

**PARLIAMENT OF KENYA**  
**THE NATIONAL ASSEMBLY**

**THE HANSARD**

**Tuesday, 29<sup>th</sup> June 2021**

The House met at 7.00 p.m.

*[The Deputy Speaker (Hon. Moses Cheboi) in the Chair]*

**PRAYERS**

**Hon. Deputy Speaker:** Hon. Members, we need three more Members and we shall start business. Whip of the Majority Party.

*(Several Members walked into the Chamber)*

There we are. We did not have Quorum. We were less by three Members and luckily we have just managed without ringing the Bell. So, let us have business starting.

**PAPER LAID**

**Hon. Deputy Speaker:** Under this Order we have the Chairperson of the Departmental Committee on Agriculture and Livestock.

**Hon. Silas Tiren** (Moiben, JP): Thank you, Hon. Deputy Speaker. I beg to lay the following Paper on the Table of the House:

A Report of the Departmental Committee on Agriculture and Livestock, on its consideration of the Sugar Bill (National Assembly Bill No. 68, of 2019).

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

**BILLS**

*Second Readings*

**THE IMPEACHMENT PROCEDURE BILL**

**Hon. Deputy Speaker:** I think the Mover of this Bill is not in. So, we will go to the next Order.

*(Bill deferred)*

## THE NATIONAL COHESION AND PEACE BUILDING BILL

**Hon. Deputy Speaker:** Do we have the Mover of this one? Also, I do not think so. Let us confirm. I have also confirmed that the Mover of this Bill is absent. So, we will have to move to the next.

*(Bill deferred)*

What is your point of order, Hon. Sankok?

**Hon. David ole Sankok** (Nominated, JP): Hon. Deputy Speaker, I think we should name and shame those who are missing. We, all the Hon. Members, cannot come here for nothing. We have just got Quorum even without ringing the Quorum Bell, yet Chairmen and Vice Chairs of Committees are missing. These two are supposed to be moved by the Chairman and the Vice Chairs. Like for the National Cohesion and Peace Building Bill, it is supposed to be moved by the Chairman of the Committee on National Cohesion and Equal Opportunity in which I was kicked out after only two months. These guys who are missing should be named and shamed so that the country knows them. They do not attend sessions, yet they are paid but are not here. I also want you to ask Hon. Mbadi to produce Hon. Junet. He has been missing in action for the past one week. He should produce him, dead or alive. I am missing him.

**Hon. Deputy Speaker:** Nominee 001, the Hon. Sankok, you have raised two different issues, actually three. The first one is the fact that the Mover is absent. Now, I cannot name or shame him for now because I have to get the good reason because, like for the Chair in this Committee, I am aware he is out on official duties. Therefore, I cannot name or shame him. But, I want to know the reason they are not here or have delegated. The second issue, of course, is the fact that you were kicked out of the Committee. That is the lamentation I hear from you. There is absolutely nothing I can do about that. That is a done deal. It has happened. Now we need to move forward.

Now, the third one is the *habeas corpus* application. I do not know whether you understand that one, Hon. Sankok? That basically means “produce the body”. So, you are saying that the Leader of the Minority Party should produce the Hon. Junet, alive or otherwise. I do not know the real reason. You had brought it very well but. I realise the only problem was eventually about you missing him. That makes it a bit difficult. I do not think I am going to act on that.

What is your point of order, Leader of the Minority Party?

**Hon. John Mbadi** (Suba South, ODM): Thank you, Hon. Deputy Speaker. Hon. Sankok had a serious point. But the way he sometimes prosecutes his points or the delivery, I do not want to say; it is wanting and has a lot of humour until we lose the substance of what was supposed to be raised.

It is interesting that we have two Bills lined up for debate at the Second Reading and we are missing Movers in both cases. This is unusual. First, we have Chairs and Vice Chairs in every Committee. So, if the Chair is committed, the Vice Chair should be present. Actually, we have a tradition that Chairs and Vice Chairs do not go for the same trip. One of them should remain behind to move the Motion. If for whatever reason the Chair and the Vice-Chair would not be available and no other Member can move the Motion; the best thing to do is to alert the House Business Committee (HBC) so that the Motion is deferred to a later date. It is very untidy to find ourselves in this set-up. You could see the attendance is very high, a demonstration that Members are committed to this sitting. We are seated here while the Movers of Motions, who are Chairs of

Committees who earn responsibility and super sitting allowances, are absent. There is no excuse for this. A message must be sent through the Office of the Leader of the Majority Party and I can see the whip is here. The Chair of JLAC should know that and since the Vice-Chair is from my side, I am going to reprimand him. I will let him understand that both the Chair and the Vice-Chair have a responsibility.

Finally, the issue of Hon. Junet is very inaccurate. Hon. Sankok has not been given the responsibility of keeping records of those who come here. For us to be sure that someone has been absent from the House, we can only get the records. I know that Hon. Junet has other commitments but he also comes here once in a while at the right time to make his contribution. While he might not be sitting here a lot, he has a deputy and as you can see he is ably seated and very comfortable. Dr. Eseli is very calm and you might not even know that he is serving a third term. He is occupying the seat of the Whip and so it is not vacant.

Thank you, Deputy Speaker.

**Hon. Deputy Speaker:** We are taking too long on this matter. I will respond to a critical issue that has been raised by the Leader of the Minority Party. Hon. Nyoro, what is it?

**Hon. Ndindi Nyoro** (Kiharu, JP): Thank you, Hon. Deputy Speaker. I want to add my voice on this matter because we are making great sacrifices to come to the Evening Sitting. It is not tidy for the leadership of the two Committees to be absent at this time. I rise on a point to order to request you to establish where the breakdown is so that we can avert this in future, especially the aspect of communication between the HBC and the relevant Movers. More importantly is the role of the Whip, who should have known the business for this evening so that he can alert the relevant people so that we are not in this kind of quagmire.

**Hon. Deputy Speaker:** I will allow Hon. Wangwe and another Member to speak to this matter. Hon. Members, let us not look desperate for work because we already have a lot in our hands. Under the next item, both the Chair and the Vice-Chair are present and they have agreed that the Vice-Chair will move, and that means we have work. The particular people who will lose will be the Committee Chairs who were supposed to move this one because they will go down the ranking of when they get another opportunity to move their Bills. We are not losing much as a House because we have two other important Motions that we are going to canvass and work on. It is critical for the Chairs to know that when you have a matter before the House that you have to prosecute, you can approach the HBC if you know that you are not going to be available so that the slot is given to someone else. They should inform the House in good time so that we can appropriately re-arrange the Order Paper. There is nothing much that we have lost. I will make sure that the Leader of the Majority Party gets to know the reason for their absence. The Chairman of the National Cohesion and Equal Opportunity Committee, Hon. Kamanda has leave of the Speaker to be absent. We will follow up to ensure that we generally prosecute issues without any hitch.

Let me start with Hon. Pukose and then Hon. Wangwe. Let us not take a lot of time on a matter that will consume the precious time of the House.

Hon. (Dr.) Pukose, what is it?

**Hon. (Dr.) Robert Pukose** (Endebess, JP): Hon. Deputy Speaker, the de facto Speaker has raised the issue of Chairs and Vice-Chairs being absent in the House on several occasions and as the de jure Speaker...

**Hon. Deputy Speaker:** Hon. Pukose, the mixture of those two terms is confusing you.

**Hon. (Dr.) Robert Pukose** (Endebess, JP): The de jure and de facto?

**Hon. Deputy Speaker:** Yes. I would rather you use the medical terms because you are very familiar with them. If you go that direction...

*(Laughter)*

**Hon. (Dr.) Robert Pukose** (Endebess, JP): Thank you for that guidance. This matter has been raised before and it is time the House pronounced itself on it.

On the matter of Hon. Junet that has been raised by Hon. Sankok, you will note that he has been listed as not having a degree and so he might be reading to get one. We should also allow other Members who are reading for degrees to be away.

**Hon. Deputy Speaker:** Hon. Pukose, let us leave that one. We were dealing with a very substantial matter. Occasionally, you miss out in the House and we do not want to imagine you are doing a surgery because you are a surgeon. We do not need to go that direction. Hon. Wamalwa.

**Hon. (Dr.) Chris Wamalwa** (Kiminini, FORD-K): Hon. Deputy Speaker, this is very embarrassing. I was discussing with some Members that the Evening Sitting is very popular because when you said we were short of three Members, before the bell was rung, Members were already here. We have been let down by Chairs and the respective Committee Members should start proceedings to replace them. Our Standing Orders are clear. We should not entertain this trend. Some of us, with young families, are supposed to be home but we have sacrificed to be here.

**Hon. Deputy Speaker:** What should you be doing at home?

**Hon. (Dr.) Chris Wamalwa** (Kiminini, FORD-K): Any Member in a Committee on a matter like this one shows that they do not have confidence in that leadership. Majority of the Chairs of these Committees were not voted for. We need people who can be trusted.

**Hon. Deputy Speaker:** Hon. (Dr.) Wamalwa, we could have issues if we knew that they are absent for unreasonable causes. Once in a while, every Member here is out on official duties and we really cannot crucify these Members. We are not lacking anything to do because we have a lot in our hands. Let us not go that direction. I will allow the Majority Whip to say something before I make a decision.

**Hon. Emmanuel Wangwe** (Navakholo, JP): Thank you very much, Hon. Deputy Speaker. I want to speak with a lot of assumption that my colleagues who are Chairs are not IT challenged, because everyone got the Order Paper as early as yesterday. The information Hon. Ndindi Nyoro has shared on this Floor that the Whip is supposed to whip Members to read on a computer is purely misleading the country. By the fact that Parliament has provided IT solutions, everyone should know where he is supposed to be 24 hours in advance. Therefore, I want to call upon you, Hon. Deputy Speaker, in your capacity as the Chair of the Liaison Committee to take it up and inform the Chairs that what they are doing is messing up the House by not being available. If they are not going to be present, let the Vice-Chairs take responsibility. If not, any member of a Committee can prosecute a matter on the Floor. Therefore, on my part I will do what is possible to make sure that Chairs do what is supposed to be done. On your side, Hon. Deputy Speaker, do the necessary.

Thank you, Hon. Deputy Speaker.

**Hon. Deputy Speaker:** Well, I hear you. Only that, being a Majority Whip, quite a lot lies on your shoulder, including whipping Chairs to come to the House and do the needful. But, as you have put it well, I am going to ask the Liaison Committee to act. Much as I chair the Committee, I only do that when out of the Chamber. Here, I am the Speaker of today. We will make sure that

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this matter is dealt with in terms of coordination between the specific Chairs, their Clerk Assistants and the House Business Committee (HBC) and its Clerk Assistants and your office, so that we are able to know what business can be brought before the House to be transacted in light of the presence of those who are supposed to move the business. Otherwise, we will have to give them the benefit of doubt. Sometimes, really, there are issues that are beyond the control of the Chairs. We will make sure this matter is sorted out. It will not happen in future, I believe.

I see one Chair who wants to say something, but it is a matter we have concluded. I will give you an opportunity to get it from your side of the coin.

**Hon. (Ms.) Rachel Nyamai** (Kitui South, JP): Thank you, Hon. Deputy Speaker. I know that it is disappointing when Chairs do not appear, especially when they are required to move Motions. Apart from reading in our social media forums and everywhere else from where we are supposed to access information, I believe that it takes a very long process before a matter is presented on the Floor of this House, where the Office of the Clerk is involved and, this being a House of procedure, the Chair is prepared. In the absence of the Chair and Vice-Chair, any member of the Committee should take charge. When it is repeatedly said that Committee Chairs are not available, yet this afternoon most Chairs including myself, were here. So, as you have said, it is a matter of coordination and providing as much support as possible to the Chairs and Vice-Chairs and ensuring that by the time a matter is being presented, the Chair has been properly prepared. So, I believe there is a reason why these Chairs are not here. As you have committed, we will also communicate what has been said to them.

Thank you.

**Hon. Deputy Speaker:** Thank you. That matter is put to rest. We will go to the next order.

## MOTION

### ADOPTION OF REPORT ON INSPECTION OF REVENUE ENHANCEMENT INITIATIVES ON REVENUE COLLECTION

**Hon. Deputy Speaker:** I am informed that despite the fact that the Chair is around, the Vice-Chair is the one mandated to move this Motion. That is the Member for Roysambu.

**Hon. Isaac Ndirangu** (Roysambu, JP): Thank you, Hon. Deputy Speaker. I beg to move that this House adopts the report of the Departmental Committee on Finance and National Planning on the inspection visit to the Kenya Revenue Authority (KRA) offices to ascertain the impact of revenue enhancement initiatives on revenue collection, laid on the Table of the House on 26th November 2020.

The KRA was established by the Kenya Revenue Authority Act (Cap. 496) on 1st July 1995 for the purpose of enhancing mobilisation of government revenue while providing effective tax administration and sustainability in revenue collection. Before 1995, revenue collection functions of the government were distributed among at least five different Ministries and, as result, lacked coordination. Their performance was characterised by inefficiency and low levels of accountability. Therefore, the rationale behind the establishment of KRA arose from the need to enhance efficiency, transparency and accountability in this critical area of the public sector.

The main objective of KRA was to streamline public revenue collection function by bringing the relevant agencies under the umbrella of a central revenue agency under the Ministry of Finance. The Board and management of KRA have since its inception spent time and resources setting up systems, procedures and adoption of new strategies aimed at enhancing operational efficiency of the Authority's processes. In particular, the functions of KRA are to assess, collect and account for all revenues in accordance with the specified provisions of all revenue collection laws. The Authority is also mandated to give advice on all matters relating to administration and collection of revenue under specified provisions of all revenue collection laws. The Authority also performs such other functions related to revenue as the Cabinet Secretary for National Treasury may direct.

In fulfilling its mandate, KRA administers 17 revenue Acts, which Members of this House are familiar with. The Acts include VAT Act, EAC Customs Management Act, Income Tax Act, Customs and Excise Act and Traffic Act. KRA has continued to enlarge in size as well as the scope of its operations. Regarding organisation structure, KRA is composed of centralised and decentralised units located across the nation. The centralised units are situated at Times Tower in Nairobi. The jurisdiction of the decentralised units are geographically distributed across the country, in five physical regions; that is, Southern Region, Central Region, Rift Valley Region, Western Region and Northern Region. It is for this reason that KRA has been developing effective ways for revenue collection.

The advent of new instruments to help businesses work effectively, affect the ways taxes and revenues are collected. KRA has embarked on extensive implementation of various revenue collection strategies in its operations to significantly enhance revenue collection in all departments, implementation of innovative revenue collection strategies which are supposed to improve its organisational structure, train manpower, planning, developing teamwork among management and staff and to introduce new approaches to reward management and adoption of total quality management.

The ability to collect taxes is central to the country's capacity to finance social services such as health, education, critical infrastructure, electricity, roads and such other public resources. There have been several concerns raised with regard to the challenges affecting revenue efficiency, including rampant corruption involving tax evasion, illegal tax credits and theft of government tax revenue. Therefore, one of the mandates of the Departmental Committee on Finance and National Planning is to investigate, inquire into and report on all matters relating to the mandate and management activities, administration and operations and estimates of the assigned Ministries and Departments. KRA is one of the institutions that we oversight.

Hon. Deputy Speaker, the Committee allocated funds as follows to KRA for procurement of revenue enhancement initiatives: Kshs3.3 billion in the Supplementary Budget for the Financial Year 2018/2019 for revenue enhancement initiatives; Kshs3 billion in the Budget Estimates for the Financial Year 2019/2020 to implement the revenue enhancement initiatives that were projected to realise additional revenue of Kshs141 billion. There should be an additional funding of Kshs2 billion in the Supplementary Budget for the Financial Year 2019/2020, for funding of the recruitment of additional 1,000 officers countrywide in order to generate revenue, new additional revenue of Kshs50 billion.

Following those budgetary allocations and due to the COVID-19 pandemic, which has affected several sectors of the economy, the Committee resolved to undertake fact finding visits to KRA offices and its other satellite facilities, with the view to assess challenges affecting their ability to collect revenue optimally.

Hon. Deputy Speaker, the Committee undertook fact-finding visits to the Kenya Revenue Authority at Times Tower, their container depot at Jomo Kenyatta International Airport, the Port of Mombasa, Namanga and Busia One Stop Border Posts (OSBPs). These visits were undertaken between 23<sup>rd</sup> September 2020 and 10<sup>th</sup> October last year.

The objectives of the fact finding mission was to establish whether the programs that this House funded KRA to undertake were procured according to the budgetary allocation, assess the impact of reforms on revenue collection and find out whether additional revenue of Kshs191 billion was realised as had been earmarked, find out also the impact of COVID-19 on revenue collection, establish the impact of digitisation on revenue collection, and finally, establish challenges faced by KRA in the execution of their mandate.

Following the visits to those offices and the OSBPs, the Committee observed as follows: Revenue collection points installed with scanners collected more revenue compared to those without but with high traffic. For instance, the Malaba one stop border post which is busier than Namanga managed to collect revenue of Kshs2 billion in the Financial Year 2019/2020 compared to Namanga which collected Kshs4 billion in the same year. The difference is that the OSBP at Namanga has been installed with scanners.

Two, automation of systems has enhanced revenue collection by KRA as there is less human intervention and in any case, there is information sharing between regional offices and Times Tower Centralized Monitoring Center.

Among other observations is that KRA is understaffed with at least, 4,500 permanent and pensionable staff while 1,800 under contract terms. This understaffing has resulted in revenue underperformance due to inadequate staff complement posing a challenge on service delivery.

In the Malaba OSBP, we were dismayed to find out that they lack decent staff housing causing the staff to travel long distances to and from work which reduces their productivity and put them in an awkward position where they have to seek accommodation in houses owned by smugglers, thereby, compromising their integrity.

The Committee also observed that there was a huge potential revenue increase in the OSBPs if they are meant to operate for 24hours as this will ease doing business if there is no limitation of working hours because tenderers are able to import and export more. The 24-hour operation will also ease congestion as the operating hours would be flexible.

We observed that KRA has installed the Regional Electronic Cargo Tracking Seals (RECTS) where all containerised transit cargo and single customs territory goods from the port and excisable goods are tracked at RECTS. The installation of the cargo tracking system has greatly minimized cases of corruption and theft of goods on transit as there is less or no human intervention and thus improves efficiency due to real time information sharing. Before the RECTS programme, KRA was forced to escort trucks physically to ensure that they reach their destination and declared the goods. However, this cargo tracking devices are very few with the inland container depot having only 5,000. Lack of enough seals has created backlog at the port of Mombasa and hence the need to invest in additional RECTs.

The Committee also observed that lack of harmonization of tax on commodities between Kenya and her neighbours has encouraged smuggling of goods into the country, especially alcoholic and soft drinks. For instance, the excise duty payable on alcoholic and soft drinks in

Tanzania is relatively lower in comparison to the excise duty charged in Kenya. This has resulted in unscrupulous traders preferring to smuggle items through the long and porous Kenya-Tanzania border which is one of the longest border boundary in East Africa.

Hon. Deputy Speaker, the introduction of 10 per cent import duty on non-East African countries has resulted in the decrease in volumes of hardwood import in Kenya. This may lead to deforestation in the country and reduction of revenue. There is need to examine the Special Economic Zones (SEZs) Policy in Kenya and carry out a comparative study between our programs policy of SEZ and those of Uganda and Rwanda. There are reports of some businesses relocating to these two countries simply because of favourable policies and ease of doing business. If we hope to succeed, we need to do a comparative study between our duties and those of our neighbouring countries.

The cost of electricity for manufacturers in Kenya is high compared to Uganda which has lower prices for electricity. Indeed, we import part of our electricity from that country. So, manufacturing in our industrial zones makes products more expensive than those produced in our neighbouring countries. This could be seen by the increase in the number of manufactured products being imported from Uganda to Kenya e.g. tiles, steel bars and soft drinks which we import a lot from our neighbouring countries.

Hon. Deputy Speaker, we also observed that the Malaba One Stop Border Post (OSBP) was poorly defined with no parking space for trucks leading to long queues of trucks and the buildings housing the OSBP is dilapidated. The road is not paved and there was no standby generator in case of power failure. That border post had no clean water and the only reliable water was being pumped from River Malaba for use in sanitation. The contractor did not carry out feasibility study to assess whether there was a potential for drilling a borehole or water supply.

Hon. Deputy Speaker, I am happy to report that after our visit and after we highlighted these problems, the Malaba OSBP has already started to sink a borehole and the Kenya Revenue Authority (KRA) has provided the money. Kenya Ports Authority has 22 acres of unutilised land close to Malaba OSBP that can be utilised for parking of trucks. This will go a long way in easing traffic congestion. The road leading to Busia OSBP was narrow and dilapidated and this leads to long queues of trucks including those carrying explosive material posing a risk in case of an explosion given that there are no fire extinguishers in Busia County.

We also established that the speed boats used by the KRA for surveillance at the port of Mombasa and Shimoni are old and unable to effectively monitor illegal activities in the waters or even apprehend the tax evaders. All OSBPs did not have coolers in their warehouses hence goods stored awaiting clearance easily rot or expire. The long and porous border between Kenya, Tanzania and Uganda has continued to encourage smuggling as the multi-agency teams are – the cross border trade undermines revenue collection as the traders use the illegal and unmanned routes

Hon. Deputy Speaker, I will end my move there, but reiterate that we are happy that President Suluhu, while visiting Kenya promised to work with the Kenyan Government to ensure that a new border post is established between Namanga and Lake Victoria.

With those few remarks, I beg to move and invite my Hon. Chair to second. Welcome Hon. Wanga.

**Hon. Deputy Speaker:** There is no need to welcome her; I am giving her an opportunity to speak. That is a good thing. That is to say this is a Vice chair who has a lot of respect for the Chair. So, let us proceed.

Is the microphone okay? I think it is not working. I will give you another one. Use that other one there and see if it will enhance your voice.

**Hon. (Ms.) Gladys Wanga** (Homa Bay, CWR, ODM): Thank you, Hon. Deputy Speaker. I rise to second this Report of the Departmental Committee on Finance and National Planning on Optimisation of Revenue Collection Measures, by the Kenya Revenue Authority.

I thank the Hon. Vice Chairman of my Committee for ably moving this Report. As he highlighted, the Departmental Committee on Finance and National Planning took a tour of various revenue collection points to assess how effective the revenue optimisation measures that had been funded by the Committee have been working. Just last week, this House passed the Finance Bill. We also passed our Budget. We spoke a lot about how we were going to get revenue, who do you tax so that we get the revenue to top fund our budget. Some of the things we were looking at during this tour were how to optimise with the taxation measures that we already have and the taxation areas that we already have. How can we optimise revenue collection?

So, as the Vice Chair highlighted, we visited Jomo Kenyatta International Airport (JKIA), we visited Namanga, Malaba and Busia OSBPs and the Port of Mombasa to look at whether the revenue enhancement measures that had been put by KRA were working. What I can report is that if we focus on facilitating KRA properly, we can raise much more revenue even from the same tax sources than we are raising today. When for example we went to the JKIA, the scanner at the cargo area of JKIA was not working; it had broken down, meaning for every piece of cargo that comes, the KRA people at JKIA have to decide which packages to open to find out whether they were carrying what has been declared. That alone results in a lot of loss in revenue.

We went to Busia and Malaba OSBPs; both had no scanners on the Kenyan side. Uganda which raises only Kshs600 billion in terms of revenue annually had scanners. Kshs600 billion is what our customs department at KRA raises and yet that is what the entire Uganda Revenue Authority raises. They have scanners there but none on the Kenyan side. So what the Kenyan side does; a truck is scanned on the Ugandan side and the Kenyan side borrows pictures from the Ugandan side to confirm if what is being carried is what was declared. So, these are some of the issues that we are raising in our report. However, there is no reason why a much more superior economy like the Kenyan one should borrow images from Uganda.

This is how serious the issue of scanning is. If a lorry comes and they have Ethanol at the bottom, Ethanol is excised at around Kshs252 per litre; on top of the Ethanol somebody puts water melon or another product. So, when he is passing, if you do not have a scanner you will have to remove all the water melons and return them to discover if there is Ethanol at the bottom. However, if you have a scanner, it will show you that there is Ethanol at the bottom and water melon at the top and that truck will immediately be put aside and the person will be caught. If the truck driver knows there was a scanner, they are less likely to carry illicit goods, if they know there is no scanner.

So, some of the recommendations that we are making are that, in this financial year... This Report was done in the last financial year and the Committee on Finance made a lot of effort in trying to ensure that KRA gets funded for purchase of scanners. We thank the National Treasury because they actually gave the money for purchase of scanners, both for Malaba and Busia so that we can have scanners on our side, the KRA has tried. Right now, if you are at the Port of Mombasa, if a truck is scanned there, the images are immediately reflected in Nairobi and you cannot collude with anybody. The images in that truck are reflected in Nairobi and all over.

We are saying that we should look at staffing at KRA because for every one staff we hire there, every Kshs100 or Kshs100,000 you spend, we can raise Kshs100 million in terms of just sending a person to go and look for... If we hire 1,000 youths, we will have given them jobs and

at the same time, we will raise much more revenue. So, this is another recommendation that we are making.

The issues of our tax regime are leading to a lot of smuggling at our borders and we must deal with it. If you go to Busia, people are drinking beer and smoking *sigara* which they get from Uganda. This is because the taxes are too high.

**Hon. Deputy Speaker:** I must warn you that you have two minutes to go. I have just added you an extra minute.

**Hon. (Ms.) Gladys Wanga** (Homa Bay CWR, ODM): Thank you, Hon. Deputy Speaker. I want to finish by saying that we need to deal with the issue of our tax regime. When we went to our border with Uganda, we found plant and machinery going to Uganda. This means we are losing manufacturing to Uganda because they have a better taxation regime than us. We need to look at how to retain manufacturing in our special economic zones and enhance the tax incentives we give to our people.

Another thing we did is putting excise or import duty on imported timber and people stopped bringing timber from Congo and other places. Now deforestation is happening here as a result.

I want to thank the National Treasury because many things that have been pointed out have already been rectified. At the Malaba Border Post, we found leaking roofs and there was no water and already they have begun repairs. They have put money there even though there is traffic. If you are at the Malaba Border, traffic is in Ugunja. We are looking at how to raise resources to make a big parking so that trucks can park as processing is being done and we ensure efficiency of the processes. If we facilitate KRA, we are likely to raise much more revenue without squeezing Kenyans further.

Thank you, Hon. Deputy Speaker, I beg to second.

*(Question proposed)*

**Hon. Deputy Speaker:** Hon. Members, we will start with Hon. Atandi Onunga. He is absent. Hon. Osotsi.

**Hon. Godfrey Osotsi** (Nominated, ANC): Thank you, Hon. Deputy Speaker for giving me this opportunity to contribute to this very important Motion. I will start by thanking the Departmental Committee on Finance and National Planning for this very positive initiative of looking at ways of enhancing revenue. This is because every year we do the budgeting process and looking at the budgets, we seem to focus too much on the expenditure side with very little interest on how to generate more revenue.

I think the Departmental Committee on Finance and National Planning has done a good job. The Committee is now focusing on how to generate more money so that we can spend it on our various programmes. I think this is something that Parliament should put more effort in so that we reduce the burden on Kenyans as the Chairperson has said. This is in terms of reducing the taxes and other charges.

I had an opportunity of reading this Report. I wish more is done about the various issues the Committee has raised, so as to enhance revenue. I want to comment on the issue of there being 17 pieces of legislation on matters tax. I think we need to relook at them because it is one of the reasons, we are unable to generate more revenue. So, we can see whether or not those pieces of legislation are in tandem with the global trends in matters of tax legislation. There is also the issue of harmonisation of those laws with the rest of the countries in the East African Community (EAC).

This is because the Report has stated about excise duty on some of the products. You find in Tanzania, it is lower than here in Kenya and as a result, those products are expensive in Kenya but cheaper in Tanzania. So, this leads to smuggling and loss of revenue, particularly ethanol.

This is the case because the taxation regime on ethanol in this country is so high. We have companies that produce ethanol for example, Mumias Sugar Company. They cannot break even because the tax regime is so high. Therefore, traders smuggle ethanol from Tanzania and bring it here and the Kenya Government loses revenue.

The other issue is digitisation of KRA. We need to agree that computerisation of KRA has led to increase in revenue but, a lot more revenue can be generated if this digitisation is well managed.

I am aware because of my background in Information and Communications Technology that there is a lot of ICT fraud that must be looked into. It is good now that we have a law in place. We have the Computer Misuse and Cybercrime Act which recommends that certain systems must be declared critical systems infrastructure. Also, on the issue of human resource, on adequate staffing, we also need to look at this in KRA because if the staff are not motivated even if they are many, they will still have challenges of revenue collection.

Hon. Deputy Speaker, with those few remarks, I can see my time is up. I support.

**Hon. Deputy Speaker:** Okay. Next is Hon. Nyoro Ndindi. I am following the way requests have been made. I think there is no need of issues of balancing because it is straightforward.

**Hon. Ndindi Nyoro (Kiharu, JP):** Thank you, Hon. Deputy Speaker. I rise to contribute to this Report. At the outset, the recommendations of the Committee have fallen short of the real issues that are bedeviling the collection of revenue in our country.

When the Cabinet Secretary, National Treasury, read the Budget in this House, it was around Kshs3.6 trillion at a backdrop of collection or projection of revenue of just around Kshs2 trillion. This has been perpetual because every time we read a Budget, it is usually with a deficit of over a third in so far as the expenditure and revenues are concerned. This is an incomprehensible lack of fiscal prudence and a total departure from the reality in terms of our country and economy.

The recommendations by the Committee are just about wish-washing. We should go deep into the real issues that increase revenue collection in this country. As you know, this is the ambit of the Government and especially through KRA to collect revenues to fund public expenditure. Those monies come from somewhere. For many years, our KRA has always dug deeper to the same taxpayers without bothering, especially the Treasury in the fiscal side, on how to create more wealth for our country so that KRA can have a bigger base on where to collect taxes. There is no way you can own two cows and you want to increase the revenue from your milk and the yield of those two cows from maybe the 20 litres they produce now to maybe 200 litres. You have to add the number of cows for you to increase the size and the amount of milk and the yield that you get from those cows.

*[The Deputy Speaker  
(Hon. Moses Cheboi) left the Chair]*

*[The Temporary Deputy Speaker (Hon. (Ms.)  
Jessica Mbalu) took the Chair]*

Mr. Deputy Speaker, figuratively speaking, we have to widen the bracket where we collect those revenues so that we do not overburden a few Kenyans. Mr. Deputy Speaker...

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Order! There is a change of guard.

**Hon. Ndindi Nyoro** (Kiharu, JP): Thank you very much, Madam Speaker. Now it is not a Mr. but a Madam Speaker. Our economy currently is dominated by what I would call extracting sectors. Those are sectors where we deal with commodities and production that has got decreasing returns. I say so because our economy is predominantly an agricultural economy and in an agricultural economy or a commodity economy, it costs you more to produce extra. I feel that as a country, for us to increase the revenues, we have to look at the enterprise that has got increasing returns especially where we blend production and what we produce and we infuse technology in it so that we are at an economic level of countries that are actually growing. There is no country in the whole of history that grew based on commodities and based on production especially production that has got decreasing returns.

I will wind up because I can see my time is over. I wonder what this regime expects. They have militarised our businesses. They have harassed our enterprise. It goes without saying that when we harass the same people who work and toil, especially those who are involved in enterprise like manufacturing, we do not expect to have a bigger base in terms of collection of our revenues. Therefore, it behooves upon this regime to change the tact. They should be serving tea and welcoming the people who are toiling, the businesspeople in our country, other than demonizing them and using state apparatus...

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let the nominated Member, Hon. David ole Sankok, have the Floor.

**Hon. David ole Sankok** (Nominated, JP): Thank you very much, Hon. Temporary Deputy Speaker, for giving me this opportunity. At the outset, I do support this Report because it is the correct way to go. The Report of the Departmental Committee on Finance and National Planning came up after they went to visit most of those areas where we collect taxes. They have come up with an elaborate way of collecting more taxes.

We must spend a shilling to get another shilling. In KRA, we do not spend a shilling to get a shilling. You spend one shilling to get Kshs100. I believe we lose a lot of money through what we call tax evasion. In Kenya, tax evasion has become heroic. People pride themselves on how they have evaded taxes. Why do they not evade taxes when we are still analogue and when we still need a whole truck carrying loads and loads of goods to offload and count literally and we are short of human resource? They get tired. They assume that what is declared is what is there. I am shocked to be told that one of our main entry areas, that is, the Jomo Kenyatta International Airport (JKIA), there was a time the scanner was not working. You can imagine the goods that came in at that time and that were not properly declared. You know the moment you know there is a loophole here... That is why I am saying in Kenya, to evade taxes is heroic. That is because you know you will do it. You are aware that there is such shortcoming. We must automate and digitise our ways of collecting funds.

Hon. Temporary Deputy Speaker, it is this House that allocates funds. I do not see why we do not allocate more funds to KRA. This is because if we can allocate Kshs200 billion to KRA, we will be able to collect almost Kshs20 trillion. That is what we need and it is there. I am also shocked to be told that there are no scanners at our border point to Uganda in Malaba. So, you can imagine without a scanner that you have to literally remove all the goods in a lorry. Now, in how many lorries can you remove goods? There are no staff quarters. They live very far from their station. When they come, they are already tired. Of course, they want to release some lorries so that there will be no jam. We really need to up our game.

We have taxes that we, sometimes, impose on things like wood. There was a Motion that we brought here that we need to exempt wood and timber products from taxes because we want to conserve the Mau, Aberdares and our forests since we are at 1.7 per cent forest cover. We need to conserve those forests. How do we conserve those forests and yet, construction and building is still going on in Kenya? Those people need timber and yet, you are levying high taxes on timber that could have otherwise been imported from Congo Forest, Uganda or Rwanda. Imagine timber coming into Kenya. It will assist us in manufacturing. It will save our forests. It will bring rains because we will save our forests. It will bring food security. It will employ so many youths. It may make us export timber products because we have so many carpenters that we have trained in our TVETs. We really have to think of ways of collecting more funds.

The issue of taxes must be very broad. It cannot be broad when we are overtaxing those manufacturers and small enterprises that are here and they prefer going to Uganda or Tanzania and then they sell us the finished product. I have heard of investors who have huge sums of money to invest in Kenya, but they prefer other countries. What is so difficult in us saying that every investor who can invest USD 1 billion will be...

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Hon. Members, please, plan your time. Next is Hon. Oduol Adhiambo.

**Hon. (Prof.) Jacqueline Oduol** (Nominated, ODM): Thank you, Hon. Temporary Deputy Speaker. At the outset, I would like to support this Report. I support it because as is clearly indicated, it is telling us what the Committee found. I support the two recommendations that have been raised because they are in line with what we see as observations.

As I support these recommendations, particularly with regard to ensuring that we can invest in the infrastructure of KRA, looking at how they can better collect and account for all revenue and also looking at the human resource capacity, I want to really just place my support on one premise. As much as we are looking at the Report from the Committee, there is a sense in which what we can see and what we are being told is something that Kenyans might, in fact, be expecting.

Hon. Temporary Deputy Speaker, for this reason, as I support the Committee, I would want to suggest that, indeed, it is important that we ensure that we get scanners because we have seen that where we have scanners, we get a lot more. It is important that we get more staff. I thank the Chair, Hon. (Ms.) Gladys Wanga, because if we get youth, we can get them employment. It is extremely important that we ensure that we extend the hours so that we do not keep the country from getting revenue.

My concern, however, is that you can ensure that you have scanners but, if you do not change the culture, the practice, the value of the person who will be operating the scanner or the expectation of the youth who will be brought on board to collect the revenue, you might find that you have not done very much. So, actually, at the moment, we are convinced about what the Book of Isaiah says: "Come, let us reason together" says the Lord. Even though your sins are as red as scarlet, they shall be as white as snow."

I have read this Report. This Report clearly tells us that there is a big challenge, not just at the KRA. My recommendation and appeal to the Committee is that we not only look at KRA, but we also see to it that it is reflecting as has been rightly said by the Report. The culture of corruption, as has been said by Hon. David ole Sankok, Nominee 001, tax evasion as has been said by the Chair, that you have a practice of putting water melons so that ethanol is below it, must stop.

Hon. Temporary Deputy Speaker it has, indeed, been confirmed that the culture which we see as the values that we have might not allow us to get far. Unless we really become innovative and unless we address the issue of culture, we might not achieve much. Therefore, as somebody

from the Departmental Committee on Culture, Sports and Tourism, I invite the Departmental Committee on Finance and Planning to have a recommendation that will seek to have a conversation. We need to model how we can break away from this culture that is truly at the heart.

With those remarks, I support

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let me have the Member for Navakholo, Hon. Emmanuel Wangwe.

**Hon. Emmanuel Wangwe** (Navakholo, JP): Thank you, Hon. Temporary Deputy Speaker. I rise to support the Report of the Departmental Committee on Finance and National Planning. Revenue is the backbone of any economy in terms of planning. If you have to plan, you only plan for what you have. You cannot plan for what you do not have because your budget will definitely go out of place.

Hon. Temporary Deputy Speaker, Kenya Revenue Authority is a very good organization, if well supported. I thank the Chair of the Departmental Committee on Finance and National Planning for making an early intervention in terms of visiting the sites and the areas where there has always been peace. I am very happy that, at least, after now visiting the various areas where there has always been peace, the Committee on Finance and National Planning was able to implore on the Cabinet Secretary for National Treasury and Planning to plan and budget for KRA.

The issue of scanners as detailed in this Report is very key. Kenya is now moving towards the West in terms of development. We are making a lot of importation far and away. Indeed, it is bad that you can now examine the goods imported into this country manually. It is important to carry out the exercise in a scientific way, by way of scanners. Those scanners are not just an issue of revenue, but I look at them as a way of security. What is it that we are importing into the country? Is it an item? Is it an explosive? What is it particularly that we are trying to declare?

The Public Finance Management (PFM) Act tells us that we cannot levy tax on an illegal item. Should it be that it is an explosive that has been imported into the country illegally; in itself, it is illegal. It is important that we try to live within the laws that we make and we live within the Constitution. Therefore, the decision by the Committee to push KRA to buy scanners so that we levy tax on the actual items that are imported is not just meant to enhance revenue collection, but it is also in conformity with the Public Finance Management Act. I have been able to make reference in terms of revenue collection in this country. However, the issues that the Committee has outlined in this Report, if we can enforce them, can increase our revenue. The projected revenue collection of Kshs2 trillion in the 2021/2022 Financial Year is without scanners. What if we get scanners? We are likely to grow our revenue. Therefore, I support the Committee on Finance and National Planning so that we can keep KRA afloat.

I thank you. I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): The Member for Ndhiwa, Hon. Martin Owino. You have the Floor.

**Hon. Martin Owino** (Ndhiwa, ODM): Thank you, Hon Temporary Deputy Speaker. First of all, I support this entirely. I congratulate the Committee, especially how the Chair is working with the Vice-Chair. That is something to be emulated. We have just come back from Arusha. We passed almost a mile of trucks just queuing and we had some conversation. It is all about our inefficiencies in doing business. So, we lose money.

The Committee has done well. There are some recommendations here which I want to allude to briefly. Also, we have hope that we will recommend a study, especially when we are talking about impact assessment; you may not get it all by just visits. It is true that our borders work 24 hours seven days a week, but you cannot manage border points in a 24-hour operation

without staff. Not only are staff physically present, but those staff must be capacitated and they must build their capacities. That is why we are having questions of scanners not working. If there is no proper supervisory role, even those who are working with those scanners can jam them for their own good. It is not news that some people would like to thrive in confusion, if there is no proper supervision. So, the human resource issue is key. I agree with the Committee that, that should be looked into.

Hon. Temporary Deputy Speaker, the issue of high cost of doing business should be taken further, even to the EAC, so that we can have some harmonised taxation. If we tax people much - and I said it here - it is like milking a cow to the vein. You will be kicked and you will not get any milk. Even international businesspeople will shy away. Now you have had our machinery being shifted elsewhere. What is it that Uganda is doing that we cannot do? We are talking of an institution which is over 32 years old. So, lowering taxes or harmonising taxes is key for all of us as a community. That discussion should be held even with the East African Community.

The other point which they brought - and which will not help us much - is the porous borders. Porous borders facilitate small bits of trading here and there. There is nothing you can do about them. Even former President Donald Trump tried to build a wall. You cannot do anything much. Where we have porosity is at the real formal border points, where those trucks go and are inspected well. There is not enough human resource to do the work. That is where we have the porosity. For other places, we will not care much. If we can concentrate on Malaba, Namanga, Busia, Mombasa and Jomo Kenyatta International Airport (JKIA) in terms of equipping and managing them well, we can increase our revenue collection.

There is also another point here which they brought in. In my thinking, if we want KRA to collect more money, we have to invest in KRA. I have only a few minutes. Why can you not...

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): As a matter of procedure, let me hear what Hon. David ole Sankok has as a point of order on.

**Hon. David ole Sankok** (Nominated, JP): Hon. Temporary Deputy Speaker, I have just seen Hon. George Sunkuyia being close to you despite the prevailing issue of COVID-19. You are beautifully dressed today. So, there is some little affinity. So, I think we should actually try to observe the COVID-19 protocols.

Hon. Temporary Deputy Speaker, today you are smartly dressed, I must say.

I thank you.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Thank you, Hon. David ole Sankok, for the comments. But you can see very well that the distance has been kept. There is a barrier. Thank you for the comments.

Member for Ndhiwa, just carry on.

**Hon. Martin Owino** (Ndhiwa, ODM): What a wonderful way of catching the eye of the Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): I will actually add you one more minute. I know Hon. David ole Sankok wanted to...

**Hon. Martin Owino** (Ndhiwa, ODM): Thank you. I wish you could use other means. We need a formula for ploughing money back to KRA. We need a percentage because we do not just want to fund them without knowing how much should be invested fully so that they can collect enough money.

I congratulate the Committee. This is a good Report. As I said earlier, we need to extend the recommendations to get a study, so that we can get an impact assessment report which is more scientific in nature. I think there are some factors which were not controlled. Having high

productivity does not reflect everything. There could be some other factors at play to get the productivity up.

I support the Bill.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Very well. For this matter, let us have the Member for Bondo, Hon. Ogolla Ochanda.

**Hon. Gideon Ochanda** (Bondo, ODM): Thank you, Hon. Temporary Deputy Speaker.

There are many negative characteristics that bedevil the KRA in terms of the process of revenue collection. I do not want to belabour the point in that direction, but I want to focus more in the direction of the Report on the visits to the border posts. One thing that the House needs to be a little bit clearer on is that we may be talking to ourselves. If the Vice-Chair is listening, a superior report to what you tabled today has twice been brought to this House. It was brought seven or eight years ago. I was a Member of the Select Committee on Regional Integration. It was brought again three years ago by the same Committee. The Report was on how they did the border post inspections. That Report brought out much more. The issues of scanners, lack of water in Malaba and KRA personnel living in the quarters of smugglers were brought out 10 years ago. Where do reports like those that are brought by a Committee that does not necessarily oversee a specific department or authority go to? The Select Committee on Implementation should pick up those things, so that the work of the Departmental Committee on Finance and National Planning might have been made much simpler if they had those two separate reports.

If you compare the reports and go to Malaba, they corroborate. There are a lot of similarities. It is important that we point out one thing. All Government agencies benefit in one way or the other from revenues that are generated by the KRA, including the Kenya National Highways Authority (KeNHA). That authority has failed to fix the Malaba Border Post for the last eight years. Not that there is no money. There has been money. If the Vice-Chair would listen, there is money with an organisation called Trademark. They mentioned many times that they have the money. The KeNHA has failed to do this for purposes of fixing the problem of parking for trucks in Malaba. There has been money.

The other thing is that there has been money from the European Union (EU) for constructing the Jumuiya Market in Busia. Their Report might not have mentioned that. We had this twice. The EU had money. Busia has failed to identify exactly where the market is supposed to be constructed for purposes of reducing smuggling. The Jumuiya Market was identified for Busia but has never been implemented. That is something that is missing in the Report. While the Departmental Committee on Finance and National Planning has done very well in terms of actual visits, had they realised or had somebody pointed out to them a little bit earlier that there were already reports from all our entry points, they would have had much more in-depth information about what has been happening.

The KRA is one of the Government's blue-chip agencies in this country. It is not that there is lack of money. I think there are issues of creativity and people being used to the traditional way of doing things. They do not want to get out of their bracket or box. It has been mentioned in this House severally that the cost of production in this country is much higher than that of our neighbours. That means that anybody who wants to buy anything and is closer to a border will go to the other side. It was mentioned here the other week while we were discussing the Budget that in Malaba, everybody goes for commodities from the other side. It is the same in Busia, whether it is fuel or food. They go across the border. It is cheaper on the other side. What do we need to do? It does not need any other serious learning. The KRA needs to be creative and learn some basic things, so that they are able to generate enough revenue.

The other thing is that Government agencies that are benefitting from revenue that was raised by KRA must support it. One of them is KeNHA for purposes of this Report.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let us have the Member for Migori County, the County Member of Parliament.

**Hon. (Ms.) Pamela Ochieng** (Migori CWR, ODM): Thank you very much, Hon. Temporary Deputy Speaker. I rise to support this Report because it is timely. I join my colleagues to say that KRA should be properly facilitated. I have very brief points. I may not even finish the five minutes.

I just wanted to appreciate the Committee for visiting all those entry and exit points of goods and people from Kenya as they engage in their businesses, thereby necessitating taxation. I encourage the able Chair of the Departmental Committee on Finance and National Planning and fault her for not visiting all those points that would be referred to as “*panya* routes”. Migori County enjoys one of the longest borders with Tanzania and Uganda through the lake. Apart from visiting Sirare, there are very many other entries that quite a number of goods, especially consumables like food substances led by maize and fruits, come in in volumes and nobody captures them. For example, there is this place I call Kitabaye in Suna West and even the border in the lake at Muhuru Bay through another place just at the exact border of Tanzania and Kenya in the lake. All those places bring in quite a number of goods from outside. They pass through there without taxation.

If anybody pays anything, then that money goes to the hands of the wrong people. This encourages something that I used to hear being talked about in Kenya called *magendo*.

Hon. Temporary Deputy Speaker, if KRA is properly facilitated through proper financing, they should establish even more border points, especially between us and the East African countries. What the Chair has highlighted is a pity. Our trucks pass our border. They are scanned on the other side and then we borrow those pictures. That is unacceptable because Kenya is ahead of the other East African countries in technology and education. I am aware that we are sisters and brothers. However, as much as we talk about the EAC, it is not easy for people from our country to cross over and even do business in the other countries. I am talking with authority because I take care of a border county.

There is the concept of scanning goods which are in the trucks. I support Hon. Wanga’s point. Sometimes, those truck owners carry illicit goods or they hide the ones that have value under some valueless goods and they pass. For example, after our election in 2017, there was an incident in Migori County of a big truck that came in and it was trapped at some stage. It was carrying *bhang*. Another one was carrying ethanol. It is necessary to scan those trucks as they come in and go out. I strongly feel that even the one that is scanned in Mombasa and it is going across the country into another country, it needs to be scanned right there before it crosses over.

I thought that I would not speak for five minutes. However, I can see the light on. Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Very well. Member for Dadaab, Hon. Duale Dahir.

**Hon. Mohamed Duale** (Dadaab, KANU): Thank you very much, Hon. Temporary Deputy for giving me the opportunity to contribute to this Motion. I take this chance to first thank the Departmental Committee on Finance and National Planning for providing a very comprehensive Report. However, I feel that it left a major part of this country. Kenya borders five countries: Tanzania, Uganda, South Sudan, Ethiopia and Somalia.

We have three counties in the North Eastern region and Lamu in the Coastal region which border Somalia. None of those places has a one stop border post which has been mentioned here,

leave alone any equipment. We are talking about improving tax from the existing places. I want the Chair and the Vice-Chair to note that there is no collection of revenue in those four counties that I have mentioned and yet, there is a lot of traffic of goods across the border. It is really very sad. I know that custom officials in Garissa County are based in Garissa Town. That is where we have immigration officials in designated points at Liboi.

We have custom officers in Wajir County. We were at Diff yesterday which is two kilometres from the Somalia border. It is a gazetted custom immigration point. Our Speaker was with us yesterday. If we put the necessary equipment, this is a place which can become a revenue source. I want the Departmental Committee on Finance and National Planning to visit Mandera County which has Mandera Border Control Point, Diff, and Liboi in Garissa County, and Fafi, Amuma and Kiunga in Lamu County. Those are some of the officially gazetted points. If those border posts were there, we would collect more revenue. The result of this is that there is a lot of illicit trade at the border. We do not get any revenue from there. Besides that, we do not even know what is brought to the county. There are many *panya* routes. Firearms, drugs and expired commodities are smuggled into the country.

This is a very good Report which will improve tax collection at the existing points. However, we need to note that there are places where we can get substantial amount of revenue which can reduce our Budget deficit. I ask the Committee to consider this. The measures which they have recommended in the Report are very valid. They will go a long way in making us to collect more tax.

Thank you very much, Hon. Temporary Deputy Speaker for giving me the chance to contribute.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Thank you, Member for Dadaab. Let me have the Member for Kitui Rural, Hon. Mboni Mwalika.

**Hon. David Mboni** (Kitui Rural, CCU): Thank you very much, Hon. Temporary Deputy Speaker for giving me this opportunity to support this Motion. The recommendations which have been given in this Report can address why the tax revenue as a percentage of Gross Domestic Product (GDP) has gone down from 25 per cent to around 7.8 per cent currently.

It is also important to note that only three sectors, which are manufacturing, ICT and banking and finance, contribute 52 per cent of tax revenue. So, there is a need for this country to come up with measures and mechanisms to tax other sectors. Otherwise, those sectors are overtaxed. If they are overtaxed, we are likely to see companies relocating to other countries. People will lose jobs. Because of this, there will be loss of revenue. As mentioned earlier by other Members, currently, goods from Uganda are consumed in our border posts. There is also need for the National Treasury to review tax laws to promote ease of doing business. This idea of amending laws through the Finance Bill in every financial year is not just to the companies. It makes them uncertain of what will happen next. It is good to do a comprehensive tax revenue regime. Let the tax revenue measures be implemented for a period of time and analysed to see their impact.

We all know that KRA is grossly underfunded and understaffed. It is supposed to get 2.5 per cent of the tax revenue that they collect. They do not get the money most of the times. The National Treasury should give KRA more money to hire and train staff, so that they can raise more revenue. What is more important is that KRA should enhance and modernise its ICT systems. When you buy something in other countries, the servers of the traders are linked with the servers of the revenue collection bodies. If KRA can come up with such a system, we will collect more revenue because it is real time. Whatever you buy, KRA will be aware that a certain company has sold a certain value of goods and they are supposed to pay certain amount of tax revenue. So,

Kenya Revenue Authority (KRA) should modernise their ICT system. The KRA should also be funded to install drive through scanners. If they install drive through scanners, they will require less than a minute for a truck to go through. But if they do it manual, they require more time to scan, which is a waste of time. Scanners will make it easy for people to do business.

I like the recommendation by one of the Members. In North Eastern, there are no border posts yet there are many goods which are brought to this country from other countries. We have Moyale Border Post which I am not very sure is operational. It was done a long time ago. We need to operationalise it so that we can collect more revenue.

Lastly, the high cost of electricity, water and other things makes our goods very expensive.

Hon. Temporary Deputy Speaker, with those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let us have the Member for Samburu East, the Hon. Lekumontare Jackson.

**Hon. Jackson Lekumontare** (Samburu East, KANU): Thank you, Hon. Temporary Deputy Speaker. I would like to support this Report. This is a very important well researched Report.

It is really bad if KRA is not supported with what they need so that they help the country. What the Committee found out is that KRA cannot perform to get money to pay the debts and what we borrow from outside because it is not well funded. If all the borders can be manned, this country can support its budget. The Committee researched and found out that and Members have said that it has been like that. It then means that we lack implementation as the former Committee found out. There are many goods that are brought through border points freely especially in the Northern parts. Some are good while some are bad. KRA is like an eye to us. If KRA is not supported, we will not cure the problem in the country. It is very bad if what we depend on to support the economy and the budget of the country is in a very bad shape as indicated by the Committee. This House should support the KRA. If they lack staff, how do we think are we going to fund the Budget? That is very bad. If we depend on it to support us but we do not support it, it is very bad. We can only support the Budget if we enable this body to function well.

With those few remarks, I support this Report so that we can see what they had earlier and compare it with this one. Implementation is very important so that we do not come here again and say that KRA staff do not have houses and scanners. That is really a very bad thing if we cannot implement it. Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let us have the Member for Saboti, the Hon. Luyai Amisi. You have the Floor.

**Hon. Caleb Luyai** (Saboti, ODM): Thank you Hon. Temporary Deputy Speaker for giving me this chance to add my voice to this very important discourse. I applaud the Departmental Committee on Finance and National Planning for trying to change the conversation. We have always been talking about revenue sharing but we have never focused on revenue collection. So, this is a very important debate that our country is always in almost constitutional quagmire when it comes to revenue sharing between the national Government and county governments. We should not forget that the problem lies with the little resources we have and how we can enhance or grow them.

The world is going techno savvy. Everywhere systems are automated. It is a paradox that we are talking about automating systems of revenue sharing. Integrated Financial Management Information System (IFMIS) is all about sharing revenue. We are very good at that. On channeling of resources, we have all the systems automated but when it comes to collection of the very revenue that we need, we are stuck. So, this is a very important conversation.

What KRA is requesting is that for them to enhance and optimise our revenue collection, let us add them more resources. This is something we must support, as Members, to give capacity to KRA to enable them collect more resources and close loopholes where there is pilferage of funds or traders trying to avoid tax. Once we close the loopholes, we will have a chance to collect more resources. People argue about growing the national cake and that we should focus growing our revenue, but first we should put the systems in place to protect and preserve the little we have then when we get the plenty, we will be in a better position to preserve and protect it. As much as we have the little, and we talk of growing the national cake, first let us preserve and protect the cake we have. This conversation is timely and I support the Committee's Report that we must empower and capacity build KRA to give us more resources as a nation.

On the question of the tax regime, it is high time we re-engineered our tax policies and regime laws and the whole architecture around the tax regime. There is nothing traders fear more than high taxes and that is how we chase investors. There is no nation in this world that has progressed by overtaxing its citizens. One of the reasons we have tax increases is because we lack the capacity to collect the little we have. Let us also look at our tax regime so that they are favourable to traders. You cannot have traders and high taxes in one room. It cannot happen. In fact, Winston Churchill once stated that: "For a nation to try to tax itself to prosperity is like a man standing in a bucket and trying to lift himself up by the handle." It is not possible. You cannot tax yourself to prosperity. There is no example of a nation that has taxed itself to prosperity. Kenya cannot be an exemption. We do not live in a vacuum. We must look at our tax regime carefully. We are chasing away investors. Most nations may not have...

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): The Member for Changamwe, Hon. Shimbwa Mwinyi.

**Hon. Omar Mwinyi** (Changamwe, ODM): Thank you, Hon. Temporary Deputy Speaker, for according me this opportunity to also air my views on the Report of the Departmental Committee on Finance and National Planning. At the outset, I support this Report. However, I would recommend that the Departmental Committee on Finance and National Planning facilitates regular talks with businessmen and people in the finance sector to try to get their views on the various tax regimes and the hurdles that are in place so that they can do business comfortably and enjoy the fruits of their labour. There should be regular meetings so that, at least, Members can air their views about the taxes or the programmes that the Government is introducing on taxation matters.

The other aspect to look into is the recruitment of staff. The recruitment of staff should be based on competency and fair distribution. Promotion should also be based on competency and not the region where you come from. This is the biggest predicament facing the Kenya Revenue Authority (KRA).

The other aspect is that the KRA is the machine which is supposed to be producing the much-needed finances for the Government to run. So, if it cannot be serviced properly, then you do not expect the KRA to function efficiently.

There is also an aspect of scanners not working. I can remember the late President of Tanzania, Magufuli, who used to visit hospitals and such places as KRA to see for himself what is happening in those areas. He could challenge those who are placed in charge of those institutions by asking: "For how long has this machine not been working? What have you been doing? Have you sent any reports anywhere?" However, this is not happening in your country, Hon. Temporary Deputy Speaker. What is happening in our country? Why is our President and the Cabinet

Secretaries (CSs) not active in making sure that revenue collection is done efficiently for this country to grow?

There is another challenge facing the KRA. Here we are encouraging them to collect more revenue, but what happens when this revenue goes to the Treasury? We hear of people stealing money allocated for dams and other projects. So, we end up doing what is called zero-plus-zero-is-zero. That is why everybody in Kenya today is a thief. It is because they are seeing everybody else prospering by stealing Government money. So, why do you have to collect money for the Government for it to end up in a politician's pocket? These are the challenges we have as a nation. The Chairperson, Departmental Committee on Finance and National Planning, I want you to take note of this one. It is a major concern.

We also have the East African Legislative Assembly (EALA) where we have tax regimes discussed among the member States. They normally come up with acceptable taxes, but how we renege on this is a matter of contest that we should also look into. Why should Tanzania have a different tax regime yet we are working as a team under the EALA? What is the problem? Why should the traders in Moyale go to Ethiopia to buy goods and likewise in Uganda? This is something that, of course, we should ask ourselves.

Hon. Ochanda talked about reports of four Committees. Why do we not have those reports together and form a select Committee to look into the existing challenges? We need to sort this problem once and for all.

With those few remarks, I beg to support this Report. I congratulate the Committee for doing a good job. Thank you.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Congratulations to the Committee.

The Hon. Member for Runyenjes, Hon. Njiru Muchangi.

**Hon. Eric Njiru** (Runyenjes, JP): Thank you, Hon. Temporary Deputy Speaker, for the opportunity to contribute to this very important Motion. I want to start by thanking the Departmental Committee on Finance and National Planning for doing a very good job because it is on the basis of the availability of resources that we are able to plan on national development. We require a lot of money from the taxpayers so that we can grow our country and stop relying so much on loans and funds from other countries.

I support, particularly, the idea of scanners because, as I can see in the Report, the Committee noted that there was improved compliance from 2018 to July 2020 whereby there was improvement from 86 per cent to 98 per cent. That means that if we facilitate the KRA with the resources, it will be possible to collect more revenues and help stabilise our country.

Secondly, the Committee noted that the KRA is grossly understaffed. Actually, if they are not properly staffed, it can be very difficult for them to gather resources. So, the idea of funding the KRA so that we can get 2000 more staff is a very good idea. It will ensure that we get to more people and get more taxes because I believe, just like one Hon. Member has said here, that the idea is not to tax a few people so deeply. The idea is to widen the net so that we can get more people paying taxes. So, I support the idea that we fund the KRA more so that it can employ more people to do this job.

Lastly, I support the idea of funding the KRA so that it can acquire speed boats in the ports of Mombasa and Kisumu so that those who are good at evading taxes can be netted. That way, we will ensure that we get more resources for this country's development.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): You support.

The Member for Tarbaj Constituency, Hon. Gaal Bashane. Is it Gaal or Girl?

**Hon. Ahmed Gaal** (Tarbaj, PDR): It is Gaal. You can pronounce it as girl, or whichever is easier for you.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): It is not girl. It is Gaal.

**Hon. Ahmed Gaal** (Tarbaj, PDR): Yes, but pronunciation is similar with that of girl.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): You are not a girl.

**Hon. Ahmed Gaal** (Tarbaj, PDR): No, I am not.

Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. At the outset, I support the Report of the Departmental Committee on Finance and National Planning.

Hon. Temporary Deputy Speaker, let me raise some of these suggestions. We always talk about expenditure. We are talking about scanners and employment of staff. Let me not be misunderstood to be meaning that these things are not important. They are very important because, as we know and as we were told by the Committee, when scanners were invested in Namanga, besides Malaba being busier, we were able to get Kshs4 billion while there was Kshs2 billion in Malaba during that year under study. But, we need to look at the other aspects that are reducing revenue collections. Maybe this is the little calabash. We might be collecting something and what is collected might be going out. Are we looking at corruption? There might be high cases of corruption which we need to look at. Are we having a high cost of doing business, especially on electricity? How is our infrastructure? How are our policies? How is our ease of doing business? From the Report we were given by the Committee, we have realised that foreign direct investments in Uganda is increasing especially on tiles and steel. Why is it that these manufacturing plants are moving to Uganda and not Kenya? So, these are some of the things that we need to look at.

Another aspect that I need to mention is what Hon. Duale has talked about. We have a huge border in the Northern Region which is unmanned. It is not only making economic sense but also a security sense. The (inaudible) multi-agency team along this border will go a long way to close these *panya* routes and minimise revenue loss and increase revenue collection.

What I need to talk about is the East African integration. If we are very serious about it yet we cannot even harmonise our taxes, especially on Excise Duty, what other aspects can we do? The most difficult aspects like political integration, military integration and monetary integration might be difficult. So, it is very important that we harmonise our taxes as the East Africa community.

Thank you. I support the Report.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Let me have the Member for Embakasi South, the Hon. Mawathe Musili.

**Hon. Julius Mawathe** (Embakasi South, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. I rise in support of this Bill. I think it is very important that we continue to grow the avenues of revenue collection. The reason is that, the smaller the net, the more we tax individuals. If you grow the net of revenue collection, we will tax the people less. Just like we noticed the other day that there was suggestion by the National Treasury to increase taxes on baby milk and such, we should find other avenues by growing the net out there by putting scanners at the borders and getting speed boats at our lakes and the Indian Ocean, we will collect more revenue hence reduce the amount we have put on the common *mwananchi*. The mother out there in Mukuru and other neighbourhoods cannot afford the new priced milk. They were buying the baby milk at a lower price. We need to grow the revenue net, the catchment area, so that we can tax our people less.

We need to automate revenue collection so that those who evade taxes are caught and stopped from getting away with it.

With that I support and congratulate the Committee for the wonderful job.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Very well. Hon. Members, if you want to speak, please insert your card in the intervention slots. I am sure you have all been trained on ICT. If your name does not reflect on my screen as a request, there is no way I can identify you. We are in the 12<sup>th</sup> Parliament and we do not need to raise our hands because we are past that.

Member for Fafi Constituency, though you were here early, your name is not reflecting on my screen. I will use my discretion to give you an opportunity to contribute.

**Hon. Mohamed Abdikhaim** (Fafi, KANU): Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to this important Report. I was not a Member of Parliament when Kibaki was the President. We still remember him as one of the best Presidents we have ever had because he used to say that the northern part of Kenya was Kenya and should be opened up. We got the first tarmac road from Nairobi to the Ethiopian Border during his presidency. The late President Moi recognised us as Kenyans. We got our first Minister through Moi and he brought us to Kenya. As a Member of KANU, I still miss him. The Committee visited parts of Kenya and left out 70 per cent of the landmass; the northern part of Kenya. My constituency is the third largest in the country. The largest constituency is North Horr, where the Cabinet Secretary for the National Treasury and Planning comes from while the second largest is Wajir South, where Mr. Speaker was on Monday. I have two customs posts in my constituency – Amuma and Hulugho, which I share with my sister, Hon. Sofia.

Hon. Temporary Deputy Speaker, I want to be frank with you that the biggest problem in this country is corruption. We always talk about corruption. We cannot collect tax if we do not fight it. Another problem is monopoly of greedy people who want to get rich quickly. I have no idea where they are going to spend this money because you will find someone with about Kshs10 billion in their account but they are still looking for more. They deliberately kill other businesses so that they are the only ones making money. As stated by my neighbour, Hon. Dahir Duale, Member for Dadaab, we want the Committee to visit the northern part of Kenya. Fifty per cent of the commodities sold in markets in this country come from Ethiopia or Somalia. We have a border point with South Sudan but nobody has visited it. The Committee has not gone to Fafi and Liboi, where the Member for Dadaab comes from. It has also not gone to Moyale. I sit in the Departmental Committee on Energy and before I was elected, I was a businessman exporting fuel. Our fuel business has been taken over by Tanzania and other EAC countries because of corruption. Adulteration is killing our oil industry. You will go to a depot and see trucks loading and after that, they go to a *shamba* where they mix kerosene with motor vehicle fuels. That is why most vehicle owners in this country have to always replace the engines of their vehicles. It is because of adulteration of fuel. Corruption is killing us. Most of the commodities coming through the northern part of Kenya, especially Ethiopia and Somalia, come through police barriers all the way to Nairobi. They do not pay taxes and yet now we are talking about collecting taxes. Why can we not have KRA officers at the borders to collect taxes and legalise the goods that come to the country illegally. So, I want the Committee to visit the area. I know the Chair is capable.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): I will add you one minute.

**Hon. Mohamed Abdikhaim** (Fafi, KANU): Thank you, Hon. Temporary Deputy Speaker, for adding me one minute. I want to say something good about Hon. Wanga. I think she is a very tough lady. She is a Member with the capacity to change the tax base. I wish her the best, because

she is going to be the next governor in that part of Kenya. I want her to visit our counties before she becomes a governor and see how big our country is and how we can collect money from our neighbours by putting KRA at our borders with Ethiopia and Somalia.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): I am sure she never sent you to campaign for her. It is not campaign time.

**Hon. Mohamed Abdikhaim** (Fafi, KANU): No, she never sent me. I have seen what she can do. When Kenya was going down, she was one of the pioneers of the Handshake. She always stands with her party leader and she is a principled lady. I support her. I want her to visit Fafi and go all the way to Moyale before we conclude this Report.

Thank you very much, Hon. Temporary Deputy Speaker, for adding me that one minute. I always support Hon. Wanga and I will continue supporting her as the Chair of the Departmental Committee on Finance and National Planning.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Thank you. I can see Hon. Wanga is taking notes. Let us hear the Member for Kitui East, Hon. Mbai Mbithuka.

**Hon. Nimrod Mbai** (Kitui East, JP): Thank you, Hon. Temporary Deputy Speaker, for the time you have given me to add my voice to this very important Report. As we look at sustenance of our economy, one of the variables which have to be at the top is tax collection. To enhance our basket in terms of revenue, there are several areas we need to look at. We have had problems and challenges from former governments which have continued to pose problems to our revenue collection programmes.

One of the things that baffle me is that we have seen continued increment in taxes. The Government increases tax on bread instead of increasing the number of people who produce bread. You increase tax on beer instead of increasing the number of companies producing beer. I would recommend that we look at the most critical function of a government, which is to provide an enabling economy for the private sector to grow. With the growth of the private sector, we will have so many taxable organisations cropping up. That will increase our tax base and our tax basket.

Hon. Temporary Deputy Speaker, we are also looking at the Government coming in with incentives to help grow sectors like agriculture. This is a sector that has not been invested in fully and very few people are going into it because of the challenges around it. The Chairperson of the Departmental Committee on Budget and Appropriations, if we could have Government bringing in incentives, that is one of the areas you can push the Government to participate in. I am worried that you are about to leave Government and become a governor. I do not know how we will survive without you here. It is one area that you can help us get more revenue.

We have governments across the world and that is how Asia grew its tax base. It is by their governments coming up with wealth creation programmes. All that a young medical graduate from the University of Nairobi has are his papers, some knowledge and energy. He cannot pay taxes. However, if supported, he will even employ 20 people who will pay taxes. How do we support this young man? That is where the Government comes in.

We have many funds like the Youth Enterprise Development Fund changing their names within financial years. This financial year it maybe the Youth Enterprise Development Fund, come mid financial year, it is Women Enterprise Development Fund in the Ministry of Public Service, Youth and Gender Affairs and at the end of the financial year, I do not know what it is called and youth cannot access it. We are looking at the Government coming in with these funds to support wealth creation and especially for the youth.

The Government is spending so much on recurrent expenditure. You look at our budgets and you wonder why we collected these revenues. The first five items on our recurrent budget are

about travel. It is too much. It is time we focused our taxes on development and not recurrent expenditure. I appreciate the Committee and the Chairperson.

Thank you.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Very well. The last and the final Member to contribute is Hon. Member for Makueni, Hon. Maanzo Gitonga, then I will call the Mover to reply.

**Hon. Daniel Maanzo** (Makueni, WDM-K): Thank you, Hon. Temporary Deputy Speaker.

I rise to support this very important Report and congratulate the Committee for the work well done.

I believe when Hon. Wanga finally becomes a governor, she will definitely be back to the national Government after two terms considering the sort of work she has done here. One day, I am sure she will be the Minister for Finance and National Planning.

One of the main issues is tax collection in Kenya. If you look at the history, for example, when President Kibaki came to power, first of all, for people who liked the new Government, he made a call that encouraged Kenyans to pay taxes and especially the ones who ran their own private businesses. Since it was a call that did not force anyone, there were very long queues. Everybody was going to pay something to KRA to make sure the Government was supported. I feel that one of the issues is the attitude Kenyans adopt and the willingness to pay tax.

I am aware that KRA did not even have the necessary or sufficient staff or even budget. Remember how much we give them in terms of budget here. In fact, one of their projections is to be able to reach every single Kenyan to pay tax and those who are not willing, those who do not want to give unto Caesar what belongs to Caesar, some force is applied. This should also apply to the people from international companies who trade across the border. What is disappointing in this whole thing is how corruption takes place in the country and especially how some people declare very little and after that, bribes are exchanged between the KRA officers and themselves.

So, even though the Committee visited parts of Kenya to assess the impact of revenue collection initiatives, I do not believe there was enough room and there will be enough time for the Committee to do every single thing. They can give guidelines on how more revenue can be collected because we have to support our Budget. One of the initiatives especially post COVID-19 period is that of encouraging Small and Micro Enterprises (SMEs) to grow businesses. The Government needs to support the many upcoming businesses so that they can employ more people. We have many Kenyans who have lost their jobs.

When the President took the initiative to reduce taxes on minimum wages, people still lost their jobs. Now with the advent of the use of ICT, many people are working from home and cutting down on costs. So, we are saying that the best way is to ensure that our Budget favours those startups and SMEs. That is what many countries which are facing a similar situation have done.

So, I support Hon. Wanga but think that another visit should be funded to gather more information so that our country can produce. If you are not in production, you are not going to give returns. If you are jobless, you will not be in a position to pay taxes. We need many more Kenyans to participate.

The best thing is what President Kibaki did, let people pay taxes, declare them honestly without being forced to support their own country.

I thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Very well. Hon. Members, there being no other request or Member willing to speak to this Report, I call upon the Mover to reply.

**Hon. Isaac Ndirangu** (Roysambu, JP): Thank you, Hon. Temporary Deputy Speaker. I thank all the Members who have contributed and assure Hon. (Dr.) Ochanda, the Member for Bondo and Member for Fafi, Hon. (Dr.) Duale that our Committee undertakes to do further visits to Garissa, Wajir, Liboi, Diff, Fafi, Kiunga, Horohoro in Lungalunga, Shimoni and all other border posts. Those officially established and also to investigate all those illegal *panya* routes with the view of developing one stop border post in those areas. I wish to thank the Members for their keen interest in supporting this Motion.

I also wish to mention that the accolades my Chairlady is receiving is for her contribution and leadership in our Committee. She has challenged us to think on how we are going to bake a bigger cake for this county. We are also appealing to Kenyans to do their returns before the financial year comes to a close so that we can support our economic development.

It is true that if we can prudently conserve and oversee the revenues that are being collected by KRA, this country would no longer need to borrow from the International Monetary Fund (IMF). We shall be self-sufficient, move economically faster and be stable.

Hon. Temporary Deputy Speaker, if it pleases you may I call upon my Chair to give her last shot in replying to this Motion.

Thank you, she has declined. I wish to reply, thank everybody and Members of the Committee.

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Thank you, Vice-Chair we want to appreciate your good working relationship with your Chairperson, Hon. Wanga. We wish the Departmental Committee on Finance and National Planning all the best.

Hon. Members, the House is not properly constituted for me to put the Question on Motion No. 10. I, therefore, order that putting of the Question be deferred.

*(Putting of the Question deferred)*

## ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. (Ms.) Jessica Mbalu): Hon. Members, there being no other business on the Order Paper for today's Evening Sitting and the time being 2126 this House stands adjourned until Wednesday, 30<sup>th</sup> June 2021 at 2.30 p.m. I thank you all.

The House rose at 9.26 p.m.