dr) Lilian Gogo** (Rangwe, ODM): Thank you, Hon. Temporary Speaker. I will make sure that I do it with precision and in exactly two minutes.

I rise to add my voice to the debate on this Report as I support it. I thank the Chairperson for a job well done, and for the high level of aggression that has been shown by this Committee. The Chairperson brought business to the Plenary yesterday and today as well. That shows that the Committee is active and he is doing a good job. I celebrate him. This is a Report on the loans contracted by the national Government over a period of over one year. I thank the Committee for taking its time to interrogate those loans.

Today, I was in a meeting with the Principal Secretary (PS) who is the custodian of the country’s monies and financial systems. He indicated that 60 per cent of revenues generated by the country goes towards servicing loans, 30 per cent is used for recurrent expenditure, and 10 per cent goes to the counties. Development can only take place through loans. There is no

specificity in the projects that are done using those loans. Some loans are used in sectors that target social returns instead of financial returns, as indicated in the Report.

I do not know who killed Kenya's spirit. That demon made us forget our National Anthem, which states, "*Natujenge taifa letu, Ee ndio wajibu wetu, Kenya istahili heshima.*" As long as we have people in office whose interest is their stomachs and not *kuwa na wajibu* and taking Kenya to the next level, we are leaving a terrible Kenya for future generations. I pray that we remember to honour our Anthem that unites us as Kenyans, even to the extent of the loans that we borrow.

**The Temporary Speaker** (Hon. David Ochieng'): Hon. Members, there being no other Member interested in speaking to the Motion, I request the Mover to reply.

**Hon. Abdi Shurie** (Balambala, JP): Thank you, Hon. Temporary Speaker. I thank all the Members of this House for their continued support of the Public Debt and Privatisation Committee and also for their great contributions. I request that we defer putting the Question, pursuant to Standing Order 53(3).

I beg to reply.

**The Temporary Speaker** (Hon. David Ochieng'): The Question on this Motion will be put the next time the House sits.

*(Putting of the Question deferred)*

#### ADJOURNMENT

**The Temporary Speaker** (Hon. David Ochieng'): Hon. Members, the time being 7.00 p.m., the House stands adjourned until Tuesday, 28<sup>th</sup> November 2023 at 2.30 p.m.

The House rose at 7.00 p.m.

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