



NATIONAL ASSEMBLY

e-NEWS

ISSUE 003

SEPTEMBER 2019

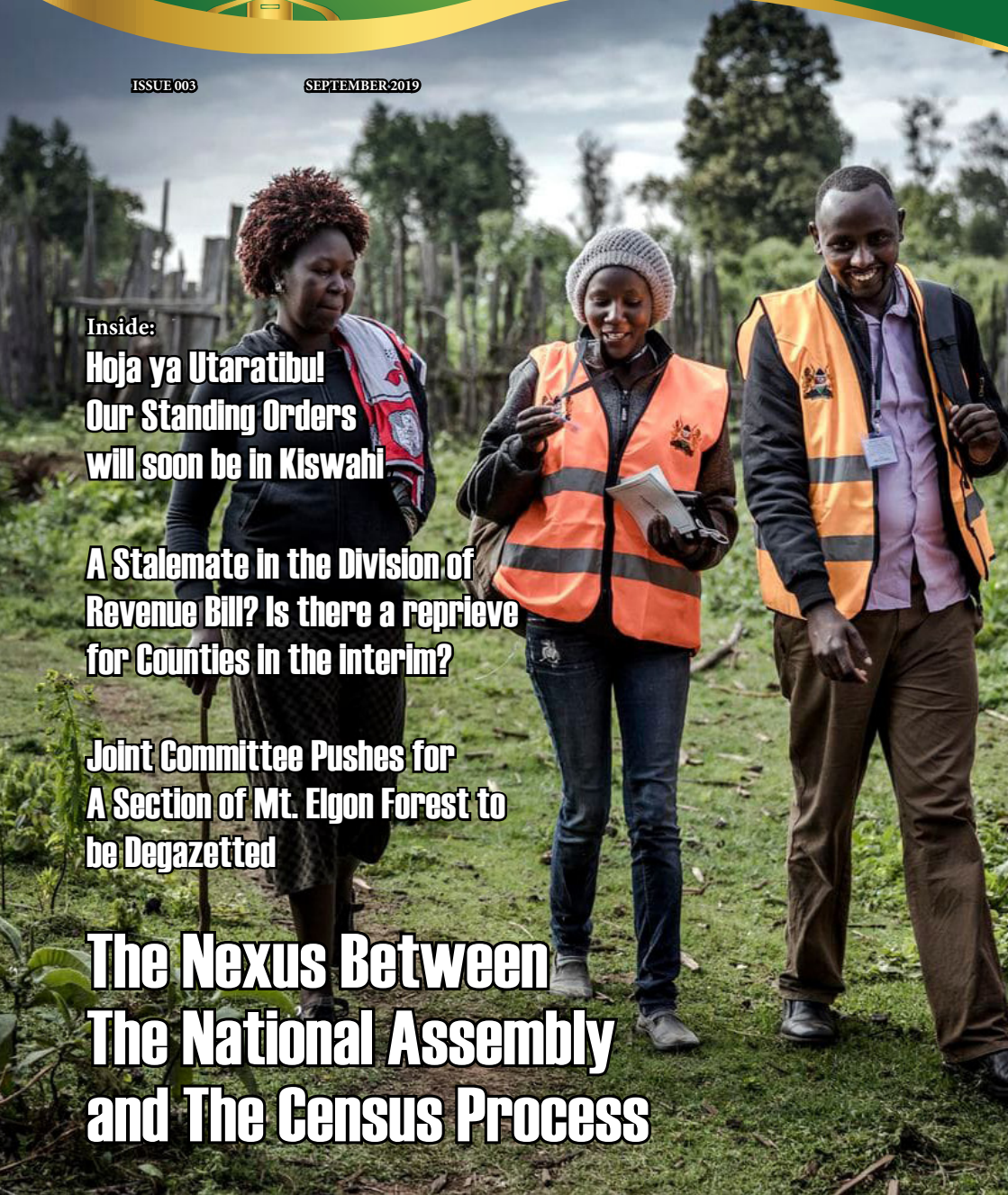
Inside:

**Hoja ya Utaratibu!
Our Standing Orders
will soon be in Kiswahi**

**A Stalemate in the Division of
Revenue Bill? Is there a reprieve
for Counties in the interim?**

**Joint Committee Pushes for
A Section of Mt. Elgon Forest to
be Degazetted**

**The Nexus Between
The National Assembly
and The Census Process**



Foreword



I take this opportunity to welcome you to the 3rd issue of our monthly newsletter, National Assembly e-newsletter.

Having carried out the 2019 census on the night of 24/25, the lead story for this issue is the Nexus between the National Assembly and the Census Process.

During the period covered, the Chairman of the Budget and Appropriations Committee Hon. Kimani Inchung'wa sponsored a Bill to enable country governments' access minimum revenue in the event that the two Houses do not agree on the Division of Revenue Bill in time. A story on this is carried on page 6. We also feature an article enumerating the reasons behind the opposition to the recommended acquisition of National Bank of Kenya (NBK) by Kenya Commercial Bank (KCB), emanating from a report tabled by the Departmental Committee on Finance and National Planning.

Further, a joint sitting of the Departmental Committee on Environment and Natural Resources and the

Departmental Committee on Lands tabled a Report in the House that recommended the variation of the Mt. Elgon Forest Reserve through the degazettement of 4,647 hectares. This is carried on page 8 of the newsletter.

Among other stories, this issue carries an article on the on-going process of translating the National Assembly Standing Orders into Kiswahili.

Finally, in our pictorial page, we feature among others the high level official visit by the Speaker of the National Assembly Hon. Justin Muturi to the Parliament of the Hashemite Kingdom of Jordan. Other pictures are those of the Public Investments Committee (PIC) sittings held in Mombasa and Committee on Land public participation exercise in Kinango Constituency.

Enjoy your reading.

Mr. Michael R. Sialai, EBS
Clerk of The National Assembly of Kenya

Contents

The Nexus Between The National Assembly and The Census Process **4**

A Stalemate in the Division of Revenue Bill? Is there a reprieve for Counties in the interim? **6**

A Section of Mt. Elgon Forest to be Degazetted **8**

August Pictorial **10**

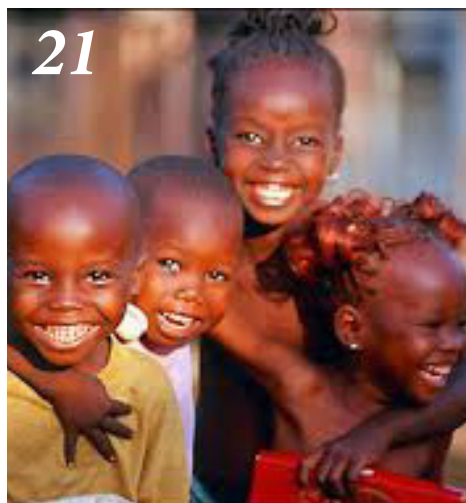
*Hoja ya Utaratibu!
Our Standing Orders
will soon be in Kiswahili* **12**

Lands Committee Set To Vet Nominees To The Second National Lands' Commission. **13**

House Committee set to review Legislation on Children Welfare **21**

EDITORIAL TEAM

Peter Chemweno - Team Leader
Mainah Wanjiku
Joe Okong'o
Salem Lorot
James M. Macharia
Laureen Wesonga
Winnie Kiziah



The Nexus Between the National Assembly and the Census Process



A census enumerator interviews a family during the 2019 National Census

Since 1948, Kenya has been conducting its census every 10 years. This year, it was held between 24th and 31st August. The National Assembly was a key actor in ensuring that the National Housing and Population Census (NHPC) was successful. Through the consideration and adoption of the Statistics Act ,2019, that was assented to by the President on 14th August, 2019, the Assembly cleared the existing legal gaps for an efficient census process to be undertaken.

Additionally, the Departmental Committee on Finance and National Planning, which is charged with the oversight role of the State Department for Planning- where the Kenya National Bureau of Statistics (KNBS), the body in charge of census sits- has taken a keen interest in the preparation of the NHPC.

The Statistics (Amendment) Act, 2019

The enactment of the Act ensures that the data obtained from the census process is as accurate as possible. It also defines terms such as official statistics, professional independence and sampling frame which are key in guiding the outcome of the process. The Act also expands the scope of the Kenya National Bureau of Statistics and its capacity throughout the country and also sets out the principles to be

observed in the collection of data by the Bureau. In addition, it empowers the Cabinet Secretary, who with the approval of the Cabinet, can now extend the period within which the national census may be conducted in certain circumstances in order to ensure that as many people as possible are captured.

The Act further provides that the Kenya National Bureau of Statistics employs electronic means in the collection of data. The Bureau conducted a purely electronic census on the night of 24/25th August, 2019, to enhance the accuracy of the data collected during the exercise. The Bureau faced some challenges when conducting the census exercise in 2009 and it is from the lessons learnt from the exercise that the Act was amended in order to ensure that the exercise this year was flawless.

Budgetary Allocation

National Assembly's Committee on Finance and National Planning oversees the State Department for Planning where the Kenya National Bureau of Statistics (KNBS) is under its purview. In this regard, the Committee ensured that the Bureau had the requisite budget to plan and execute the NHPC in the budgets for the fiscal year 2017/18 (Kshs. 2.8 billion), 2018/19 (Kshs. 6 billion) and 2019/20 (7.3 billion). This en-

abled the Bureau to carry out cartographic mapping, pilot census which was done in 2018, procurement of the electronic gadgets and other material required for the activity, advocacy (including meetings with stakeholders and media advertisements), recruitment and training of census personnel, organizing for security, transportation and the actual census activity.

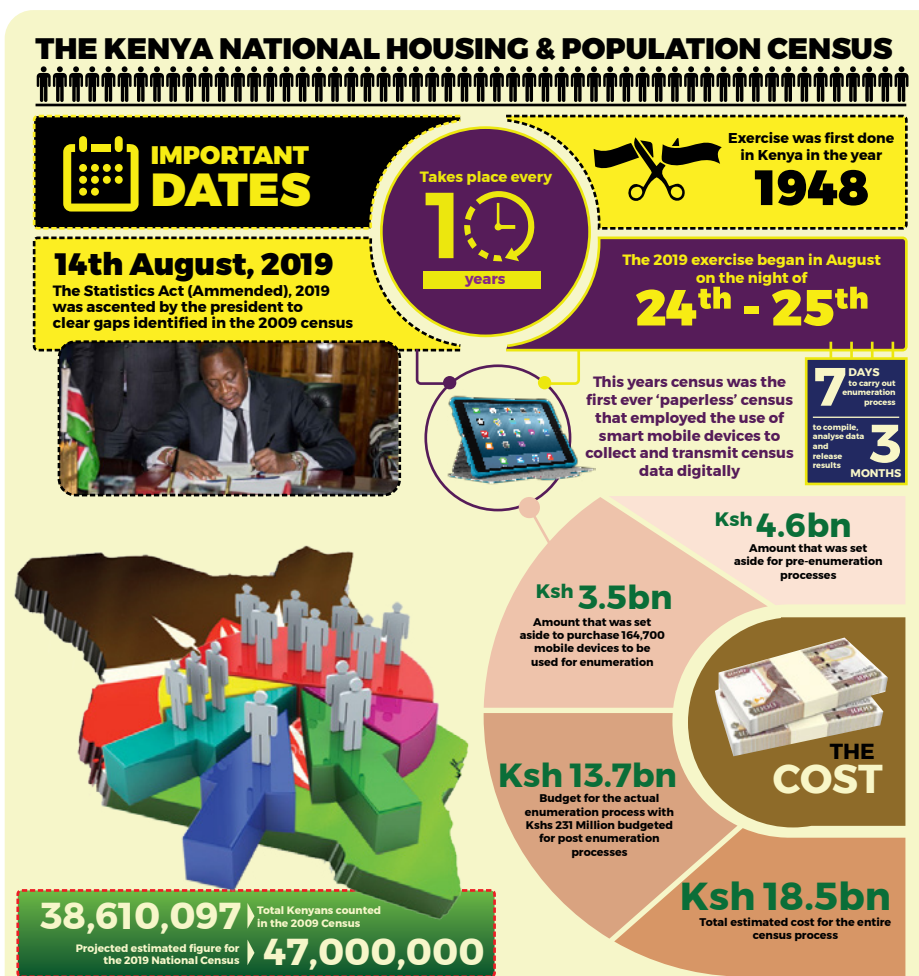
Engagement with the Bureau

The Committee also had various engagements with the State Department for Planning and the Kenya National Bureau of Statistics to find out the status of preparation for the NHPC. Through the interaction, the Committee also sought to find out whether the

funds allocated for the activity were put to the right use and also impressed on the Bureau to ensure that the recruitment of the census personnel was done in a free and fair manner to ensure that only qualified and deserving Kenyans were given the chance to conduct the exercise.

Sensitization

As people's representatives, all Members of Parliament have been at the centre of sensitizing constituents and the country at large about the census exercise and how it aids in policy formulation by the Government and in its planning for the citizenry at large.



A Stalemate in the Division of Revenue Bill? Is there a Reprieve for Counties in the Interim?



The leader of the majority in The National Assembly Hon. Aden Duale weighs in on the issue during the 19 Member Joint Mediation Committee of Both Houses of Parliament on the Division of Revenue Bill (No. 2) of 2019. Looking on is the leader of the minority in The National Assembly Hon. John Mbadi.

County governments will be able to access their minimum share of revenue in the event that the Division of Revenue Bill is not enacted before the commencement of the next financial year. This will be possible if the Public Finance Management (Amendment) Bill (National Assembly Bill No. 63 of 2019) sponsored by the Chairperson of the Budget and Appropriations Committee, Hon. Kimani Ichung'wah, is enacted into law.

Stage One: Senate passes a resolution to divide 15% of all revenue collected by the national government among the county governments

The Bill provides that in the event that the Division of Revenue Act for the next financial year has not been passed by Parliament by the tenth day of June of the previous financial year, both the Senate and the National Assembly will be involved in putting in place interim measures to allow county governments to access their minimum share of revenue. First, the

Senate shall, by resolution, divide fifteen percent of all revenue collected by the national government among the county governments within seven days after the tenth day of June. The division of the fifteen percent of the revenue shall be in accordance with the most recent resolution made by Parliament under Article 217 of the Constitution (the basis for allocating among the counties the share of national revenue). The amount shall be calculated on the basis of the most recent audited accounts of revenue received by the national government as approved by the National Assembly.

Stage Two: The National Assembly votes to approve the Senate resolution

Within five days after the Senate passes a resolution, the Speaker of the Senate shall refer the resolution and a schedule outlining the division of revenue among the county governments to the Speaker of the National Assembly. Within seven days after the

Senate's resolution is referred, the National Assembly may consider the resolution, and vote to approve it, with or without amendment.

"The Bill does not replace the Division of Revenue Bill contemplated by the Constitution" Hon. Kimani Ichung'wah states in the Bill. "The Bill merely seeks to put into place interim measures for the financing of county governments in the event of delayed or protracted enactment of the Division of Revenue Bill by freeing the minimum amount already allocated to the county government by the Constitution to flow to the counties," he adds.

The Bill also seeks to safeguard the fifteen percent of all national revenue guaranteed for allocation to the county governments from disagreement between the two Houses of Parliament and the possible defeat within the framework of Article 113(4) of the Constitution which provides that a Bill is defeated if the mediation committee fails to agree on a version of

the Bill within thirty days, or if a version proposed by the committee is rejected by either the Senate or the National Assembly.

The Bill to come for First Reading in the National Assembly

The Bill went through the First Reading in the National Assembly on Thursday, 8th August, 2019. If the National Assembly passes the Bill, it will be submitted to the Senate for their consideration. If the Senate passes the Bill without amendments, it will be presented to the President for assent. If the Senate passes the Bill with amendments and the National Assembly agrees to it, the Bill will be presented to the President for assent. If the amendments are not agreed to by the National Assembly, then the Bill will be subjected to a mediation committee under Article 113 of the Constitution.

The Bill is available on the Parliament of Kenya website.



Deliberations take place in the Parliament Chambers during the 19 Member Joint Mediation Committee of Both Houses of Parliament on the Division of Revenue Bill (No. 2) of 2019.

Joint Sitting of The Land & Environment Committees Pushes for a Section of Mt. Elgon Forest to be Degazetted



Members of the Joint Committee on Environment and that on Lands listen to contributions by Members of the public at Chepyuk Settlement Scheme, Mt. Elgon.

A Joint Committee of the Departmental Committee on Environment and Natural Resources and that on Lands has recommended the variation of boundaries of Mt. Elgon Forest Reserve. This was one of the recommendations in a Report tabled before the House by the Chairman of the Committee on Environment and Natural Resource Hon. Kareke Mbiuki, early last month.

The Report is a product of a process that began with a petition by the Executive on 5th July 2018 issued pursuant to Article 119 (1) of the Constitution and Standing Order No.225 (2) (b). The House then referred this matter jointly to the two committees pursuant to Standing Order No.227.

In the course of considering the petition, the Joint Committee held several meetings including one with the Cabinet Secretary Ministry of Lands and Physical Planning, Ms. Farida Karoney and the Chief Administrative Secretary Ministry of Environment and Forestry Hon. Mohammed Elmi on 28th August, 2018. During the meeting, the Cabinet Secretary Ms.

Karoney, informed the Committee that a Cabinet Meeting held on 22nd November, 2016 had acceded to the degazettement of 4,647 hectares of Mt. Elgon Forest Reserve.

Further, the Committee received submissions from stakeholders including; Ogiek /Dorobo Council of Elders, Chepkitale Indigenous People Development Project and several individual citizens.

Field Visits

The joint committee further undertook field visits to Mt. Elgon in Bungoma County on Friday 21st September, 2018 and Saturday 22nd September, 2018. During the field visits, the Committee observed that insecurity and inter-clan clashes in Chepyuk Settlement Scheme were aggravated by land ownership issues. In the view of Hon. Members, degazettement of the section of the forest under review, would ensure clarity of ownership of land as a result help improve security in the area.



A lady representing women, contributes during public hearing by the joint Committee sitting at Chepyuk Settlement Scheme.

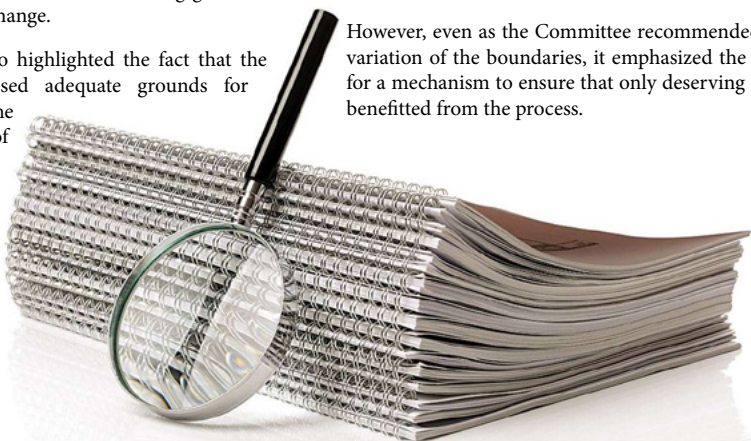
The Report

According to the Report, the residents of Chepkitala supported the degazettement of Chepyuk Phase II and III. However, they did not agree with the assertion by the Executive in the petition that Chepyuk II and III was intended to be exchange for the land in Chepkitala. They emphasized that Chepkitala was their ancestral land and therefore they were not ready to discuss issues around being given alternative land in exchange.

The Report also highlighted the fact that the petition disclosed adequate grounds for variations of the boundaries of Mt. Elgon Forest Reserve by 4,607 hectares given the security challenges associated with the land in Chepyuk.

Finally, the Committee observed that the Government had facilitated the due process for the degazettement sought by the petition. These include; conducting public participation, seeking approval from the Kenya Forestry Services (KFS) and conducting environmental impact assessment to ascertain that the process of degazettement would not negatively affect the environment.

However, even as the Committee recommended the variation of the boundaries, it emphasized the need for a mechanism to ensure that only deserving cases benefitted from the process.





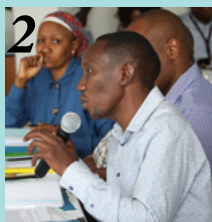
Pictorials



ABOVE : The Speaker of the National Assembly Hon. Justin Muturi is received at the Jordan Parliament by the Speaker of the Jordanian House of Representatives, H.E. Eng. Atef Al Tarawneh, who hosted him and his delegation comprising of Members of the House Presidium on a 3-day official visit. The two agreed to enhance close Parliamentary cooperation.

LEFT: The Speaker of the National Assembly Hon. Justin Muturi (right) introduces specially nominated MP, Hon. Dennitah Ghati to his Tanzanian National Assembly Counterpart, Rt. Hon. Job Ndugai (centre) and the Speaker of the Zanzibar House of Representatives, Rt Hon Zubeir Ali (left) on the sidelines of the 50th CPA Africa Conference in Zanzibar, Tanzania recently.





PIC MEETS COAST BASED PARASTATALS TOP BRASS OVER AUDIT QUERIES

Public Investments Committee while undertaking its mandate to examine the audited reports and accounts of the state corporations met in Mombasa with Mr. Bakari Gowa, MD Kenya Ferry Services, Mr. Mohamed Hassan Keinan MD Coast Development Authority and Mr. Jacob Torruitt CEO Coast Water Services Board in consideration of audited accounts of the state corporation.



The Committee chaired by Hon. Abdulswamad Sheriff Nassir is further empowered by Standing Order (206) to examine, in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

Further, Members of the Committee inspected Kenya Maritime Authority office building that is part of the blue economy infrastructure projects. The inspection visit follows queries raised by the Auditor General in his report that noted the significant variation by the contractor that had increased the cost of construction of the office building which when completed will be the hub for maritime activities and will host a number of new government agencies set up to deliver a sustainable blue economy.



- (1.) PIC Chairperson, Hon. Abdulswamad Nassir (right) when he led the Committee in the audit on Coast based parastatals. Looking on is Hon. Justus Kizito, a member of the Committee. (2.) Mr. Bakari Gowa MD Kenya Ferry Services
- (3.) Members of Public Investments Committee inspecting the stalled construction of Kenya Maritime Authority office building
- (4.) The Kenya Maritime Authority office building (5.) Mr. Mohamed Hassan Keinan MD Coast Development Authority
- (6.) Mr. Jacob Torruitt CEO Coast Water Services Board.



THE A SECTION OF THE LANDS COMMITTEE LED BY CHAIR HON. DR RACHEL NYAMAI UNDERTAKES A PUBLIC BARAZA IN KWALE COUNTY ON A PETITION REGARDING ILLEGAL ACQUISITION OF LAND IN KINANGO CONSTITUENCY.

1. The Committee Chairperson Hon. Nyamai addressing the baraza, looking on is the Vice Chair person, Hon Khatib Mwasheshtani, MP Lunga Lunga.

2. Committee Vice Chair person, Hon Khatib Mwasheshtani, MP Lunga Lunga, addressing the petitioners.

3. Committee Receives submissions from the People's Representative.

Hoja ya Utaratibu!

Our Standing Orders Will Soon be in Kiswahili

Many Kenyans may not know it, but there was a time when the National Assembly's language of proceedings was in Kiswahili. The first President of Kenya, Mzee Jomo Kenyatta, had communicated to the then Speaker Hon. Fred Mati that he wished the House would switch to debating in Kiswahili immediately. The directive was issued on Friday, 5th July 1974. And from Members' lips words such as hitilafu, msemaji, kanusho, sahihisho came forth. The Hansard- the Official Report of the National Assembly- had to be transcribed in Kiswahili.

Then this fizzled out along the way. But the flame has been rekindled.

The translation work

On February this year, the Clerk of the National Assembly, Mr. Michael Sialai, constituted a team of officers in the National Assembly to spearhead the translation of Standing Orders from English to Kiswahili. The team has developed a zero draft of the translation and is in the process of engaging language experts from the National Assembly of Tanzania and Baraza la Kiswahili Tanzania (BAKITA), identified by the Clerk of the National Assembly of Tanzania on request of the Clerk of the national Assembly of Kenya.

Once the translated version of the Standing Orders is finalised, the House Leadership and the Procedure and House Rules Committee will take it up and progress with it up and thereafter it will be published.

Kiswahili is a Constitutional issue

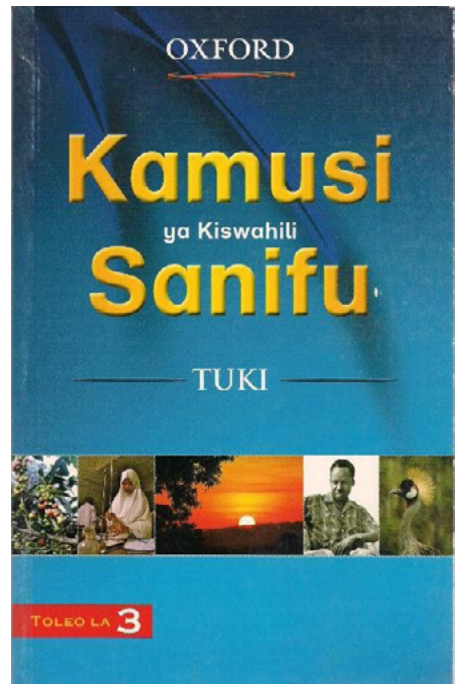
Article 7 of the Constitution states that the national language of the Republic is Kiswahili and names Kiswahili as one of the official languages of the Republic apart from English. In addition, article 120 of the Constitution states that the official languages of Parliament shall be Kiswahili, English and Kenyan Sign language, and the business of Parliament may be conducted in English, Kiswahili and Kenyan Sign language. The House's Standing Orders provide that all proceedings of the House shall be conducted in Kiswahili, English or in Kenyan Sign Language.

It was also based on these constitutional imperatives

and the House's rules of procedure— and a step in a long journey to realize what the Constitution requires— that the Clerk has been passionate about the project. The translated Standing Orders will also be a good reference tool for Members who would wish to debate in Kiswahili.

Most importantly, Kiswahili has been in good news lately. In August 2019, President Hage Geingob of Namibia, the outgoing Chairperson of the Southern African Development Community (SADC), announced that Kiswahili will be one of the official languages in the SADC bloc.

Hopefully, the House may repeat history and debate in Kiswahili— just like on 5th July 1974. The flame has been rekindled.



You might want to trace your 'Kamusi' to refresh your Kiswahili

Lands Committee Set to Vet Nominees to The Second National Land Commission.

The National Assembly's Departmental Committee on Lands; chaired by Kitui South Member of Parliament Hon. Dr. Rachel Nyamai; is scheduled to kick off the process of vetting nominees to the Second National Land Commission since the promulgation of the Constitution of Kenya, 2010.. This process follows a recent Communication from H.E President Uhuru Kenyatta to the National Assembly Speaker Hon. Justin B. Muturi, nominating nine Members to the Commission.

The all crucial process will serve to allay fears that the Commission was grinding into a crisis following a leadership gap created by the expiry of the term of

office of former Commissioners early this year. Since then, Kenyans have been eager to have new hands at the helm of the Commission, which upon establishment was expected to professionalise the management of public land through accountable and transparent mechanisms.

To be considered for the position of Chairperson of the NLC is lawyer Gershom Otachi, who if approved by Parliament, will lead the Commission a one-term Six years in office. Mr. Otachi has 28 years' experience as a lawyer, and has a vast experience in public service, Land disputes' resolution, as well as international criminal law.

N.I.C NOMINEES		
NOMINEE	POSITION	PROFESSION/ EXPERIENCE
Gershom Otachi Bw'Omanwa	Chair Person	<ul style="list-style-type: none"> i. Has practiced as a lawyer for 27 years. ii. Was the chairperson of Policy Holders' Compensation Fund from January 2014 to April 2015. iii. Is the chairperson of the Geothermal Development Company from 2015 to date
Esther Murugi Mathenge	Commissioner	<ul style="list-style-type: none"> i. Has an MBA in Global Business & Sustainability. ii. Was the Minister for Gender and Children from 2008 to 2010. iii. Was the Minister for Special Programmes from 2010 to 2013.
Samwel Kazungu Kambi	Commissioner	<ul style="list-style-type: none"> i. Ongoing PhD in Finance and has an MBA in Strategic management and Finance. ii. Cabinet Secretary for Labour, Social Security and Services from May, 2013 to November, 2015.
Prof. James K. Tuitoeke	Commissioner	<ul style="list-style-type: none"> i. Has a PhD in Animal Nutrition and Livestock Production. ii. Was the Vice Chancellor of Egerton University from January 2006 to January 2016.
Alister M. Murimi	Commissioner	<ul style="list-style-type: none"> i. Has an MBA in Construction & Real Estate and a B.A in Land Economics. ii. He is a registered Land Valuer, & member of the Institution of Surveyors of Kenya.

N.I.C NOMINEES

NOMINEE	POSITION	PROFESSION/ EXPERIENCE
Reginald Okumu	Commissioner	<ul style="list-style-type: none"> i. Has an MBA in Valuation and Property Management and a B.A in Land Economics. ii. He is the Chief Executive Officer of Solum Consultants Ltd. iii. He was the acting Chief Operating Officer of Superior Homes Kenya PLC in 2018.
Tiya Galgalo Ali	Commissioner	<ul style="list-style-type: none"> i. Has a M.Ed in Administration and Planning. ii. Was the CEC of Public Service & County Administration in Isiolo County. iii. Was the Woman Representative for Isiolo County from 2013 to 2017. iv. Was a Member of the Interim Independent Electoral Commission. v. Was a Member of the Commission on Gender and Development from 2004 to 2009.
Hubbie Hussein Al-Haji	Commissioner	<ul style="list-style-type: none"> i. Has a B.A in Development Studies. ii. Was the CEC for Agriculture, Livestock & Fisheries in Garissa County from 2013 to 2014. iii. Was the CEC for Health in Garissa County from 2015 to 2016. iv. Was the Founder/Executive Director of Woman-Kind Kenya from 2008 to 2013
Gertrude Nguku	Commissioner	<ul style="list-style-type: none"> i. Has an M.A in Advanced Studies in Peace and Conflict Studies and an LLB. ii. Is a Legal and Judicial Security Reform Advisor for UN Peacekeeping Missions Operations.

The Committee on Lands is mandated to inform the public of these nominations, and seek any concerns members of the public may have on any of the nominees. The committee will thereafter, conduct approval hearings on each of the nominees and prepare a report on the suitability of each candidate, to be tabled before the National Assembly for debate.

In the report, they shall include recommendations as the Committee may consider necessary, whether to approve or not.

The National Land Commission of Kenya is an independent government commission, established from a Provision of the Constitution of Kenya to, amongst other things: manage public land on behalf of the national and county governments, initiate investigations into present or historical land injustices and recommend appropriate redress, and to monitor and

have oversight responsibilities over land use planning throughout the country. The desire for the establishment of the commission was borne out of the need to address historical injustice with regard to the management of public land.



Social Welfare Committee Set to Review Legislation on Children Welfare



The Departmental Committee on Labour and Social Welfare is undertaking the review of various legislation in partnership with the Ministry of Labour to safeguard the interests of children in the country through ensuring the rights and welfare of children by fast tracking amendments to the Children's Act 2001.

In an undertaking on the floor of the House before the House adjourned for the long recess, the Chairperson of the Committee Hon. Ali Wario informed the Assembly that the Members of the Committee were concerned with the alarming rise of human trafficking cases particularly the trafficking of vulnerable children, and has engaged the State Department on Social Protection in reforms. "Currently there is a piloting program on transitioning of institutional care of children to family based care in Kisumu, Nyamira and Kiambu counties. These reforms are geared to strengthen family based care as opposed to institutional care of vulnerable children", said Hon. Wario in a statement on the floor of the National Assembly while responding to a question by Hon. Ms. Esther Passaris.

The House was further informed that Kenya is a signatory to the regional and international Legal Frameworks and instruments – Africa Charter on the Rights and Welfare of the Child and United Nations Conventions on the Rights of the Child that obligates states to take appropriate measures to safeguard the rights of children and submits periodic reports on the same.

Hon. Wario Ali assured the House that the Ministry has issued moratorium on inter-county adoption and the registration of new Charitable Children's Institutions to prevent child trafficking an abuse and further revealed that the Committee is continuously engaging the Ministry in the development of the National Plan of Action on Children and National Children Policy to enhance child protection by the Ministry.

"Furthermore, the Committee is appraised of the Charitable Children Institutions Regulations, 2004 and Adoption Regulations, 2005 which form part of the framework to enhance Child protection in the Country", Hon. Wario noted.

Finance Committee Objects the Proposed Acquisition of NBK BY KCB



The Departmental Committee on Finance and National Planning has declined the recommended acquisition of National Bank of Kenya (NBK) by Kenya Commercial Bank (KCB). This follows an inquiry which arose from a request for a Statement by the Member for Nyatike Constituency, Hon. Tom Odege. In carrying out the inquiry, the Committee considered opinions from various stakeholders including the National Treasury, the Central Bank of Kenya (CBK), the Competition Authority of Kenya (CAK), the Capital Markets Authority (CMA), the Board and Management of the National Bank of Kenya (NBK) and the Board of Trustees of the National Social Securities Fund (NSSF).

In place of the recommended take over, the Committee has recommended that the National Treasury seeks alternative ways of funding NBK to ensure that the Bank is compliant with the Banking Act capital ratios so as to continue lending and taking more deposits. The Committee view was informed by the fact that there was need to safeguard the interests

of workers, taxpayers and also the minority shareholders. The Principal Shareholders of the National Bank are the National Treasury and National Social Security. Further, the Committee recommended that the National Bank of Kenya should pursue the rights issue in order to raise more capital.

According to the Committee Report tabled in the House, the Committee established that NBK had registered a declining financial performance from 2016 resulting to the decline of Core capital from Kshs. 10 billion as at 31st December, 2016 to Kshs. 2 billion as at 31st March, 2019. Further, the total asset base had declined from Kshs. 115 billion as at 31st December, 2016 to Kshs. 105 billion as at 31st March, 2019.

The Committee further observed that the bank's core capital to total risk-weighted-assets had declined from 11.3% as at 31st December, 2016 to 2.4% as at 31st March, 2019 below the statutory minimum of 10.5%, while the bank's total capital to total risk-weighted-assets ratio declined from 11.9% as at

December, 2016 to 3.8% as at 31st March, 2019 below the statutory minimum of 14.5%.

As such, NBK had therefore violated provisions of the Banking Act particularly with respect to its capital ratios. This capital base did not allow it to undertake further deposit mobilization and lending.

It was reported that the take-over process had been initiated by KCB in accordance with the Capital Markets (Take-overs and Mergers) Regulations, 2002. KCB announced its intention to take over NBK on 19th April, 2019 by way of a press notice. Under the said Regulations, any other bidder was free to make their own offer prior to the completion of the process. This would be taken as a competing bid. The Regulations require a competing bid to be lodged at least ten business days before the expiry of the offer acceptance period. In this case, the acceptance period was between 6th August and 17th September, 2019, after which any other party could offer a competing bid.

From the offer document in respect of the takeover scheme submitted by KCB (offeror) to NBK (offeree), the Committee was informed that the consideration of the acquisition was to be satisfied in whole by way of share swap of one (1) KCB share for every ten (10) NBK shares.. The legislators noted that the value was to be determined by NBK's Volume Weighted Average Price (VWAP) of one NBK Share on the NSE for the 180 days up to and including 16th April, 2019, (the date before the approval of the proposed offer by the KCB Board). Further, additional historical information on the performance of both KCB and NBK shares on the NSE was to be considered prior to the Offer.

The report notes that pursuant to Regulation 10 of the Capital Markets (Take-overs and Mergers) Regulation, 2002, the Board of the NBK had appointed

Standard Investment Bank (SIB) as the independent transaction advisor. The transaction advisor was expected to prepare a fair opinion on the financial adequacy of the offer by KCB, for use by the Board of Directors of NBK and subsequent transmittal to the shareholders of NBK.

According to the Committee Report, SIB considered several approaches in determining the true value and pricing. The approaches included the Dividend Discount Method (DDM), the Relative Valuation Approach, the Asset Based Approach (Net Assets Value (NAV) Multiples Method) and Historical Trading Prices. Utilising a combination of the DDM, Net Assets Value Multiples and Trading Price, the Fair Value of the Bank was determined at Kshs. 9 billion compared to the offer bid given by KCB of Kshs. 6 billion. The fair share price was valued at Kshs. 6.1 compared to Kshs. 3.801 given by KCB.

From the inquiry, the Committee held the view that NBK was a strong bank with 86 branches across the country. The main challenge facing the bank was core capital to Total Risk Weighted Asset Ratio (2.4%) which was below the minimum statutory requirement of 10.5%. In addition, the total capital to Total Risk Weighted Asset ratio was at 3.8% against a statutory requirement of 14.5% in terms of core capital to deposit ratio, the bank was operating at 2.2% against a minimum prudential limit of 8%. The scenario curtailed the bank from lending and taking more deposits. As far as liquidity ratios were concerned, NBK was performing well at 40.4% compared to KCB which was at 35.6%.

The Committee also expressed the need to safeguard public funds given that the principal shareholders of NBK were the National Treasury (22.5%) and National Social Security Fund (48.05%), making a total shareholding of 70.55%. KCB gave an offer bid per share price of Kshs. 3.801 and the total value of NBK at Kshs. 6 billion against an independent valuation of per share price of Kshs. 6.1 and a total value of Kshs. 9 billion. Therefore, the offer given by KCB did not reflect the fair value of NBK and would have led to a loss of public funds.

In addition, the committee in making its recommendation was guided by the facts that there was no competing bid by the time the Committee was through with the investigation and that NBK was the principal collector of revenue on behalf of Kenya Revenue Authority hence it was a strategic institution of the Government.



“The Committee ... expressed the need to safeguard public funds given that the principal shareholders of NBK were the National Treasury (22.5%) and National Social Security Fund (48.05%), making a total shareholding of 70.55%.”

Status Of National Assembly Bills Introduced in the Third Session February 2019 – August 2019

KEY	ACTIVE BILLS IN PROGRESS					
	1st Reading	Awaiting 2nd Reading	Second Reading	Committee Stage	Report Stage	Third Reading
	INACTIVE BILLS					
	LOST			PASSED		

S/N	BILL	SPONSOR	STATUS
1	The Law of Contract (Amendment) Bill (National Assembly Bill No. 1 of 2019)	Hon. Francis M. Waititu	Awaiting committee of the whole House
2	The Livestock & Livestock Products Marketing Board Bill, (National Assembly Bill No. 2 of 2019)	Hon. Bashir Abdullahi	Awaiting Second reading
3	The Institute of Directors of Kenya Bill, (National Assembly Bill No. 3 of 2019)	Hon. Chrisanthus Wamalwa	Second reading ongoing
4	The Industrial Training (Amendment) Bill, (National Assembly Bill No. 4 of 2019)	Hon. Jude Njomo	Awaiting Second reading
5	The National Hospital Insurance Fund (Amendment) Bill, (National Assembly Bill No. 5 of 2019)	Hon. Emmanuel Wangwe	Awaiting Second reading
6	The Anti-Corruption & Economic Crimes (Amendment) Bill, (National Assembly Bill No. 6 of 2019)	Hon. Ndindi Nyoro	Second reading ongoing
7	The Narcotic Drugs and Psychotropic Substances (Control) (Amendment), Bill, (National Assembly Bill No. 7 of 2019)	Hon. Mohamed Ali Mohamed,	Awaiting Second reading
8	The National Youth Council (Amendment) Bill, (National Assembly Bill No. 8 of 2019)	Hon. Gideon Keter	Awaiting Second reading
9	The Higher Education Loans Board (Amendment) Bill, (National Assembly Bill No. 9 of 2019)	Hon. Ruweida Mohamed Obo	Awaiting Second reading
10	The National Disaster Management Authority Bill, (National Assembly Bill No. 10 of 2019)	Hon. Kimani Ichung'wah	Awaiting Second reading
11	The Division of Revenue Bill (National Assembly Bill No. 11 of 2019)	Chairperson, Budget & Appropriations Committee	Lost at Mediation
12	The National Cohesion and Integration (Amendment) Bill, (National Assembly Bill No. 12 of 2019)	Chairperson, Committee on National Cohesion & Equal Opportunity	Passed on 9/5/2019
13	The Statutory Instruments (Amendment) Bill, (National Assembly Bill No. 13 of 2019)	Hon. Muturi Kigano	Awaiting Second reading
14	The Public Order (Amendment) Bill, (National Assembly Bill No. 14 of 2019)	Hon. Simon King'ara	Awaiting Second reading
15	The Employment (Amendment) Bill, (National Assembly Bill No. 15 of 2019)	Hon. Martha Wangari	Second reading ongoing
16	The National Government Constituencies Development Fund (Amendment) Bill, (National Assembly Bill No. 16 of 2019)	Hon. (Dr.) Makali Mulu	Awaiting Second reading
17	The Public Service (Values and Principles) (Amendment) Bill, (National Assembly Bill No. 17 of 2019)	Hon. Andrew Mwadime	Awaiting Second reading
18	The Labour Relations (Amendment) Bill, (National Assembly Bill No. 18 of 2019)	Hon. Kimani Ichung'wah	Awaiting Second reading

19	The Constitution of Kenya (Amendment) Bill, (National Assembly Bill No. 19 of 2019)	Hon. Florence Mutua	Awaiting Second reading
20	The Statute Law (Miscellaneous Amendments) Bill, (National Assembly Bill No. 21 of 2019)	Leader of the Majority Party	First reading; 3/4/2019
21	The Public Finance Management (Amendment) Bill, (National Assembly Bill No. 22 of 2019)	Hon. Kimani Ichung'wah	Awaiting Second reading
22	The Sectional Properties Bill, (National Assembly Bill No. 23 of 2019)	Leader of the Majority Party	Second reading ongoing
23	The Independent Electoral and Boundaries Commission (Amendment) Bill, (National Assembly Bill No. 24 of 2019)	Hon. Jude Njomo	Awaiting Second reading
24	The Crops (Amendment) Bill, (National Assembly Bill No. 25 of 2019)	Hon. Tandaza Kassim	Awaiting Second reading
25	The National Drought Management Authority (Amendment) Bill, (National Assembly Bill No. 26 of 2019)	Leader of the Majority Party	Committee Stage - 08/08/2019 (ongoing)
26	The Public Service Commission (Amendment) Bill, (National Assembly Bill No. 27 of 2019)	Hon. Benjamin Gathiru Mwangi	Awaiting Second reading
27	The Traffic (Amendment) Bill, (National Assembly Bill No. 28 of 2019)	Hon. Jude Njomo	Awaiting Second reading
28	The County Governments' Retirement Scheme Bill, (National Assembly Bill No. 29 of 2019)	Hon. Chachu Ganya	Awaiting Second reading
29	The Independent Electoral and Boundaries Commission (Amendment) (No. 2) Bill, (National Assembly Bill No. 30 of 2019)	Chairperson, Constitutional Implementation Oversight Committee	Awaiting Second reading
30	The Kenya Food and Drugs Authority Bill, (National Assembly Bill No. 31 of 2019)	Hon. (Dr.) Robert Pukose	Awaiting Second reading
31	The Crops (Amendment) (No.2) Bill, (National Assembly Bill No. 32 of 2019)	Hon. Moses Kuria	Awaiting Second reading
32	The Kenya Institute of Curriculum Development (Amendment) Bill,	Hon. Joyce Emanikor	Awaiting Second reading
33	The Assisted Reproductive Technology Bill, (National Assembly Bill No. 34 of 2019)	Hon. Millie Odhiambo Mabona	Awaiting Second reading
34	The Independent Electoral and Boundaries Commission (No.3) Bill, (National Assembly Bill No. 35 of 2019)	Chairperson, Departmental Committee on Justice & Legal Affairs	Awaiting Committee stage
35	The Public and Asset Disposal (Amendment) Bill, (National Assembly Bill No. 36 of 2019)	Hon. Rigathi Gachagua	Awaiting Second reading
36	The Statistics (Amendment) Bill, (National Assembly Bill No. 37 of 2019)	Leader of the Majority Party	Passed
37	The Gaming Bill, (National Assembly Bill No. 38 of 2019)	Chairperson, Departmental Committee on Sports, Culture & Tourism	Awaiting Second reading
38	The Constitution of Kenya (Amendment) (No.2) Bill, (National Assembly Bill No. 40 of 2019)	Hon. George Kariuki GK	Awaiting Second reading
39	The Supplementary Appropriation Bill, (National Assembly Bill No. 41 of 2019)	Chairperson, Budget & Appropriations Committee	Passed
40	The Kenya Uwezo Fund Bill, (National Assembly Bill No. 42 of 2019)	Hon. Kangogo Bowen	Awaiting Second reading
41	The Equalization Fund Bill, (National Assembly Bill No. 43 of 2019)	Hon. Kassait Kamket	Awaiting Second reading
42	The Data Protection Bill (National Assembly Bill No. 44 of 2019)	Leader of the Majority Party	Awaiting Second reading
43	The Parliamentary Pensions (Amendment) Bill,	Hon. John Mbadi	Awaiting Second reading

44	The Appropriation Bill, (National Assembly Bill No. 46 of 2019)	Chairperson, Budget & Appropriations Committee	Passed – 26.06.2019
45	The Radiographers Bill, (National Assembly Bill No. 47 of 2019)	Hon. Sabina Chege	Awaiting First reading
46	The Public Finance Management (Amendment) Bill, (National Assembly Bill No. 48 of 2019)	Hon. Alexander Kosgey	Awaiting Second reading
47	The Competition (Amendment) Bill, (National Assembly Bill No. 49 of 2019)	Leader of the Majority Party	Awaiting Second reading
48	The Insurance (Amendment) Bill, (National Assembly Bill No. 50 of 2019)	Leader of the Majority Party	Awaiting Second reading
49	The Finance Bill, (National Assembly Bill No. 51 of 2019)	Chairperson, Departmental Committee on Finance and National Planning	Awaiting Second reading
50	The Representation of Special Interest Groups Laws (Amendment) Bill, (National Assembly Bill No. 52 of 2019)	Chairperson, Constitutional Implementation Oversight Committee	Awaiting Second reading
51	The Constitution of Kenya (Amendment) (No.3) Bill, (National Assembly Bill No. 53 of 2019)	Hon. Gladys Boss Shollei	Awaiting Second reading
52	The Land (Amendment) Bill, (National Assembly Bill No. 54 of 2019)	Hon. Simon King'ara	Awaiting Second reading
53	The Banking (Amendment) Bill, (National Assembly Bill No. 55 of 2019)	Hon. Jude Njomo	Awaiting Second reading
54	The Parliamentary Pensions (Amendment) (No. 2) Bill, (National Assembly Bill No. 56 of 2019)	Hon. Wangari Mwaniki	Awaiting Second reading
55	The Parliamentary Pensions (Amendment) (No. 3) Bill, (National Assembly Bill No. 57 of 2019)	Hon. Andrew Mwadime, MP	Awaiting Second reading
56	The Division of Revenue No. 2 Bill (National Assembly Bill No. 59 of 2019)	Chairperson, Budget & Appropriations Committee	Under Mediation
57	The Refugees Bill, (National Assembly Bill No. 62 of 2019)	Leader of the Majority Party	Awaiting First reading
58	The Public Finance Management (Amendment) Bill, (National Assembly Bill No. 63 of 2019)	Chairperson, Budget & Appropriations Committee	Awaiting Second reading



STATUS OF MOTIONS

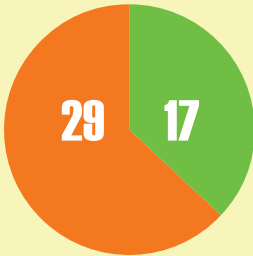
In carrying out its legislative and representative roles, the National Assembly considers and deliberates on various matters of concern by way of motions which culminate in House resolutions if adopted. During the period between February and August 2019, a total of 116 motions were introduced in the National Assembly. Of these, 90 were considered and adopted, 3 were negative whereas 23 are awaiting debate. A monthly breakdown of the status is shown in Charts 1, 2 & 3 below –

Motions Introduced

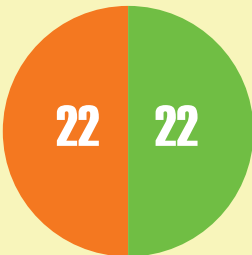
Motions Negative

Motions Adopted

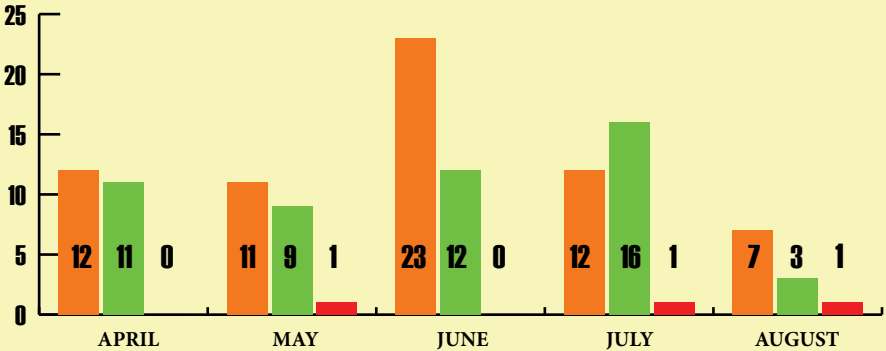
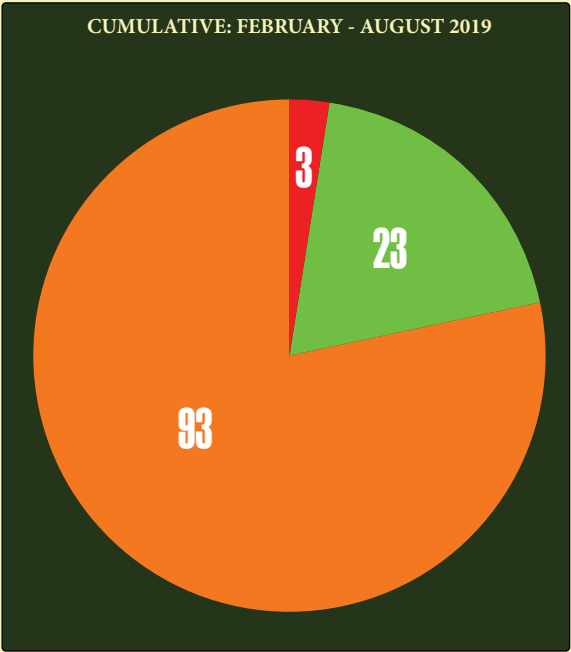
FEBRUARY 2019



MARCH 2019



CUMULATIVE: FEBRUARY - AUGUST 2019



Status of Petitions

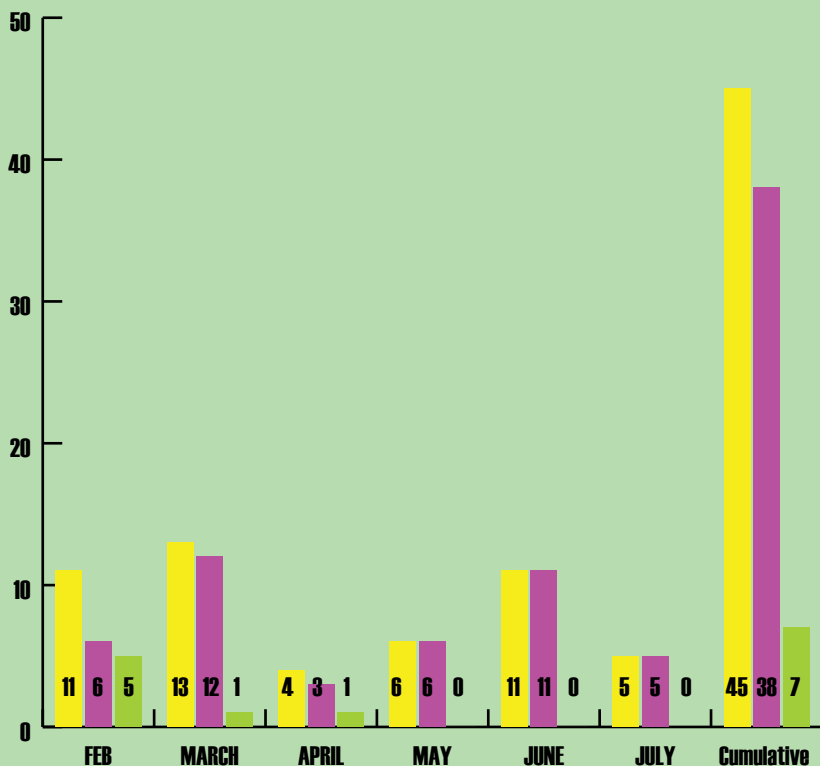
A Petition refers to a written prayer to Parliament under Article 119 of the Constitution of Kenya to consider any matter within its authority, including enacting, amending or repealing any legislation. The National Assembly also receives petitions for removal of members of constitutional commission and holders of independent offices under Article 251 of the Constitution. Petitions to the National Assembly are guided by the Constitution, the Petition to Parliament (Procedure) Act, 2012 and the National Assembly Standing Orders. Petitions submitted to the Clerk of the National Assembly are reported to the House by the Speaker once approved. Members of Parliament also present petitions on behalf of petitioners.

Since February 2019, the National Assembly has received a total of fifty (50) petitions. Of these, seven (7) have been conclude while the remainder are at different stages of consideration. This is shown in Chart 1 below

Petitions received

Petitions under consideration

Concluded Petitions







Published by:

The Clerk of The National Assembly
Parliament Buildings,
PO Box 41842 - 00100,
Nairobi, Kenya.

Email: clerk@parliament.go.ke
Tel: (254-2) 222 12 91 or 284 80 00
Fax: (254-2) 224 36 94
Website: www.parliament.go.ke