

**PARLIAMENT OF KENYA****THE NATIONAL ASSEMBLY****THE HANSARD****Thursday, 19<sup>th</sup> August 2021**

The House met at 2.30 p.m.

*[The Speaker (Hon. Justin Muturi) in the Chair]***PRAYERS****PETITIONS**

**Hon. Speaker:** Hon. Members, I have two petitions brought under Standing Order No. 225(2)(b) and they have been assessed pursuant to the provisions of Article 119 of the Constitution.

**ZERO RATING OF FARM EQUIPMENT AND MACHINERY**

Therefore, in this regard, I wish to report to the House that my office received a petition signed by Mr. Taratisio Ileri Kawe of ID No. 8600483. The Petitioner is concerned that the country's food production is heavily reliant on rainfall patterns which have become quite unreliable in the recent past. Given the circumstances, the Petitioner observes that food security is not sustainable unless immediate action is taken to protect the environment and conserve water. The Petitioner is appalled that most citizens have drifted into abject poverty due to lack of an enabling environment that ensures sustainable agricultural production at reduced and competitive importation of farm produce from neighbouring countries.

Hon. Members, the Petitioner notes that majority of poor Kenyans cannot afford to purchase equipment for the construction of pans and for harvesting rain water to ensure sustainable irrigation systems and to reduce reliance on the seasonal rains. He, therefore, proposes complete zero rating of taxes on water tanks, farming equipment and tools. The Petitioner is cognisant of the fact that although it may seem that the Government may lose revenue due to the gap created by the failure to tax the equipment and machinery, the Government is bound to benefit from more taxes collected through agribusiness. The Petitioner, therefore, prays that the National Assembly amends all relevant laws and reviews relevant regulations with a view to encouraging majority of Kenyans to harvest rains water.

Having determined that the matters raised by the Petitioner are well within the authority of this House, I order that pursuant to the provisions of Standing Order No. 227(1), this Petition be committed to the Departmental Committee on Finance and National Planning. The Committee is required to consider the Petition and report its findings to the House and the Petitioner in accordance with Standing Order No. 227(2). I thank you.

## PAYMENT OF PENDING BILLS OWED TO SUPPLIERS OF NYS

Hon. Members, there is yet another Petition being No. 38/2021 on payment of pending bills owed to suppliers of the National Youth Service (NYS) for the period 2013 to 2018. I wish to report to the House that my office has received a petition from persons identifying themselves as suppliers and contractors who were engaged by the NYS to supply goods and offer various services during the period 2013-2018. The Petitioners contend that during the period in question, the NYS initiated various projects and programmes including the rebranding of the agency, slum upgrading projects as well as youth and women empowerment programmes across the country. They further submit that in line with the terms of engagement, they delivered on their contractual obligations to the satisfaction of the agency and were thereafter entitled to payment for the goods and/or services rendered. However, due to financial irregularities that were discovered within the NYS around the year 2015, all payments were suspended and a Multi-Agency Verification Committee was later established by the Cabinet Secretary for Public Service and Gender and the National Treasury to verify all pending bills and claims against the NYS.

Hon. Members, the petitioners state that the Multi-Agency Verification Committee tendered its report and recommended the payment of the genuine and verified suppliers and contractors. However, the petitioners observed that this has not happened despite a presidential directive for all public entities to clear all verified pending bills owed to suppliers and contractors.

Consequently, the petitioners now seek the intervention of this House to cause the concerned parties to process the verified payments to the suppliers to avert further suffering as some are servicing loans and other credit facilities. Hon. Members, the petitioners have indicated that efforts to have the matter addressed by the relevant bodies have been unsuccessful. It is for this reason that they now seek the assistance of the National Assembly as a matter well within its authority.

Hon. Members, pursuant to the provisions of Standing Order 227(1), this Petition stands committed to the Departmental Committee on Finance and National Planning. The Committee is requested to consider the petition and report its findings, and whatever recommendation it makes, to the House. In considering the issues herein and whatever recommendations it makes, may I implore the Committee to address the fact that it is possible there were genuine suppliers even before the scandals and who have not been paid to date.

I thank you!

On the same order, Hon. Sara Korere Paulata.

## RESTORATION OF KIRIMUN COMMUNITY LAND

**Hon. (Ms.) Sara Korere** (Laikipia North, JP): Thank you, Hon. Speaker.

I, the UNDERSIGNED on behalf of residents of Kirimun Community in Samburu and Laikipia Counties,

DRAW the attention of the House to the following:

THAT, the Kirimun Community land spans a total of 55,000 acres along the Ewaso Nyiro River and has been a core part of the Samburu Community which has used it as its grazing land since time immemorial;

THAT, in 1923, the ownership of the land was forcefully taken away from the Samburu Community by the British Colonial Government and handed to a white settler known as Major Y,

who later transferred its ownership to a white settler company known as Almo Company which brought numerous white settlers into the land;

THAT, after Independence, the post-colonial Government of Kenya took control of the land, registered it as L.R. No. 8036 and placed it under the now defunct Livestock Marketing Division for rearing of steers and other breeds of cattle after which they were ferried by train through Nakuru to the Kenya Meat Commission at Athi River on the outskirts of Nairobi;

THAT, majority of the displaced members of the Samburu Community were compelled to live in Parkare Arpa area of Kirimun Sublocation of Sosian Ward in Laikipia North Constituency and settled along the Ewaso Nyiro River by the white settlers in a bid to prevent them from accessing the occupied lands, while other communities settled around Kirimun water springs;

THAT, some members of Kirimun community were engaged by the Livestock Marketing Division as casual labourers and herders and condemned to live as squatters in a land that historically belonged to them, and which is currently being used by the National Youth Service for low-scale livestock farming;

THAT, despite the injustice meted out on them, the Kirimun Community has grown exponentially to over 3,000 residents whose children are served by three schools, and this growth has led to scarcity of land, water and other key livelihood resources for members of the community;

THAT, the Government of Kenya recently issued a notice ordering the bonafide residents to vacate their ancestral land, thereby creating unwarranted tension in the area which poses the risk of disrupting learning and is a sure recipe for chaos and conflict;

THAT, efforts to address this gross injustice by both the British Colonial Government and post-colonial Government of Kenya authorities have not yielded any fruit;

AND THAT, the issues in respect of which this petition is made are not pending before any court of law, or other constitutional or legal body.

THEREFORE, your humble petitioners pray that the National Assembly through the Departmental Committee of Lands;

- (i) intervenes to facilitate restoration of at least 75% of the irregularly occupied land back to members of the Kirimun Community;
- (ii) recommends the urgent suspension of the vacation notice pending stakeholder consultations, and
- (iii) makes any further order(s) deemed fit in the circumstances of the petition.

And your PETITIONERS will ever pray.

Thank you, Hon. Speaker.

**Hon. Speaker:** Comments on the three petitions. Member for Mwea.

**Hon. Josphat Kabinga** (Mwea, JP): Thank you, Hon. Speaker. I would like to comment on the first and the second petitions. On the first one, it is true that this country cannot rely on rainfall for its food production any longer. We would encourage the Government to continue with the programme that it is currently undertaking on doing water pans to harvest water and to complete the irrigation schemes that are on-going. There is Thiba Dam in Mwea and I really want to thank the Government for it is 65 per cent done. We hope by December it will be complete. I encourage that they do many more so that this country can be food secure in future.

On the second petition that has been directed to the Departmental Committee on Finance and Planning, NYS falls under our oversight, that is, the Committee on Labour and Social Welfare. I would like to urge the Committee on Finance and Planning to consult us. It is because we have much more information on the same. We need to give our input as they make their final report.

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Sankok.

**Hon. David ole Sankok** (Nominated, JP): Thank you very much Hon. Speaker for giving me this opportunity. I will only comment on the first petition. We are sure that this country can no longer rely on rain to produce enough food. One of the Big Four Agenda of the President is food security. When we were student leaders in the University of Nairobi, we came up with a proposal and advised the then Government of the late President Moi, to irrigate the whole country using the water in Mt. Kenya, Mt. Kilimanjaro and Mt. Elgon by piping it along all Government roads which stand at around 300,000 km. Piping will only require less than Kshs50 billion. With labour, it will go to about Kshs 80 billion. Instead of water flowing to Indian Ocean, it will be flowing to our farms and we will have enough food.

I am currently collecting signatures on the same so that we can petition the Budget and Appropriations Committee to set aside about Kshs89 billion for us to irrigate this country. So the petition is good. If it does not apply in this regime, and since you are one of the front runners in the coming General Election of 2022... Actually, you are only the two of you: it is either you or William Ruto who will become the 5<sup>th</sup> President of Kenya. In the event that you become the President, I advise you to listen to our proposal of irrigating the whole country using the water in Mt. Kenya, Mt. Kilimanjaro and Aberdare Ranges. The water flows using gravity. It will flow to our farms because we are talking of more than 2,000 meters above sea level, yet 80 per cent of our low lands stand at 100metres above sea level. The land is very fertile.

So, I support the petition.

**Hon. Speaker:** Hon. Dawood.

**Hon. Rahim Dawood** (North Imenti, JP): Thank you, Hon. Speaker. I would like to comment on the first and the second petitions. Mr. Ireri has rightly put it that farm implements should be zero-rated. We should even see how we will improve on the agrarian economy because that is the way to go for this country. We should be food sufficient within the next 15 to 20 years. Hon. Speaker, regarding the second Petition, I remember when the Cabinet Secretary (CS) for Finance and the National Treasury was here to give the Budget Speech. He said that all pending bills should be cleared before the end of the last financial year. Counties have not cleared their pending bills, as well as the national Government. Even our National Government Constituencies Development Fund (NG-CDF), for that matter, is not cleared. If we, as Members of Parliament (MPs), cannot get our NG-CDF, how are other people supposed to get their money? I support both Petitions.

Thank you.

**Hon. Speaker:** Let us have Hon. Makali Mulu.

**Hon. Makali Mulu** (Kitui Central, WDM – K): Thank you, Hon. Speaker. I want to comment on the first Petition which relates to the issue of food security.

I agree with the Petitioner. I just urge the Committee that even as they consider this matter, they should note that rain-fed agriculture will not take us far. Actually, what we need is irrigated agriculture. In our Ukambani region, we have two very big rivers, namely, Tana River and Athi River, which flow all the way to the Indian Ocean. At one point, I had a chance to work in Sudan; not South Sudan but the upper one. I realised that the Government of Sudan, at that time, had actually constructed a canal of about 1,000 kilometres branching from the River Nile where they grow their sugar and many other things. As a country, we just need to get our act together.

Yesterday and the day before yesterday, there were two Petitions which were proposing the degazettement of potential land for irrigation. That is the kind of balance that we want as a country. The people who planned this country in terms of agricultural land and livestock land did

an excellent job, but over time we ended up messing up the planning. If we stick to the original planning, we will be able to secure our people in terms of food security.

On the second Petition regarding the issue of debt, I sit on the Budget and Appropriations Committee. I confirm to the House that part of the Budget that we passed contained quite a lot of resources for paying pending debts. How I wish that we could just pursue the implementation because we had already set aside the resources. The Committee on Implementation and other relevant committees should push the departments hard to pay the pending bills. If they pay, there will be no issue. The problem is that they ask for resources before sorting out which debts are not eligible and which are. So, they start the process of sorting them out when the money is in the account and that delays the process. I wish that they could sort the debts first, so that by the time we allow resources to be appropriated by the House, it is just a matter of paying. We will sort the matter.

With those remarks, I support the Petitioners.

Thank you very much.

**Hon. Speaker:** Let us have the Member for Tharaka.

**Hon. George Gitonga** (Tharaka, DP): Thank you, Hon. Speaker. Allow me to comment on the three Petitions.

First, is the fact that the country seems to be overly relying on rain-fed agriculture as a result of which, we are unable to produce enough food. It was not pleasant to watch over the television last night that the country is appealing for food because of drought. We should be moving away from that. One way of doing that is to ensure that farm implements are subjected to lower taxation and we have a waiver or reduction of taxes, so that we are able to produce more food for the country's consumption.

As regards the second Petition, it is vitally important that we bury the ghosts of the National Youth Service (NYS) scandal, so that essentially, if there are valid suppliers who are supposed to be paid, we pay them and bring the matter to a close. Let us also adhere to the presidential directive that all pending bills be paid, so that the Government's internal debt is actually reduced or removed completely.

As regards the third Petition, that was a historical injustice that was meted out on our people by the colonisers. They took over our land, milked it and when they left, instead of us rectifying the problem, we went ahead to create an even bigger problem at the expense of our people.

Regarding the first Petition, my plea would be to let the Committee move with speed and not say that amending the laws and regulations is too complicated. We have all the time and a Parliament that can do that.

As regards the second one, let the Committee move to recommend that we adhere to what the President said, pay the bills of the NYS and others, so that we close those matters.

As regards the third Petition, historical injustices including those in Tharaka must now be addressed. This is a historical injustice.

Thank you.

**Hon. Speaker:** Let us have the Member for Kiminini.

**Hon. (Dr.) Chris Wamalwa** (Kiminini, FORD – K): Thank you, Hon. Speaker. I would like to comment on two Petitions.

On the first Petition regarding the issue of harvesting water, with the current climate change, you cannot even predict when the rains will start or stop. It is high time the Government focused heavily on issues of rain harvesting. The Petitioner has specifically looked at the issue of water tanks. We call upon the Committee in charge to do a delicate balance, so that those tanks

that will be used when it comes to water harvesting can either be zero-rated or maybe given out to farmers at a subsidised price.

The Petitioner also spoke about the issue of inputs. When we talk of inputs, we also look at the issue of fertilisers. If the Government can also focus on giving out subsidised fertilisers, particularly to areas which have arable land, that will play a critical role as far as food security in this country is concerned.

Lastly, on the issue of the NYS, payable bills should be paid. There were people who validly supplied goods and if the multi-agency committee has verified, they should be speedily paid in line with the president's directive on pending bills.

Thank you, Hon. Speaker.

**Hon. Speaker:** Let us have the Member for Funyula.

**Hon. (Dr.) Wilberforce Oundo** (Funyula, ODM): Thank you, Hon. Speaker. Allow me to comment on the three Petitions. Let me start with the third Petition by our colleague from Samburu.

The issue of historical land injustices was well-addressed in various reports, namely, the Ndung'u Report, the Njonjo Report, as well as the Constitution of Kenya, 2010. Even the National Land Commission (NLC) Act is expressly clear on the process of addressing historical land injustices. I just pray and hope that the Petition is not time-barred because there is a timeframe within which to make those claims of historical land injustices.

On the second Petition, the issue of pending bills is becoming an endemic problem in this country despite the numerous pronouncements by the Government or the President. It has been highlighted in various audit reports. As a country, we do not seem to be making any progress. The suffering that Kenyans and small traders are going through is intolerable and is now starting to cause social upheaval. I believe that with the history the NYS has, there must be a mechanism through which they can identify the genuine suppliers and the crooks who literally caused the mess at the NYS. Let the genuine ones be paid on time.

Hon. Speaker, on the first Petition, the issue of food security is now becoming a very big point of discussion in this country. Rains are routinely failing and delaying. Relying on rain-fed agriculture will not take us anywhere. I highly doubt whether water tanks for rainwater harvesting will be of any use. Rainwater comes at a specific period and sometimes it does not. Focusing on water tanks might not be a solution to safeguarding food security in this country. The way to go is irrigation, irrigation, irrigation.

Thank you, Hon. Speaker.

**Hon. Speaker:** Let us have the Member for Samburu West.

**Hon. (Ms.) Naisula Lesuuda** (Samburu West, KANU): Thank you, Hon. Speaker. I rise to comment on the third Petition by Hon. Sara Korere.

It is very important to note that if there is any community in this country that is suffering from historical injustices, it is the Samburu community. I border Laikipia North Constituency where the Petitioners are from. Kirimom is also in Samburu West Constituency. It is unfortunate that since colonial times, Samburus have continued to be displaced. What is happening in Laikipia is very unfortunate. There are huge tracts of land owned by ranchers, which are fenced. When their leases expire, our current Government, which we thought would give us back our land, continues with the same atrocities meted out at pastoralists. It is very unfortunate to see members of the Government, especially the security apparatus, going and making blanket announcements saying that a certain community or the pastoralists should not be in a certain area, ignoring the fact that there are members of the pastoralist community, like the Samburu, who legally live in Laikipia County.

I hope the Petition by Hon. Sara Korere will be taken seriously, and that appropriate recommendations will be made. It is very unfortunate that in every electioneering period we see people being given notices to leave their land. This issue needs to be sorted out once and for all and people should be given back their land.

**Hon. Speaker:** Hon. Musa Alois Lentoimaga, Member for Samburu North.

**Hon. Alois Lentoimaga** (Samburu North, JP): Thank you very much, Hon. Speaker. I want to comment on two Petitions, the first and the third.

On the issue of food security, there is a serious problem as we speak of provision of food. Because of drought and shortage of food, our people are suffering. In fact, the Government has discontinued supply of relief food to the local people in distress. The way to go is to construct big dams so that we can irrigate the land. A lot of rain water goes to waste. Boreholes are not the best way to go. Mega dams can be constructed, especially in Northern Kenya, and we use their water domestically and to do irrigation.

On the third Petition, just as my colleagues have said, as Samburu we face a lot of injustices. When there is drought, like the current one; and when we venture into Laikipia, our cows are killed. Can you imagine the literal shooting of cows and other animals? Cows are innocent but they are killed. Last time they killed more than 3,000 cows. The other day they killed another 300. That is very uncouth. It is like we do not live in Kenya or are not part of Kenya. We recommend that the particular land that Hon. Sara Korere referred to be registered under the local people, who are the rightful owners.

Thank you very much.

**Hon. Speaker:** Member for Kiambu.

**Hon. Jude Njomo** (Kiambu, JP): Thank you, Hon. Speaker. I would like to comment on the first and second Petitions.

It is very unfortunate that at this time and age Kenya is still not food sufficient. We have plenty of water and arable land but we have been unable to plan how to utilise them so that our country can be food secure. We need to think seriously about the way we are going not only to harvest rain water but also how to store river water and how we can exploit our underground water so that we can irrigate our farms and stop relying on rain to do our agriculture. I believe if we made proper use of our rivers, we will be self-sufficient as far as food is concerned.

On the second Petition, genuine traders who were trading with the National Youth Service (NYS) never got paid but those who stole got their money and went away. Those who did genuine business are suffering because of those who stole. The President has said time and again that pending bills must be paid. The NYS has continued to do other works and they continued to pay new contractors but they have forgotten to pay the pending bills. Time has come for those traders to be paid. I am speaking as the Chairman of the Economy and Business Caucus of Parliament. Many people have complained about the pending bills. The suppliers have been affected a lot. Some of them are sick because of the huge payments that have not been made. The Committee concerned should ensure that this matter comes to a close and the traders are paid.

Thank you, Hon. Speaker.

**Hon. Speaker:** Member for Emuhaya.

**Hon. Omboko Milemba** (Emuhaya, ANC): Hon. Speaker, thank you very much for giving me this opportunity. I will comment on the Petition that concerns the NYS, which our able Chairman commented on.

We need to have payment done of all pending bills, especially those that accrued with the NYS. In 2017 there was a serious mess within the NYS and there were both genuine and non-

genuine contractors. As the Chair said, we have had a series of meetings with the Director-General of NYS. They have paid most of the people they were supposed to pay. There was a multi-agency team that was put in place to sieve the pending bills to ascertain who should be paid and who should not be paid. As he indicated, before it goes to whatever Committee it has been committed to, it is very important that consultation with the Departmental Committee on Labour and Social Welfare is done so that they are given a report on the progress of what was happening with the pending bills of NYS. It was a whole world of milieu in terms of who were the genuine suppliers and who were not. We stand with all other genuine contractors who have not been paid their pending bills.

Secondly, on the Petition by Hon. Sara Korere on the land that was alienated in Samburu, I would wish to indicate that much of the theories that states on land ownership is the first occupant theory. The theory suffices that those who settled first in a place become the owners of the land. The Samburu are just victims of the colonial land ordinance that began in 1902 and proceeded all the way to 1918. They lost their land but they are lucky. Hon. Sara's people are lucky because their land was taken to the public. There are those who lost their land and it was privatised. It is a more difficult scenario where the land was privatised. So, some very serious public participation, like she indicated, must be undertaken before the land is taken from the people because the people will continuously demand for their land because it's theirs. They only lost it, courtesy of colonisation. The new colonial masters must know that at one point in time they will have to surrender the land that they took after the original owners lost it. This has really affected most of the pastoralists in the country.

With those few comments, I support the two Petitions.

**Hon. Speaker:** Member for Kinangop.

**Hon. Zachary Thuku** (Kinangop, JP): Thank you, Hon. Speaker. I also want to support the first and second Petitions, especially on zero-rating of irrigation implements to make sure that farmers, especially small-scale farmers, are able to do irrigation. Only 10 per cent of the Republic depends on rainfall that is reliable for food production depending on the rainfall because the patterns are predictable. Something needs to be done about 48 per cent of the arable land in this Republic. In fact, the Petitioner got it right. If only we could make sure that irrigation equipment is available and subsidised through tax exemption. That would be the way to go.

We have a lot of water that goes to waste. Just like we contribute to the National Irrigation Bill and the fact that there is a lot of water, it is incumbent upon the Government to make sure that the 48 per cent of the land that is arable is dammed and the private sector comes in and makes it easier to invest. We must make farm implements available and cheaper. That is the way to go.

Secondly, you realise that many times when there are scandals in this country involving different government agencies and departments, there is a blanket condemnation of our business people who engage in good business practices. When payments are stopped, it becomes a pain. It causes a lot of stress to business people who are genuine.

Therefore, I support that Petition so that the National Youth Service (NYS) or the Government pays all the pending bills. You can imagine someone not being paid seven or eight years down the line. Maybe they had taken loans and they have already lost their properties. Nobody is coming to their rescue. This House should assert itself and even say that these pending bills should be paid and be paid with interest.

Finally, the Public Finance Management (PFM) Act and the Public Procurement and Asset Disposal (PPAD) Act need to be enforced so that we do not have these pending bills going forward. Money must be allocated before procurement is done. We must make sure that every procurement

that is done in this country is within the confines of these two Acts. I support the two Petitions and wish that the Departmental Committee on Finance and National Planning is going to expedite.

Thank you, Hon. Speaker.

**Hon. Speaker:** Member for Nambale.

**Hon. Sakwa Bunyasi** (Nambale, ANC): Thank you, Hon. Speaker. I want to make very brief comments on these three Petitions.

Let me start with the issue of the NYS. It is a very good example of how financial governance really went wrong and it is continuing to go wrong. Even though bills are verified, it puts power in the hands of the managers on who to give and who not to, to pay off pending bills. When you aggregate this for the whole economy, you end up having a lot of money stuck there. If released, it will be a major stimulus package for this economy. The type we are talking about is on budgeting new monies and yet monies are being held, which if released into the economy would make a huge difference. The Petition is sound. I hope as a result of it we will revisit these issues that are being ignored across the economy in respect of payment of pending bills.

On irrigation, we should take food security seriously. Food is not just needed when people are starving. Food is needed to lower costs. If we lower costs, we shall effectively increase the income of workers, particularly urban workers. When they measure inflation with food costs which is in the basket, it may be about 40 per cent or 50 per cent. In fact, more than 50 per cent are reduced. We will have effectively given an increase to that household. With availability of moisture and rain, we will help increase productivity and lower average cost. That is something that must be taken extremely seriously.

We have abandoned schemes in areas like Busia and nobody cares about them. We have not even succeeded to get the Question in Parliament answered, after two years of both Mheshimiwa Oundo and myself raising it. We are taking issues around food security as seriously as we should.

Lastly is the issue of historical rights. I think we should begin to confront problems as they are. I think we know that. The elite that we have is not different from the colonial elite that we had in terms of hanging on to assets and not caring about the poor. I really think that this Petition by Hon. Sara Korere is extremely good. It should raise all the difficult issues that we would like to avoid in relation to issues of historical injustices. It is extremely important that we put our minds to it when it comes before us. We should enrich it enough to enable Government to feel that, indeed, there is a real problem there.

**Hon. Speaker:** Member for Ainabkoi.

**Hon. William Chepkut** (Ainabkoi, Independent): Thank you, Hon. Speaker, Sir. These are very great issues, especially the historical injustices. The Samburu and the entire Maasai are great people of this Republic. They own the wealth of this nation. Nairobi is theirs. Major lands are theirs. So, we want issues of historical injustices addressed once and for all.

*(Applause)*

Since you are suitable and competent enough, irrigation is very key. I have brought two issues and I want your attention. I brought the Motion of compulsory planting of trees in all learning institutions and individual households. Second was the climate change. I have given a notice to the Governor of Uasin Gishu County that they should not take water from my constituency, Kaptagat Towers, without first distributing it to my people. I am giving them a warning: my people must benefit before others. I give my people first priority.

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*(Laughter)*

Secondly, I want Government incentives and tax exemptions on farm equipment. With honour and profound respect, I thank the CS, Amb. Ukur Yatani, for the assurance he gave me last week. We got tax exemption last week for great people like George Killy. My constituency is the food basket of this Republic. So, we are very key. Uasin Gishu County is number one. We must have Government incentives. Food security is very key. That is why I always support His Excellency Uhuru Kenyatta, the Five-star General. If he will not do anything for me, I have been going by Air Force 1.... Because you are number three in command, tell him that I love him.

*(Laughter)*

As much as I love him, he is number one in this Republic. He is followed by Dr. William Ruto who is our own son, followed by you.

*(Applause)*

So, the thing is that we vote in unity of interests, emotion and desires. I beg to support Sara. You are a great woman of this Republic.

Thank you.

*(Laughter)*

*(Hon. (Ms.) Sara Korere walked out of the Chamber)*

**Hon. Speaker:** Hon. Members, in the course of debate on some of the Motions yesterday, I indicated that some of you tend to forget your Standing Orders so fast. Hon. Chepkut concluded by congratulating somebody. He faced his back, to Hon. Sara Korere. He referred to you as a great woman. Even as you are contributing, I watched Hon. Sara Korere walking away. She is not anywhere. People are commenting on her Petition and she has already left the Chamber. Surely? Hon. Members, sometimes it is not fair. Hon. Sara has brought a very important Petition, Members are contributing and making comments, congratulating her, among other things, but she has already taken off.

Anyhow, the Petition is referred to the Departmental Committee on Lands to deal with. The other two Petitions are referred to the Departmental Committee on Finance and National Planning. The time for comments is over. I can see very many of you wanted to comment but time is over. I observed 30 minutes and they are over. So, we will go to the next Order.

## PAPERS LAID

**Hon. Amos Kimunya** (Kipipiri, JP): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

The proposed budget ceilings for each constituency for the Financial Year 2021/2022 from the National Government Constituency Development Fund (NG-CDF) Board.

The Reports of the Auditor- General and financial statements in respect of the following institutions for the year ended 30<sup>th</sup> June 2019, and the certificates therein:

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- (a) The Nzoia Sugar Company Limited.
- (b) The Kenya National Highways Authority.
- (c) The Kenya Roads Board Fund.

Report of the Auditor-General and financial statements of the Kenya-European Union Partnership for Implementation of National Strategy to Counter Violent Extremism in Kenya for the year ended 30th June 2020 and the certificate therein.

Thank you, Hon. Speaker.

**Hon. Speaker:** Because of the interest and because if you cannot do it yourselves here, you cannot do it for others, I wish to allow the Chairman of the National Government Constituencies Development Fund Select Committee of the National Assembly, Hon. Athanas Misiko Wafula Wamunyinyi, to say something.

**Hon. Wafula Wamunyinyi** (Kanduyi, FORD-K): thank you, Hon. Speaker, for the opportunity. What we are doing is in compliance with the provisions of the NG-CDF Act. As is required, Ksh2.5 per cent of the national government's share of revenue, as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution, is allocated to CDF. We have been given the proposed budget ceiling, which is as per the Division of Revenue Act, 2021. The total shareable revenue is Ksh1,775,624,173,860, out of which Ksh1,398,798,856,427 is allocated to the national government. In the 2021/2022 Financial Year, a total of Ksh41,714,800,000 was allocated to NG-CDF, which translates to Ksh2.98 per cent. This means that the condition set out in section 4 of the Act has been complied with. Further, Section 4(3) of the Act requires that the monies appropriated to the Fund in every financial year shall not be less than that of the previous year.

The Board shall, with the approval of the Committee of the National Assembly, allocate funds for every constituency in each FY as provided in section 34. Pursuant to these provisions, I hereby present the list of all the 290 constituencies plus the amount for each constituency, which is Ksh137,088,879. The reason there was delay in presenting this is that as a Committee we had been pushing for enhancement of this amount from within the Funds allocated, to the extent that the Board has taken about 5 per cent, which is about Ksh1.9 billion. The Committee had wanted to reduce this percentage to about 3 per cent or 4 per cent so as to enhance the allocation to constituencies. This will be a small amount of about Ksh2 million to Ksh3 million per constituency.

We did not agree to this proposal. We had hoped that we would get the Principal Secretary at the Treasury and Planning and the Board to sit with us so that we could get this done, but it has not been possible. We have agreed, for the sake of ensuring that Members prepare project proposals. We will ask Treasury to release money for the first quarter as we pursue the difference in the proposal we are making. That is where we are. I want to appeal to colleagues to submit their project proposals without delay. On our part, we have already asked the Board to ask the Treasury to release money for the first quarter, so that by December you have money for bursary and to implement projects.

There are also a few constituencies that have not received full allocation for the previous financial year.

*(Loud consultations)*

Let me clarify that the amounts pending for some constituencies is about Ksh5 million, Ksh10 million and Ksh13 million. I can table the list a little later. The arrears ought to have been dealt

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with during budgeting, at supplementary and main Budget. We did not do that. In our effort to get these percentages adjusted, we intended to ensure that the constituencies recover as we move on. Given time, we are going to pursue this. I want to ask Members who are asking why to appreciate the fact that it is this House that passed the Budget and approved funds to be utilised. It is our own Budget and Appropriations Committee that decided and you Members approved. Now you are asking me why when you approved it yourselves! Let us be serious in looking at our issues. You cannot question something you did yourselves. Hon. Speaker, you were here and witnessed what happened. You did not vote; they did. Let Members prepare the proposals so that we can get funds for the first quarter flowing to constituencies. We are going to pursue the arrears together as a House to make sure that we get the funds to the constituencies for development.

I thank you, Hon. Speaker.

**Hon. Speaker:** The Chairman of the Departmental Committee on Trade, Industry and Cooperatives.

**Hon. Ali Adan** (Mandera South, JP): Thank you, Hon. Speaker. I beg to lay the following paper on the Table of the House:

Report of the Departmental Committee on Trade, Industry and Cooperatives on its consideration of Sessional Paper No. 4 of 2020 on the national cooperatives policy on promoting cooperatives for socio-economic transformation.

Many thanks, indeed, Hon. Speaker.

**Hon. Speaker:** Hon. Nzioka Kivasu, Member for Mbooni.

**Hon. Erastus Nzioka** (Mbooni, Independent): Thank you, Hon. Speaker. I beg to lay the following paper on the Table of the House:

Report of the Departmental Committee on Communication, Information and Innovation on its consideration of the Information Communication Technology Practitioners Bill (National Assembly Bill No. 38 of 2020).

Thank you, Hon. Speaker.

**Hon. Speaker:** Next Order.

## NOTICE OF MOTION

### NATIONAL COOPERATIVE POLICY

**Hon. Ali Adan** (Mandera South, JP): Hon. Speaker, I beg to give notice of the following Motion: -

THAT, this House adopts the Report of the Departmental Committee on Trade, Industry and Cooperatives on its consideration of Sessional Paper No.4 of 2020 on the National Cooperative Policy, laid on the Table of the House on Thursday, 19<sup>th</sup> August 2021 and further approves Sessional Paper No.4 of 2020.

Thank you.

**Hon. Speaker:** Next Order.

## QUESTIONS AND STATEMENTS

**Hon. Speaker:** The first segment is Questions. The first Member is the Nominated Member, Hon. Gideon Keter. Do you have a card? Please, press the intervention button. Yes, that way.

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**Hon. Gideon Keter** (Nominated, JP): Hon. Speaker, pursuant to the provision of Standing Order No.44 (2) (c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding the recent killings of young men in Embu County, Kitengela, Kajiado County; and other parts of the country.

It is of great concern and deeply regrettable that in the recent past, and in particular on August 2021, a number of killings were recorded across the country. Messrs. Benson Njiru Ndwiga and Emmanuel Mutura Ndwiga...

**Hon. Speaker:** Hon. Keter, I know you are not often in the House but you are listed as asking a Question.

**Hon. Gideon Keter** (Nominated, JP): It is a Statement, Hon. Speaker.

**Hon. Speaker:** You have a Question on the National Archives. We are at the stage of Questions.

**Hon. Gideon Keter** (Nominated, JP): Thank you for that information.

## ORDINARY QUESTIONS

### *Question No.202/2021*

#### APPOINTMENT OF SUBSTANTIVE DIRECTOR FOR KENYA NATIONAL ARCHIVES

**Hon. Gideon Keter** (Nominated, JP): Hon. Speaker, I rise to ask the Cabinet Secretary for Sports, Culture and Heritage the following Question: -

- (i) Could the Cabinet Secretary explain whether there are any plans to rehabilitate the Kenya National Archives, which is in a dilapidated state, considering its importance as a hub and gallery of most of the artifacts in the country?
- (ii) Could the Cabinet Secretary further explain why most artifacts have been removed from the archives despite being protected by the 1954 Cultural Property Convention, which does not allow any movement of artifacts without authorization of the United Nations Educational, Scientific and Cultural Organisation (UNESCO)?
- (iii) Could the Cabinet Secretary name the person holding the position of Acting Director of the Kenya National Archives, indicate when he/she was appointed and explain when a substantive Director will be appointed as provided for by the Public Archives and Documentation Service Act, CAP 19, given that the Kenya National Archives has operated without a director for the last 10 years?

**Hon. Speaker:** The Question will be replied to before the Departmental Committee on Sports, Culture and Tourism.

The next Question is by the Member for Kwale County, Hon. Zuleikha Hassan.

### *Question No.229/2021*

#### OPERATIONALISATION OF NATIONAL CORONERS SERVICE ACT

**Hon. Zuleikha Hassan** (Kwale CWR, ODM): Hon. Speaker, I rise to ask the Cabinet Secretary for Health the following Question: -

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- (i) Could the Cabinet Secretary provide the implementation status of the National Coroners Service Act, 2017 and outline the gains made so far with regard to its operationalisation?
- (ii) Could the Cabinet Secretary explain the reasons for delays in the full operationalisation of the Act?

**Hon. Speaker:** That Question to be replied to before the Departmental Committee on Health.

The next Question is by the Member for Ainabkoi.

*Question No.316/2021*

IMPLEMENTATION STATUS OF TOT-KALOWA IRRIGATION SCHEME

**Hon. William Chepkut** (Ainabkoi, Independent): Hon. Speaker, I arise to ask the Cabinet Secretary for Water, Sanitation and Irrigation the following Question: -

- (i) Could the Cabinet Secretary provide the implementation status of the Tot-Kalowa Irrigation Scheme at the border of Baringo and Elgeyo Marakwet Counties, whose cost is estimated to be Kshs245 million?
- (ii) Could the Cabinet Secretary outline measures, if any, that the Ministry has put in place to ensure that the project does not stall any further, and that its completion is fast-tracked?

**Hon. Speaker:** That Question will be replied to before the Departmental Committee on Environment and Natural Resources.

The next Question is by the Member for Kathiani, who has requested for its deferment and the request has been acceded to.

*Question No.325/2021*

UPGRADING OF MUMBUNI-KATHIANI ROAD TO BITUMEN STANDARD

*(Question deferred)*

**Hon. Speaker:** We move to the next Question by the Member for Mogotio, Hon. Daniel Tuitoek.

*Question No.329/2021*

EXTENT OF GEOTHERMAL DRILLING ACTIVITIES IN KAJIADO, NAROK,  
NAKURU, BARINGO, TURKANA AND SAMBURU COUNTIES

**Hon. Daniel Tuitoek** (Mogotio, JP): Hon. Speaker, I rise to ask the Cabinet Secretary for Energy the following Question: -

- (i) Could the Cabinet Secretary outline the extent of geothermal drilling activities in Kajiado, Narok, Nakuru, Baringo, Turkana and Samburu Counties?

- (ii) Could the Cabinet Secretary list the names of companies which were awarded concessional tenders to undertake geothermal drilling activities in these counties, and in particular at Arus in Mogotio Constituency?
- (iii) Could the Cabinet Secretary confirm if comprehensive public participation was carried out prior to settling on the companies to carry out the drilling activities, in particular for Mogotio Constituency at Arus Geothermal site?
- (iv) Could the Cabinet Secretary also give the status of the drilling activities by each of the contracted companies and the achievements made so far in drilling of geothermal wells in the above listed counties?

**Hon. Speaker:** That Question will be replied to before the Departmental Committee on Energy.

The next Question is by the Member for Embakasi West, Hon. Theuri.

*Question No.333/2021*

ERECTION OF BARRICADES ALONG OUTER RING ROAD

**Hon. George Theuri** (Embakasi West, JP): Hon. Speaker, I rise to ask the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works the following Question: -

- (i) Could the Ministry consider erecting barricades along Outer Ring Road in Nairobi City County, particularly between Taj Mall Stage and Allsopps, to prevent pedestrians from crossing below footbridges located between the two locations so as to forestall recurrence of multiple accidents which are being witnessed almost on a daily basis in the said areas?
- (ii) What measures has the Ministry put in place to ensure comprehensive road safety campaigns are carried out to sensitise Kenyans on road safety and traffic rules, particularly in urban areas in the country?

**Hon. Speaker:** That Question is to be replied to before the Departmental Committee on Transport, Public Works and Housing.

The next Question is by the Member for Kibra. You do not know how to operate the gadget?

*Question No.335/2021*

CRITERIA FOR ALLOCATION OF SCHOOL  
INFRASTRUCTURE DEVELOPMENT FUNDS

**Hon. Benard Okoth** (Kibra, ODM): Hon. Speaker, I rise to ask the Cabinet Secretary for Education the following Question:

- (i) Could the Cabinet Secretary explain the criteria used in the allocation of infrastructural funds and other resources meant for school development to schools in the country?
- (ii) Could the Cabinet Secretary avail a list of all schools that benefitted from the said funds during the Financial Years 2017/2018, 2018/2019 and 2019/2020 per constituency and indicate the amount received by each institution?

- (iii) Could the Cabinet Secretary outline the steps that the Ministry is taking to ensure that the funds are distributed equitably and transparently?

Thank you, Hon. Speaker.

**Hon. Speaker:** Question to be replied to before the Departmental Committee on Education and Research.

Next Question is by the Member for Kiambaa, Hon. John Njuguna.

*Question No.352/2021*

MEASURES TO CURB ALCOHOL AND SUBSTANCE ABUSE IN THE COUNTRY

**Hon. John Njuguna Wanjiku** (Kiambaa, UDA): Thank you, Hon. Speaker. I wish to ask Question No. 352 of 2021 to the Cabinet Secretary for Interior and Coordination of National Government.

- (i) Could the Cabinet Secretary explain the measures that the Ministry has taken to curb alcohol, drug and other substance abuse in the country, and particularly in Kiambaa Constituency?
- (ii) Could the Cabinet Secretary further explain the high influx of non-Kenyans in certain parts of Kiambaa Constituency, particularly in Ruaka area, and indicate whether there is a correlation between the said influx of non-Kenyans and the increased cases of drug trafficking in the area?
- (iii) Could the Cabinet Secretary also explain the steps the Ministry is taking to eradicate the menace of drug trafficking?
- (iv) Could the Cabinet Secretary provide statistics of the foreign nationalities residing in Kiambaa Constituency?

Thank you, Hon. Speaker.

**Hon. Speaker:** Question will be replied to before the Departmental Committee on Administration and National Security. Next Question is by the Member for Malindi, Aisha Jumwa.

*Question No.353/2021*

FAILURE BY SCHOOL MANAGEMENT BOARDS TO  
COMPLY WITH GOVERNMENT DIRECTIVES

**Hon. (Ms.) Aisha Jumwa** (Malindi, ODM): Thank you, Hon. Speaker for giving me this opportunity to ask Question No.353 of 2021 to the Cabinet Secretary for Education.

- (i) Could the Cabinet Secretary explain why high school management boards, both in public and private schools across the country, make it mandatory for parents and guardians to purchase school items such as school uniforms and mattresses, among others, from the respective schools which cost higher prices than at most independent outlets?
- (ii) Could the Cabinet Secretary consider issuing a directive to all schools in the country to stop compelling parents and guardians to purchase such items from schools, but only provide specifications?

- (iii) Could the Cabinet Secretary also explain why school principals continue to send students home due to remedial payments which are not included in the approved fees structure against Government's directives?
- (iv) Could the Cabinet Secretary indicate the actions taken against school principals across the country who have failed to comply with the directive of the Government on reduction of school fees that they charge and that they charge the approved school fees?

Thank you, Hon. Speaker

**Hon. Speaker:** Question will be replied to before the Departmental Committee on Education and Research. We go to the next segment which is the request for Statements. The first is by Hon. Kimani Ichung'wah. The Member being absent, we move to the next. Let us have Hon. Gideon Keter. There is one you wanted to raise

### REQUESTS FOR STATEMENTS

#### KILLING OF YOUNG PEOPLE IN THE COUNTRY

**Hon. Gideon Keter** (Nominated, JP): Thank you, Hon. Speaker.

Pursuant to the provisions of Standing Order No.44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding recent killings of young men in Embu County, Kitengela in Kajiado County and other parts of the country.

It is of great concern and deeply regrettable that in the recent past, and in particular, in August 2021, a number of killings have been recorded across the country. Benson Njiru Ndwiga and Emmanuel Mutura Ndwiga lost their lives in Embu, while Moses Kimanthi Njiru lost his life in Manyatta. Further, four young men, namely; Fred Mureithi, aged 30; Victor Mwangi, a businessman aged 25; Mike George, aged 29; and Nicholas Musa, aged 28 were murdered in Kitengela on 8<sup>th</sup> August 2021 and their three motorbikes burnt along with their identity cards. In Kiptagich Location in Nakuru County, a Form Two student named Emmanuel Kipkoech Rono was allegedly shot dead by police officers.

It is against this background that I seek a Statement from the Chairperson of the Departmental Committee on Administration and National Security on the following:

- (i) What is the status of investigations into the killings of the said young men, namely, Benson Njiru Ndwiga, Emmanuel Mutura Ndwiga, Moses Kimanthi Njiru, Fred Mureithi, Victor Mwangi, Mike George, Nicholas Musa and Emmanuel Kipkoech Rono in the said places on different dates?
- (ii) Could the Chairperson explain whether any of the Government investigating agencies have managed to uncover the motives for the murders and whether any suspects have been apprehended and brought to book?
- (iii) Could the Chairperson explain what measures the Government has taken to inquire into the matter to ensure such incidences are handled with urgency and whether police officers have acquired safe de-escalation techniques to enable them defuse situations, especially where suspects are not armed? Could the Chairperson further explain how often the security personnel undertake refresher courses?
- (iv) What measures is the Ministry putting in place to ensure that affected families are duly compensated for the pain and suffering brought with the loss of lives of their

loved ones and within which timelines will the families of the deceased be compensated?

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Members, sometimes there are some things that you are supposed to take judicial notice of, especially when you know that action has already been taken such as where people have already been arrested and presented before courts. You come and ask the Chairperson what steps have been taken yet you already know them. If it was in those days when Ministers would be in the Chamber, you would have been embarrassed to ask something like that because you would have been asked whether you live in the country or in outer space.

Nevertheless, Hon. Mwathi, how soon do you think you can provide this? Hon. Member, you are also not supposed to ask what the law says because you are expected to know the law as a lawmaker.

**Hon. Peter Mwathi** (Limuru, JP): Thank you, Hon. Speaker. We will bring the Statement within the next two weeks or when we resume because I am sure the Calendar says we are resuming on 21<sup>st</sup> September. I believe that it should be ready by that time.

**Hon. Speaker:** Very well. Next is the Request by Hon. Washiali Jomo.

#### DANGERS POSED BY ABANDONED OPEN QUARRIES IN THE COUNTRY

**Hon. Benjamin Washiali** (Mumias East, JP): Thank you, Hon. Speaker.

Pursuant to the provisions of Standing Order No.44(2)(c,) I rise to request for a Statement from the Chairperson of the Departmental Committee on Transport, Public Works and Housing regarding dangers posed by open quarries abandoned by contractors in Mumias East Constituency and other parts of the country.

Hon. Speaker, quarrying is a very important activity in our country as it helps in the development of infrastructure such as roads in a given area. In the recent past, there have been growing concerns in the manner in which quarrying activities are being undertaken in the country, specifically with regard to open quarries abandoned by contractors after completion of projects. Many contractors who are assigned road works in the country have had a tendency of excavating gravel and/or maram thus leaving behind gaping holes that have become dangerous to both humans and livestock, especially when they are filled with water.

Mumias East Constituency has over five big quarries which have turned into death traps. Recently, two young people accidentally drowned in the open quarries filled with water and lost their lives. They are the late Rehema Oruko aged 11 and the late Master Kevin Kaneje aged 17 years. The Government needs to look into this matter with a view of seeking immediate interventions to salvage the current situation to avoid more deaths of human and livestock.

It is against this background that I seek for a Statement from the Chairperson of the Departmental Committee on Transport, Public Works and Housing on the following:

- (i) Why are the contractors not complying with the law of rehabilitating ground that has been interfered with?
- (ii) When are the gaping holes in Mukware and Indori areas in Mumias East Constituency going to be rehabilitated?
- (iii) When are the families that lost their loved ones going to be compensated by the contractor for not meeting the contractual obligations?
- (iv) What safety measures and regulatory frameworks has the Government put in place to ensure that contractors comply with safe quarry operations?

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Pkosing, Chair of the Departmental Committee on Transport, Public Works and Housing.

**Hon. David Pkosing** (Pokot South, JP): Thank you, Hon. Speaker. If he gives us two weeks, we will bring the Statement.

**Hon. Speaker:** Very well. In any event, Hon. Washiali you have seen the calendar of the House. So, I believe that is not just ambitious but very good. Next request is by the Member for Jomvu, Hon. Bady Twalib.

#### WATER PROVISION CRISIS IN JOMVU CONSTITUENCY

**Hon. Bady Twalib** (Jomvu, ODM): Hon. Speaker, pursuant to the provisions of Standing Order No.44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Environment and Natural Resources regarding the ongoing water provision crisis in Jomvu Constituency.

Hon. Speaker, since 2018 the residents of Bangladesh, Jomvu Kuu, Ganahola and Miritini villages in Jomvu Constituency have endured months of extreme water shortage that has aggravated following delays by Danaff Group Contractors who are yet to complete World Bank funded water piping projects in Miritini, Mikindani and Jomvu Kuu. Despite the noble efforts by well-wishers such as Asmok Patel popularly known as Asuu of Mombasa Cement Company who is utilising water bowsers to assist desperate residents, private water suppliers have taken advantage of the water shortage to charge exorbitant rates to supply water in various estates.

Hon. Speaker, despite the residents conducting numerous peaceful demonstrations, no specific tangible remedial action has been taken. It is on account of this desperate situation that I seek for a Statement from the Chairperson of the Departmental Committee on Environment and Natural Resources on the following:

- (i) What specific factors have contributed to the drastic water shortage in Jomvu Constituency?
- (ii) Why has Danaff Contractors delayed in completing the water piping projects?
- (iii) Has the presence of water cartels in the area contributed to the water crisis in Jomvu Constituency through deliberately obstructing the water piping programme?
- (iv) Within what timelines shall the residents of Jomvu Constituency gain access to adequate water supply?

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Kareke Mbiuki or Hon. Sophia Abdi, how soon do you think you can respond to this? Your request will be channelled through the Office of the Leader of the Majority Party. There is nothing out of order on this. No! First of all, let us proceed with this. For a second time, the request by Hon. Kimani Ichung'wah.

#### ISSUANCE OF VISAS TO KENYANS TRAVELLING TO THE PEOPLE'S REPUBLIC OF CHINA

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Thank you Hon. Speaker, I am being directed by the Leader of Majority Party emeritus to apologise profusely for coming late. I was in the bank when you called me for the first time, therefore, my apologies to the House.

Hon. Speaker, pursuant to the provisions of Standing Order No.44(2)(c), I seek a Statement from the Chairperson of the Departmental Committee on Defence and Foreign Relations regarding issuance of visas to Kenyans wishing to travel to the People's Republic of China.

It is more than a year since many countries closed their borders to foreign visitors following the COVID-19 outbreak and thereafter issued new entry requirements and policies. In addition, various countries continued to revise their COVID-19 epidemic prevention and control measures from time to time including the rules modulating how foreign visitors enter their countries and under what circumstances.

Hon. Speaker, for Kenyans wishing to travel to the People's Republic of China, one of the many requirements set is a COVID-19 vaccination through presentation of a vaccination certificate. However, despite fulfilling all the other set requirements, many Kenyans wishing to travel for either business or work-related activities continue to be denied an opportunity to travel to the People's Republic of China on the account of the type of COVID-19 vaccine that they have been vaccinated with locally.

According to the World Health Organisation (WHO) there are now several COVID-19 vaccines that are in use. At least 13 different vaccines across four platforms have been listed and administered since the mass vaccination programme commenced in early December 2020 across the world. They include, Pfizer S111, Covishield, AstraZeneca AZD1222, Janssen Ad26.COV2.S, Moderna, Johnson and Johnson and Sinovac COVID 19 vaccines.

It is against this background that I seek a Statement from the Chairperson of the Departmental Committee on Defence and Foreign Relations on the following:

- (i) Why are Kenyans wishing to travel to the People's Republic of China being denied visas on account of the type of COVID-19 vaccine they have been vaccinated locally which are WHO approved with the insistence by the People's Republic of China that they must be vaccinated with Chinese vaccines?
- (ii) Why are Kenyans being denied work permits and business visas to the People's Republic of China disadvantaging them to the benefit of Chinese middlemen who are getting unfettered access into the Kenyan boundaries? Kenyans have noted that they are now setting up shops in Nairobi and Kenya to come and merchandise the goods they manufacture having cut out the Kenyan businessmen who were trading and importing these goods from China?
- (iii) I would want to know how many Chinese nationals have visited Kenya on either business or work visas from the advent of the pandemic in March 2020 to date and what work and businesses these Chinese nationals have been permitted to come and conduct in the country.
- (iv) How many Kenyans in contrast have been issued with visas either for business or work from March 2020 to date to visit the People's Republic of China?
- (v) What is the volume of imports brought in specifically by the Chinese businessmen and middlemen into Kenya *vis-a-vis* imports by Kenyan nationals since March 2020 to date?

Thank you, Hon. Speaker.

**Hon. Speaker:** The Chair of the Departmental Committee on Defence and Foreign Relations has already commenced his recess. What about the Vice-Chair, Hon. Tong'i? What would he be doing in Homa Bay? The request will be channelled through the Office of the Leader of the Majority Party to forward to them. The other segment is on responses. Hon. Members, we

must follow the procedure. What is it, Hon. Oundo? Do not say you asked a Question because we are not yet there.

**Hon. (Dr.) Wilberforce Oundo** (Funyula, ODM): Hon. Speaker, I raised a matter yesterday. Unfortunately, the Chair of the Departmental Committee on Transport, Public Works and Housing was not around. I can also see the Vice-Chair of the Departmental Committee on Finance and National Planning. There are two issues I have asked that there has been no response to since February and July. So, I wanted your direction now that they are around. Before they sneak out, I want them to give me an indication when my answers could be forthcoming. That is why I was just seeking your indulgence because I know they could easily go out.

**Hon. Speaker:** The Vice-Chair of the Departmental Committee on Finance and National Planning, do not sneak out until we finish this segment then you will respond. I know the Chairman of the Departmental Committee on Transport, Public Works and Housing is not sneaking out. He is the last one to respond. So, Hon. Ndirangu Waihenya, I hope you can in the meantime talk to Hon. Oundo to remind you what it is that he said. Do you want to respond right away?

**Hon. Isaac Ndirangu** (Roysambu, JP): Thank you, Hon. Speaker. I tender my apology for not being in time in the House when Hon. Oundo asked this Question in the first instance. I am pleased to inform him that we are going to respond to it when the House resumes. My Committee is going to undertake inspection visits to the Kenya Railways Corporation, Kenya Ports Authority and the Kenya Pipeline Company under the auspices of the Industrial and Commercial Development Corporation (ICDC). Among the inspection visits will be to the railways in Nanyuki, Malaba, Nyahururu *et cetera*. So, I am pleading with the House to allow us time when this House resumes. Hon. Speaker, if you agree, I am also inviting the Member to be in our company when we are making those visits particularly that part which falls within his constituency, Funyula, that is, Malaba Railway Section. Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Oundo.

**Hon. (Dr.) Wilberforce Oundo** (Funyula, ODM): That is perfectly in order, suffice to note that Malaba is in Teso North Constituency. It is not in Funyula but I asked a Question that generally cuts across the entire country. I will be waiting for the response when the House resumes on 20<sup>th</sup> September year of our Lord 2021.

**Hon. Speaker:** The first response is by the Chairman of the Departmental Committee on Trade, Industry and Cooperatives. You are making two responses. One is to a statement sought by Hon. John Mwirigi and the other one by Hon. Owen Baya. Hon. Owen Baya is not in the House, is he? You cannot tell us somebody was. There is too much work to be done. Just lay that one by Hon. Owen Baya on the Table. Hon. Mwinyi, this is a new technique you are introducing. Hon. Haji.

**Hon. Ali Adan** (Mandera South, JP): Thank you, Hon. Speaker.

I rise in response to Statement by the Member of Parliament for Igembe South, Hon. John Paul Mwirigi to the Departmental Committee on Trade, Industry and Cooperatives on the issue of *miraa*. The question was: Could the Chairperson explain why farmers could not be informed early enough on closure of airspace by the Federal Government of Somalia? Hon. Speaker, the response is that Somalia is a sovereign state that makes its own independent decisions which they are not obligated to communicate to any other country in the event of a *force majeure* or in the event of events that are largely beyond the control of any person to deal with. Therefore, this was an unfortunate situation and when the country wants to close their airspace, they do not communicate.

On the question of whether there are any plans to compensate farmers for the loss incurred noting that students are going back to school and that this has been the parents' main source of

income and general livelihood, the response is: At this moment the Government may not be in a position to raise funds for compensating the *miraa* farmers for losses incurred following the closure of the airspace as this happened unexpectedly. However, in future, such an unfavourable event can be mitigated against by setting up applicable compensation funds through the guidance and support of the National Treasury.

On the question of what measures are in place to open more market access to *miraa* farmers in the region particularly the horn of Africa, the response is: The Government of Kenya is exploring new markets in Djibouti, the Democratic Republic of Congo (DRC), Mozambique and other countries in Africa. The Government has opened conversations and it is working closely with the Djibouti Government to allow *miraa* exports from Kenya. To this end, the Djibouti Government is organising for a visit to Kenya in the month of July/August to see how *miraa* is produced and managed before opening the market. The Ministry of Industrialisation, Trade and Enterprise Development is also organising to meet representatives from the public and private sector in the DRC during the planned DRC expo which will take place in the month of August 2021.

Hon. Speaker, the Ministry of Industrialisation, Trade and Enterprise Development, through the Kenya Bureau of Standards (KEBS), is in the process of developing a code of practice for the *miraa* sector. The standard procedures of practice include ensuring hygiene is observed in the entire chain from harvesting to packaging as well as loading into vehicles and aircraft. This will go a long way in enabling the *miraa* crop access more markets. The Ministry of Industrialisation, Trade and Enterprise Development encourages *miraa* farmers to add value to their perishable raw material. Through this, the crop can be processed into *miraa* juice, sweets among other products. This will go a long way in reducing post-harvest losses and diversify market segments for *miraa* products and hence unexplained markets.

Hon. Speaker, we are aware that the Ministry of Agriculture, Livestock, Fisheries and Cooperatives established the *Miraa* Taskforce Report Implementation Technical team through *Kenya Gazette* Notice No. 10757 of 15<sup>th</sup> November 2019. This technical team provides technical guidance and facilitation in the implementation of the *miraa* reforms and is in the process of reviewing the current regulatory framework for the *miraa* industry to align it to current and future needs.

Finally, in responding to the question of what led to the suspension of flights especially cargo flights that *miraa* farmers rely on and when the flights are expected to resume, there were no reasons given as to why flights were suspended. We are all aware that we have had security and diplomatic rows between them and our country. That was the question as far as the issue of *miraa* is concerned.

I have another request for Statement by Hon. Baya which was directed to the Departmental Committee on Trade, Industry and Cooperatives.

Hon. Speaker, the question was on policy measures instituted with regard to manufacturing and value addition of pineapples in Kilifi. The Ministry's policy on manufacturing and value addition is geared towards the promotion of processing across the country and is based...

**Hon. Speaker:** Hon. Haji, I told you that you will table that Statement by Hon. Baya. Allow, Hon. John Paul Mwirigi to raise an issue. Hon. John Paul Mwirigi.

*(Hon. Ali Adan laid the Statement on the Table)*

**Hon. John Paul Mwirigi** (Igembe South, Independent): Thank you, Hon. Speaker. First I want to appreciate the response from the Chairperson of the Departmental Committee on Trade, Industry and Cooperatives. There are some signs of effort which has been achieved, in as far as the DRC Congo is involved. It is good when the expo will be conducted this month farmers of *miraa* be included. When the Djibouti businesspeople will be visiting this country, *miraa* stakeholders and farmers should be involved so that they can be at par and lobby for themselves for this market to open.

Also, it is good for the Government of this Republic to inform the citizens of this country and to clearly update them when flights are suspended, not to beat about the bush. They should inform them of the closure or the suspension of the flights. So, it will be good for farmers to be informed or updated in good time. Also, when doing the budget, it is good to set aside some funds which can be used for compensation when this product faces some crisis. On value addition, we already have two companies which are already established and are processing chewing gums, juices and wine out of *miraa*. It is only the Government's goodwill that is lacking to actualise this idea. So, this Government needs to cultivate goodwill with the farmers of *miraa*, so that the market can open and the farmers can benefit.

Thank you, Hon. Speaker.

**Hon. Speaker:** Very well, the next three responses are by the Chairman Departmental Committee on Transport, Public Works and Housing, Hon. Pkosing. The first request is by Hon. Peris Tobiko, Member for Kajiado East, about heavy traffic flow in Kitengela Town but I have seen her walk away about three minutes ago. I think she is okay. You can table that. The other one is by Hon. Kangogo Bowen, Member for Marakwet East. He is also absent. The next one is by Hon. John Olago Aluoch, Member for Kisumu West. He is absent too. So, Hon. Pkosing, you can just table the Statements, they will go and read.

**Hon. David Pkosing** (Pokot South, JP): Thank you, Hon. Speaker. I will follow your direction. I am aware that they are comfortable and happy. They have seen me.

**Hon. Speaker:** That is very good if they are comfortable.

**Hon. David Pkosing** (Pokot South, JP): They are.

**Hon. Speaker:** You can then respond to the issue that was raised by Hon. Oundo with regard to the questions that he has asked your Committee.

**Hon. David Pkosing** (Pokot South, JP): I talked to him yesterday but let me clarify with the Clerk's office because the last time the Cabinet Secretary came to respond to Questions was on 26<sup>th</sup> of July. In this Committee, there is nothing that remains behind, maybe the Office of the Clerk might have forgotten. Let me clarify with the Clerks' office on what happened. The Cabinet Secretary came on 26<sup>th</sup> July to respond to all pending Questions from July going back.

**Hon. Speaker:** So from your records, you do not have pending Questions?

**Hon. David Pkosing** (Pokot South, JP): Allow me one minute to clarify with the Office of the Clerk.

**Hon. Speaker:** You can go and clarify. Hon. Mwathi, Chair of the Departmental Committee on Administration and National Security.

**Hon. Peter Mwathi** (Limuru, JP): Hon. Speaker, I rise to seek your direction. Last week when I brought petitions here, you ordered that under the Standing Orders those petitions should be discussed. I went ahead to move a Procedural Motion in which we sought to have Motions to discuss these petitions which I moved on 16<sup>th</sup> of August. You gave a direction that those matters should be discussed yesterday and today, but I have been looking at the Order Paper and I think the agenda has not been listed. Given that this is the last day of this session, you should then give

a further direction on how we will handle that matter when we reopen or later today, so that I can know and plan my time.

**Hon. Speaker:** When it is not on the Order Paper, it is not possible to fish it from wherever it may be. It only means that we can only deal with them when we resume. They will be debated in the manner that we directed and in any event, since you have already given notice, when we resume, it is just for the petitions to be listed. It is not possible for it to be done now. The Leader of the Majority Party.

Hon. Abdullswamad, what is your issue.

**Hon. Abdullswamad Nassir** (Mvita, ODM): Thank you very much, Hon. Speaker for indulging me. With all due respect to the leadership of this House, last week, there was a Motion that I had requested in regard to how Kenyans are being affected by the issues of lockdowns and the restrictions that have been there. I am saying this with a lot of humility to the leadership of this House. Needless to say, last week we were unable because of a technicality. This week, it has been placed on the Order Paper at such a time that it might not be feasible for us to reach there. I ask for your indulgence under Standing Order No. 1, considering that the Executive has pronounced itself by extending these restrictions further for another 60 days as of yesterday, considering as well that this House goes on recess from today for another 30 days.

The Constitution of this country mandates this House, which includes every single person who is here, nominated and elected, to deliberate and come up with solutions that affect the people of this country.

I just wish to state that the Kenya National Bureau of Statistics (KNBS) has indicated that courtesy of these lockdowns, the number of Kenyans who are going without meals has gone up by more than four times. Those are figures provided by the KNBS. The 5.85 million people out there who include the *mama mbogas*, *boda bodas* and hawkers are the ones we need to come up with a solution for.

Hon. Speaker, this Motion is to simply guide and indicate that the third arm of Government in this country is seeking an alternative that will be feasible and safer instead of the constant lockdowns. Eleven per cent of small and medium enterprises (SMEs) and mid-market enterprises (MMEs) have closed down. Twenty per cent of businesses have shut down, not because of the disease itself, but because of the effect that the lockdowns and restrictions have had on Kenyans. With a lot of humility, I seek your guidance and that of the leadership of the House that we discuss this matter today rather than sitting back and saying that we want to discuss it at a time when more damage has already been done.

**Hon. Speaker:** We have not even gotten to that Order. We have not even finished the preliminaries where the Leader of the Majority Party is supposed to indicate what will happen when the House resumes. You have not indicated what your plea is.

Let us have Hon. Aden Duale.

**Hon. Aden Duale** (Garissa Township, JP): Hon. Speaker, without anticipating debate, I would like to bring to your attention that last week I tabled a Statement detailing a number of reports, including the Consumer Price Index by the KNBS. The Departmental Committee on Finance and National Planning is dealing with that matter. That is what Hon. Abdullswamad Nassir, with a lot of respect to him, is quoting. He is quoting the KNBS Consumer Price Index for the last eight months from...

**Hon. Abdullswamad Nassir** (Mvita, ODM): (*spoke off-record*)

**Hon. Aden Duale** (Garissa Township, JP): I am on a point of order.

Over the last eight months, the KNBS has not published or submitted to this House any... Secondly, I do not see the urgency of that Motion. Hon. Nassir's party leader was yesterday part of the meeting with the President and part of the national dialogue that considered the measures put in place. We must have a leadership that speaks with one voice. Hon. Raila Odinga agreed on the containment measures with my President and party leader.

Thirdly, as he said, this House plays a critical role in making sure that matters of national importance are discussed. This House has passed the Budget for the 2021/2022 Financial Year and allocated serious funding of Ksh34 billion to vaccination and over Ksh12 billion to cushion various sectors of our economy. It is incumbent upon the various committees of this House, whether it is the Departmental Committee on Health or the Departmental Committee on Finance and National Planning, to follow through on what we passed.

We have ruled on this a number of times, even in the 10<sup>th</sup> Parliament, that a Motion urging or resolving on a matter is of lower substantive effect than a Bill. The National Health Insurance Fund (NHIF) Bill is here and carries more weight. During the recess, I hope that Hon. Abdullswamad and many of us sitting here engage in their various committees under your leadership. We did our bit during the budget-making process. The money is with the National Treasury. We do not want to receive the 407,000 vaccine donations from the United Kingdom and watch the entire Ministry engaging in showbiz at the airport. Where is the Ksh34 billion that can cater for the vaccination of close to 15 million Kenyans, even if we only vaccinate 30 per cent of our elderly?

Hon. Speaker, you need to guide us. The rearrangement of business is within the purview of the Speaker under the Standing Orders. My view is that Hon. Nassir is taking the wrong route. You are not taking the Standard Gauge Railway (SGR) or Kenya Airways and you are not driving to Mombasa. In fact, you are driving away from Mombasa. We do not want populist Motions. Hon. Nassir comes from the Minority Party. They should be checking the Government 24/7. We have been experiencing the COVID-19 pandemic for two years now and you are telling us that with a Motion, things will change. They will not. A Motion cannot work. In fact, I am waiting for that Motion. I will oppose it because you failed to check the Government as the Minority Party. It is your party that should ask the Government why it is not vaccinating Kenyans. It is your party that shook hands. Yesterday, it is your party that participated in what is going on. With the way you are going, you are annoying your party leader who is in Homa Bay and there will be consequences.

I was in the Orange Democratic Movement (ODM) before you. I was a founding member of ODM. In ODM, you do not work like that. You do not go contrary to your party leader. In fact, this Motion, should not proceed following yesterday's commitment. We should not listen to the charade of a Minority Party that has lost focus.

I want Hon. Abdullswamad Nassir, the purported next Governor of Mombasa to relax. In 2010, Kenyans said that there shall be a Majority Party and a Minority Party. They are occupying the oversight committees of this House. They are occupying the Minority side of this House. I am representing the hustlers. This is a populist Motion. It is a political gimmick to open up the country for political rallies. It is too late. We must follow what the Government said yesterday. We must vaccinate our people. We must listen to the President. We cannot have an Opposition that dines with the President at State House and the lieutenants are here telling us of a Motion that has no head or tail.

Hon. Speaker, this House in its wisdom under your leadership, passed a Ksh3.1 trillion Budget. Money was allocated to various sectors. I urge that we continue and follow the Order

Paper. Some of us have prepared for the Roads Bill and the Bill on the Central Bank of Kenya and...

**Hon. Speaker:** You know...

**Hon. Aden Duale** (Garissa Township, JP): Thank you.

**Hon. Abdullswamad Nassir** (Mvita, ODM): (*spoke off-record*).

**Hon. Speaker:** It is never done that way. There is no need. You know me. Once I say it is no, it is no. Let us go to the next Order. Let us have the Leader of the Majority Party.

**Hon. Abdullswamad Nassir** (Mvita, ODM): (*spoke off-record*).

**Hon. Speaker:** You interjected at the wrong time. Let us have the Leader of the Majority Party.

**Hon. Abdullswamad Nassir** (Mvita, ODM): (*spoke off-record*).

#### BUSINESS FOR CONSIDERATION DURING RECESS

**Hon. Amos Kimunya** (Kipipiri, JP): Pursuant to the provisions of Standing Order No. 44 (2) (a), I rise to give the following Statement on behalf of the House Business Committee which met on Tuesday, 17<sup>th</sup> August 2021, to prioritise business for consideration:

As Members are aware, we are proceeding on a month-long recess starting tomorrow, in accordance with our Calendar. I, therefore, wish Members a fruitful and a restful recess period. However, as I mentioned yesterday, the House is likely to be recalled for a Special Sitting to consider any ongoing urgent business, especially with regard to the consideration of nominees for appointment to the Independent Electoral and Boundaries Commission (IEBC) and the Teachers Service Commission (TSC).

I urge the respective Committees which are currently undertaking the vetting processes to conclude their work in good time to ensure that the House finalises the matter within the statutory timelines.

Hon. Speaker, the following business has been tentatively scheduled for consideration upon resumption: -

#### *Second Reading*

- (i) The Health Laws (Amendment) Bill, 2021;
- (ii) The Social Assistance (Repeal) Bill, 2020; and,
- (iii) The Landlord and Tenant Bill, 2021.

#### *Committee of the whole House*

- (i) The National Hospital Insurance Fund (Amendment) Bill, 2021; and,
- (ii) The Irrigation (Amendment) Bill, 2021.

Hon. Speaker, as always, I encourage Members with amendments to these Bills to submit them to the Office of the Clerk in good time for their inclusion when the matters come up for consideration, including the directions you gave on the National Hospital Insurance Fund Bill yesterday.

Hon. Speaker, in accordance with the provisions of Standing Order No.42A (5), I wish to convey that the Cabinet Secretary for Energy is scheduled to appear before the Departmental Committee on Energy on Wednesday, 25<sup>th</sup> August 2021 to respond to the following Questions: -

(i) Question No.003/2021 by Hon. Kwenya Thuku regarding the status of contractor CP Power East Africa, who undertook the last mile connectivity programme projects in Kinangop Constituency;

(ii) Question No.199/2021 by Hon. Patrick Makau regarding the high cost of power in the country compared to the East Africa Community (EAC) neighbours;

(iii) Question No.170/2021 by Hon. Michael Thoyah Kingi regarding the implementation status of all projects funded through the Rural Electrification Authority in Magarini Sub-County from 2017 to date;

(iv) Question No.247/2021 by Hon. Michael Muchira regarding the implementation status of the last mile connectivity projects in Ol Jororok Constituency; and,

(v) Question No.278/2021 by Hon. Martin Owino regarding the implementation status of electricity connectivity in Ndhiwa Constituency through the National Grid under the last mile connectivity project and the Street Lighting Programme.

The House Business Committee will reconvene on Tuesday, 21<sup>st</sup> September 2021 to reschedule business for the rest of that week.

I now wish to lay the Statement on the Table of the House.

*(Hon. Amos Kimunya laid the Statement on the Table)*

Hon. Speaker, before I sit down, now that we are going for recess, I am aware that we have had by-elections recently and we have three new Members from Bonchari, Kiambaa and Juja constituencies. They approached my office and requested that they participate in Committees. That request is pending for the formal nomination because it is a process that involves the Whips and the Committee on Selection and approval by the House, which may not take place between now and the time we go for recess. I have consulted with the Whips and we have agreed that I propose to you, Hon. Speaker, to use your powers under Standing Order No.1 to allow the following Members to participate, during the recess, in the proceedings of the following Committees and then we will do the formal rationalisation when we resume: -

(i) Hon. Mohamed Ali Lokiru, who serves in the Departmental Committee on Energy; there is an intention to shift him to the Departmental Committee on Education and Research by his party and, therefore, he will participate in the Departmental Committee on Education and Research during the recess;

(ii) Hon. Pavel Robert Oimeke of Bonchari Constituency, Departmental Committee on Energy;

(iii) Hon. George Koimburi Ndung'u of Juja Constituency, the Special Funds Account Committee; and,

(iii) Hon. John Njuguna Wanjiku of Kiambaa Constituency, Committee on Implementation.

Hon. Speaker, I am sure you will guide the House accordingly regarding these Members.

**Hon. Speaker:** This is where we need to get some things correct. Even the issue raised by Hon. Nassir was with me. It was not with Hon. Duale. Please, do not raise your hand.

Hon. Members, obviously, you know the process by which Members join Committees but a number of those whose names have been read out are even absent. He who comes to equity must come with clean hands. Equity does not help the indolent. Hon. Ichung'wah, ask somebody about the doctrine of equity. Hon. Lokiru, Hon. Koimburi and Hon. Oimeke are not here. In fairness, I see the youth Member for Kiambaa is here. Who is this one? Is it the Member for Juja? I cannot

quite tell who is who when you are in masks. They are here. Those ones are here. In fairness, those joining the House know the importance in the House. I will not make any orders in respect of those. The issue was about Hon. Lokiru being moved from the Departmental Committee on Energy to the Departmental Committee on Education and Research so as to allow Hon. Pavel Oimeke to sit in the Departmental Committee on Energy. Both are absent. So, I make no directions about them.

*(Applause)*

Standing Order Nos.173 and 174 provide for a Member of the House to sit in a Committee as a Member upon the approval of the House under Standing Order No.175 (3). Therefore, I invoke my powers under Standing Order No.1 to direct that Hon. Koimburi, Member for Juja, sits in the Special Funds Accounts Committee; and Hon. Wanjiku sits in the Committee on Implementation.

I have not directed your membership. I have specifically directed that you sit in those Committees and enjoy all the benefits that appertain to such sitting in Committees until your approval to sit in the said Committees is finally sanctioned by the House. For the time being, during the recess and until such time as the names will be approved by the House, you have my permission to sit and enjoy all the benefits that appertain to such sittings.

With regard to the others, no direction is made.

Hon. Wamalwa, you had an issue you wanted to raise.

**Hon. (Dr.) Chris Wamalwa** (Kimini, FORD-K): Thank you, Hon. Speaker. I thank you for the direction, particularly regarding the committed Members of this House. It is true that every Member is entitled to a Committee. This matter regarding membership of Committees had been raised sometimes back. We have some Members in this House who are in one Committee. Others are in two Committees. We have others in three or four Committees. There was a skewed way of allocating Members to Committees. When you raised this matter, it was agreed that it was going to be harmonised. I am happy that the Chair of the Committee on Selection is here. As we move to recess, it is important that you give direction on when this issue is going to be harmonised so that the principle of equity can be applied. There are Hon. Members in four or five Committees. They are not even adding much value because you cannot be in four Committees and others are missing or are in one.

I seek your direction. Thank you.

**Hon. Speaker:** Well, again, that is a matter that needs to be canvassed before the Committee on Selection, chaired by the Leader of the Majority Party, in which the Leader of the Minority Party and the Whips are also Members. Perhaps, it is a matter that you could raise when everybody is around so that, if there is need to audit to know who is in how many Committees. The rules are that each Member should, at least, sit in a Committee. So, the rest are matters that you can canvass in your various caucuses. If there is a Member who is not in a Committee, it is now the duty of the Speaker to place him into whichever Committee; that is if the Member is not in any Committee.

**Hon. Kimani Ichung'wah** (Kikuyu, JP) *(Off-record)*.

**Hon. Speaker:** All those are Committees of the House. Hon. Kimani Ichung'wah is a very active Member of the Committee on Members' Services and Facilities. Let me hear the Hon. Nzengu.

**Hon. Paul Nzengu** (Mwingi North, WDM-K): Thank you, Hon. Speaker, for giving me this opportunity.

On 5<sup>th</sup> August 2020, I sought a Statement from the Chairperson of the Departmental Committee on Health but to-date, I have not received any Response. I have been wondering. I tried to canvass with the Chair but I think she has been overwhelmed by work. I am just seeking your assistance because this is a very crucial matter. I brought an issue on Kala-Azar which is a disease that is affecting people in Mwingi North, particularly in Ngomeni Ward and Tseikuru Ward. It is a very important matter but it has been left unattended. So, I need you to help me to get a Response on this matter.

**Hon. Speaker:** Get in touch with the Leader of the Majority Party to remind the Chair. As you can see, the Chairperson is not in the Chamber. I am sure the Vice Chair, Hon. Joshua Kutuny, is also not here, as you can see. Leader of the Majority Party, look into the matter and get a Response. If the Statement was sought in August of last year, I think it speaks volumes about what is being done or is happening. One year down the road? The Committee should respond immediately. If possible, immediately the House resumes. You will liaise with the Leader of the Majority Party so that he knows the nature of the Statement that you sought.

Leader of the Majority Party, there is some document that will rearrange business.

**Hon. Amos Kimunya** (Kipipiri, JP): Thank you, Hon. Speaker, for indulging me to raise the matter of these Papers that we left out earlier. Members may need to have access and internalise them during the recess. Before I lay these Papers, let me also allay the fears and correct the record of the House that, indeed, there is no Member who has not been allocated a Committee, except one Member, by choice. The Member chose not to participate in Committees. Every other Member, 345 Members are already in Committees. You made the direction about the other three this afternoon. At least, we are compliant with Standing Orders.

## PAPERS LAID

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

The Legal Notice No. 168 on Water Service Regulations of 2021 and the Explanatory Memorandum.

The Legal Notice No. 169 on Water Harvesting and Storage Regulations of 2021 and the Explanatory Memorandum.

The Legal Notice No. 170 on Water Resources Regulations of 2021 and the Explanatory Memorandum.

Thank you, Hon. Speaker.

## BILL

### THE IRRIGATION (AMENDMENT) BILL

**Hon. Speaker:** We will move to the next Order. Hon. Members, before it is read out, take note that the Communication from the Leader of the Majority Party relating to the business when the House resumes also made reference to this Bill. Any Member desirous of proposing amendments now has more than enough time to propose those amendments to that Bill.

*(Hon. Amos Kimunya on 17.8.2021)*

*(Debate concluded on 18.8.2021)*

*(Question put and agreed to)*

*(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)*

Next Order.

## MOTION

### APPROVAL OF NOMINEES TO NG-CDF COMMITTEES

**Hon. Speaker:** The Chairperson, Select Committee on the National Government Constituencies Development Fund, Hon. Wamunyinyi. The constituencies concerned are Nambale, Sirisia and Bonchari. The Members from those constituencies are not in the House. Do they ever look at the Order Paper? This Order Paper was published yesterday. I saw it last evening. It was communicated. So, everybody is supposed to see it. Now, this is just to approve names of people to sit in their Constituency Development Committees (CDCs). If the respective Members are themselves not present, who else is going to vouch for the suitability or otherwise of the categories proposed? For instance, who will know that Truphosa Ngobiro is a female youth and female woman?

*(Laughter)*

Now, who is going to vouch for the fact that David Bunguswa is a male adult, a male man? There are these others, youths in Bonchari, adults, the disabled.... Who will know that if the Member for that constituency is not in the Chamber? Their absence is to suggest that they do not take seriously what the House will be doing. Hon. Wamunyinyi, I think we will step that down.

**Hon. Wafula Wamunyinyi** (Kanduyi, FORD-K): Hon. Speaker, earlier, I saw them in the chamber. I saw Hon. Waluke around. I do not know whether he is within hovering around. I am just confirming that if they were in the chamber, they would have risen to say they are here. I agree we do not know. It is only they who can confirm if Duale Aden is a youth or male. So, I think we go by your guidance on this matter.

**Hon. Speaker:** Hon. Ichung'wah, I hope it is not on this matter because we will just take it out of the Order Paper.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Hon. Speaker, I beg your indulgence for two reasons. One, the Chair of the Committee is the one moving the Motion, not the respective Members. Two, if you remember, post-2015, after the amendment of the NG-CDF Act, Members of Parliament ceased being patrons of the CDF committees in their respective constituencies. I see a danger if as a House, we now start resolving that we cannot transact business to do with membership of a CDF committee because the Member representing that constituency is not in the House. Reason is simple: By the time these names arrive on this Floor, they have gone through a very rigorous process that we put in the Act. They are vetted at the local level. The positions are advertised, people apply and vetted. By the time the names are cleared by the CDF Board to come here for approval, it means that Tryphosa Ngobiro Muyodi, for example, has been vetted and someone in Nambale Constituency has ascertained that this is a female youth.

Hon. Speaker, I want to beg your indulgence to allow the Chairman to proceed with this Motion. Understandably, today being the last day of this Session, a number of Members are not

present. You can see many of the Members are from western Kenya. I want to be the devil's advocate. They may have begun their recess.

**Hon. Speaker:** Just end your advocacy for the devil. I thought you were advocating for some of these Members.

**Hon. Kimani Ichung'wah** (Kikuyu, JP): Hon. Speaker, I said I want to be the devil's advocate in this particular matter, but the way you frame it makes me look like I am advocating for the real devil. I believe in the Lord Jesus Christ. I am only trying to be fair to the Members who might have travelled in advance to Homa Bay. You know they are very busy, just like those who are busy in Mombasa. Those of us who represent the 'hustler nation', because we know we represent the people, we are always here.

**Hon. Speaker:** Hon. Ichung'wah, so that we do not spend a lot of time on this matter, I have already directed that that business be removed from the Order Paper. More importantly, whether or not Members of Parliament sit on the CDF committees... Fortunately, you are addressing somebody who has been a Member of Parliament and I do know for a fact that every Member takes keen interest to know the people being nominated or proposed, notwithstanding how rigorous the process of vetting is. If any Member is not involved, then they are not doing their work properly. The House can proceed and pass the lists and then suddenly you hear that you passed a name of a person who is not alive. I think it is only fair that Members for the constituencies concerned should be present, even if they do not know much, to confirm that, indeed, those names are for people that come from their constituencies.

We move to the next Order.

## BILLS

### *Second Readings*

#### THE KENYA ROADS (AMENDMENT) BILL

**Hon. Speaker:** The Chairman of the Committee had something he wanted to raise. Hon. Pkosing.

**Hon. David Pkosing** (Pokot South, JP): I thank you, Hon. Speaker, for this opportunity. Before I do what I need to do, this is a very weighty and important Bill. I have received requests for further consultation from very important stakeholders. The best laws are compromised laws that are accepted by the majority of the nation. Having received very fundamental requests from high stakeholders, I ask that we step this Bill down for the Committee to take advantage of this recess to conduct further consultations. I have also spoken to the Leader of the Majority Party. After recess, we will come with a compromised position on the Bill, because it is for the people of Kenya.

I thank you.

*(Loud consultations)*

**Hon. Speaker:** It was not directed to any one of you. I can see Hon. Mwinyi and Hon. Naicca want to contribute. There is nothing to contribute to. The Chairman has made a request that he would want to take advantage of the impending recess period to conduct further consultations with stakeholders because he has received requests from several of them. I wish to confirm that a

number of the stakeholders have even written to me and I have forwarded those letters to the Chairman, so that as a Committee, they are able to look through various issues that have been raised by those who have written to the Speaker, of course, in ignorance of the fact that the Speaker has no vote. I have forwarded the letters to the Chairman. It is for that reason that the Chairman is requesting for the business to be stood down, which request I accede to.

Let us move to the next Order.

THE CENTRAL BANK OF KENYA (AMENDMENT) BILL

*(Hon. Gladys Wanga on 11.8.2021)*

*(Debate interrupted on 11.8.2021)*

**Hon. Speaker:** Hon. Oundo, you have a balance of four minutes.

**Hon. (Dr.) Wilberforce Oundo** (Funyula, ODM): Hon. Speaker, I had made substantive contribution in respect of the Bill and I would request that opportunity is given to another Member who is willing to contribute.

Thank you, Hon. Speaker.

**Hon. Speaker:** Very well. Going by the list of requests, the next speaker is Hon. Maanzo Gitonga.

**Hon. Daniel Maanzo** (Makueni, WDM-K): Thank you, Hon. Speaker, for giving me an opportunity to contribute to this very important Bill. The Central Bank of Kenya is regulated by the Central Bank Act, a fairly old Act. We have had the advantage of new developments in the world, especially in ICT. More important is digital lending, which has not been part of the law. These amendments have been brought to support digital lending, so that it is provided for in law. It is already happening and a lot of transactions are going on in and outside the country digitally without a supportive law. In fact, quite a number of civil suits have been filed where people have been conned. It is very difficult for the matters to proceed for lack of basis in law. That is why this Bill is here.

*[The Speaker (Hon. Justin Muturi) left the Chair]*

*[The Temporary Deputy Speaker  
(Hon. Soipan Tuya) took the Chair]*

There are quite a number of developments in this particular area, including digital money which many central banks in the world have rejected, including our own, for lack of a law which could be a medium of transaction or which could provide a way forward. A lot of that has gone on illegally. It is, therefore, important that we have a law that catches up with the developments in the world. One of the major things that happened is M-Pesa. We must thank former President Kibaki, his then Minister for Finance and the input of the late Hon. Michuki at that particular time.

Having been an economist and Minister for Finance for a long time, former President Kibaki understood the whole matter very well. We were the first ones in the world to, even without a legal infrastructure, accept M-Pesa. You can see how it has revolutionised the economy. The legal framework for M-Pesa had to follow later for the limit to be set and regulations developed.

This Bill is trying to ensure that digital transactions take place within an established law so that there can be database that will serve the country sufficiently.

Importantly, the object of the amendment is to provide for licensing of digital credit service providers who are not regulated under any other law. Quite a number of them have come up and are already in business. The Central Bank of Kenya is cracking down on some of these lenders. The transactions are done through mobile phones. Many times, people default paying such loans and switch off their phones or they stop using the phone numbers altogether so that they cannot be traced. So, it really becomes a challenge. One cannot explain whether there a crime has been committed or the Central Bank of Kenya Act has been breached or what the remedy is. Luckily, digital lending involves small sums of money that are loaned to individuals. The amounts involved are about Kshs5,000 or even Kshs1,000. However, when you look at the volumes in terms of the country, the total amounts that are loaned to Kenyans runs into billions of shillings and definitely this sector needs to be regulated. This also includes the forexes although they have not been captured in this Bill. The forex bureaus operate under a different law. Digital lending has been happening without a legal framework but the law we are making will support that sort of thing.

Looking at the future, digital money is now a reality. Many people have been cheated through the so-called block chain technology and bitcoins in and out of Kenya. The main Central Banks of the world, like those in United Kingdom and the United States of America, are not yet ready to accept digital money, and the rest of the world have followed suit. However, when it comes to Chinese money and technology, they want to come up with a way of making sure that the systems cannot be hacked. If you have Digital Shilling, Digital Dollar or Digital Yuan, there is a way of safeguarding that money. By using your mobile phone, you can transact using information technology. They are working on ways of ensuring that that system cannot be hacked so that you do not lose your money. If that happens, it will be the future.

We are amending the Central Bank of Kenya Act to accommodate digital borrowing because the future is in digital money. Although countries have been very conservative, the youth are ahead of us. They have even come up with this technology and made their presentations. When they first talked about digital borrowing, it was resisted but it has now become a reality. As time progresses, we will have digital money because it is a reality. Very soon, the US Dollar, the Sterling Pound, the Euro and the Yuan, and many other currencies, including the Kenya Shilling, will be digital. I am sure experts like the Leader of the Majority Party will advise this country on what to do because that is where the world is going.

I support this Bill because it is very important. It is going to increase trade and facilitate starting of new businesses, especially in post Covid-19 economic recovery in this country. This is very strategic. I believe many young people who are involved in this sort of set up and transactions are going to gain more, have a stronger economy and transactions will move faster as regulated by the Central Bank.

With those remarks, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Wanjiko Njuguna. He is not in. Hon. Rasso Ali.

**Hon. Ali Rasso** (Saku, JP): Thank you very much, Hon. Temporary Deputy Speaker. I rise to support this Bill, which I consider to be a fundamental Bill considering the time and space in which we live today. Most of the financial transactions have gone digital. Those who were born at the analogue age, where you would go to the bank with a booklet and a cheque have been overtaken by time.

The laws of a country must be progressive to stay with or ahead of time. With this Bill, digital transaction is the new frontier. Many years ago, we only saw this with the Nairobi Stock Exchange. The International Stock Exchange and the Nairobi Stock Exchange are the only places where digital transactions were taking place. However, with the rise and multiplication of things like M-Pesa, the many transactions that the banks are undertaking on social media platform have made it necessary that a law is put in place so that lenders and borrowers can be safeguarded. If today somebody gets the Personal Identification Number (PIN) of your debit card, he can withdraw money from your account from anywhere in the world. One of the things that nobody should ever ask you to reveal to him/her is your PIN.

With the emergence of digital transaction platforms, commercial banks are slowly becoming irrelevant. We all do our transactions on digital platforms while in this House. We mostly use M-Pesa. You hardly go to the bank. You only go to the bank when you want to interact with your bank to do something bigger than what this platform has already offered. There are many advantages that this facility has provided, particularly in terms of time, efficiency and reaching the customer or those who sometimes we, as Members of this august House, call dependents. However, there is also the flip side of it. How safe is this particular system? It is so easy for someone to withdraw your money through a system in which only a few people understand how it works. If we followed what happened a year ago, a group of young computer geniuses sat somewhere in a rural set up and withdrew money from M-Pesa agents thus making a lot of money.

Hon. Temporary Deputy Speaker, other advantages of this is that it employs many young people, young graduates and diploma-holders who can be efficiently employed by SMEs and MMEs. Once the platform is set, it is only that young person who has the means to go around this that can make money for the company that has employed him or her. Therefore, this law has come at the right time, so that we do not go blindly into the future. This is the future. It is with us.

One of the problems before this law came to be is that when you lost money through those platforms, you did not know where to start a complaint. The investigators did not know where to start. Sometimes individuals were taken to court, but there was no substantive matter for them to stand trial on.

I consider this a major area of financial transactions in our country. If the financial system in Kenya fails, all of us will point a finger at the Central Bank of Kenya, which is the regulator. However, with this law coming into place, it is important for all of us to support it.

In future, there could be other things which will come up like the digital money called bitcoin. Initially, people were making a lot of money from bitcoins. All of a sudden, it is as if it has gone down. Many have lost their money. Many have stopped trading in it because there is not as much money as there was in the beginning when it was new. Those are the new terrains to be navigated by those in the financial sector. However, there must be laws to regulate them. Without laws, there will be anarchy because most transactions will be on digital platforms.

Hon. Temporary Deputy Speaker, with those few remarks, I beg to support the Bill.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Let us have Wakhungu Wamalwa. I cannot see him here. Let us have Hon. David Ochieng'.

**Hon. David Ochieng'** (Ugenya, MDG): Thank you so much, Hon. Temporary Deputy Speaker. I rise to support this Bill which seeks to give the Central Bank of Kenya powers and the capacity to manage the fast-growing digital lending industry.

As a Member of Parliament, nowadays when constituents ask you for help, they will most likely ask you to send them money to another number because the one that you have has a loan. It has *fuliza* or whatever they call it. It is so normal. In the village where I come from, there are

televisions that have been sold to citizens that only work if they make monthly payments. If they are not made, the televisions stop working. There are also power lamps that only switch on if you have paid the money. All those are forms of digital lending.

The most important thing about lending that I believe the CBK will address through this Bill is the requirement for transparency on the terms and conditions attached to digital lending. Everybody has gone headstrong into digital borrowing. Almost everyone is now borrowing from all the platforms available in the country. They are easier to access and there are no requirements for you to accept some conditions before you access them. You just go in one time and that is it. Conditions, interest and penalties keep changing and you never know. However, the guys lending always make it easily available for you. The requirement for transparency by the digital lenders will be very important. Giving the CBK teeth to work on the transparency regulations is important in ensuring that digital borrowers are not exploited. Above all, it is also meant to ensure that lenders are on a tight leash, so that they do not exploit Kenyans.

Secondly, there is also the issue of insecurity, as has been spoken about by another Member. There should be security on the lending platforms. Passing this law will give the CBK powers to ensure that the technology and platforms being used to provide those services are strengthened and made in such a way that they cannot be easily breached. We hope that once this Bill goes through, the CBK will move quickly to ensure that they use the available laws, so that we do not have issues to do with stealing using this system.

Thirdly, it is about information sharing. The Government has an interest in ensuring that the country's citizens are not overly indebted. In the last few years, cases of suicide, depression, and mental disorders have gone up. Most of those cases are associated with difficult living standards and inability to meet financial obligations. Being able to share information and ensuring that people are not taking loans that they cannot repay is important.

Again, where I come from, I have seen that instead of individuals running microfinance lending through the phone, people have their cows and furniture taken away because they could not pay loans on time. The biggest growing industry today is the motorcycle industry; the *bodaboda* industry. You go in, pay Kshs10,000 and leave with a *pikipiki*. You pay the rest through a platform. We have seen people harming themselves because they are unable to pay on time. The Government has interest and I hope the CBK will have interest in ensuring that Kenyans do not get so indebted that they run into mental turmoil.

There are also requirements that when sharing information, the Credit Reference Bureau and any other credit reference sharing platforms must be regulated, so that information about individuals borrowing is not just out there. An individual borrows money from this platform not knowing that the information he is giving out will be shared with another platform, yet the information required on this platform is a lot that, if shared, may easily breach our laws as regards information sharing and privacy.

I end by saying that I hope the CBK will come up with regulations to ensure that lenders have recovery means that are dignified and humane, so that we do not have lenders recovering money from Kenyans in a manner that is dehumanising and does not promote the dignity of the individual. All the things we are proposing to do like lenders making loans available are supposed to make people live dignified lives. We cannot allow a system of borrowing and lending that makes people live in fear of being auctioned, their property being taken away or not knowing what the lender will do next.

With those many remarks, I hope the CBK will step up and ensure that they make regulations as soon as possible to promote digital lending and also go along way in ensuring that borrowers are protected.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): I see Hon. Nduati here, he has spoken to this Bill and I do not think he is in the House. Hon. Mutunga Kanyuithia, are you ready?

**Hon. John Mutunga** (Tigania West, JP): Hon. Temporary Deputy Speaker, maybe you can give me a chance later.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Okay. Let me give someone else a chance and then I will get back to you. The Leader of the Majority Party, are you ready?

**Hon. Amos Kimunya** (Kipipiri, JP): Thank you, Hon. Temporary Deputy Speaker. I rise to support this very important Bill which I was almost debating whether to support the obvious or not.

For the record, this is a very important Bill because we are moving into the digital currency. We have already moved away from paper money and the traditional ways of doing things into the digital. Whatever we do, whether we like it or not, the fact that we have so many digital lenders, is an indication of where the world is going. It will not be too long before the traditional banks as we know them either move to digital or close shop. In fact, most of them have started the digital platforms and it will not be long before we start seeing virtual banks. So, when this happens and we do not have a law, we will end up in the same situation we have been caught in.

It is obviously very clear that since March 2007 when I launched M-Pesa, it revolutionised life in terms of access to financial services as we know them. Looking at that date around December 2006 or sometime before that, Safaricom worked on the sambaza program where you could buy and send credit to someone else. People saw this as a form of currency and started selling credit to one another. It became internationalised and people in Kenya using this platform would buy credit, send it to someone in London and they would receive and cash it. As a result of this, they said that instead of people selling credit to another, why not convert it into a platform where people could send money to one another.

I was in the National Treasury then when they went to the CBK and were given a run around, of suspicious like, that was money laundering and it needed to be controlled. I remember they come to my office sometimes just around December saying that they were frustrated. They had come up with a technology of helping every person in Kenya send and receive money in a safe way and would also help with matters security. If you may remember, it was around the same time when, if you were going to Mombasa to clear your vehicle, people got into the bus knowing they had money. Then, somewhere along the way, you would be given some samosas, doze and lose all your money and so, carrying cash was high risk.

So, how would they help in terms of people not having to carry money around? When I talked to the officials in CBK they raised the same issues and said that they needed regulations and could not approve this. In the meantime, we were stifling innovation and so, I took the risk, granted them permission to launch the product and regulations would follow. The only thing being the limitation, as Members may recall for a long time, the total amount you could send was Kshs35,000. It was pegged to \$500 at the exchange rate of Kshs70. This is because \$500 was what you could send in all other platforms including money exchange bureaus.

Therefore, because of taking that risk to encourage innovation, we launched M-Pesa in March and the rest is history. It revolutionised money transfer services on an international basis.

It has facilitated us to transact from anywhere and do many things. The natural progression of this is another point because I told banks that the new innovation would affect their way of doing things. A few of them tried to fight it and you may remember around 2008 though some agitation in the House, I stepped aside from the National Treasury. The cartels went to my successor, the Late John Michuki and told him that this was a bad thing and he almost stopped it until we ran giving the facts and M-Pesa was saved.

We know what M-Pesa has done to the world and not just to Kenya. So, as we look at Equitel's Easy Loans, M-Shwari, which sprang up from this, Pesa Pata, Pesa Zetu, Uber Pesa all these digital lending platforms, we hear regulators making them look like the devil. They look at how they are squeezing everyone. The reason they are here is because there is a gap in the market that has not been filled. We should look at how to help them continue innovating, helping in financial intermediation and ensuring those without money get without being exploited by the digital shylocks. When talking of a shylock, whether it is digital or manual, it is a shylock and an exploiter.

Digitally, we want to ensure that every good person with money to lend and anyone who wants to borrow do so without risking one another. This is because as you may recall as part of the COVID-19 measures, the CBK said that the digital lenders could not refer defaulters to the Credit Reference Bureau. Of course, all the borrowers started borrowing from one platform to pay another while defaulting the other because they knew they could not be reported and this meant an accumulation of debt built or what we would call in accounting terms as 'kiting'. I borrow from A and because I cannot pay, I borrow from B to pay A and then from C to pay B. At the end of the day, I am just playing around with people's money. But when push comes to shove and everyone comes for their money, the whole system collapses.

We need to have a situation of helping all these people who invest in these platforms save their money. At the same time, we need to ensure they are not overexploiting because of the high risk of lending to high risk borrowers. This Bill will come towards that. We will look at tinkering around with it as we go to the Committee stage to ensure that it helps innovation to grow, protect the borrowers and investors in this field and most importantly, that we can move this a step further to help create some intermediation. If one person has Kshs100,000 that they do not need, through a platform, they should be able to help and lend to a few others. That happens elsewhere. It is called peer to peer lending. I have Kshs10,000 and five people need Kshs2,000 each. We can meet on that platform without declaring that the owner of the platform is performing intermediation which means that they need to be registered as a deposit-taking institution because they are not taking any deposit. They are just having a platform just like Uber vehicles. Uber does not own the vehicles. They create a platform where you come with your vehicle, a customer comes and the two of you meet on the platform. You pay one another and everyone goes. Amazon does not own the goods that it sells. It creates the platform. Somebody sells, the other takes and they facilitate. It should be the same thing with money because as we move, we need to start thinking beyond just what is happening especially if you are to create jobs for our youth in technology.

So, I am very happy with this Bill and I want us to open our minds to start thinking of it from that perspective and not just think that we are giving the Central Bank powers to regulate and they come with the traditional hammer to say we are going to kill anyone who is coming with something we do not believe in or we do not understand. It was the same thing with Islamic banking. For a long time, nobody wanted to touch it. People feared it, but I also took the risk and I brought it in this House through the Finance Bill of 2007 or 2008 and we opened up for 25 per

cent of the population of this country who could not enjoy banking services because they were inconsistent with their faith.

Even as we go through this, as the Committee engages and the Central Bank looks into this and as the House comes with the law and the regulations, we be open to the fact that technologically, the world is moving. Who would have thought of driverless cars on the streets? Right now, that is the norm. A vehicle is driving itself on the streets. Even money should be able to be moving. All these crypto currencies is happening until even some Governments are thinking of investing in the crypto currencies or coming up with digital currencies. So, let us start with preparing for the future from that point even as we regulate these technology providers.

As I conclude, I would also want to appeal to the current digital providers. I know it is a high risk business and obviously the higher the risk, the higher the costs. If they can work around with all this machine learning artificial intelligence and all the bits and pieces in terms of gathering information, they should be able to profile their customers not just for the themselves, but for the entire market, so that the naughty borrowers can be weeded out and those who need that rescue to go out for a weekend and pay or the *mama mbogas*.

Hon. Temporary Deputy Speaker, I do not know whether you are aware of these facts that M-Shwari picks up around 3.00 a.m. to 4.00 a.m. in terms of the demand for the money because all the traders who go to Wakulima Market, Marikiti, borrow Kshs5,000 and they go and buy. They are entitled to that credit for a month. They will buy and sell for Kshs6,000 and make their Kshs1,000, but because they cannot trust themselves to have that money overnight because they might apply it to something else, they pay at night and tomorrow morning, they borrow again. Of course, the cost is a lot because they are paying the monthly rates everyday instead of just once in a month. I think these are some of the things that we need to start opening up so that first of all, we give them comfort that once you have borrowed your Kshs5,000 and you made your Kshs1,000 profit in the course of the day, there is a way this Kshs5,000 can be put safe for you so that your spouse does not demand it and then you default on the loan.

These are all the things that we need to do. I can talk on this topic for a long time. I really enjoy it, but I want to encourage the Committee. I am happy the Vice-Chair of the Departmental Committee on Finance and National Planning is here. We can engage further as we come to the Committee stage to see how we fine tune this Bill to make sure it responds to the market and at the same time help innovation.

Hon. Temporary Deputy Speaker, with those words, I support.

**Hon. (Ms.) Sabina Chege** (Murang'a CWR, JP): On a point of order, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): What is out of order, Hon. Sabina?

**Hon. (Ms.) Sabina Chege** (Murang'a CWR, JP): Thank you, Hon. Temporary Deputy Speaker. I just wanted to stand on Standing Order No. 95 and request that the Mover be called upon to reply, so that we can move to some other business. You can consider that.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Sabina, on a point of discretion, we only have three Members waiting to speak. I know it is a Motion that has to be prosecuted on the Floor, but we could just give these Members a chance to speak briefly. Hon. Members, you know any Member has a right to rise on Standing Order No. 95. I am just giving these three Members a chance. They all happen to be from Kitui. I am just giving you a few minutes. There is also Hon. Kanyuithia, but you took out your card. Hon. Members, you know I

have an option of putting the Question on this or I could also give you some brief moments to speak. Let us start with Hon. Mboni Mwalika.

**Hon. David Mboni** (Kitui Rural, CCU): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to also support the Bill. Digital lending in this country started in 2013 and there are over 20 digital lenders in the country with a total operation fund of Kshs4 billion, which is actually equivalent to a third tier bank. However, there is currently no legal framework in governing digital lending although there are many advantages of digital lending like easy access to credit by borrowers. A digital lender just needs a hub which anybody can apply. So, basically, the borrower does not need collateral to apply for loans. It also facilitates small and micro businesses like *mama mboga*. They can get money from the digital lenders and do business.

However, there are several disadvantages of digital lending like high interest charges and lack of information disclosure. If you apply for money from digital lenders, they do not disclose how much they are charging you and you end up paying higher interest rates. There is also harassment of customers and their relatives when you borrow and when you default. I am very sure most of us here got a call from digital lenders telling you that your relative has actually borrowed and has defaulted on the loan.

These are some of the disadvantages. Since there are many borrowers and there is no information sharing, people who tend to borrow from many lenders become highly indebted. So, the proposals include regulating the regional lenders by licensing them, so that this country can know the number of lenders and determine capital adequacy and minimum liquidity required by digital lenders. This will ensure that we do not have jokers in the market. As I have said, someone needs an App and a few million shillings and they start lending. These regulations will, therefore, ensure that the CBK comes up with a requirement of how much somebody should have before they start giving loans. The CBK will also supervise the digital lenders and suspend and revoke licenses if the lenders misbehave. All these regulations are aimed at information sharing, so that the lenders can disclose all the information, not only to customers, but to everybody including other lenders. This will significantly reduce the number of people who borrow from one App to the other. The regulations are also aimed at protecting the customer from being overcharged or exploited by the lenders. As I said, the charges are a bit high. For example, if you are charged about 30 per cent per month, in a year, that is 360 per cent. This is quite high.

These regulations are also supposed to check on money laundering. Ninety per cent of the money being lent is controlled by foreigners. Therefore, if they are not regulated, it is very easy for money to be laundered through them and cleaned in this country. It is also aimed at protecting the lenders. During the COVID-19 period, the CBK instructed the CRB to suspend the listing of loan defaulters. The lenders ended up losing a lot of money because people could not pay.

Lastly, the CBK should come up with guidelines on how the digital lenders are going to transit from their current position to what the proposals in the Bill have provided, when this Bill is ascended to.

Thank you very much, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Now, before I let the other Members continue, Hon. Sabina has moved a Motion and has disappeared. I am obligated to prosecute any Motion that is presented before me, but there is no Mover. We will, therefore, leave it at that because whom shall we be responding to? So when she comes back, I will put the Question. If she does not, she will have to disappear with her Motion.

Let us have Hon. Mutunga Kanyuithia. In that case, Hon. Members, you can now enjoy your normal time until the Mover of Standing Order 95 is back.

**Hon. John Mutunga** (Tigania West, JP): Thank you, Hon. Temporary Deputy Speaker for the opportunity to contribute to this very important Motion. We all appreciate the benefits we have received from the digital transformation that the world has undergone. There is a lot that happens today, faster than it ever used to be and especially in the money world. The card other than cash business is key and has helped transactions to traverse the globe and this has lessened the transaction time. This is really an important Bill. It has come at the right time although I would like to say that it has come when the bus has already taken off. The train has left the station because so much has happened already in the digital world. There is a lot of lending, there are many transactions and there is a lot that happens today. In supporting this Bill, I would like the Committee to look at how we shall ship this legislation to enable the CBK to catch up with what has been happening. Being a regulator, they need to be way ahead of all the others in terms of managing the entire transaction in the digital world. For them to reach there, then it is important for the Central Bank to move with speed and contain what is going on. Needless to say, there are very many losses that we probably cannot account for, especially loss of revenue in terms of taxes, loss of transaction cost that probably may benefit the country, and the huge cost that goes to the borrowers and the many transactions that go by. So, this particular Bill comes in to create some regulation within the digital lending world which is really important for us today. Almost everyone does ten or more transactions daily in the digital world.

The licensing and supervision of licensing is key for us to know who is operating in this field and how they are doing it. Are they doing it within the law or are they over exploiting people?

The digital lending has been reported to overexploit people in the sense that every transaction is charged like the annual fee. Ten per cent per annum and this is sometimes per day. If you compute that, you will realise that somebody pays more than 2,400 per cent in a year assuming that they borrow six days in a week. This is huge because people lose a lot. I believe that when the Committee sits down to look at the Bill and come up with the law, they will look at possibilities of ensuring that there is taming of this excessive exploitation to the borrowers in terms of the interest rates that they pay per transaction. The Bill also gives the CBK powers to license digital lending of places and institutions that are going to be involved in this particular engagement. It further goes to determine the adequacies of resources to spell out penalties among others. So, it will basically regulate the entire digital transaction world. So, this is key at this particular point in time.

The world as we all know has gone digital, and we cannot bury our heads in the sand without trying to catch up with the stage of development. We need to move with speed to move with the rest of the world. This law, therefore, comes in to empower the CBK to do what is required of them, namely, to legalise and sanitise the lending or transactions within the digital world. It will also curb exploitation of the borrowers. It will create transparency in the digital lending industry. Very many people are not aware of the extent to which they could be exploited through digital lending. Some of them borrow, but they do not really know. M-Shwari, Fuliza and others have very high interest rates. People will rarely consider that because they do small bits of transactions, small volumes of transactions and these small volumes of transactions normally charge very high costs, but they rarely know that.

Even as we move into having this law, I would like to appeal to the Committee and others who have been involved in finalising this Bill to look at how we package information for appropriate dissemination. We need to adequately reach the people, so that they can be effectively informed on how to engage in this borrowing, proceed and assess the extent to which they are benefitting from the money they are borrowing. Indeed, there are benefits because most of the

money is borrowed for short-term transactions and in the process, they may not realise the costs they normally incur.

The other issue is information in terms of the implications that people may get into without realising. Digital borrowing does not seem to be seriously controlled. The repercussions are also not clear to the borrowers. Many people have found themselves listed with CRB without knowing they can land there. They get to realise much later and do not even know the implications of CRB issues, only to find themselves trying to borrow and are told that they are listed with the CRB. This information packaging needs to cover the entire scope of transactions and the laid-down penalties and possibilities that people can get into in the event they find themselves engaging in digital borrowing.

The idea of digital borrowing is almost universal. Everybody can engage in it as long as they use a phone or some of the Apps that are already declared for use. Therefore, people borrow without a lot of consultations and controls. There may also not be any regulations or conditions that they have to agree to before borrowing. So, they find themselves engaging in business whose content is not very clear and find themselves in situations that are difficult without realising. I have several examples of students who borrowed and even had to look into possibilities of changing their names because they had over-borrowed and find themselves listed with the CRB. At the end of the day, they find that they cannot continue to pay that money. They are permanently changing lines.

We have exposed people to a lot of debts without their realisation that they are getting into dangerous areas. It is important for us to make sure that the legislation is comprehensively done to enable information flow and have whoever is an intended borrower or anybody who engages in this particular field know exactly how they can position themselves so as not to find themselves in a long-term problem. They should benefit in the short-term, disengage as it is appropriate and clear their lives, so that they do not become condemned under the CRB.

I support the Bill. Thank you.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Let us have Dr. Makali Mulu.

**Hon. Makali Mulu** (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker. Even as I rise to support the Central Bank of Kenya (Amendment) Bill, I start by thanking you for using your discretion. With regard to the two Hon. Members who have just spoken, Hon. John Mutunga has a PhD in Economics and Hon. Mboni Mwalika has a Masters in Economics. Yours truly has a PhD in Economics. So, these are potential finance ministers and governors of the Central Bank of Kenya. That is why I thank you for your discretion because with what is happening in the country, you may not be surprised to find one of these guys implementing this Bill once it is passed by the House. So, I thank you very much.

Without much ado, let me go into the main subject of the Bill. This Bill should have been presented to the House a long time ago. A lot has happened in this country and we have exposed Kenyans to dangers relating to digital credit providers. That market has not been controlled. In a basic micro-economics course, one of the things you look at are the functions of the Central Bank of Kenya. The key function of the CBK is regulating the market. That is why it is called the bank of other banks, so that you have some order in the market. That is why you will find that because there has been this gap in terms of legal framework, the digital credit provider sector has remained unregulated. What has that done to our people? Our people have got into a market which has no control, one in which they do not have enough information on and as a result, have ended up paying a lot of money to those providers.

Hon. Temporary Deputy Speaker, I do not know whether you might have experienced this, but most grandmothers are not literate. I am sure some of us might be lucky to still have their grandmothers or their children's grandmothers still alive. They use their grandchildren to withdraw money from M-Pesa. Even when they want to read anything on the phone, they ask their grandchildren to do it for them. Most of them have suffered. Their grandchildren have gone to an extent of going through their phones and doing the *fuliza* thing. When you send Kshs5,000 to your mother, she tells you that she has only received Kshs3,000. So, you ask your mum what has happened. Little did she know that it was actually *fulizwad* by the grandchild and since the grandchildren are many, she might not say who exactly did that. That has really exposed our people.

That is why it is important that through this Bill, we see a number of things happening. One of them is that the CBK, through this Bill, will license digital credit providers. Through licensing, the registration requirements will go through a process to make sure that anybody who registers has been taken through that process and has been confirmed not to be a person who is likely to con Kenyans.

The licensing process is very good. I like the way the Bill has captured it. The Bill states that once this becomes an Act of Parliament, anybody who has been practicing digital lending will only have six months to register with the CBK. That means that the whole market will be controlled and if anything goes wrong, we can easily know where to go and who to punish.

Hon. Temporary Deputy Speaker, the other important point which makes a lot of sense to me is the issue of supervising the digital credit providers. They should be supervised and over time, there should be somebody who looks at what they are doing either quarterly, semi-annually or annually and a report is prepared for each of them to know those who are becoming rogue and who is still behaving in line with the law.

Another important thing is the issue of suspending or revoking licenses, so that by the time you start, you know very clearly that if you misbehave, your licence can either be suspended or revoked. On that note, you must adhere to the market requirements. That is why as we move to the Committee of the whole House, I have looked at what is proposed in case you do not adhere to the Act. The only penalty being proposed in Clause 3 of the Bill is that you will be convicted to imprisonment of a term not exceeding three years or a fine not exceeding Kshs5 million or both. To me, that is not good enough. As we move to the Committee of the whole House, there will be need to look at this Bill again and see whether we can enhance that section, so that if people commit an offence in line with this Act, the penalty is enhanced. That will, to some extent, deter people from taking this Bill lightly.

The other important thing in this Bill is the issue of data protection. That is a problem. Data is very important. As you join some of the platforms, you provide so much data about yourself. If that data is not protected, it could easily be misused in other areas. Instead of working on the regulations, there will be need to make sure that the data provided by Kenyans is protected and cannot be misused for other bad reasons, including money laundering. That becomes very important. At the same time, we will also be protecting our consumers. The world has become a global village. You find that you are borrowing everywhere and there are those bitcoins that are all over the place. Even as we engage in this important sector - because we cannot say it is not important; it is with us and will be with us forever - we should make sure that the way we conduct business on those platforms does not expose Kenyans.

The other important bit is the issue of reporting. The Bill also demands that there is regular reporting on what is happening in the sector. That is captured. As we look at the regulations, the

digital credit providers will be expected to report on their activities. That would be very important because through that, things like money laundering can be controlled to make sure that we still protect our economy against some of those financial evils.

I thank the Mover of this Bill and urge that now that we have the Leader of the Majority Party here, Hon. Amos Kimunya, we need to fast-track this Bill as a Parliament so that we can give Kenyans this law, which will protect our financial sector. In the long run, we will have a situation where people can borrow through it. It has a lot of convenience. Even as we are seated here, we can transact all our businesses. One can transfer money to your account, you can withdraw money from your account and even send money to somebody. There is a lot of convenience in this sector. However, we do not want to expose Kenyans even as they enjoy that convenience.

Another point that is critical and will need some finance expert to think through is the issue of interest. To some extent, we can predict the interest rates in this country using the Central Bank of Kenya. This is a sector which is not controlled. Most of the consumers are charged prohibitive interest rates. As we look at this Bill, there is need for Members to think seriously how we can make sure that the interest rates that consumers are charged do not expose them to poverty. Many people are suffering. I like the Hon. Member who said that you may want to send money to somebody. They call telling you that they have a burial and plead for help but when you want to send money, they tell you not to send to the number they have used to call you; they give you another number to send to. You see the inconvenience because at times you want to copy the number. When they start dictating to you another number, by the time you send the money to the number given, you find that you have sent to the wrong person, then you start going back to Safaricom to request for the money to be returned to you. This inconvenience is because of the uncontrolled digital credit providers market.

I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. (Dr.) Makali Mulu, I wish you the best in your pursuit for Central Bank Governorship or the Cabinet Secretary for the National Treasury and Planning, for that matter. All the best.

Let us have the Hon. Jeremiah Kioni.

**Hon. Jeremiah Kioni** (Ndaragwa, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity. I support the Central Bank of Kenya (Amendment) Bill.

By and large, the people who are going to benefit from this digital credit facility are the people we have in the past – now the bracket has grown in a different proportion – referred to as *Jua Kali* artisans. Certainly, now everybody benefits from it but previously, we used to talk about them in the name of *Jua Kali*. Studies on this industry started way back in 1970. The first study that was sponsored by the World Bank started in 1970. All through, we have had numerous studies. Our shelves are full of findings and recommendations that can help that sector to grow. They have always come with three things. One thing we need to make sure is available to people at that level and at the low cadre of our economy is access to credit. Once they have credit, whatever they make should have access to the market. For them to access the market, of course, they need a place from where they can carry out their businesses. Finally, we also need to make sure that the quality of the products they make is such that we can buy and use them or allow them to compete with other products that have been imported.

The Central Bank of Kenya (Amendment) Bill, like my colleague Dr. Makali has said, is one of the Bills we should have dealt with at the very beginning of our term because it addresses the issues that Kenyans elected us to come here and solve. I commend the Departmental Committee on Finance and National Planning, led by Hon. Wanga because within a span of about four months

we have the amendment Bill with us. The Bill is dated 6<sup>th</sup> April 2021. We are now in August and we have a Bill we are debating.

Without doubt in my mind, if we had concentrated on such kind of Bills from the beginning and reduced politics, as the Rt. Hon. Raila said when he addressed the nation from Nakuru the other day, and concentrated less on political rivalry in this country or within our own House, I believe this Bill and many others would have found their way here and Kenyans would be benefiting from credit facilities they can afford. I thank the Leader of the Majority Party for finding it important to have this Bill with us today. Remembering that even when he was the Minister for Finance, it is the same team that introduced the Women Fund and the Youth Fund. Uwezo Fund was introduced much later by the Jubilee Government. This digital credit facility, looking at only three of the institutions that have been involved and where data has been collected, M-Shwari, Equitel and KCB M-Pesa, imagining they have moved over Kshs300 billion within the time this credit facility has been available, informs us how much more would have helped the ordinary Kenyans the *mama mboga* and the people who push the horse carts at the low level.

It tells us how we would have changed their lives if we had addressed ourselves to this aspect and ensured that they are not paying the interest rates at 138 per cent. It is unbelievable that there are people who charge others 138 per cent. There is another one charging 152 per cent. We have a branch charging 384 per cent. For us to help Kenyans put a meal on their table, it does not take many things we may be talking about. It takes us who are elected into this House focusing on the instruments that are already with us and changing them and the lives of Kenyans would have been changed. The Women Enterprise Fund, the Youth Enterprise Fund and the Uwezo Fund have a total of over Kshs50 billion. If we were to focus on these institutions and focus on the digital lending facilities, give them a framework that helps the ordinary Kenyans, we would be engaging in other issues other than what has engaged us for quite a while.

We are talking about ten million Kenyans, almost more than a quarter of the population of this country. These are people who we have wasted their time by politicking here for the last four years. If this is what we had focused on, Kenyans would be doing something different. We would have a better economic arrangement in the country and better economic growth than what we have.

We must commend this Committee. Of course there are amendments we will want to bring to the table when this is going forward. Even as we start to regulate this facility, it is good to commend those who took it upon themselves and started offering the services. They allowed us to see the other options available or the other facilities that can be used to get credit facilities nearer to the people. In short, what I am saying is that Kenyans have been exploited for a while, while we commend the institutions that came up with these innovations and us having been left behind before we could bring these kinds of regulations. Kenyans have been exploited and they are being exploited in more areas than one.

I am urging my colleagues that instead of us engaging in the kind of political rivalry and competition that we have had for the last four years, it is important for us to focus on these kinds of legislative agenda. If we allow ourselves to do that, it will be easier for us as MPs to seek re-election. It will be because you have done something. Sending empty rhetoric on the Floor of the House or using this Floor to propagate your political ideals has not been useful at all. Even this afternoon, instead of trying to bring one another down like it was happening, it will be better to concentrate on such useful amendments that we have.

I do not want to get into that line, Hon. Temporary Deputy Speaker but let me say this: for me and those of us who come from the Mt. Kenya Region, this is music to our ears. These are the things that will make them listen to what you want to say as a politician. It will be very easy to

sell, including you, if you come looking for votes in Mt. Kenya with this kind of thing. If you come with other things, it will be impossible because we listen to money more than anything else. These issues are only possible if we have clarity of mind, unity in the things that we are doing, and reduce politicking levels in this country. I dare say that we should reduce the politicking that we have been allowing on the Floor of this House. We have had a lot of unnecessary noise from some quarters. I think the time of reckoning is coming. Those of us who can bring this kind of legislation on the Floor have a future. For those others, I wish them luck.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Kioni, you seem to be on a point of information on the Temporary Deputy Speaker, without the permission to give the information. Your point is well made. Let us go to the Member for Kitui West, Hon. Nyenze.

**Hon. (Ms.) Edith Nyenze** (Kitui West, WDM-K): Thank you, Hon. Temporary Deputy Speaker. From the outset, let me say that I support the amendment Bill.

I note that the principal objective of amending the Central Bank of Kenya Act is to allow the Central Bank to regulate digital credit service providers and ensure that there is a fair and non-discriminatory market place for access to digital money. Regulating the digital market will really bring control. It will regulate and supervise the market. I note that some of these providers or the lenders, if you were asked where the offices of M-Shwari or Fuliza are, you will not know where they are. The Central Bank regulating and licensing mobile money lenders will give comfort to customers and borrowers. In case of any problem, they will know where to go. They will know where the offices are. The Central Bank is supposed to regulate, license by giving the place where the companies will be operating from and also giving the companies memorandum of association. These companies should also give evidence that they meet the minimum prescribed capital requirements. By doing so, it will give assurance to the borrowers that these are valid companies and they can borrow from them.

Of interest is that the Central Bank is also regulating the interest rates because they are supposed to announce the interest rates before they are licensed. By announcing the interest rates, we will ensure that the market is controlled. This will bring competition in the sense that, if you announce your interest rates and the others announce theirs, there will be a level playing ground whereby the competition will be level. The interest rates will be lower because the companies are registered, they are known and their interest rates are known. Therefore, the borrowers will have access to where they can borrow money easily, do their businesses easily and at a lower rate. The Central Bank licensing the lenders will bring comfort to the customers and the lenders will also be protected.

In doing so, the country will also be in a position to get good revenue. From the regulation, the registration and knowing who the players in the market are, the country will be able to know how much revenue there is and how much to charge these lenders. In doing so, we will also improve the economy of our country. This is a very welcome idea of regulating the digital market players. If you look at the people who borrow from this market, they are so many. Even MPs also borrow from such digital market lenders. This large number of people who borrow means that money is circulating at a very high rate. Revenue will be gotten easily than from other companies because this is something that will automatically go into record. There will be information of how much is transacted. It will be easy to regulate the revenue.

By regulating and licensing the lenders, it will also create awareness that these are companies which are registered and they are offering the digital money. Then, more people will be able to borrow and make informed decisions of which of these lenders are best to borrow from.

With those remarks, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Thuku Kwenya, Member for Kinangop.

**Hon. Zachary Thuku** (Kinangop, JP): Thank you, Hon. Temporary Deputy Speaker. I want to briefly add my voice in support of this Bill on digital lending and digital transactions. It is high time that as a country we aligned ourselves and made sure that these transactions are well captured in law. This is the new normal where we reduce our interaction with banks by having a platform for accessing our money in real time. The traditional way of banking has been overtaken by events through technology, where you are vetted by the lending agency through a digital platform. Therefore, having statutes that take care of that is timely.

On the same note, it is a platform that can be abused by bodies that lend if they are not well regulated. It is too enticing for one to get a credit facility. We have seen our people crying out there because they are so indebted that they cannot pay. The lenders then come for their collateral used as security. This is something that we need to tighten so that we do not have people who are happy borrowing but when it comes to paying it becomes a big issue. We have also seen a level of efficiency in disbursing funds through the digital platforms. The traditional way of banking, where you needed to issue a cheque and have the same cleared in two to three days is being overtaken by real-time transactions. For instance, we now have bulk M-Pesa transactions. If you have workers at your construction site and you want to disburse money, it is easy. You only need to put money in that system and disburse through their mobile telephone numbers.

We need to come up with a know-your-customer process, like the practice by banks through which they know their customers. As it is right now, it is a blind platform. You get an SMS from, say, the Cooperative Bank saying they are advancing an amount of money because you qualify. All you need to do is to upload your information and within one day you have the loan. It is dangerous because fraudsters can take advantage and get credit in your name if they are able to get your credentials. These are some of the issues that we need to look at.

Hon. Temporary Deputy Speaker, I just wanted to add my voice in support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Member for Kaiti, Hon. Kimilu.

**Hon. Joshua Kivinda** (Kaiti, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to add my voice in support of the Bill. Digital banking and credit facility help Kenyans, especially low earners. I remember some of my constituents enjoy borrowing through the Fuliza platform. The youth take it seriously because they borrow money and in the evening they pay back. It is very important to support this amendment because it is timely. It will help people. During an emergency, they will be in a position to sort out their issues. For example, when students are sent home from school due to non-payment of school fees, within 20 minutes a parent can borrow money and pay the school fees. It saves time.

Regulation is very key. It will take care of Kenyans. Some fraudsters take advantage of these platforms. The regulations will also save people from being conned and from money laundering. Digital platforms will also help low earners, those people who are not in a position to offer any collateral for them to get a loan. With the digital platforms, they will be in a position to seal deals with banks and mobile operators and be in a position to benefit from this facility. There are other institutions which make Kenyans to benefit through this platform.

I had a programme in my constituency where I was trying to help widows and widowers by giving them facilities. It took me more than 20 days to go round my constituency. As I met them, I discussed with them what and how to do it. If I was using a digital platform, within a day,

I would be in a position to help them borrow and get money and do their businesses and repay. So, this platform is key. We need to move from analogue to digital platforms. Many banks have adopted this. We need to support the move because it helps the *wananchi* in the villages where they cannot even access banks. In the constituencies, you realise that banks are more than 30 kilometres away. For you to travel that distance so that you can get a facility is a challenge. So, this platform will help Kenyans and make our country be like a village. Digital money transfer is key. The regulations by the Central Bank will be helpful to this country. They will enhance the economy and bring sustainable development. These platforms have even enabled people to start small businesses from scratch and grow and they have become bosses in their businesses. They conduct a lot of businesses through these platforms. Awareness of these regulations is key. We need the Central Bank to create awareness among Kenyans. We support the Bill because it is very important and has come at the right time.

Hon. Temporary Deputy Speaker, I support.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): The Member for Kibwezi West.

**Hon. (Dr.) Patrick Musimba** (Kibwezi West, Independent): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute to this Bill. At the outset, I commend the Departmental Committee on Finance and National Planning, ably led by Hon. Gladys Wanga and my good friend and neighbour Hon. Waihenya, for having had the temerity to address themselves to this particular aspect of finance to catch up with innovation.

We always play catch-up. Change is constant, but it seems our regulatory authorities play catch-up, especially in the realm of money. We have, for instance, now that we are talking of digital lenders, issues to do with velocity of money — access. Why are people borrowing? It is because we are still stuck in traditional cycles of paying people every 30 days. The dependency ratio in Kenya is 1 to 10. Every one earner supports 10 dependants. It is no wonder there are 10 million people on digital lending platforms. This begs the question: Why are we in this quagmire in the first place, where people accept to pay upwards of 300 per cent in interest to access money? This calls out to a fundamental problem that the money is not moving. The role of the Central Bank of Kenya is indeed, in advising the Kenya Government as their principal banker to say, how do we accelerate the flow of money in Kenya? Why can payrolls not be run now that we are on digital platforms? How can payrolls not be run now that we are on digital platforms, say, even on weekly basis or fortnightly basis? You unleash that power and reduce the pressure of citizens having to say they need salary advances after 15 days. People are looking for alternative ways of borrowing, thus they get exposed to shylocks. They are charged exorbitant interest rates by digital lenders. When you are under pressure and you are looking for help, you will turn to whatever lender and the interest rates will be applied on you. However, the bigger issue that we have to address now is the traditional way in which things have been done. We certainly need to change.

If I take my Visa ATM card, for instance, I can walk to any ATM in Kenya and withdraw my money so long as the card is Visa or MasterCard supported. If I can do that at any ATM, how come I cannot enter any bank and withdraw money from my account? If I am banking with Barclays Bank, why can I not enter a Standard Chartered Bank, go to the counter and withdraw money from my account and transact from there? We cannot have 20 banks in one town competing yet they do not have economies of scale. This is where we need to escalate.

A second point or concern that needs to be looked at is that we need to have an active innovations department even within the Central Bank of Kenya – that is the advent of crypto currencies. Today Kenya and any other country in the world is dependent heavily on tax collection.

Major transactions occur through crypto currencies though in a virtual frame. How then do our regulators collect taxes? How do you pinpoint what transaction took place and when? It is blind to any single regulator yet we are not proactive enough. We know all our developmental programmes are all pegged on how we collect our taxes. Our developmental programmes, moving forward; our commitment to lenders is pegged on our tax collections yet there is no proactivity in terms of how to step into that space and see how to get that realm. Today we are doing lending and there is an opportunity. What about investment? If you are doing currency trading for instance, and you are a youth and you are simply saying that today we have 8 million unemployed youths around Kenya who are skilled, having gone to school and graduated, and they are at home because we cannot mainstream them...

If we say we have an active policy, which is something we could have done even with the Uwezo Fund and say, "How can you not get into the currency markets globally and just target to make a dollar or three per day?" that would be Kshs300 a day and Kshs9000 a month. These are the proactive things of using this platform to move forward. Where is the education? We are getting into space of people who found a gap but that is what entrepreneurs do. They look for opportunities within an industry, marshal resources and look forward to their risks and rewards because the risks are there for digital lenders. People are registering multiple lines, borrowing using one line and switching it off. How do they catch up? How do we mainstream that? How do we assist them to optimise their capital? They do not tell the sobbing story of how much more they lost. That is why they are pricing their risk at 138 per cent. This is because they are entering into a hitch but then there is no equity.

We talked about the Communications Authority of Kenya doing sim registration. That campaign went on for a short while and stopped. We know that the valuations of many of our telecom operators are based on the number of subscribers, and not on the number of subscribers who are active. Today you look at an activity. We know that people have multiple mobile phone lines but there are serious risks. The KYC that Hon. Kweyu spoke about is not active or maybe is non-existent because people are looking at how to make money. So, these are the challenges. Indeed, the Committee by Hon. Waihenya is proactive and forward looking but we need to go deeper. There are issues to do with succession. Today our laws are silent. If people pass on and they had M-Pesa lines, it is only them who knew what the balance was. What is the inheritance level? How is this captured? How is the reporting supposed to be done? So, there is a big pool of things. These are the questions that we need to address, moving forward. How do we address the issue of data mining at that level?

There are consumer patterns which are being done through mobile money. All the lenders have that advent. How are we deploying into that realm? How are we looking at the area and arena of the internet of things, which is taking over and mapping you out? We are seeing our supermarkets collapsing but, really, there is a more proactive thing going on. If people have seen, we can be able to move Kshs300 billion as disposable income, which would be moving around an economy. Certainly, such an eventuality would catch the attention of people in other markets across the world, and they would wonder why we cannot buy things from them. So, we are getting into an era of virtual management of our hard-earned money and losing it through a currency bleed because we do not have commensurate amounts coming in through our exports because our exports have been overtaken by events, which means we must focus more on diaspora remittances as a way of cushioning us from what we are bleeding out.

So, I support this Bill on digital lending as a step forward by the Committee but we need to go further. The Committee needs to have a standing sub-committee to sit with the Committee

on ICT and put their heads together because as we have pressure on our finances, we need to be proactive so as to safeguard this great country.

I thank you.

**The Temporary Deputy Speaker** (Hon (Ms.) Soipan Tuya): Well said, Hon. Musimba. I see no further requests for contribution by Members on this Bill. We will, therefore, go on to call upon the Mover to reply.

Member of the “Royal Suburbs”.

**Hon. Isaac Ndirangu** (Roysambu, JP): Thank you very much, Hon. Temporary Deputy Speaker.

I thank all the Members who have given their views on this Amendment Bill. I also thank the Office of the Speaker and the Office of the Clerk. I thank the secretariat for their help. I thank the Members of the Departmental Committee on Finance and National Planning for ensuring that we prepared a good Report. We will make the requisite amendments as has been proposed by the Committee and Members of this House in the plenary.

It is clear that the Members of this House intend that we nurture these digital innovations, and not stifle them. The digital lending platforms have helped to give money to many Kenyans, particularly those in the *Jua Kali* sector; the *mama mboga* and the small and medium enterprises (SMEs.)

Without much ado, I beg to reply.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Members, we have little choice but to defer the putting of the Question until when we have the business back on the Order Paper.

*(Putting of the Question deferred)*

I see the Hon. Member for Tetu. Are you on an intervention?

### QUORUM

**Hon. James Gichuhi** (Tetu, JP): Thank you, Hon. Temporary Deputy Speaker. I rise under Standing Order No.35. Looking at the House, there is no quorum to transact any other business.

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): In that case, Hon. Members, I order that the Quorum Bell be rung for 10 minutes. I can ascertain that what the Member for Tetu is raising is true.

*(The Quorum Bell was rung)*

Order Members! The time for the Quorum Bell is up and clearly, we remain below the specified quorum. In that case we can go on to adjourn.

### ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. (Ms.) Soipan Tuya): Hon. Members, the time being 6.52 p.m., this House stands adjourned until Tuesday, 21<sup>st</sup> September 2021 at 2.30 p.m., that is after the recess.

The House rose at 6.52 p.m.