

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Tuesday, 19th March, 2024

*The House met at the Senate Chamber,
Parliament Buildings, at 2.30 p.m.*

[The Speaker (Hon. Kingi) in the Chair]

PRAYER

DETERMINATION OF QUORUM AT COMMENCEMENT OF SITTING

The Speaker (Hon. Kingi): Clerk, do we have quorum? Serjeant-at-Arms, kindly ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

(Several Senators walked into the Chamber)

The Speaker (Hon. Kingi): Order, hon. Senators. I am informed that we do have quorum. Kindly take your seats, so that we can do our business.

Clerk, proceed to call the first Order.

Sen. Ali Roba, we are waiting for you to take your seat. I have Communications to make.

(Sen. Ali Roba sat at his place)

COMMUNICATIONS FROM THE CHAIR

VISITING DELEGATION FROM MAMA NGINA UNIVERSITY COLLEGE, KIAMBU COUNTY

The Speaker (Hon. Kingi): Hon. Senators, in the Speaker's Gallery, we have 16 students and one faculty member from Mama Ngina University College in Kiambu County, who are undertaking a one-day education visit in the Senate.

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In our usual tradition of receiving and welcoming visitors to Parliament, I extend a warm welcome to them. On behalf of the Senate and my own behalf, I wish them a fruitful visit.

(Applause)

I will request the Senate Majority Leader, under one minute, to extend a warm welcome to the delegation.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, I take this opportunity, on behalf of all my colleagues, to welcome visiting students from Mama Ngina University College in Kiambu County. I am sure that when they scheduled a visit to the Senate, it was because of appreciation of the good work that has been going on in this House.

The students have visited to understand the law-making procedures. They should draw inspiration from their leaders, knowing that in the next few years, many of us will not be in this House. Therefore, we will be looking up to them to shepherd and guide our country, especially with regard to entrenching devolution and protecting the interest of counties as the core mandate of the Senate.

Mr. Speaker, Sir, I wish them well in their studies. I hope they will get the full breadth to understand our responsibilities and that which they sought to find when they set their journey from Kiambu County to come to the Senate.

I thank you.

The Speaker (Hon. Kingi): Hon. Senators, I do have another Communication to make.

CO-SPONSORSHIP OF SENATE BILLS IN THE NATIONAL ASSEMBLY

The Speaker (Hon. Kingi): Hon. Senators, the Standing Orders outline the procedure for introduction, consideration and voting on Bills in the Senate.

As hon. Senators are aware, the First Reading is the formal introduction of a Bill in the Senate. The Second Reading relates to debate on the merits and demerits of a Bill. The Committee of the Whole relates to consideration of a Bill clause by clause, including amendments, if any, and the Third Reading serves as the final stage where general comments on a Bill may be made before voting and referral to the National Assembly.

It has now become necessary for me to communicate a provision in the Standing Orders relating to co-sponsorship of Bills, as a number of sponsors may have overlooked this provision upon conclusion of Bills in the Senate and subsequent referral to the National Assembly for consideration.

As you are aware, Standing Order No.161 of the Senate Standing Orders provides that upon passage of a Bill originating in the Senate, a certified copy of the Bill shall be forwarded to the Clerk of the National Assembly by way of a Message.

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Further, Standing Order No.162 provides for the framework for co-sponsorship of Senate Bills in the National Assembly. Standing Order No. I62(1) and (2) state as follows–

“(1) A Senator who intends to nominate a Member or Members of the National Assembly to co-sponsor a Bill passed by the Senate, shall upon passage of the Bill, notify the Speaker in writing of the name or names of the proposed co-sponsors.

(2) The National Assembly shall be notified of the proposed co-sponsorship through the message referring the Bill to the National Assembly under Standing Order 161(1) (Referral of Senate Bills to the National Assembly).”

A similar provision has been made in the National Assembly relating to Bills originating from the National Assembly to the Senate, at Standing Order No.142 of the National Assembly Standing Orders.

Implementation of the framework referred to above is ongoing. This can be evidenced by a number of Bills that have been co-sponsored in both the Senate and the National Assembly. The Bills that have so far been co-sponsored in both Houses include the following–

(1) The Cotton Industry Development Bill (Senate Bills No.5 of 2023) was sponsored by Sen. Beth Syengo, MP, and co-sponsored by Hon. Mary Emaase, MP, in the National Assembly.

(2) The County Licensing (Uniform Procedure) Bill (Senate Bills No.9 of 2022) sponsored by Sen. Mariam Sheikh Omar, MP, and co-sponsored by the Leader of the Majority Party in the National Assembly.

(3) The Mung Beans Bill (Senate Bills No.13 of 2022) sponsored by Sen. Enoch Kiiro Wambua, MP, and co-sponsored by Hon. Paul Musyimi Nzengu, MP, in the National Assembly.

(4) The Startup Bill (Senate Bills No.14 of 2022) sponsored by Sen. Crystal Asige, MP, and co-sponsored by Hon. Irene Mayaka, MP, in the National Assembly.

(5) The Persons with Disabilities Bill (Senate Bills No.7 of 2023) sponsored by Sen. Crystal Asige, MP, and co-sponsored by Hon. Millie Odhiambo, MP, in the National Assembly.

(6) The Kenyan Sign Language Bill (Senate Bills No.9 of 2023) sponsored by Sen. (Prof.) Margaret Kamar, MP, and Sen. Crystal Asige, MP and co-sponsored by Hon. Millie Odhiambo, MP, in the National Assembly.

(7) The Agricultural and Livestock Extension Services Bill (Senate Bills No.12 of 2022) sponsored by Sen. Maureen Tabitha Mutinda, MP, and co-sponsored by Hon. (Dr.) John Kanyuthia Mutunga, MP, in the National Assembly.

(8) The Care and Protection of Child Parents Bill (Senate Bills No.29 of 2023) sponsored by Sen. Miraj Abdillahi Abdulrahman and co-sponsored by Hon. Beatrice Kemei, MP, in the National Assembly.

(9) The Sugar Bill (National Assembly Bills No.34 of 2022) sponsored by Hon. Emmanuel Wangwe, MP, and co-sponsored by Sen. David W. Wafula, MP, in the Senate.

(10) The Public Service (Values and Principles) (Amendment) Bill (National Assembly Bills No.46 of 2022) sponsored by Hon. Abdul Rahim Dawood, MP, and co-sponsored by Sen. Samson Cherarkey, MP, in the Senate.

In the absence of a co-sponsor in another House, the Bill is likely to be introduced and moved by a Member who may not fully appreciate the importance and gist of the Bill.

In numerous jurisdictions, including the United States of America (USA), co-sponsorship of House Bills is a norm. In an effort to show their support for a Bill and increase its prospects of passing the other House, sponsors frequently look for co-sponsors.

Sponsors of Bills in the Senate, are therefore, encouraged to identify co-sponsors in the National Assembly and communicate the same in writing, to the Office of the Speaker of the Senate, immediately the Bill is passed in the Senate. The Message to the National Assembly on the passage of a Bill originating from the Senate will, therefore, include the name of the co-sponsor identified in the National Assembly, as required under Standing Order No.162(2).

I thank you.

Clerk, let us go to the next Order.

*(Sen. Wafula waved at other
Senators as he walked to his seat)*

The Speaker (Hon. Kingi): Sen. Wafula, proceed to your seat. You will share the greetings later.

MESSAGES FROM THE NATIONAL ASSEMBLY

CONCURRENCE ON THE AFFORDABLE HOUSING BILL (NATIONAL ASSEMBLY BILLS NO.75 OF 2023)

Hon. Senators, I wish to report to the Senate, that Pursuant to Standing Order No. 46 (3) and (4), I received the following Message from the Speaker of the National Assembly, with respect to the Senate Amendments to the Affordable Housing Bill (National Assembly Bills No.75 of 2023).

The Message which is dated 14 March, 2024, was received in the Office of the Clerk of the Senate on the same date. Pursuant to the said Standing Order, I now report the Message -

Pursuant to the provisions of Standing Order No. 41 (1) and 148 (a) of the National Assembly Standing Orders, I hereby convey the following message from the National Assembly –

“WHEREAS, the National Assembly considered and passed the Affordable Housing Bill (National Assembly Bills No. 75 of 2023) with amendment on Wednesday 21st February, 2024 and referred to the Senate for consideration in accordance with Article 110 (4) of the Constitution;

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AND WHEREAS, on Tuesday, 12th March, 2024, the Senate considered the Affordable Housing Bill (National Assembly Bill No.75 of 2023), and passed it with amendments and referred back to the National Assembly for concurrence;

AND FURTHER, whereas the National Assembly having considered the amendments, concurred with the Senate on Thursday 14th March, 2024;

NOW THEREFORE, having concluded the bicameral passage of the Bill, the said Bill in accordance with the provisions of our Article 112 of the Constitution, the Speakers of Parliament, presented the Bill to His Excellency the President for assent today, Tuesday 19th March, 2024. The same is now an Act of Parliament.

I thank you.

Hon. Senators, I also have another Message to pass on.

REJECTION OF THE NATURAL RESOURCES (BENEFIT
SHARING) BILL (SENATE BILLS NO.6 OF 2022)

I wish to report to the Senate, that Pursuant to Standing Order No.46 (3) and (4), I received the following Message from the Speaker of the National Assembly regarding the decision of the National Assembly to reject the Natural Resources (Benefit Sharing) Bill (Senate Bills No.6 of 2022) at the Second Reading.

The Message dated Tuesday 12th March, 2024, was received on Thursday 14th March, 2024 in the Office of the Clerk of the Senate;

Pursuant to the said Standing Order, I now report the Message –

Pursuant to the provision of Standing Orders No. 41 and 149 (1) (b) of the National Assembly Standing Orders, I hereby convey the following message for the National Assembly –

“WHEREAS, the Senate considered and passed the Natural Resources (Benefit Sharing) Bill (Senate Bills No. 6 of 2022) with amendment on Tuesday, 1st August, 2023 and referred to the Senate for consideration in accordance with the provisions of Article 110 of the Constitution;

AND WHEREAS, upon consideration, the National Assembly rejected the Bill at Second Reading on Tuesday 12th March, 2024, thereby committing the same to Mediation Committee, pursuant to provisions of Article 112 (1) (a) of the Constitution;

AND FURTHER, in accordance with the provisions of Article 112 of the Constitution and Standing Order No. 149 of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate and seek the appointment of Senators to the Mediation Committee on the Bill.

Hon. Senators, consequent to the said decision, the Speaker of the National Assembly appointed the following Members of the National Assembly to Mediation Committee to consider the Bill in accordance with Article 113 of the Constitution. These are the-

1. Hon. David Gikaria, MP
2. Hon. Charles Kamuren, MP
3. Hon. Beatrice Kemei, MP
4. Hon. Joseph Emathe, MP

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5. Hon. T.J. Kajwang' MP
6. Hon. Irene Kasalu, MP
7. Hon. Dick Maungu, MP

Hon. Senators, pursuant to the provisions of Standing Order No.166 (2) of the Senate Standing Orders and in consultation with the Majority and Minority Leaders, I will at the appropriate time, appoint Senators to the Mediation Committee.

I thank you.

Well, unless it is an intervention seeking a clarification, proceed.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, rather than a point of order, it is to seek your direction on a matter that if not arrested, will soon lead us into a stalemate between us and our colleagues in the National Assembly.

Occasionally when I am not in the Chamber, I follow proceedings of what happens in the National Assembly, especially when they are debating Bills that have emanated from the Senate. If I am not wrong, this is the second Bill in this Session that the National Assembly has negated at the Second Reading Stage.

Mr. Speaker, Sir, I even said this to our colleagues on the Minority side many times, that, unless a Bill is fatally flawed *ab initio*, it is an abuse of legislative procedure to negate any Bill at Second Reading.

Since I have seen Bills come to this House, and while the context and the overall body of what that Bill seeks to do may not be what Members intend, but because of our very rigorous procedures of law making, including Second Reading and eventually in the Committee of Whole, you clean it up and conform it to provisions of the Constitutions.

Therefore, given that this is the second Bill where the House has considered and particularly this Bill, there is a history to it. This Bill has been in the corridors of Parliament for over 10 years. We have considered it severally. In fact, I have lost count of the number of times the Senate has sent this Bill to the National Assembly and it has been returned.

Mr. Speaker, Sir, in fact, as much as there is progress to report because previously it used to be left to gather dust in the shelves of the National Assembly, this time they went all the way to Second Reading. Perhaps, you need to establish procedure, Mr. Speaker, between you and your colleague, the Speaker of the National Assembly, on how to consider our Bills.

Consequently, this is because we receive many Bills from the National Assembly side as well and there are many things, which for one reason or the other, we hold a different view on how they perceive it.

However, I find it to be a smack on the face of the Senate when you negate a Bill at Second Reading and call for mediation. It is an abuse of legislative mandate.

As a leader in this House, I would wish, because in a bicameral relation, our main link between us and the National Assembly is you, Mr. Speaker, that you register our displeasure with the leadership of the National Assembly through their Speaker on how they are treating our Bills.

Mr. Speaker, Sir, it is my considered view that a Bill should be considered to the final stage, then we can have a proper mediation of how they hold different views on certain provisions. However, to conclude on it at Second Reading is not fair to this House

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and it is a matter which I invite you to have a conversation with your counterpart, the Speaker of the 'Lower House'.

I thank you.

The Speaker (Hon. Kingi): Thank you, Senate Majority Leader. Indeed, your concerns are valid and I will take it up with my counterpart in the National Assembly.

However, if you listen to my earlier communication on co-sponsorship, co-sponsorship is one of the ways that we can employ to avoid scenarios such as this. Since one, in as much as the Bill is considered extremely important by the Senate, the National Assembly may not necessarily feel the spirit behind that Bill.

However, if it is developed with certain co-sponsors in the National Assembly, those naturally become our ambassadors and they can make a case for and on behalf of the Senate, because then, they will feel the spirit behind this Bill.

Otherwise, I will take it up and we want hope that this may be the last Bill to collapse at the Second Reading in the National Assembly.

Next Order, Clerk.

PETITION

REPORT ON PETITION: REGULATION OF FINANCIAL CREDIT PROFESSION

Sen. Ali Roba: Mr. Speaker, Sir, this is a petition regarding regulation of credit profession that was submitted by CCP Mokaya Magembi Bernard. It is the right of every Kenyan citizen to petition public authorities and Parliament as offered in the Constitution under Articles 37 and 119.

Further to the Petition to Parliament, Procedure Act No.22 of 2012 makes provision for the procedure for the exercise of the right to petition and defines the format of the petition to be addressed to Parliament.

Pursuant to Standing Orders No.232 (1) (a) and 236 (2) (b) of the Senate Standing Orders, on the 23rd May, 2023, a public petition concerning regulation of credit profession was presented to the Senate.

The Petition has been submitted to the Office of the Clerk by members of the Council of Institute of Credit Management Kenya (ICM-K), led by CCP Mokaya Magembe Benard, who is the chairman. The petitioners prayed that the Senate enacts legislation to regulate the credit profession.

The Committee considered this Petition with a view to determining whether the matters raised therein merit intervention by legislature. During its inquiry and engagement with petitioners and relevant stakeholders, such as the Central Bank of Kenya (CBK), the Committee found that credit professionals are increasingly playing a vital role in the economy, especially in the sectors dominated by financial institutions.

The credit professionals primarily undertake credit management, including determination of the credit worthiness of customers, managing relationships between the lender and a customer, mitigating against financial loss by assessing the credit risk of financial institutions, and developing credit policies for financial institutions.

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Mr. Speaker, Sir, proper credit management influences financial inclusion and encourages ecosystem within which access to credit is improved. However, it is immediately apparent that whereas the primary role of credit management is to maximize profit, this cannot be achieved at the expense of the well-being of borrowers.

In the quest for ensuring profitability, some lenders have shown, over the years, evidence to resort to unscrupulous methods, especially in the collection of debt and misinformation of lenders on the fine print of borrowing facilities. This has led to situations where borrowers have overcommitted themselves financially. Further, lenders have institutionalised harassment and other forms of abuse as part of the innovative techniques or methods of collecting debt.

These predatory lending policies have in some instances had the opposite effect, where borrowers have been victims of exploitive collection practices and high rates of default due to non-disclosure within the conditions of lending that are not brought to the attention of the borrowers.

Mr. Speaker, Sir, at this crossroad of profit versus public interest, it stands the credit professionals whose main task is to ensure that credit management is underpinned by three main points, that is, profitability, customer focus and market stability.

This means that a proper credit management system involves development of clear credit policies that sets out in clear terms, credit limits, payment terms, interest rates, penalties and late payments.

Secondly, a regular customer monitoring and implementation of ethical collection pathways and clear, unambiguous communication is required. This infrastructure requires professionals whose training qualifications and contact is subject to regulatory role.

Mr. Speaker, Sir, the Committee, therefore, found merit and resolved to grant the petitioners prayer for the enactment of the law to regulate credit professionals in Kenya. The Committee will soon be presenting a Bill to this House on the regulation of credit profession for consideration and passage.

As I conclude, the Committee appreciates the petitioners, members of the Council of the Institute of Credit Management Kenya, who presented the petition through the Clerk's Office. The Committee acknowledges the time and considerable effort made by the CBK who submitted information concerning this petition.

The Committee is also particularly grateful to the Office of the Speaker and the Office of the Clerk of the Senate for support received during the discharge of this mandate.

I submit.

The Speaker (Hon. Kingi): Next Order, Clerk.

PAPERS LAID

The Speaker (Hon. Kingi): Proceed, Senate Majority Leader.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, I beg to lay the following Papers on the Table of the Senate, today, Tuesday, 19th March, 2024-

THE NATIONAL BUILDING CODE
(LEGAL NOTICE NO.47 OF 2024)

The National Building Code (Legal Notice No.47 of 2024).

THE FISHERIES REGULATIONS (LEGAL NOTICE NO.49 OF 2024)

The Fisheries Regulations (Legal Notice No.49 of 2024).

REPORTS OF THE AUDITOR-GENERAL ON FINANCIAL
STATEMENTS OF VARIOUS ENTITIES

Report of the Auditor-General on Financial Statements of Busia County Trade Development Revolving Fund for the year ended 30th June, 2022.

Report of the Auditor-General on Financial Statements of County Executive of Migori for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of County Assembly of Migori for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Government of Migori – Receiver of Revenue for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Government of Migori – County Revenue Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Migori County Alcoholic Drinks Control Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Municipality of Migori for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Municipality of Rongo for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Assembly of Kisii for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Kisii County Assembly Members' Loan and Mortgage for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Kisii County Emergency Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Kisii County Veterinary Services Development Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Kisii County Loans and Mortgages Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Kisii County Health Facilities Improvement Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Demonstration Farm Fund Kisii for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Executive of Homa Bay for the year ended 30th June, 2023.

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Report of the Auditor-General on Financial Statements of Municipality of Homa Bay for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Nakuru County Emergency Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Nakuru County Bursary Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Laikipia County Business Stimulus Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Laikipia County Leasing Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Executive of Bungoma for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Assembly of Bungoma for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the Bungoma County Assembly Members' Car Loan and Mortgage Scheme Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Bungoma County Persons with Disabilities Empowerment Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Bungoma County Disaster Management and Emergency Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Government of Bungoma – County Revenue Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Executive of Busia for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Assembly of Busia for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the Busia County Assembly Revolving Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of the County Government of Busia Receiver of Revenue for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Busia County Alcoholic Drinks Control Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Busia County Trade Development Revolving Fund for the year ended 30th June, 2023.

Report of the Auditor-General on Financial Statements of Busia County Health Services Fund for the year ended 30th June, 2023.

I thank you.

(Sen. Cheruiyot laid the documents on the Table)

The Speaker (Hon. Kingi): Sen. Faki, you are supposed to lay a Paper on behalf of Sen. Ali Roba.

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REPORT ON JOINT SESSION OF COG AND THE SENATE

Sen. Faki: Thank you, Mr. Speaker. Sir. I beg to lay the following Paper on the Table of the Senate today, 19th March, 2024-

Report on Inaugural High-Level Joint Session of the Council of Governors (CoG) and the Senate held from 15th -18th June, 2023 in Naivasha, Nakuru County.

The Speaker (Hon. Kingi): Sen. Faki on behalf of Sen. M. Kajwang’.

COUNTY GOVERNMENT'S ADDITIONAL ALLOCATIONS
CASH DISBURSEMENT SCHEDULE FOR FY2023/2024

Sen. Faki: Thank you, Mr. Speaker. Sir. I beg to lay the following Paper on the Table of the Senate, today, 19th March, 2024-

The County Government's Additional Allocations Cash Disbursement Schedule for the Financial Year 2023/2024.

Thank you.

(Sen. Faki laid the documents on the Table)

The Speaker (Hon. Kingi): Sen. M. Kajwang’ or any Member of that Committee to proceed to lay the Paper.

REPORT ON THE INAUGURAL BIENNIAL
DEVOLUTION CONFERENCE

Sen. Cherarkey: Thank you, Mr. Speaker, Sir.

On behalf of Sen. M. Kajwang’, I beg to lay the following Paper on the Table of the Senate, today, 19th March, 2024.

Report of the proceedings and resolution of the inaugural biennial Devolution Conference held from 15th to 19th August 2323, in Eldoret, Uasin Gishu County.

(Sen. Cherarkey laid the document on the Table)

The Speaker (Hon. Kingi): Next Order, Clerk.

NOTICE OF MOTION

ALLOCATION OF CONDITIONAL GRANT FOR CONSTRUCTION
OF MOMBASA MUNICIPAL STADIUM

Sen. Faki, you may have the Floor.

Sen. Faki: Thank you, Mr. Speaker, Sir. I beg to give notice of the following Motion-

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THAT AWARE THAT Part 2 of the Fourth Schedule to the Constitution of Kenya obligates County Governments with the responsibility to develop, establish, manage, and maintain sports and cultural facilities which includes stadiums, sports arenas, cultural centres, and other related infrastructure;

NOTING THAT the entire Coastal Region of the country lacks a modern stadium built to international standards, thereby depriving the people the benefits that come with stadia and sports facilities;

CONCERNED THAT the construction of the Mombasa Municipal Stadium has encountered delays and setbacks since the inception of the project in 2019 due to financial constraints, which has since been halted depriving the community of the much needed facility;

NOW THEREFORE the Senate resolves that the National Treasury and the Ministry of Youth Affairs, Creative Economy and Sports allocates a conditional grant to the County Government of Mombasa amounting to Kshs1.7 billion for the completion of the Mombasa Municipal Stadium.

Thank you.

The Speaker (Hon. Kingi): Next Order, Clerk.

QUESTIONS AND STATEMENTS

STATEMENTS

Statement pursuant to Standing Order No.52(1). Sen. Omogeni, you may have the Floor.

RULING ON BOUNDARY OF KEROKA TOWN BY THE ENVIRONMENT AND LAND COURT

(Statement dropped)

EFFORTS TO ADDRESS WASTE MANAGEMENT THROUGH CIRCULAR ECONOMY

Sen. Lemaletian: Thank you, Mr. Speaker, Sir. I rise to make a Statement on the issue of a general topical concern on the efforts made to address the pressing issue of waste management through the development and implementation of a vibrant circular economy.

Mr. Speaker, Sir, Kenya generates over 8 million metric tonnes of waste annually. This calls for adaption of innovative approaches to transform waste into valuable raw materials for industrial production, in order to mitigate environmental degradation and promoting sustainable development. The benefits of a circular economy cannot be gainsaid, as it cuts on waste and reduces---

(Sen. Dullo and Sen. Abdul Haji consulted loudly)

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Mr. Speaker, Sir, I am being distracted by my two colleagues.

The Speaker (Hon. Kingi): Order, Sen. Abdul Haji and Sen. Dullo. May the Senator be heard in silence! No funny gestures. Allow the Senator to make her Statement. Proceed, Senator.

Sen. Lemaletian: Mr. Speaker Sir, the benefits of a circular economy cannot be gainsaid as it cuts on waste and reduces carbon emissions. Products are kept in use for as long as possible through sharing, leasing, reusing, repairing, refurbishing and recycling.

As we embark on this transformative journey, it is crucial to ensure that these benefits are equitably distributed across all segments in the society. This can be achieved by conducting a thorough gender and general demographic analysis at each stage of the value chain involved in the transformation process.

Further, disaggregating the data will also help in identifying and addressing any disparities, if any, in the accessibility of opportunities by both men and women during the process.

In order to maximize the impact of our waste management efforts, it is essential to decentralize the circular economy and engage communities at the grassroots level, indicating participation by the ward and benefits to be derived from the waste management process.

(Loud consultations)

The Speaker (Hon. Kingi): Order, hon. Senators. The Senate Majority leader.

Sen. Lemaletian: Mr. Speaker Sir, Empowering communities to take ownership of waste management initiatives will also foster local economic development and environmental stewardship.

In addition, it is also important to diversify the typologies of industrial production plans that will utilize the raw materials generated from our waste management efforts, incorporating a range of industries specialized in recycling manufacturing and renewable energy production.

It will help in creating a more resilient and sustainable circular economy, which will in turn contribute to job creation and economic growth across various sectors.

Mr. Speaker, Sir, integrating waste collection processing an industrial production at the local level will minimize transportation cost and environmental impact, while maximising the utilisation of resources and generating economic opportunities for local communities. This will call for the production plans to be strategically located, in order to spur a circular economy within the country.

In conclusion, I emphasize the critical importance of bottom-up approach in spurring the circular economy, starting from the village or ward level and extending to the subcounty and county levels. Harnessing the collective efforts of communities and leveraging local resources will make us realize the vision of a sustainable and inclusive circular economy that aligns with our national development agenda and aspirations.

I thank you.

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URGENT NEED TO IMPROVE WATER TRANSPORTATION
SERVICES IN LAKE TURKANA

Sen. Lomenen: Mr. Speaker, Sir, I rise pursuant to Standing Order No.52(1) to make a Statement on a matter of inter-county concern, namely, the urgent need to improve water transportation in Lake Turkana, to enhance trade and connectivity.

I bring to your attention the pressing issue of challenging water transportation in Lake Turkana, which has significantly impeded trade between the Turkana and other communities residing on the opposite side of the Lake.

Despite the vast potential for trade and economic exchange, the absence of proper water transportation vessels suitable for a large-scale transportation has hindered the realization of these opportunities.

Mr. Speaker, Sir, Lake Turkana with its immense resources and strategic location, holds a great promise for facilitating trade and connectivity between various communities in the region. However, the lack of adequate water transportation infrastructure has posed several challenges, limiting the movement of goods, people and services across the lake.

It is disheartening to note that while other lakes in the region such as Lake Victoria boast large vessels like MV Nyeunge in the Port of Analo, Tanzania; MV Victoria in Bukoba, Tanzania, MV Sengerema at Mwanza Tanzania, MV Kaaawa in Port Bell, Uganda, MV Uhuru at Kisumu docks in Kenya and MV Pearl in Uganda, enabling transportation of goods, trading and fishing, Lake Turkana remains underserved in terms of water transportation infrastructure.

Mr. Speaker, Sir, some of the challenges arising from the lack of proper water transportation in Lake Turkana include-

(1) Limited access to markets: The absence of reliable transportation vessels hampers the ability of the Turkana community to access markets located on the opposite side of the Lake, restricting their economic activities and their opportunities.

(Sen. Abdul Haji and Sen. Lemaltian consulted loudly)

Mr. Speaker, Sir, I seek your protection from the Senators who are seated behind me.

The Speaker (Hon. Kingi): Sen. Abdul Haji and Sen. Hezena, you can make use of the Lounge to extend your conversation. Otherwise, when you are here, you have to allow the Senator to read his Statement in silence.

Sen. Lomenen: Thank you, Mr. Speaker, Sir.

(2) Isolation of communities: Communities residing along the shores of Lake Turkana have faced isolation and limited connectivity due to inadequate transportation options, which affect social interactions and economic development.

(3) Hindered economic growth: The inability to transport goods efficiently across the Lake stifles economic growth and development opportunities of the Turkana community and other communities in the region, limiting their potential for prosperity.

(4) Safety concerns: The use of makeshift and inadequate watercraft for transportation poses significant safety risks to passengers and goods, especially during adverse weather conditions.

Mr. Speaker, Sir, in light of this challenge, I urge the Senate to prioritise the development of robust water transportation infrastructure in Lake Turkana. This includes the acquisition of suitable vessels capable of facilitating large-scale transportation of goods and passengers, similar to those operating in other lakes in the region.

By investing in improved water transportation, we can unlock the economic potential of Lake Turkana, promote trade and connectivity between the communities and foster social economic development in the region. It is essential that we work collaboratively with relevant stakeholders to address the critical issues and ensure equitable access to transportation services for all residents of Turkana County.

I thank you.

The Speaker (Hon. Kingi): Statements pursuant to Standing Order No.53(1). Sen. Cherarkey.

DISTRIBUTION OF SUBSIDIZED FERTILIZER TO FARMERS IN THE COUNTRY

Sen. Cherarkey: Thank you, Mr. Speaker, Sir, for the indulgence. I rise pursuant to Standing Order No. 53(1) to seek a Statement from the Standing Committee on Agriculture, Livestock and Fisheries regarding the distribution of subsidised fertiliser to farmers across the country.

In the Statement, the Committee should-

(1) Provide a comprehensive report on the quantity of fertiliser bags currently in stock at the National Cereals and Produce Board (NCPB), elucidating the Ministry of Agriculture readiness to meet fertiliser demand considering that the North Rift is currently in the planting season.

(2) State the reasons for the ongoing delays in the distribution of subsidised fertiliser to the farmers by NCPB, explaining whether the delays are a result of a shortage of fertiliser and whether the seed shortage has been communicated to the farmers and the public.

(3) Disclose whether the Ministry of Agriculture and Livestock Development has adopted any alternative measures for increasing accessibility of subsidised fertiliser to the farmers, such as issuing vouchers to farmers, e-messages, and e-vouchers, enabling them to redeem and obtain fertiliser from private vendors at Kshs2,500, to facilitate them to plan timely because there have been allegations of it being sold at Kshs3,950.

(4) Elaborate on the actions taken by the Ministry of Agriculture and Livestock Development to address allegations of corruption and malpractices, including instances of individuals and staff of NCPB and other Agencies facilitating the issuance of subsidised fertiliser to unqualified persons who are not registered as farmers, among the 4,000,000 farmers registered in the country, through fraudulent means, such as inflating farm acreage or registering non-existent farms and farmers.

I thank you.

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The Speaker (Hon. Kingi): Sen. Lomenen.

LAND ACQUISITION OCCASIONED BY
LAPSSET PROJECT IN TURKANA COUNTY

Sen. Lomenen: Thank you, Mr. Speaker, Sir. My Statement is on the land acquisition process occasioned by the Lamu Port South Sudan Ethiopia Transport (LAPSSET) project in Turkana County.

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Land, Environment and Natural Resources, on the land acquisition process occasioned by the LAPSSET corridor project in Turkana County.

In the Statement, the Committee should-

(1) State whether there was a formal engagement between the National Land Commission (NLC) and the Turkana county government to discuss the land acquisition process, ensuring transparency and reconsideration of the community's interest and tabling evidence of the same.

(2) Disclose whether any assessment has been conducted to evaluate the potential impact of the LAPSSET project on the livelihood of the Turkana Community, stating the findings and mitigation measures proposed to address the adverse impacts.

(3) Outline measures the NLC will implement to safeguard the land tenure security of the communities in affected areas in Turkana South (Kapesse Loperot) and Turkana East (Kochodin, Lopii, Elelea, Lotubae, Kangitit and Ngilukia), preventing exploitation and land grabbing in light of the compulsory acquisition published in the Kenya Gazette Notice No.4388.

(4) State the legal framework and policies used to ensure fair and equitable compensation for the community's loss of ancestral land, considering the unregistered status of Turkana's communal land.

(5) Disclose the benefits that will accrue to the Turkana Community from the LAPSSET Project, stating how these benefits will be fairly distributed and how the Project plan will incorporate local needs and priorities into this implementation.

Mr. Speaker, Sir, I have another Statement.

The Speaker (Hon. Kingi): Proceed, Senator.

OPERATIONALIZATION OF REREC
PROJECTS IN TURKANA COUNTY

Sen. Lomenen: Mr. Speaker, Sir, this Statement is on the operationalisation of the Rural Electrification and Renewal Energy Corporation (REREC) projects in Turkana County.

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Energy on operationalisation of REREC projects in Turkana County.

In this Statement, the Committee should-

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(1) List villages in which REREC projects located and provide an update on the status of the operationalization.

(2) State reasons for the delay in operationalisation of REREC projects in Turkana County, specifically, those commissioned in 2019, in areas including Kangakipur in Turkana South, Lopeduru in Turkana East, Kodopa and Nepeikar in Loima, Loturerei, Lolupe and Nayuu in Turkana Central, Turkana West and Kaeris in Turkana North, including the specific challenges faced and a revised actionable timeline for their completion.

(3) State steps the Ministry of Energy is taking to expedite the design, supply, installation and commissioning of solar photovoltaic generation plant with associated power distribution network (mini grids) in Turkana County, with particular focus on Kalokol, Namukuse in Turkana Central, Lochwaangikamatak and Naposimoru in Turkana South, Lorengippi in Loima, LomunyenAkwan in Turkana East, Kaikor, Kankurudio, Kibish, Kokuro, Oropoi and Nachukui in Turkana North and Oropoi in Turkana West, giving timelines.

(4). State strategies being considered by the Ministry to ensure that electrification efforts in Turkana County also include the installation of flood lights in strategic centres and towns as well as stand-alone solar PV system for schools and health facilities to address broader social economic development goals.

Thank you.

The Speaker (Hon. Kingi): Statement by Sen. Kathuri Murungi is deferred pursuant to his own request.

ABDUCTION, TORTURE AND EXECUTION OF MERU-BASED
POLITICAL BLOGGER, DANIEL MUTHIANI BENARD

(Statement Deferred)

We move to the Senator for Bungoma, Sen. Wafula.

ASSESSMENT OF POLICY ON AVAILABILITY
AND SUPPLY OF MEDICAL OXYGEN IN KENYA

Sen. Wafula: Thank you, Mr. Speaker, Sir. I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Health regarding the outcome of the assessment by the African population and Health Research Center on the policy and institutional constraints to the availability and supply of medical oxygen in Kenya.

In the Statement, the Committee should-

(1) State the scope of the research conducted by the African Population and Health Research Center on policy and institutional constraints on the availability and supply of medical oxygen in hospitals countrywide, with a focus on the methodology and criteria used in the research.

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(2) Explain the measures put in place by the Ministry of Health to implement the research findings and subsequent recommendations.

(3) Outline any other measures put in place by the Ministry to bolster medical oxygen availability and affordability.

POLICY FOR DEPLOYMENT OF STAFF
SERVING IN HUDUMA CENTRES

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Labour and Social Welfare concerning the fate of staff working at Huduma centres in Bungoma as well as other counties and the policies guiding deployment of staffs serving therein.

In the Statement the Committee should-

(1) State the terms of engagement for staffs deployed to serve citizens at Huduma Centres countrywide.

(2) Elucidate on the deployment policy at the Bungoma-Huduma Centre, specifying the factors and criteria used for selecting staff for the relocation to other departments, especially after gaining relevant experience and training.

(3) Outline the measures in place to support staff affected by these deployments, particularly those who have financial commitments due to bank loans tied to their extraneous allowances.

(4) Table an audit report on the qualifications of the top management and the sub-county human resource personnel running the Bungoma Huduma Centre.

(5) Recommend measures to ensure orderly operations at the Huduma Centre to enable the staff to serve citizens without fear of intimidation or threats from senior management.

SHORTAGE OF SUITABLE MAIZE SEED
VARIETIES IN BUNGOMA COUNTY

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Agriculture, Livestock and Fisheries regarding the shortage of suitable maize seed varieties for farmers in Bungoma County during the current and ongoing planting season.

In the Statement the Committee should-

(1) Provide a report on the current stock levels of the following varieties of high breed maize seed available for use by farmers in Bungoma County: 624, 513, 614, 6213, 629, 516 and 520.

(2) State the measures put in place by the Kenya Seed Company to ensure that the above seed varieties, which are suitable for farmers in Bungoma, are made available and accessible to farmers, noting that the planting season has commenced.

(3) Investigate and report to the Senate the cause of the shortage of suitable maize seed in the region, which is part of the country's food basket.

(4) Outline any other measures put in place by the Ministry to make sure that such shortages that disrupt crop production are not experienced in the future.

Thank you.

The Speaker (Hon. Kingi): Proceed, Sen. Orwoba.

INADEQUATE BED CAPACITY AT MBAGATHI
AND MAMA LUCY HOSPITALS

Sen. Orwoba: Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Health concerning inadequate bed capacity at Mbagathi County Referral and Mama Lucy Hospitals.

In the Statement, the Committee should-

(1) Outline the specific measures taken by the County Government of Nairobi and the Ministry of Health to address the chronic shortage of beds in hospitals, particularly in maternity wards at Mbagathi County Referral and Mama Lucy Hospital, where a significant number of mothers are compelled to share beds with as many as three or four individuals occupying a single bed.

(2) Provide an assessment of the current infrastructure and resource allocation at Mbagathi County Referral and Mama Lucy Hospitals, including an analysis of the factors contributing to the inadequate bed capacity and the lack of sufficient sitting arrangements for patients while they wait to secure beds.

(3) State the steps being taken to ensure the timely and effective implementation of measures to expand bed capacity, improve facilities and safeguard the health and dignity of patients, especially expectant mothers who rely on these healthcare institutions for essential care and support.

The Speaker (Hon. Kingi): Proceed, Sen. Chimera.

IMPENDING SHUTDOWN OF BASE TITANIUM
LIMITED IN KWALE COUNTY

Sen. Chimera: Thank you, Mr. Speaker, Sir. I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Land, Environment and Natural Resources concerning the impending shutdown of the mining company, that is, Titanium Limited in Kwale County.

In the Statement, the Committee should-

(1) State any measures in place to address the imminent loss of employment for the more than 800 local and expatriate employees of Base Titanium Limited.

(2) Assess the projected impacts of the Company's closure on national revenue, specifically in terms of taxes and royalties as well as the potential economic repercussions on local suppliers and the broader economy of Kwale County and proposed mitigating strategies.

(3) Examine the Status of community projects and agreements initiated by Base Titanium Limited, including scholarships, infrastructure development and community empowerment programmes and proposed strategies to sustain these initiatives.

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(4) Provide details of any proposed plans for the land currently leased to the said company, ensuring that it is reclaimed for the benefit of the local community and that reclamation adheres to environmental conservation standards.

(5) Outline any comprehensive national strategy for the extractive sector that includes contingency plans for the closure of major mining operations to safeguard against such economic shocks in the future.

Mr. Speaker, Sir, I also have another Statement with your kind permission.

AIR ACCIDENT INVOLVING SAFARI LINK AVIATION LIMITED
AND NINETY-NINES FLYING SCHOOL AIRCRAFTS

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Roads, Transportation and Housing regarding the accident involving an aircraft belonging to Safari Link Aviation Limited and another belonging to 99 Flying School that occurred on the 5th March, 2024, which led to the death of two persons.

In the Statements, the Committee should-

(1) Shed light into the circumstance that led to the mid-air collision of the two aircrafts near Wilson Airport and provide a status of investigations undertaken into the incident.

(2) State the safety measures put in place by the Kenya Civil Aviation Authority (KCAA) to ensure stringent regulatory oversight of all aviation activities, disclosing, monitoring, and compliance measures in place that manage the flow of air traffic for airlines and aviation training institutions.

(3) Cause a visit to the KCAA offices to consider, among other things, the state of safety and security of our national airspace, particularly in the wake of this tragic incident.

(4) Recommend measures, if any, to enhance the quality of training for aviation personnel in light of deficiencies observed.

I thank you.

The Speaker (Hon. Kingi): The next Statement is by Sen. Ledama.

BUDGET FORMULATION, EXECUTION AND
UTILIZATION IN NINE COUNTIES

Sen. Olekina: Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Finance and Budget regarding budget formulation, execution and utilization in the county governments of Kiambu, Busia, Mandera, Mombasa, Nairobi, Tana River, Wajir, Machakos, and Narok counties for the Financial Year (FY) 2022/2023.

In the Statement, the Committee should-

(1) Table the approved printed budget estimates for the aforementioned county governments for the FY 2022/2023 as passed by the respective county assemblies.

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(2) Table all supplementary budget estimates for the said county governments passed in the same financial year, stating the rationale, if any, for any deviation in use or reallocation of funds, indicating whether public participation was undertaken in the approval of these Supplementary Budgets.

(3) Provide a breakdown of the total procurement expenditures for each mentioned county government for the FY 2022/2023, explaining any deviation from the approved procurement plan, if any.

(4) Outline measures in place by county governments to monitor and enforce strict adherence to approved budgets with the objective of forestalling the accumulation of unnecessary pending bills.

I thank you.

The Speaker (Hon. Kingi): Next is Sen. Mandago.

PRODUCTION OF NEW GENERATION NUMBER PLATES

Sen. Mandago: Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Roads, Transportation and Housing regarding production of new generation number plates at the Kenya Prisons Industries.

In the Statement, the Committee should-

(1) State the reasons behind the Government's decision to have production of motor vehicle number plates at Kenya Prison Industries, stating whether there was public participation in the process.

(2) Provide details of the current state of machines and equipment used in the production of motor vehicle number plates, highlighting plans, if any, for use of these assets.

(3) State whether a tendering process was conducted, disclosing details of the award of the contract, the number of bids received, the criteria used in selecting the company awarded and the cost of the contract.

(4) Disclose the impact of the production stoppage on the rehabilitation and skill development opportunities for inmates, stating losses, if any, in the training programme aimed at equipping prisoners with vocational skills.

(5) Disclose the amount of budgetary allocation set aside by the Government, if any, and estimated financial losses incurred by the Kenya Prison Industries due to the discontinuation of this income generating activity.

I thank you.

The Speaker (Hon. Kingi): Clerk, let us go to the next Order.

The Senate Majority Leader (Sen. Cheruiyot): On a point of intervention, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): What is your intervention, Senate Majority Leader?

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir---

The Speaker (Hon. Kingi): Senate Majority Leader, kindly take your seat. I had skipped one Statement. Allow Sen. Fatuma Dullo to request a Statement. Thereafter, you will seek your intervention.

UTILISATION OF EMERGENCY RELIEF
FUNDS IN ISIOLO COUNTY

Sen. Dullo: Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Finance and Budget regarding utilisation of emergency relief funds in Isiolo County.

In the Statement, the committee should-

(1) State the total amount of the budget allocated for emergency relief during the FYs 2022/2023 and 2023/2024 by the County Government.

(2) Provide a detailed account of utilisation of the funds mentioned in (i), including payments made to date, remaining balances, if any, attaching evidence of those payments such as tender documents, contracts receipts, and invoices, among other relevant documents.

(3) State the criteria used for allocation of these Funds across Isiolo County, including the amount allocated per ward.

(4) Indicate whether there has been any reallocation of the budgets from other planned programmes towards the Emergency Relief Fund, and if so, specify the amount reallocated per programme.

(5) List the companies that have been awarded contracts under the Department of Special Programmes in the County Government of Isiolo, including the ownership of those companies and the amount awarded to each company.

I thank you.

The Speaker (Hon. Kingi): Senate Majority Leader, what is your intervention?

POINT OF ORDER

REGULAR REPORTS BY THE CoB

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, I seek your guidance on a matter that I am not sure whether it falls under Questions and Statements but is a matter of concern to the House.

The Senate, as established under Article 96, serves to protect the interests of counties. Therefore, occasionally, when there are matters that are of concern to the country that involves devolved units, the Senate needs to have a voice on the same.

The reason I am seeking your intervention is that occasionally, from previous practice in this House, we established a practice where we used to receive quarterly reports in our pigeonholes and sometimes even monthly releases by the Controller of Budget (CoB) on the funds that have been disbursed to the various county governments and their implementation thereon.

That happened because of a previous intervention such as what I am seeking here, where the Senate, through its Standing Committee on Budget and Finance, had a meeting

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with the CoB. It was resolved at that meeting that occasionally--- Article 228 of the Constitution provides that at least every quarter, these reports should come to the House.

After that meeting, the resolution was that, if possible, on a monthly basis, each Senator shall receive reports on budget performance of their specific counties, which include Exchequer releases and the request for funding, so that they can monitor and do their oversight duties effectively. That practice has since been vacated. Unless I am the one who does not check my pigeonhole and the rest of my colleagues are getting, I no longer see that.

Mr. Speaker, Sir, the reason I sought your intervention this afternoon is because I have noticed in the past few months, there is a tendency in the newspapers where we see coverage of budget performance by various counties. Reports by the CoB make it to newspaper headlines before coming to this House.

While that might serve the purpose of sensitizing citizens on how their county governments are performing, what happens after that? This is the only House that can compel various county governments to spend resources prudently. Senators should have an opportunity to interact with those reports.

Therefore, I seek your guidance on this particular matter. You need to guide the House on whether it is proper that the Senate no longer gets those reports as it was previously agreed in a previous communication to the Office of the CoB and whether we can establish a practice going forward.

Of course, these are new offices because with each new term, these offices evolve even in their operations. The kind of reports we read in the newspapers on own source revenue--- There was one previously. This week there has been one on travel expenditure by county governments. All those reports are important.

We laud the office of the CoB for making these reports public. However, for effective delivery of services to citizens and to ensure that people do not just read the reports--- For example, Makueni people will read how the County Assembly has traveled then what? You will be asked: As a Senator, what can you do about this?

If these reports do not find their way to the House, as Senators, we are hamstrung and there is very little we can do. Therefore, we need guidance from your good office so that we can effectively execute our responsibilities.

The Speaker (Hon. Kingi): Sen Onyonka, would you like to ride on that?

Sen. Onyonka: Yes, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): You may proceed.

Sen. Onyonka: Thank you, Mr. Speaker, Sir. I second the Senate Leader of Majority, Sen. Cheruiyot.

There is a responsibility that comes with your office and it is meant to be buffered with data and information so that when we raise issues pertaining to such an issue that the Senate Majority Leader has raised, we need to be believable.

I completely agree with him that what is happening right now - I think he was being very polite - that information, which is out there, whether it is from the Auditor-General or the Controller of Budget, gets to social media and the media before we in the Senate, receive that information.

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I would like to make a request to you, that let us look for a way how we can make that part of our job more official, or in any case, anyway, I do not think that there is a need even to put those reports in the pigeon holes. Let them be sent to us online, on our email addresses and *WhatsApp*. That way, we will get that information and deal with it.

Just like what my leader, Sen. Olekina, is raising about what is happening in his county, there is a lot of stuff going on. If you come to the committees where we sit, it is amazing. Therefore, like this case, I recommend that, let that governor be summoned and we analyse what is going on because these things keep repeating themselves over and over.

I second what the Senate Majority Leader just said.

The Speaker (Hon. Kingi): Sen. Sifuna, did you want to say something different or the same?

(Sen. Sifuna spoke off record)

Sen. Ledama Olekina, please, proceed.

Sen. Olekina: Thank you, Mr. Speaker, Sir. Let me support the point of intervention by the Senate Majority Leader.

Article 228(4) demands that the Controller of Budget shall not release funds to counties unless she is satisfied that, that money is being utilised effectively.

These reports have been misunderstood. When they are played out to the media houses, you will find that the media house has those reports, but they write that county X is number one in development. However, if you read even what the Controller of Budget has the power to do, it is only to set that report on implementation of the budget on how much has been withdrawn.

We know right now that we are dealing with over Kshs120 billion worth of pending bills. The only way we can be able to follow is by looking at those reports and going through the budget performance.

It would be important that we interrogate the Controller of Budget in this House so that we know how it is possible that media houses can have this report and say that county X is leading in development, yet it is the Auditor-General who has to carry out that audit report.

This is an important matter because right now, the diversion of funds - I have taken the responsibility myself, I have the CoB report but that is an extra effort. Article 228(2) of the Constitution says that it should be tabled in each House.

Therefore, for us to effectively carry out our oversight, it will be important that each is given the cash requisition, so that we can stop this business of funds being diverted. The CEC of Finance and Economic Planning from each county requisitions money from the Controller of Budget. They send a spreadsheet, and in most cases, when you read those spreadsheets, you cannot make out what they are paying for; it is just a bunch of gibberish. Then the money is bolded in the big figure, for instance, Kshs300 million being withdrawn from the Exchequer - you get a credit from this account - The County Revenue Fund Account.

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The only way that we can complement our oversight fund is by understanding this expenditure; you have requisitioned to pay the following developers, the following people who have supplied you - Why have you not paid them? Why have you deviated money to someone else? That is when we will cure this cancer of pending bills.

As I stand here today, I know of members of families who have committed suicide. I will bring a Motion to this House, and I hope all of you will support it, to compel counties to pay all their pending bills before the end of this financial year. Why do you budget it?

The only way we can deal with this mess is by looking at the budget performance of every county. Each Senator should stand here and say, "I can authoritatively state that my county has utilised this money because I have been armed by the report that I am getting from the CoB, and I understand that money is being spent."

Mr. Speaker, Sir, I second this. It is timely that we get all those reports and analyse them so that we can interrogate these governors.

The Speaker (Hon. Kingi): Sen. Madzayo, you have the Floor.

The Senate Minority Leader (Sen. Madzayo): Asante, Bw. Spika. Nami najiunga na maoni yaliyotolewa na Kiongozi wa Walio Wengi, Sen. Cheruiyot, ya kwamba, kitambo kidogo, kulikuwa na *pigeon hole*; mahali ambapo tulikuwa tunapata barua zinazotoka katika vitengo vya Serikali hususan Ofisi ya *Controller of Budget*. Tulikuwa tunapata nakala hizo na barua nyingine ambazo zilikuwa zinatumika kwenda katika mialiko ya aina yoyote tuliyokuwa tunapata kupitia kwa hivyo visanduku ambamo barua zetu zilikuwa zinawekwa. Tokea sijui ni lini, sijaweza kuona hivyo visanduku vikitumika. Ni kweli kabisa ya kwamba visanduku hivyo huenda vimefungwa sasa.

Tunaomba ya kwamba ikiwa inawezekana, kupitia uwezo wa Ofisi yako, Bw. Spika, ama unaweza kuamrisha vifunguliwe na iwapo kuna *message* zozote za Serikali, ama hususan maelezo ya matumizi ya katika kaunti zetu, ziwe zinawasilishwa kwetu.

Mara nyingi, itaonekana kama Maseneta wanaingilia taratibu za ufanyakazi katika kaunti zetu. Lakini utaona ya kwamba majukumu ambayo tumepewa sisi kama Maseneta, ya kuangalia kwamba pesa zinatumika kwa njia nzuri, inakuwa dhifu sana ambapo hatuwezi kupata nafasi kubwa isipokuwa kutegemea ripoti kama hizi. Ingekuwa vyema ikiwa tutapewa nafasi hiyo ili pia sisi tuwe tunaangalia, kuangazia na kuwarekebisha wale wanaoongoza kaunti katika majukumu ya kutumia pesa.

Kuna pesa zinazotumika kiholela; pesa zinatumika kwa njia ambayo pengine sio nzuri lakini ikiwa tutapata nafasi kama hiyo, tunaweza kuwaeleza wale ili wafikirie ya kwamba sisi tunawachunguza ama tunataka wachukuliwe hatua. Tunataka kuona ya kwamba pesa ambazo zinaenda mashinani zinatumika kwa njia nzuri; pesa zinazoenda mashinani zinatumika vile zinavyotakikana. Ombi langu ni kwamba hivi sasa tuwe na uhusiano mwema na Ofisi ya *Controller of Budget* ili aweze kutuletea ripoti na hatua ichukuliwe mara moja.

The Speaker (Hon. Kingi): Thank you, hon, Senator, for your interventions.

This is a very serious matter because it touches on the function and mandate of the Senate. More particularly the mandate of oversight. For Hon. Senators to offer effective oversight, they must be armed with information which must be transmitted to

the Senate in formal reports. If these reports are not forthcoming, then you do not have any information with which you can probe any malpractice.

If I heard the Senate Majority Leader correctly, there was an established practice that these reports were transmitted to the Senators either quarterly or sometimes monthly. That practice has since stopped, for reasons nobody can explain. The only person who can explain why these reports have stopped flowing to the Senate is the Controller of Budget.

Therefore, pursuant to Standing Order No.1, I direct that the Controller of Budget (CoB) appears before the House on Wednesday, 27th, March, 2024, immediately after Question Time to explain to the Senate-

1) Why those reports ceased flowing to the Senate.

2) A commitment and undertaking that these reports from the day she will appear before you going forward, shall be transmitted to the Senate either monthly or quarterly as demanded of the Office of the COB by the Constitution.

The Office of the Clerk is also directed to facilitate the appearance of the CoB on Wednesday, 27th March, 2024.

Hon. Senators, I will give limited intervention to all the Statements that have been made. We shall take half-an-hour for the interventions starting with Sen. Sifuna.

Sen. Sifuna: Thank you, Mr. Speaker, Sir for your indulgence. I want to make brief comments on the request for Statement by Sen. Orwoba on the bed capacity at Mama Lucy Hospital.

Indeed, as part of my oversight work, I have visited all the Level Five county hospitals. The situation at Mama Lucy is quite dire. I wanted to inform this House that we have got some serious support from the Standing Committee on Health, very ably chaired by the Senator of Uasin Gishu County - Sen. Mandago.

Mr. Speaker, Sir, in fact, this Committee has helped us so much to reach a resolution to expand the county's capacity to treat Nairobians by reaching an agreement with the national Government to hand back Mama Margaret Kenyatta Hospital in Korogocho.

It is most disheartening that when I visited Mama Lucy Hospital on 1st February, 2024, I was informed that the county has not made any follow up on the directive by the Senate Committee on Health and our facilities continue to be strained.

We have projects to expand capacity that have stalled at all the Level Five county facilities. In fact, for the Mama Lucy Hospital, there is a Kshs344 million project that was initiated by the Nairobi Metropolitan Services (NMS) stalled at 45 percent. The contractor is owed Kshs50 million. Therefore, they abandoned the site.

The Committee has been so gracious and supportive to Nairobi City County that they had scheduled a visit to these county facilities on Monday, 11th, March, 2024, which was a few days ago. The most heartbreaking thing is that on the eve of the visit we received communication that the County Governor had made himself busy, therefore, the Committee was not welcome to tour the county facilities.

I inform the Chairperson of the Committee that we have problems in Nairobi City County. If you go to Mbagathi Hospital, there is a stalled project where the contractor

abandoned site. He is owed Kshs15 million. I have complained about other uses of money and my colleagues have spoken about foreign travel, for instance.

Nairobi City County is leading in foreign travel expenses. If you compare what is being used in foreign travel or even just billboards, we spend Kshs20 million for billboards, yet Kshs15 million is what is required to get the contractor on site in Mbagathi Hospital.

The situation is the same at Mutuini Sub-District Hospital, where the most ridiculous thing is happening. Chairperson, I want you to go and confirm that there is an X-ray machine at the hospital, but it cannot be used by the people in Dagoretti South because there are no doors to the room where the machine is placed.

When you speak to the management of the hospital, they say that roughly Kshs500,000 to Kshs700,000 would get them doors for the X-ray room and they would stop sending people all the way to Mbagathi Hospital just to get X-rays. This Kshs500,000 is the value of two billboards for one month in Nairobi City County. It is just plain ridiculous.

I encourage the Committee and its Chair, whether the Governor is present or not, kindly, come and visit these facilities so that you can see for yourselves, even when you tackle Sen. Orwobas' inquiry. Do not wait for the Governor because he is going to find an excuse for you not to visit.

I have more than enough capacity as the Senator of Nairobi City County to host the Committee. Whatever the Governor was going to give you, in terms of accommodation or traffic marshals to clear the road, I can assure the people of Nairobi City County will give you the necessary support so that you can visit all these facilities, see for yourself, and help the people.

The Speaker (Hon. Kingi): Sen. Mandago, proceed.

Sen. Mandago: Mr. Speaker, Sir, allow me to comment on the Statement by Sen. Sifuna of Nairobi City County and confirm to this House that on Monday, 25th March, 2024, whether the Governor will be present or not, we are going to visit those facilities. We shall definitely follow up with the recommendations we had already made.

Mr. Speaker, Sir, I had made a request to this House that it is extremely important that we re-introduce the Committee on Implementation so that when reports and resolutions are made, they are implemented.

I also thank the Senate Majority Leader for raising the matter of reports. These are the issues the Senator for Nairobi City County would be able to check on the spending that is not priority and should be re-directed towards service.

Mr. Speaker, Sir, allow me to comment on the Statement by Sen. Cherarkey on the issue of subsidized fertilizer. We are now in the planting season in the North Rift region. As we speak today, farmers are having challenges because of the delays in the delivery of subsidized fertilizer and the Ministry's decision to deliver fertilizer to the National Cereals and Produce Board (NCPB). Particularly, today, a lot of fertilizer is being delivered to the NCPB Eldoret Depot creating a lot of traffic and unnecessary queues.

This Statement is timely, and we would like the Ministry to ensure that subsidized fertilizer is distributed to farmers' store in the cooperatives. One of the progressive

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cooperatives in Moiben sub-county, which carries about 8000 farmers and requires close to over 10,000 bags of fertilizer, has not received any bags.

We would like the Ministry to move with speed and ensure distribution of subsidized fertilizer particularly for Uasin Gishu, Trans-Nzoia, Bungoma and Nandi counties who are now in the planting season is prioritized so that we can have food in this country.

The Ministry needs to know that any delay in distribution of fertilizer to these counties will result in reduced production. What most people in the logistics chain do not understand is that the maize crop grows under timelines and has days it is supposed to mature. Therefore, when there is delay, we shall have reduced productivity.

We want to encourage the Cabinet Secretary to also address distribution of fertilizer where the fertilizer has reached stores. This morning, we had complaints from farmers from Kipkabus in Kaptagat Ward. There were four lorries of fertilizer, but they had to wait the whole morning to this afternoon. A farmer had to complain, and we intervened and fertilizer could be distributed.

The Ministry should check on their officers. These could be avenues where logistics officers are waiting to be bribed in order to release fertilizer to a few farmers. We would want them to make it efficient and ensure small scale farmers who are going to collect less than 10 bags are given their own queue so that they do not have to queue with large-scale farmers.

I support these Statements.

The Speaker (Hon. Kingi): Proceed Sen. Maanzo.

Sen. Maanzo: Thank you, Mr. Speaker, Sir. I rise to support the Senator for Turkana County. Recently, we visited the county and the different committees of this House went on different missions in the county to deal with matters that had come before this House relating to the county.

The Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor Project is a major project running all the way from Lamu County to South Sudan. It deals with providing easiest transportation and eradicating many challenges.

Wind and waves in Lake Turkana could be used to generate electricity. Sen. Lomenen tells me that when there is wind, Lake Turkana produces waves that could be used to generate electricity. Once, he was in a helicopter, and the wind was so strong that the helicopter was stagnant. This means that the wind around that area is very powerful and can be used to support the generation of power and at the same time, ease transport and security challenges at our border with South Sudan and Ethiopia. I support the Statement. This is an important matter to the country.

Finally, as Sen. Chimera stated in his Statement about the recent air crash, Wilson Airport is used to train novice pilots. At the same time, it is the main flight path of international flights and other flights that go to different destinations in the country. Therefore, we must synchronize the training and the normal flight path. We must also make the regulations very strict to avoid the occurrence of another accident of this nature.

Sen. Kinyua: Asante, Bw. Spika, kwa kunipa fursa hii. Ningependa kuunga mkono Taarifa iliyoletwa na Sen. Cherarkey kuhusu pembejeo ya bei nafuu.

[The Speaker (Hon. Kingi) left the Chair]

[The Temporary Speaker (Sen. Veronica Maina) in the Chair]

Bi. Spika wa Muda, ukweli wa mambo ni kwamba Serikali Kuu imejitolea ili wakulima wapate pembejeo kwa bei nafuu. Hili ni jambo nzuri lakini pembejeo yafaa ipelekwe mahali wakulima wako huko vijijini.

Pembejeo hii hupelekwa mijini na huku wakulima wengi hawako mijini. Kwenye Kaunti ya Laikipia, pembejeo hii haifikishwi mashinani, inafaa ipelekwe maeneo ya Sipili, Matanya na Salama mahali wakulima wako. Isipelekwe mijini ambapo wakifikisha mijini wanasema pembejeo imefikishwa kwa wakulima.

Ni kinaya kwa sababu tunaongea kuhusu pembejeo. Lakini ninaunga mkono Taarifa ya Sen. Wafula kutoka Bungoma. Pembejeo hii ikiletwa kwenye huu msimu wa mvua, Seneta amesema kuwa hakuna mahindi ya kupanda; ni vizuri tuwe na mbegu kwa sababu huu ni msimu wa kupanda. Wakulima wanahitaji mbegu ambazo zimefanyiwa utafiti, kwenye bei nafuu na mazao yake yataleta mavuno ambayo wananchi wa Kenya watafurahia.

Serikali imeahidi kupunguza gharama ya maisha. Gharama hii itapungua tukipata mbegu ambazo zimekubalika na kufanyiwa utafiti wa kisayansi ili kuleta mavuno mazuri. Naunga mkono na kushukuru kwa kunipa fursa hii.

Asante.

The Temporary Speaker (Sen. Veronica Maina): Sen. Beth Syengo, proceed.

Sen. Beth Syengo: Thank you, Madam Temporary Speaker, for giving me this chance. Allow me to comment on Sen. Lemaletian's Statement on the environment.

We should take responsibility as Kenyans to ensure we live in a clean environment. It is disheartening to see that our surroundings are not well kept. There is dumping of dirt in our environs. We should live in a clean environment to stop the spread of diseases.

In December, we went to Rwanda for the East African Parliamentary Games. I was impressed to see how clean Rwanda is. I wondered what went wrong in Kenya so that we cannot live in such a clean environment.

We need policies that will ensure that the environment is kept clean and those who are responsible for ensuring that cleaning is done do so properly.

As we discuss climate change as a House, we should not concentrate only on planting trees but ensure that our environment is clean. With regard to the disposal of waste in estates and homes, it is discouraging to find that people can dump waste anywhere.

We need to develop a culture of cleanliness. Cleanliness is next to godliness. Kenya is godly, and a majority of us are Christians. Why can we not develop this culture from our families in schools, towns and estates to ensure waste disposal is properly managed and we live in a clean environment? It is important that we have proper means and ways of managing our waste.

I support the Statement.

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Secondly, I would like to touch on the Statement raised by Sen. Orwoba. The hospitals within Nairobi City County do not only serve the residents of Nairobi. People from rural areas come to these facilities, Mama Lucy and Mbagathi Hospital, just to mention a few. The bed capacity, the facilities, the nurses and the doctors must be taken care of. The County Government of Nairobi should ensure that the facilities are kept well to serve Nairobi residents and those referred from upcountry to seek medical attention in Nairobi County. I support the Statements.

Thank you.

Sen. Wafula: Thank you, Madam Temporary Speaker, for this opportunity. I would like to comment on the issue of subsidized fertilizer.

Several weeks ago, the Committee on Agriculture, Livestock and Fisheries held a public participation tour in the western part of the Republic. We made a surprise visit to Bungoma National Cereals and Produce Board (NCPB) where we found only nine bags of fertilizer for planting. This is after the residents of Bungoma were up in arms in Bungoma Town, Webuye, Kimaeti and all the other distribution centres complaining of lack of enough fertilizer for planting.

A phone call was made to the managing director who assured the people of Bungoma that in one or two weeks, we would have 40,000 bags, and at the end of the month, we would have 100 bags of planting fertilizer. To date, this is still a fairytale. The time is up for these people to pull up their socks or ship out. We cannot afford to go back to the days when people marched on the streets with cooking equipment, purportedly seeking rain to come down and shower crops.

There is a shortage of quality seeds in Kenya Seed Company. I will not be surprised if we do a thorough audit of this infrastructure and find that there is a problem that needs to be solved.

I want to request the Committee in charge to swiftly move with speed to ascertain these uncertainties and give direction to Kenyans and in particular, my great people of Bungoma and Trans-Nzoia.

Madam Temporary Speaker, something else that is cropping up which has been mentioned through the Huduma Centre in Bungoma; several weeks ago, staff of the Huduma Centre were reshuffled and transferred without recognising the fact that they have financial and family commitments that need proper adjustment.

Additionally, the same thing was seen the other day when I raised a matter on this Floor, pertaining to railways, where purportedly people of a particular ethnic orientation have been frustrated, intimidated, harassed and their tools of operation in their offices confiscated by the Directorate of Criminal Investigations (DCI).

The Temporary Speaker (Sen. Veronica Maina): Hon. Senator, let me guide you. I do not think you can debate the statement that you have brought before the House. You can contribute to other statements brought by other Senators to the Floor of the House.

Sen. Wafula: Thank you, Madam Temporary Speaker.

The Temporary Speaker (Sen. Veronica Maina): Please, be guided and comment accordingly.

Sen. Wafula: Madam Temporary Speaker, finally, on the matter of health as elaborated by my good friend, Sen. Sifuna, it is important that the Committee moves with speed and the financial statements as requested by Sen. Olekina, be facilitated to Senators. This will ensure that we do our work appropriately.

I thank you.

The Temporary Speaker (Sen. Veronica Maina): Thank you, Senator. Proceed, Sen. Oburu Oginga.

Sen. (Dr.) Oburu: Thank you, Madam Temporary Speaker, for the opportunity to contribute.

I want to contribute to the Statement sought by my brother here, the Senator for Turkana County, and this is on the Rural Electrification and Renewable Energy Cooperation (REREC).

He has sought a Statement asking REREC to activate rural electrification programmes in Turkana.

Madam Temporary Speaker, people do not think of Turkana as having a great potential for development. When you bring electricity to Turkana, it becomes a big trigger for development.

Turkana is a very rich county. Some people just look at the heat but apart from the heat, there is a lot of wealth underground. There is wealth of oil, water and a whole lake that is underground in Turkana.

I hope that this Statement which he is seeking on the REREC --- REREC used to be more active than the Kenya Power and Lighting Company (KPLC) themselves. However, I want them to wake up and impress us by taking steps to activate the REREC, which is a newer corporation. They should take steps to activate the electrification in Turkana.

Madam Temporary Speaker, electrification is such an important venture. In my own County of Siaya, I was perplexed yesterday when I went to the rural area. I found a whole industry for the milling of rice which has been put up by the county and it is not able to be commissioned just because of upgrading electricity to three phases.

Without electricity, there is no meaningful development. I do not want to take a lot of time as I just stood up to support the statement sought by my brother, the Senator for Turkana on REREC.

I hope that steps will be taken to activate these activities in Turkana County.

I thank you.

The Temporary Speaker (Sen. Veronica Maina): Thank you, Senator. Proceed, Sen. Thang'wa.

Sen. Thang'wa: Thank you very much, Madam Temporary Speaker. I want to support the Statement by Sen. Orwoba about health issues, especially in our hospitals in the County of Nairobi, not forgetting my home County, which is Kiambu County.

Madam Temporary Speaker, health is the most basic yet fundamental and important thing a human being would require to have the best of. Sometimes I ask myself whether the drafters of the Constitution did the right thing to surrender these hospitals to the governors.

I sometimes ask myself, if they could not trust the governors with our education, because it is not the function of county government when it comes to primary, high school or even universities. Why did they trust the governors with our health? That is something that we need to rethink because health, first, is universal and health is one of the most important things that we need to look into as a country.

I want to thank the Committee on Health because we have taken some statements to them. They have embarked on visiting counties to see the state of hospitals in various counties.

I know I have a Statement with the Committee on Health on the issue of Health Insurance for the employees of Kiambu County Government and they were supposed to visit Kiambu County last week but the Committee postponed that due to reasons that you understand very well.

Therefore, I believe the Standing Committees are the Committees that are going to assist this Senate to do its oversight mandate. As I always say, the County Public Investments and Special Funds Committee (CPIC) and County Public Accounts Committee (CPAC) are mere morticians, since they only check what the Auditor-General has said.

Madam Temporary Speaker, if the Auditor -General says this county had no fault at all, we will do nothing as those committees. However, if we take our job seriously as the Standing Committees and visit our counties as the other committees have been visiting different counties, we are going to find that county governors and county governments are not doing what they are supposed to do.

Therefore, by visiting counties, we can rectify this and take the necessary precautions instead of waiting for them to break the law. We wait for the Auditor-General, then the Auditor-General does a report to CPIC and CPAC and then we look at reports a year or two later.

Madam Temporary Speaker, for instance, we are now looking into the issues like crimes and mistakes that the previous governors had committed and which are now being answered by the current governors.

As I conclude, I am saying that because I know these committees like the Committee on Health, Committee on Agriculture, Livestock and Fisheries, other Committees not forgetting my Committee which is the Committee on Roads and Transportation, if we are keen on protecting devolution, let us visit the counties. Next week, let us have the Committee on Lands, Environment and Natural Resources in Kiambu, to check out why Kiambu is going to miss on Financing Locally Led Climate Action (FLLoCA); the money for climate change about Kshs110 million, just because the Governor there is refusing to comply.

Madam Temporary Speaker, let us have the Committee on Agriculture, Livestock and Fisheries, go to Kiambu County and check the distribution of fertiliser, the chicks and everything.

Let us have the Committee on Energy visit Kiambu to check why the county government has refused the installation of street lights. Let us have the Committee on Education visit Kiambu and check how many Early Childhood Education Centres (ECDs) have been built in that county because I believe we are being lied to.

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Let us have the Committee on Finance and Budget of this Senate visit Kiambu and other counties to find out why the county government has refused to pay pending bills worth Kshs5.7 billion.

Additionally, let us find out why the county that projected to collect Kshs7 billion as own source revenue has only collected Kshs1.6 billion.

Let us have the Committee on Labour and Social Welfare visit Kiambu and see why the promotion of employees in the county has been put on halt until 2026.

Let the Committee on Lands, Environment and Natural Resources, visit Kiambu County and find out why the people over there have not been given their land yet they paid for it.

It is time, as the Senate and the Standing Committee on Land, Environment and Natural Resources, to redeem ourselves and go to the counties, meet the governors face to face and tell them that they are doing injustice to devolution that we have fought for.

Thank you.

The Temporary Speaker (Sen. Veronica Maina): Sen. Lomenen.

Sen. Lomenen: Thank you, Madam Temporary Speaker. I support the Statement by Sen. Cherarkey. As we supply subsidized fertilizer to farmers, we should also remember that there are areas of northern part of Kenya, which also need animal feeds. The animal feeds help to improve the Gross Domestic Product (GDP) of the nation.

It is an injustice for farmers in other areas to enjoy subsidized fertilizer, yet livestock owners in northern part of Kenya do not enjoy the animal feeds. As we think of fertilizer to farmers, we should also think of animal feeds in northern part of Kenya.

I support with that reservation.

The Temporary Speaker (Sen. Veronica Maina): Sen. Mandago, if you want to inform the Senator for Turkana, you should use your equipment.

Sen. Mandago: Thank you, Madam Temporary Speaker. I wanted to inform the Senator for Turkana that the Government---

The Temporary Speaker (Sen. Veronica Maina): Does he want to be informed? Senator for Turkana County, do you wish to be informed by Sen. Mandago?

Okay. He has allowed you.

Sen. Mandago: Thank you, Madam Temporary Speaker. I want to inform the Senator for Turkana County that through the National Drought Management Authority (NDMA), the national Government has been supporting livestock farmers through the offtake of livestock, particularly during the dry periods and supply of feeds.

I urge the Senator for Turkana County to ask for supply of grass seeds so that grass can be planted during rainy seasons in the northern part of Kenya.

We want to support the Senator for Samburu County because they lost over seven kilometres of pasture through fires. We believe that they should also be compensated so that livestock farmers can continue benefiting from the Government.

Thank you.

The Temporary Speaker (Sen. Veronica Maina): Thank you, Senator.

Sen. Faki, proceed.

Sen. Faki: Thank you, Madam Temporary Speaker. I also want to support the Statement by Sen. Olekina on the budget making and utilisation in several counties, including my own county of Mombasa.

It is true that the performance of Mombasa County in terms of Budget implementation has not been up to standard in the current administration. For instance, in the Financial Year 2022/2023, we failed to meet our target on Own Source Revenue (OSR) by about Kshs1.2 billion. This will have a bearing on the projects that the Government had put in place to implement in the Financial Year 2022/2023.

Two, there are also high levels of pending bills. At the moment, the pending bills stand at Kshs3.92 billion as at 31st December, 2023. This is against the fact that there was a sum of Kshs2.91 billion available in the County Revenue Fund (CRF), which was supposed to be used to offset some of those pending bills. These pending bills are worsening, and they will have a bearing on the future financial performance of the County of Mombasa.

Three is on the youth and empowerment programmes that are supposed to be undertaken in the county. Mombasa being the port city, at the moment, we have the largest number of youth unemployment.

If you look at the Report by the Controller of Budget (CoB), it places the youth unemployment at 44 per cent. Approximately four out of every 10 youths are jobless at the moment. However, our county government has not undertaken any projects that will be geared towards reduction of this youth unemployment. This will have a bearing on budget absorption and development in Mombasa County.

Finally, there was the issue of diversion of funds in the county treasury and weak budgeting practice. This one also will have a bearing---

At the moment, the county government of Mombasa does not have a Financial Act for the year 2024/2025.

Madam Temporary Speaker, I fully support the Statement by hon. Sen. Olekina.

I urge the Committee on Finance and Budget, which I am a Member, to quickly deal with these issues so that we can arrest any future bottlenecks that will arise as a result of failure by these counties that are mentioned in this Statement.

Thank you.

The Temporary Speaker (Sen. Veronica Maina): Sen. Orwoba, proceed.

Sen. Orwoba: Thank you, Madam Temporary Speaker. I support the Statement by Sen. Wafula on Huduma Centres. As the Committee responds to the issues, particularly about how staff members are deployed, their contracts and all those details, I want to add my voice to the issue of Huduma centre.

We were informed that we are going to get more Huduma Centres. The clarion call was that the Huduma Centres would be devolved to an extent that we would have every Kenyan down in the remote areas able to access a Huduma Centre without having to travel for long distances.

As the Committee tackles this issue, I request if they can get information on the plans of devolving Huduma centres.

I come from Bobasi Constituency in Kisii County. It is a vast constituency with eight wards. We have Kenyans from as far as Nyacheki Ward who do not have the capacity to access the Huduma Centre on the other side of town.

It would be imperative that we are informed, if at all, there are any plans to devolve and make sure that Huduma Centres go down, to, at least, having one Huduma Centre in each ward so that all Kenyans get the services that they require from Huduma centres.

Madam Temporary Speaker, I also request that the Committee looks into how they can collaborate with National Youth Service (NYS) as a human resource capacity to partner with Huduma Centres.

We have many youths who are under NYS and have been trained on various capacity. There is an opportunity there for them to assist in some of the duties that we have in Huduma Centre.

As I said, I am from Bobasi Constituency. We have many youths who have been recruited from my constituency and would serve in great capacity in these huduma centres, if we were able to make sure that we bring it down to the ward level.

I, therefore, support the Statement on the policy for deployment of staff serving in Huduma centres by the Senator for Bungoma County, Sen. Wafula.

Thank you.

The Temporary Speaker (Sen. Veronica Maina): Sen. Oketch Gicheru.

Sen. Oketch Gicheru: Thank you, Madam Temporary Speaker. I rise to support a very important Statement by my brother, Sen. Cherarkey of Nandi, on the distribution of subsidized fertilizers to farmers in North Rift and other parts of the country.

It is important that he has mentioned “other parts of the country”. I do not think this is a problem that is only in the North Rift because the entire country is suffering.

If you remember, last year, one of the reasons the Government really suffered was because of drought. Due to the drought, the economy was impacted negatively because we were not sure of the harvest.

The issue of subsidized fertilizer came prominently at the beginning of last year. I dare say that due to the rain we had last year, we did not experience much drought. Since the money market opened a little bit, the economy regained some sense of normalcy. However, right now, it is so late in the year in terms of planting season and farmers have not received subsidized fertilizer. Three weeks ago, I was in Narok, together with the Senate Deputy Minority Whip and Senate Minority Whip. The people of Narok were really crying. If I may quote, they said that they are getting fertilizer *kama machozi kwa kuwa ni kidogo sana*.

If this issue is not addressed, it will have serious effect on the economy. If we do not get subsidies on time, it could take the economy back to where we were last year. Farmers in a place such as Migori where I come from have never seen anything like this.

I think this issue is not only about getting subsidized fertilizer. We must go to the core of business, which is the people supplying the fertilizer. We need to know the shipping lines and companies that were awarded the contract and tenders to import fertilizer into the country.

They must explain to us whether they actually understood the scope of the farmers they need to supply to. They ought to know the number of farmers who were targeted by this shipment. If we cannot know the number of farmers, then, at least, the regions, they were certain that they were going to supply.

If you talk about a place such as the North Rift, it is where the serious backbone of the leadership of this country comes from. Sen. Cherarkey himself is a serious and ranking Member of Parliament (MP). The North Rift is also where our dear President, who I have nothing against, comes from.

If you go to a place such as Eldoret, people are queuing up to the evening for fertilizer but 60 per cent of them do not even get it. You can imagine, if people are queuing for fertilizer and they cannot get it in places where Sen. Cherarkey, the Senate Majority Leader of this House and the President come from, how about a place such as Nyatike where I come from? Nyatike does not even have proper roads to begin with.

Masangora in Kuria is at the far end of Migori County. How are farmers in Rongo – a place where farmers are passionate and dedicated about agriculture – supposed to get fertilizer if there is no fertilizer in a place such as Eldoret?

Last year, we had Senate Mashinani in Turkana and we visited Katilu Irrigation Scheme. We realised that fertilizer was only found in places such as Lokichar and Lodwar. People in remote areas such as Katilu were not getting fertilizer. This is something I hope we can have a bipartisan approach on.

I hope this will not be one of those Statements where Sen. Cherarkey is serviced with a response from the Ministry. The responsible Cabinet Secretary must appear before the relevant committee. I encourage some Senators in this House, such as the Senate Majority Leader, to go there and ensure that the Cabinet Secretary is put to task to answer to the fact that farmers are not getting fertilizer.

Madam Temporary Speaker, as I finish, I have always held the view that when we think about subsidy for farm inputs, it must not stop only on fertilizer. Sen. Cherarkey will not eat only ugali without some meat or fish. I know he loves meat so much.

When there is subsidy for crops in this country, we should also have subsidy for animal feeds for people in Nyatike, Kuria, and Narok as well as people who grow fish in Lake Victoria. We need to start seeing the Government also subsidize animal feeds to make sure that agriculture is subsidized in totality, to make it a real production and not a pseudo-operation that we are seeing.

I hope when they start subsidizing animal feeds, there will be more transparency in terms of the suppliers and contractors and the shipments that bring the items in the country.

Madam Temporary Speaker, this is an important Statement. As I support it, I hope that we will follow it to fruition.

I thank you.

The Temporary Speaker (Sen. Veronica Maia): Hon. Senators, we have spent the time that we had allocated for Statements. I have two more Senators remaining. I will give you two minutes each, so that we close that session.

Sen. Cherarkey and Sen. Murgor, you will have two minutes each. Let us have Sen. Cherarkey first. Sen. Murgor, kindly resume your seat.

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Sen. Cherarkey: Madam Temporary Speaker, this Statement could not go without me saying something. As the Vice Chairperson of the County Public Accounts Committee (CPAC), I thought it is important to support the Statement by Sen. Olekina. I think this is where the meat is.

I want to challenge us to go beyond the counties that have been mentioned. On the issue of supplementary budgets and approvals, there have been instances where the CoB approves some items that cannot be traced.

When you look at payment vouchers and requisitions from the counties, they are like love letters by county governors. They just request for Kshs100 million. When the CoB asks about the itemized issues, they just get the names. That is why we have a challenge of pending bills. I would like to challenge the Office of the CoB to be vigilant especially when they approve requisitions.

We are aware that there are some officers in the Office of the CoB who see governors behind the tent. You will find a governor having written a requisition but when it is time to release funds, some officers in the Office of the CoB demand a certain percentage.

That is why a lifestyle audit of some officers in the Office of the CoB should be done. A number of them have been moving to Karen, Runda and Kileleshwa, among other high-end estates. They also have unexplained wealth. Action should be taken, now that governors have realized it is easy to have supplementary budget approved.

I look forward to seeing this in the Committee of the Whole and all the 47 counties included.

I support.

The Temporary Speaker (Sen. Veronica Maina): Sen. Murgor, you may have the Floor.

Sen. Murgor: Thank you, Madam Temporary Speaker, for giving me the opportunity to also join my colleagues in airing my views about the subsidy fertilizer.

It is common knowledge that now there is plenty of food in Kenya because of the subsidized fertilizer that we received last year.

Madam Temporary Speaker, with that plentifulness, there is a lot of joy and happiness in the nation on the availability of food, unlike how it was in the other previous years where some of the marginalised areas faced constant starvation. In those areas, in February, March and April, there would be shortage of food, but that subsidised fertilizer did wonders last year.

It is therefore causing a lot of anxiety now that it is either not there or it is little because the long queues of people prove that it is not available. The Cabinet Secretary concerned should be made aware by the system so that he makes the commodity available.

I support.

The Temporary Speaker (Sen. Veronica Maina): Thank you, Senator. Next Order, Sen. Faki?

MOTION

ADOPTION OF REPORT ON THE MEDIUM-TERM DEBT
MANAGEMENT STRATEGY, 2024

Sen. Faki: Madam Temporary Speaker, I beg to move that, the Senate-
Adopts the Report of the Standing Committee on Finance and Budget on the
2024 Medium Term Debt Management Strategy, laid on the Table of the Senate on
Thursday, 7th March, 2024.

The 2024 Medium Term Debt Management Strategy (MTDS) was submitted to
Parliament by the National Treasury and Economic Planning on 15th February, 2024
pursuant to Section 33 of the Public Finance Management (PFM) Act, Cap 412A. The
Act provides that:

“On or before the 15th February in each year, the Cabinet Secretary shall submit to
Parliament a statement setting out the debt management strategy of the National
Government over the medium term with respect to its actual liability and potential
liability in respect of loans and guarantees and its plans for dealing with those
liabilities.”

Madam Temporary Speaker, upon submission, the 2024 MTDS was tabled in the
Senate at the sitting held on 15th February, 2024. Thereafter, it was referred to the
Standing Committee on Finance and Budget for consideration, facilitation of public
participation and consequent tabling of a report in the Senate.

Section 33(2) of the PFM Act provides that the MTDS should be aligned to the
broad strategic priorities and policy goals set out in the Budget Policy Statement (BPS),
which the Senate approved last week. Section 33(3) of the same Act provides that:

“The Cabinet Secretary shall include in the statement the following information-

- a) the total stock of debt as at the date of the statement;
- b) the sources of loans made to the national government and the nature of
guarantees given by the national government;
- c) the principal risks associated with those loans and guarantees;
- d) the assumptions underlying the debt management strategy; and
- e) an analysis of the sustainability of the amount of debt, both actual and
potential.”

The 2024 MTDS outlines the strategies and initiatives to be implemented with the
goal of minimizing debt management costs and risks, and it covers the period from
Financial Year 2024/25 to 2026/27.

Madam Temporary Speaker, at the end of June, 2023, the nominal amount of
public and publicly guaranteed debt was Kshs10.278 trillion, or 70.8 percent of the Gross
Domestic Product (GDP). This comprised an external debt stock of Kshs5.446 trillion
and domestic debt stock of Kshs4.832 trillion.

According to the National Treasury, the total nominal stock of public and publicly
guaranteed debt as at February 2024 was Kshs11.248 trillion, or 69.7 percent of GDP.
Present value of public debt to GDP is 67.2 percent. This comprises external debt stock
of Kshs.6.1899 trillion and domestic debt stock of Kshs.5.0580 trillion.

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The National Treasury committed to bringing down the Present Value (PV) of debt as a percentage of GDP from 67.2 - 55 percent over a period of five years in accordance with the requirements of Section 50 of the PFM Act.

The foreign public debt is composed of multilateral, bilateral and commercial creditors categorised as follows: -

a) Kshs3.118 trillion as multilateral debts, accounting for 50 percent of total external debt;

b) Kshs1.399 trillion bilateral debts at 23 percent; and,

c) Kshs1.671 trillion commercial debts at 27 percent of which Eurobonds account for Kshs.1.141 trillion or 18 percent.

Domestic debt mainly comprises Treasury bonds and bills-

a) Kshs4.272 trillion in Treasury Bonds, accounting for 85 percent of total domestic debt;

b) Kshs565.63 billion Treasury Bills accounting for 11 percent; and,

c) Kshs220.16 billion, or 4 percent as others (Overdrafts from Central Bank of Kenya, IMF Special Drawing Rights (SDR) and Allocation and Bank advances.

As at the end of June, 2023, the Government guaranteed debt to the Kenya Power and Lightning Company (KPLC), Kenya Ports Authority (KPA), Kenya Electricity Generation (KenGen) and Kenya Airways (KQ) amounted to Kshs170.2 billion. The called-up guarantee loan of Kshs88.2 billion relates to KQ guaranteed debt.

Madam Temporary Speaker, the fiscal deficit for Financial Year 2024/2025 approved under 2024 BPS is Kshs703.9 billion. This might come down as a result of the strengthening of the Kenya Shilling.

The Medium-Term Debt Management Strategy (MTDS) proposes that this deficit will be funded by both foreign and domestic borrowing. The net foreign financing will be Kshs362.12 billion while domestic financing will be Kshs377.75 billion.

In terms of optimal borrowing approach or strategy, the MTDS seeks to minimize costs and refinancing risks in the debt portfolio by maximizing access to external concessional borrowing. Over the medium term, the optimal borrowing strategy assumes a mix of 45 percent domestic and 55 percent external financing.

The National Treasury submitted that that the total Debt Sustainability Analysis (DSA) conducted in December, 2023, indicates that Kenya's public debt remains sustainable, although there is a high risk of debt distress.

It is anticipated that the PV of debt to GDP ratio would remain above the approved threshold, at 55 percent, until 2029 (Financial Year 2028/29). This is expected to decline gradually to 48.1 percent in 2033 as a result of fiscal consolidation.

Madam Temporary Speaker, further scrutiny of the External Debt Sustainability Analysis indicates that-

(1) Throughout the forecast period, the PV of Public and Publicly Guaranteed (PPG) external debt to GDP ratio remains below the 40 percent threshold.

(2) The PV of PPG external debt to exports (solvency indicator) remains above the 180 percent threshold through 2029.

(3) The debt service to exports (liquidity indicator) surpasses its 15 per cent threshold due to repayment of Eurobonds in 2024 and 2028, as well as the rollover of external bank loans in 2025 and 2026.

(4) The breaches in the debt thresholds in terms of exports indicate increased vulnerability of public debt to export and financing shocks.

It is clear from the cost and risks analysis of the current public debt portfolio that-

(1) Depreciation of Kenya shilling against major currencies increased the nominal debt to Gross Domestic Product (GDP) ratio to 70.8 per cent in June 2023 from 67 per cent in December, 2022.

(2) The total interest payments as a share of GDP increased to 5.5 per cent as at June, 2023 from 5.3 per cent as at end of December, 2022.

(3) The weighted average interest rate of external debt increased to 4.5 per cent in June 2023 compared to 3.9 per cent in December 2022.

(4) Average Time to Maturity of the total portfolio declined from 8.8 years in December 2022 to 8.5 years in June 2023.

(5) The projected debt redemption profile is characterized by large maturities in 2028, 2029, and 2030 on account of Eurobond and bank syndicated debts.

Madam Temporary Speaker, noteworthy, findings made by the Committee include-

(1) The stock of public and publicly guaranteed debt is Kshs11.248 trillion; comprising of domestic debt of Kshs5.058 trillion (45 per cent) and external debt of Kshs6.89 trillion (55 per cent). This is an increase of Kshs970 billion from Kshs10.278 trillion by the end of FY 2022/23 and is attributed to exchange rate movements and additional borrowing, among other factors.

(2) The present value (PV) of debt to GDP stands at 67.2 per cent against the recommended benchmark of 55 per cent as provided in section 50 of the Public Finance Management (PFM) Act, 2012.

Whereas this is a breach against the benchmark, the National Treasury projects that the present value of debt will be aligned with the benchmark by Financial Year 2028/29 through a defined fiscal consolidation path. This, however, requires regular reporting to Parliament to enhance continuous oversight and ensure compliance.

(3) Although the debt-carrying capacity declined from strong in 2021 to medium as at December 2023 and the National Treasury indicates that the overall debt levels remain sustainable.

The risk of debt distress is high due to global shocks that can potentially exacerbate macroeconomic vulnerabilities and subdue economic performance.

(4) The recent liquidity management measures undertaken in February 2024 involving partial buy-back (USD 1.5 billion) of the USD 2 billion Euro bond maturing in June 2024, addressed the settlement risk associated with the Bond and has consequently influenced key macro variables such exchange rate dynamics and investor sentiments.

(5) The proposed fiscal deficit for FY 2024/2025 of Kshs703.9 billion is to be financed through net foreign financing (55 per cent) and net domestic financing (45 per cent). Despite the National Treasury indication that the National Government will favour concessional borrowing, there is a proposed commercial borrowing in FY 2024/25 of

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Kshs151.00 billion which has the potential of worsening the debt position as commercial loans have higher interest rates.

The Committee recommends-

(1) THAT, consistent with the financing requirements underpinned in the 2024 BPS, the proposed fiscal deficit target of Kshs703.9 billion (3.9 per cent of GDP) for FY 2024/25 be approved. This is broadly in line with the proposed fiscal consolidation path, progressing to 3.1 per cent of GDP by Financial Year 2027/28.

(2) THAT, the proposed borrowing strategy in the 2024 Medium-Term Debt Management Strategy (MTDMS) of 55 per cent for net external borrowing and 45 per cent for net domestic borrowing be approved for FY 2024/25 and the medium term.

(3) THAT, going forward, the National Treasury should in subsequent budget cycles, ensure that the MTDS submitted to Parliament for consideration and approval contains the most recent data on the stock of public and publicly guaranteed debt as at the date of the statement in line with section 33(3) of the PFM Act, Cap.412A.

(4) THAT, to enhance monitoring and transparency on in-year borrowing operations, at the end of every quarter of the financial year, the National Treasury should submit to the Senate a status report on any deviation from the approved borrowing strategy indicating the reasons for the deviation.

(5) THAT, pursuant to section 50 of the PFM Act, Cap.412A, the National Treasury should submit a report to the Senate by end of 30th April, 2024, on the specific measures being taken to ensure that the National Government complies with the 55 per cent debt threshold within the timelines provided in the Act.

Finally, I wish to thank the stakeholders who submitted written memoranda and who appeared before the Committee to present their comments on the 2024 MTDS. I thank the Offices of the Speaker and the Clerk of the Senate for the support extended to the Committee in undertaking this important assignment.

I also take this opportunity to commend the Members of the Committee for their devotion and commitment to duty, which made the consideration of the 2024 MTDS successful.

Lastly, I request Senators to approve the Report of the Committee on 2024 MTDS. I request Sen. Cheruiyot to second.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Madam Temporary Speaker. I rise to second this Motion brought to us by our Members of the Finance and Budget Committee, a report on the MTDMS. It is very important policy document, which unfortunately we mostly do not give it the due consideration.

The biggest crisis that the country continues to face - and we have been in this space, fiscally speaking, for close to five years now - is a debt distress issue. Many of our policy decisions right now are being informed one way or the other by the debt situation we find ourselves in as a country.

That is why, in its wisdom, Parliament made it mandatory for the Cabinet Secretary for National Treasury and Economic Planning to send this document to Parliament by the 15th of every financial year so to provide a guide and a way through which Parliament can appraise itself of our debt obligations and plan specifically of how we intend to unclog us out of this mess that we find ourselves in.

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I have observed many times on the Floor of this House that this is a conversation which we will have for the next foreseeable future. In my estimation, it is going to be longer than the five years we projected when we passed the PFM amendments a few months ago where we determined that the debt-to-GDP ratio needs to be at a sustainable level of 55 per cent of our GDP. That becomes the measure through which our debt sustainability is anchored.

We gave ourselves five years. Of course, this financial year to 2029 with a view to making it possible that by 2029, the debt to GDP ratio will be at 55 per cent. Right now, it is at 68 per cent. So, 13 percent is no mean feat.

If we carry on in the direction that I see this Report proposing, unfortunately, the bad news that we need to deliver to the country is that we will not be able to turn this wheel around by 2029.

The proposals that we are making in this Report are sound and informed by good logic. I congratulate our colleagues who serve in the Committee on Budget and Finance for being thorough with this document. They have done an excellent job though I believe that there are more stringent measures that we need to introduce.

The Executive cannot save the country because they are under pressure, and I understand where they are coming from. When they visit different parts of the country, speaker after the other, request for this or that other road, water project, hospital to be furnished and so on.

I want to make mention of this because I appreciate what Sen. Faki has done a good job in elaborating all the recommendations that have been made by the Committee. However, in seconding, because I do not intend to be long, I wish to propose ways in which I think we, as a country, need to move and make it better.

Madam Temporary Speaker, I have said this to the National Assembly and its leadership, I have told the President and I can even go publicly about this - I hold the view that so long as we do not do a zero-based budget and continue to do a programme-based budgeting process, we will be in this debt distress situation for many years to come.

There are many areas that we continue to spend public funds, which we do not have to. Yesterday I was glad when I listened to the President speaking and mentioned something that I have been very passionate about, that there are many State corporations which we do not need to be funding. This is because some of them are obsolete, yet they continue to consume our taxes and we continue to borrow to keep them sustainable.

It is inconceivable for a country with a small economy such as Kenya, that we spend over Kshs50 billion monthly just to run the operations of the Government. What is it that we are doing with over Kshs50 billion just to keep the Government afloat and running? Paying operations here and there; per diems for people. We do not need 350 State corporations. I believe that number can be reduced to even less than 100.

If we gave more responsibilities to many of our State corporations and allowed them to do many other things other than ensuring that each of them has a Board, a Chief Executive Officer and a Company Secretary; all being paid by the taxpayers. Kenyans over overburdened.

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The reason why we find ourselves analyzing and looking into our debt situation is because we continue to spend way above what we can afford. Until we come up with concrete policies such as what is being proposed here---

The Committee has noted that in the Budget Policy Statement (BPS) that was presented and passed by this House, there is a proposal to reduce, the fiscal deficit to 3.9 per cent of the GDP by Financial Year 2024/2025. It is a tall order.

I know that on this current financial year, we are in and perhaps our colleagues who are in the Budget and Finance Committee would have done us more justice if they had guided us as a House and told us how far off the fiscal deficit, we are on account of forex exchange, because it is a significant contributor.

Madam Temporary Speaker, If you have a debt of Kshs1 billion by the time the US\$ is at Kshs140 as was the case at the beginning of this financial year and then it moves upward to Kshs160 and downwards, it messes up our fiscal deficit.

It is important that we are given the net present value of that particular deficit because it is the one anchor point that points us as a nation to know whether we are living within our means or above it. Therefore, I want to appreciate the Committee's proposals on ways through which Parliament can keep tabs on the deviation from the fiscal deficit. The same way we proposed before the country and urged that by the Financial Year 2028/2029, we will anchor our debt at 55 per cent of our GDP ratio.

We need to propose further amendments to the Public Finance Management Act so that we know that anytime there is a deviation over and above the BPS anchor or indicator on the fiscal deficit, the Treasury, through our colleagues in the National Assembly, are forced to return and do a supplementary Budget cut down and reduce on the programmes. It is not as difficult as many people want to put it. It is common sense. It is what every Kenyan does.

If you were working at a blue-chip company and you lost your job, what every average Kenyan does is that they move and downscale their life expenditures. If you have a bigger car, for instance, a 4x4, you sell it and buy a smaller one or even use public means. If you are living in a place where you are paying rent, you move to places where you can afford. It is what every citizen does.

This is not rocket science that you are asking of the Government. This is what is meant by fiscal consolidation. We want to move this nation to this particular path. However, we shall not achieve it unless as Parliament we rise to the occasion and ensure that we provide and make law. We can propose that any time there is a deviation of the fiscal deficit beyond a certain, percentage point, be it 0.5 at the very maximum, then it triggers the beginning of a supplementary process so that you downscale.

I know it is not easy, but it must be done if we hope to recover as a country. Remember right now we can breathe a sigh of relief because Eurobond has been settled. It is the largest single bullet payment of US\$2 billion-plus that we were thinking about the last few months. On account that, there is a huge sigh of relief across the country.

Madam Temporary Speaker, who tells you that we cannot find ourselves in a situation where even to pay US\$1 billion in one single swoop would be impossible? It is very possible given the cash strain conditions that we find ourselves in as a country.

While the National Treasury has demonstrated the willingness and have shown to Parliament that indeed we, as a county, are on a prudent path of fiscal consolidation, the wise people say the proof of the pudding is in the eating.

Until they file the returns of this particular financial year and we see what has been the deviation from the projected 4.8 per cent fiscal deficit for this current financial year and the actuals of what will have been achieved; then we will know that we are on the right trajectory. Probably by Financial Year 2028/2029, we will achieve this 55 per cent that we all aspire to get to.

I wish to appreciate the good work that has been done by our colleagues in the Committee on Budget and Finance. I would urge that it is increasingly becoming clear that as long as there are no deterrent measures; there is no law stopping certain habits and cultures that we have learnt from our colleagues in the National Assembly, us in the Senate, National Treasury and counties. So long as there are no legal deterrents, then there is no motivation for people to behave better.

On this question much as we have handled the debt to GDP ratio as a percentage, there is something that we can surely do about fiscal deficits and keep it on track through amendments to the PFM Act in case there is a deviation over and above it. Remember, we have five years within which to determine whether we sink as a country or we rise and achieve our full potential. This is the first year since we passed that amendment to the PFM Act.

At the end of this financial year on the 30th of June, we will take stock and measure as a House. I believe this is a duty we have all dedicated ourselves to. I will be religious at it in ensuring that we live true to our promise because we do not pass laws for the sake of it.

I believe at the end of this financial year shall give us an indicator of how the next four year will look like. You do not need to live up to 2029 to know whether we will achieve that 55 per cent that we are aiming for. You just need to see what will have happened by the end of this current financial year. In the next two months, by the time we get to the 30th of June 2024, it will give you an indication of how the next four years will be.

It is my sincere hope that Sen. Faki, Sen. Eddie and all our colleagues who are in the Budget and Finance Committee shall be diligent enough and lead this House on a path of consolidation. This is because we have learned the tricks that, as long as the law is not in black and white in providing the limitation of expenditure, then National Assembly will budget for it, the National Treasury will spend it and political pronouncements will be made.

Madam Temporary Speaker, then in another few months, we shall be jittery and seated on the edge the same way we were in the month of December as we are staring at a possible default of the Euro bond as was the case a few months ago.

With those very many remarks, I beg to second and urge our colleagues to support these very good proposals and measures that have been proposed by our Budget and Finance Committee.

The Temporary Speaker (Sen. Veronica Maina): Thank you, Sen. Cheruiyot.

(Question proposed)

The Temporary Speaker (Sen. Veronica Maina): Hon. Senators, we now have an opportunity for Senators to contribute to this Motion and I will first call upon Sen. Edwin Sifuna.

Sen. Sifuna: Thank you, Madam Temporary Speaker. I was going through the very glossy Kenya Kwanza Coalition 2022 manifesto. One of the striking things that one gets from the very initial pages of that manifesto is the Kenya Kwanza Political Coalition at that particular moment in time had properly diagnosed the problem with Kenya's debt. At least that is what they told us.

There is a paragraph that I want to borrow there; they said at the time of campaigns the common adage that:

“When you are in a hole, you should stop digging.”

I have lifted word for word from the glossy Kenya Kwanza Manifesto for the last election.

So, the expectation in public pronouncements that followed the launch of that manifesto was that we were going to see a stop in the borrowing that had characterised the last regime. This is because that was the reason why we were in the hole that they said we were in.

If you go to Pages 6 and 7 of the report of the Standing Committee on Finance and Budget, they will tell you that in June 2023, the debt was at Kshs10.2 trillion. By February 2024, which is less than eight months later, we were at Kshs11.2 trillion.

At that rate, in eight months, our debt had ballooned by Kshs1 trillion shillings. I have had the Senate Majority Leader also wax lyrical on the magic that was worked with the refinancing of Eurobond. If you go to page 9 of the report of this committee, you will see a reference there to the partial buyback of the Eurobond. However, what the Committee does not tell you is that, we as a country, in that buyback offered one of the highest interest rates, higher than any other country has done in Africa, at 10.37 per cent for that Eurobond for us to attract investors.

If you want comparisons, Cote d'Ivoire, in January of this year, issued a Eurobond, and their interest rate was 8.5 per cent. Benin did the same in February, at 7.5 per cent. We have kicked the can down the road so that in six years, we will be paying investors the highest rate by any African state on a Eurobond.

So, it is not something to sing about because the hole that we were told we were in that this current regime promised to stop digging further is getting deeper and deeper.

Madam Temporary Speaker, you will also see on page 8 of the report that the Committee acknowledges that Kenya's public debt although remaining sustainable, still has a high risk of debt distress which tells you that we should not be celebrating anything as it is right now because we are still under great risk of debt distress.

Let me conclude by making a few observations on some of the stakeholder submissions. Unfortunately, let me note that some of these submissions by key stakeholders to the committee did not find their way into the recommendations by the committee. I do not understand why. Luckily, for me, I am seated next to one of the

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members of the committee. Sen. Eddy Oketch will tell me why they ignored these important submissions from his Institute of Certified Accountants (ICPAC).

On Page 21, Paragraph 25(c), (d), and (e), I just want to read those recommendations. On Page 21 of the report, this is what the Institute of Certified Public Accountants (ICPAC), recommended that the committee must do.

First, we need to prioritise projects independently assessed for financial viability and consider absorption capacity constraints within the investment timelines. They also recommended, considering public-private partnerships as a form of financing development expenditure. Further, they recommended that we gradually retire expensive commercial loans for long-term concessional loans.

One of the recommendations that was debated this afternoon when we were discussing another matter is that Parliament should demand regular reports on capital projects financed through debt from the National Treasury to enhance openness and transparency. The report should include the corresponding feasibility studies, details of commitment fees, if any, and the project implementation status.

This is coming from the perspective of what we saw in the last regime. In fact, the money was borrowed. However, the Auditor-General himself told us that he could not trace a single project to which the money that was borrowed went to.

We had the spectre of projects such as the Arror and Kimwerer dams. If we were in this position where Parliament would be demanding for regular reports, we should be shown why this money was borrowed. Which projects have been identified to be supported through those borrowed funds; the feasibility studies and the commitment fees that had been paid.

You remember, there was a controversy at that time with the Arror and Kimwerer dams as to what commitment fees had been paid. It involved the person of the current President when he was the then Deputy President, telling the country that it was a mere Kshs9 billion, just a small figure. He told us the Kshs7 billion had been lost.

Sen. Orwoba: On a point of Order, Madam Temporary Speaker.

The Temporary Speaker (Sen. Veronica Maina): What is your point of order, Sen. Orwoba?

Sen. Orwoba: Madam Temporary Speaker, I stand on Standing Order No.101(1) on contents of speech:

“Neither the personal conduct of the President nor the conduct of the Speaker or any other judge.”

It is not in order that Sen. Edwin Sifuna is referencing the President and in the manner with which he is doing. This is based on our Standing Order. If he can articulate his points without having to drag either the name of the President or the Speaker or any of the persons that are mentioned under Standing Order 101 under the content of speech.

Sen. Sufuna: Madam Temporary Speaker, should I respond before you make a decision?

The Temporary Speaker (Sen. Veronica Maina): Yes, you could respond.

Sen. Sifuna: Madam Temporary Speaker, I am not discussing the conduct of the Head of State. It is a matter of historical fact that it was a pronouncement he made regarding the controversy surrounding the Arror and Kimwerer Dam projects.

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There was controversy at that particular point in time as to how much money had been lost or alleged to be lost at that particular project. The recommendation from ICPAC that I am reading from the report was that we should get regular reports from the Government itself, including details of any commitment fees that have been paid.

If this was being done, the point I was making was that there would be no room for such controversy. I am not discussing the character of the President. I know that under the Standing Orders, if I wanted to do so, I would bring a Motion. It is something I am happy to do because there are many questionable conducts from the head of State in this Government. However, I have not brought a Motion yet.

Madam Temporary Speaker, please protect me because you are the Chair of this Session.

The Temporary Speaker (Sen. Veronica Maina): Sen. Sifuna, let me give a ruling with respect to what Sen. Orwoba has raised.

I have looked at Standing Order 101, the mode in which Sen. Sifuna has brought out that issue has not, as of yet, discussed any conduct that could be adversarial to the person of the Presidency. So, you may proceed to debate, but avoid raising the questionable issues unless you are willing to give justification.

Sen. Sifuna: Thank you, Madam Temporary Speaker, for that direction. The Head of State is a former Secretary General (SG) of the Orange Democratic Movement (ODM). He has the skin to take this criticism. I do not know why some Senators on this Floor feel the need to be over protective of the President. The President has thick skin just like all the SGs of ODM do.

In conclusion, I would have expected to see some of these good recommendations by ICPAK finding their way into the recommendations of the committee. I do not understand why they have been ignored. You should see this in the broader perspective of conversation about the place of public participation.

Organizations such as these represent very serious people. They take their time to appear before committees of this House in order to guide the House on what should be done or not. It is only fair that the recommendations they make find their way to the final report.

Madam Temporary Speaker, we may not be financial experts. However, we are all concerned by the state of debt of the country, some of the proposals from Government and whether they will be effective. It is not something to be taken lightly when we, as a country, are offering the highest rates in a buy back of the Eurobond so that we can claim we are ready and have repaid all the debt.

There was a statement that was made by Government in December. That they had been ready to redeem the Eurobond and it was going to be done without any pain to the Kenyan taxpayer. As I have demonstrated, we are going to pay through the nose six years from today in 2031. It is not far. This Eurobond will be due, and we shall be in the same hole that we were told in the Kenya Kwanza Manifesto to stop digging.

We want people to walk the talk, make promises and follow through, and not to pull the wool over the eyes of Kenyans by dazzling us with terminologies and complex economic theories. The true measure of the economic status is in Kenyans pockets.

I thank you for the opportunity to contribute to this Motion.

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The Temporary Speaker (Sen. Veronica Maina): Proceed, Sen. Cherarkey.

Sen. Cherarkey: Thank you, Madam Temporary Speaker, for the opportunity. I thank Sen. Faki for ably moving the Motion although he was reading contrary to our Standing Orders. I do not want to believe he was reading but cross-referencing while moving.

Article 211 of the Constitution is on borrowing by national Government. The Constitution 2010 took more than 20 years to be drafted. One of the salient features is prudent financial management, especially on public finance. That is the reason the drafters and Kenyans approved this Constitution by over 60 per cent.

Article 211 talks about how the national Government can borrow; borrowing with discipline. It also talks of legislation, reporting mechanisms to Parliament, which allows openness and transparency as is envisaged under the principles of Public Finance Management. It was realized that any Government must borrow to finance some of the projects. Until we are able to walk on our own, we shall keep crawling.

The Kshs10.48 trillion both domestic and external public debt is not a creation of Kenya Kwanza Government.

Unfortunately, Sen. Sifuna has walked out. The mess we are trying to work on was built over the years after Independence.

Madam Temporary Speaker, the Kenya Kwanza Manifesto you steered as one of its midwives highlights the issue of fiscal discipline. It is good to borrow, but we must be disciplined, prudent, account for every shilling, dollar, or whatever currency it is, that we borrow to finance projects. We are aware that the money being borrowed both locally and externally is meant for development of this country.

I thank the President for making history today. The signing of the Affordable Housing Bill into an Act of Parliament is one of the monumental times in this country.

Sen. Lemaletian was at a social function in Samburu County. I do not know whether it was Principal Secretary Ololtuaa's homecoming. She requested that a road be constructed in Samburu County. Where will the money come from? We must borrow.

When we raise taxes, the same people who are busy shouting loudest here and mourning than the bereaved are the ones saying that we should not overtax Kenyans. However, when they go to podiums, they say; *Rais tunaomba*. My apologies for mixing languages. They say, Mr. President, we are requesting. I am trying to justify why the Government must borrow.

The moment you tax Kenyans, Sen. Oketch Gicheru, with his litany of political ideologies, will be on the road stating that we should not tax Kenyans. However, they will complain that the Government has not developed Nyatike in Migori County and that they need roads and bursaries.

Governors are on our necks, stating they need Kshs450 billion for counties through equitable shareable revenue. In this financial year, our fiscal deficit is over Kshs700 billion. In short, we should allow the Government to borrow.

I am happy that we amended Section 50 of the Public Finance Management (PFM) Act to move the public debt ceiling to a percentage of GDP. This is significant as stipulated in our manifesto. We are working towards achieving 55 per cent of public debt to the GDP. Currently, the public debt is at 67 per cent against the GDP.

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The drafters of Article 211 of the Constitution knew that the Government would borrow to sustain its operations and development. However, we must be disciplined. Corruption is the biggest soft underbelly in this country that is choking both national and county governments. This country would be far if we fought corruption and accounted for every shilling we borrowed.

The country has risen like a phoenix. I am happy that the committee observed in their report that the currencies movement has affected the external public debt. A few months ago, the shilling was “beaten” like a *burukenge*.

The Temporary Speaker (Sen. Veronica Maina): Hon. Senator, that language may not be known. Please use the English version of that word.

Sen. Cherarkey: My apologies, Madam Temporary Speaker. The Kenya shilling was battered at around Kshs150 against the dollar.

As I speak today, it is Kshs133 against the US Dollar. Sen. Eddy and committee Members have observed in their report that we have a challenge in terms of movement of the currency and it is very important.

Madam Temporary Speaker, I am happy with the stakeholders on the maturity of Eurobond and the movement of currency that Sen. Eddy and the rest have observed. It is very important that they have observed that. This report is wonderful. Just as my colleague Senator who just contributed, I am only worried about the many stakeholders who made nice recommendations, including, the ICPAC.

I hope they will bring this proposal of sinking fund to ensure that the country sets aside funds in the year leading to debt maturity. Therefore, you also need to consider Public-Private Partnership (PPP) as a form of finance development expenditure. Although this Expressway was through PPP, when it was conceptualized, it was Kshs30 billion. By the time it was complete, it was over Kshs70 billion.

However, as we do PPP in terms of development expenditure, we must agree. The people who run this Expressway - yesterday yours truly was transiting thorough the city, and within six minutes from Westlands up to Haile Selassie, I paid Kshs250. Can you believe that no one knows how many vehicles go through this Expressway? How much is paid? Who is the owner of the Moja Expressway or body that collects that money?

Therefore, even as we do PPPs, we must be very careful so that we do not auction our country. The contract that was signed is skewed. As we push for PPP, even in development of water, for instance, the one we are doing dams like Mwache, Karimenu 1, I think Karimenu II has not started and many other projects that we are doing under PPPs, we must be very careful, so that we do auction this country.

Madam Temporary Speaker, I remember when Kenya Airways (KQ) was to be nationalized, alongside this Expressway, we must be told how much they are collecting, how many vehicles and how much are they collecting against the debt that we borrowed to build this Nairobi Expressway. So that, they do not demand for a pound of flesh as William Shakespeare in the *Merchant of Venice*.

[The Temporary Speaker (Sen. Veronica Maina) left the Chair]

[The Temporary Speaker (Sen. Wakili Sigei) in the Chair]

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Sen. Wambua: On a point of order, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Wakili Sigei): Sen. Wambua, what is your point of order?

Sen. Wambua: I thank you, Mr. Temporary Speaker, Sir. I have been trying to catch your eye.

I have heard Sen. Cherarkey, repeatedly referring to our country being auctioned. In the same sentence, he is talking about the Expressway.

A few minutes ago, he was speaking on behalf of the Executive. When he says that the country is being auctioned, we are likely to believe him. Can he clarify, that as he speaks and pretends to speak for the Executive? Has the Executive auctioned this country through the Expressway?

The Temporary Speaker (Sen. Wakili Sigei): Sen. Wambua, what then is your point of order? That is not a point of order. I overrule.

Sen. Wambua: Mr. Temporary Speaker, Sir, some of us are old Members in this House. If you want us to just refer to point of orders, then I will refer you to Standing Order No.105 on statement of facts. However, let us not kill debates by always pushing Members to refer to point of orders.

The Member for Nandi has made a very serious statement on our country being auctioned through the Expressway project.

The Temporary Speaker (Sen. Wakili Sigei): Intervention taken Sen. Wambua. Proceed, Sen. Cherarkey to substantiate that.

Sen. Cherarkey: Mr. Temporary Speaker, Sir, I note the change on the seat. I said, maybe because of PPPs agreement. Sen. Wambua has been with me the longest in this House and I wish him well as he transits to be the Kitui Governor. What I wanted to know is the contents.

Sen. Wambua knows that the conceptualisation of the current expressway was not a Kenya Kwanza Government project. It was in that 'Handshake Government' in the previous year, with His Excellency Stephen Kalonzo Musyoka and the rest of Azimio members.

What I am saying is "maybe auctioned." That is why, even as we push for Aror Dam, Kimwarer Dam, Gitare Reservoir, Mwache, Karemeno and other major projects to go through PPP agreements. My argument is that, as we do PPPs, we must be very careful so that we do not end up auctioning the country. That is what I said.

I was giving an example. How many of us know what Kenya Moja, which runs expressway, collects? They have increased the charges. The other day I saw the Cabinet Secretary saying they should increase. Within six minutes I had paid Kshs250. What will happen to ordinary Kenyans that use that expressway? Are we trying to define Kenyans in to class? That is my argument. We must be very careful.

There is a book called *The Merchant of Venice* by William Shakespeare, which says that they can come for your pound of flesh if you do not pay. I am happy the country has been able to service its public debt, both domestic and externally. If we had not serviced, as *The Merchant of Venice* in William Shakespeare says, they would come for our pound of flesh. We are not interested because if come, we will go the Sri Lanka way.

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I know last week some of the Members were on their way to Shanghai. I heard of what happened, but I do not want to refer.

(Laughter)

Mr. Temporary Speaker, Sir, you need to protect me from the laughter of Sen. Olekina. On a light note, this weekend, Sen. Olekina has been a very good gentleman. I have seen him twice with His Excellency the President and I know all is well, especially in Narok County. This is because they are neighbours. I know he is the Senator of the President when he is in that region. It is important that they work with the electorate that vote in that region.

Finally, I want to conclude on the issue of KQ. I am very disappointed that somebody who is paying the debt of KQ in Kathonzweni, Kajiado, Narok, Nyatike, Nandi, Uasin Gishu or Samburu have never boarded a plane.

(An hon. Senator spoke off record)

I understand that the people in Nyatike and Migori, maybe their mode of transport is by air. However, where I come from, Kenyans are wondering why we pay for KQ which is on a terminal illness. We, as a country, must agree what we need to do with it. Do we nationalise or restructure? KQ must diversify its revenue streams. One of the most expensive air tickets in this in this region is KQ. That is why all the destinations are being taken over by Ethiopian Airways. We must restructure KQ.

In the last Session, we wanted to nationalize. However, because of the pride of Africa, we thought KQ should remain as a national carrier as an identity. I read about the CEO of Ethiopian Airways. They have been able to do a turn around. What is happening with KQ? You are bringing foreigners who come and eat all the money.

Sen. Olekina, served with me before in Senate's County Public Accounts Committee. KQ always receives what we call adverse audit opinion. In private sector, when you receive an adverse opinion, especially in audit, you are fired. In this country, you are rewarded. That is what is happening with KQ.

Do you know who owns KQ? We have Human Resource (HR) problems. The pilots are being frustrated. You have seen even instances where a plane was being donated and that plane can be easily converted to be cargo.

We must be careful so that we do not use a lot of resources to try and flog a dead horse or donkey. I do not want to say a dead cow because most of us take care of cows and we equate our respect to cows.

Mr. Temporary Speaker, Sir, we must restructure the issue of KQ. We must fire the board and work better with the pilots through Kenya Airline Pilots Authority (KALPA). We must improve and diversify revenue streams and offer competitive prices.

Can you believe, it costs around Kshs2 million to fly first class with KQ to America or other exotic places. I know there are people who only fly to Santorini for other things, and they pay a lot of money. I do not know why Sen. Olekina is smiling because I normally see him in the USA and not Santorini because I frequent there.

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Mr. Temporary Speaker, Sir, I do not want to say much beyond that, but KQ must be restructured. There is no need of giving KQ a sum of Kshs80 billion while farmers, such as you and I, cannot access adequate fertilizer.

Sen. Olekina, I expected you to push for tax-free subsidized animal feeds when you were with the President. Instead of subsidizing KQ, let us subsidize animal feeds, fertilizers and farm inputs. Let us get that money and put it in Hustler Fund, Jitume Programme, our roads and many others so that we get value for the money.

Mr. Temporary Speaker, Sir, as I conclude, I want to pass my deepest condolences to Kenyatta University. Some of us have friends and colleagues there. We pray and wish them well. We also saw that there was a tragic accident in Bomet, your county and we lost people. We also pass our deepest condolences and request that we return sanity to our roads so that all of us can reach home safe and sound.

With those very many remarks, I beg to support.

Sen. Olekina: Thank you, Mr. Temporary Speaker, Sir. I will take very few minutes to try and demystify this Medium-Term Debt Management Strategy.

I begin by thanking the Committee on Finance and Budget for doing a fantastic job. They have always been diligent in terms of trying to make sense of all these things.

I think it behooves us as a House to try and use very simple terms for Kenyans out there to understand what exactly we are talking about. When you talk about Medium Term Debt Management Strategy, it is important for us to understand the consequences of it not being managed and implemented effectively.

The Committee - I thank Sen. Faki for moving this report - highlighted on some of the management strategies that the Treasury is putting in place to be able to manage the debt of this country. Some of it might sound as if it is quantum physics, but we will attempt to really put it in simple terms for Kenyans out there to know what we are trying to manage.

Number one, it is the basic thing that affects Kenyans. In this Medium-Term Debt Management Strategy, I see that the Government will be borrowing about 45 per cent of its budget deficit for Financial Year FY2024/2025 from local banks. What does that do to businessmen who are trying to build this economy? It makes it very expensive for them to borrow because financial institutions feel safer lending to the Government through bonds.

Mr. Temporary Speaker, Sir, the first question you must ask and Kenyans must understand this, is that there are laws that we pass here that allow us to monitor. This is where I will concentrate my submissions on. To monitor this borrowing, the Treasury is required by law to submit reports constantly to both the National Assembly and the Senate on their borrowing.

When they borrow, how does that affect liquidity in the market? Currently, the base interest rate given by the Central Bank of Kenya (CBK) is 13 per cent. Being 13 per cent, banks are allowed by the laws that we make here to increase their lending rates by four per cent.

Based on your credit, you will begin by negotiating and maybe, if you get anything below, you will, probably, get 16.9 per cent. However, is that the reality as we now speak? No. Just because the Government is borrowing locally 45 per cent of its

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deficit, some local financial institutions hike their interest rates. Currently, local farmers and businessmen are borrowing money at rates of about 20 per cent and above.

We, therefore, need to be very clear on how to better manage our finances as a country. The first thing that we need to ask is what the deficit is. I see that the Committee on Finance and Budget has indicated the deficit to be about Kshs739 billion. They have said that the Government will borrow 55 per cent of this internationally and 45 per cent of this locally.

Mr. Temporary Speaker, Sir, we have this deficit, and we have to be prudent in terms of our management of the country's debt because if you set up, we change. I remember in the last Parliament, we were here with some Members who are current Cabinet Secretaries like my friend, Hon. Murkomen. He was completely against the increase of the debt ceiling. However, now it has cleverly been changed from a particular figure to a percentage of the GDP.

Let us be very sober in our discussions. Is the GDP set or is it a moving target? I have looked at this report and it says that by June 2023, it was about 70.8 per cent of the GDP and the nominal amount was Kshs10.278 trillion. On this, Kshs5.4 trillion was external debt and Kshs4.832 trillion was domestic debt.

They then move quickly and clap for themselves saying that in February 2024, it was at 67.2 per cent, arguing that we have reduced from 70 per cent to 67 per cent and that the nominal amount has gone up to 11.2 per cent. However, what they forgot to say here is that the GDP is a moving target, and it is difficult. You cannot come in and tell us we have it as a figure.

Mr. Temporary Speaker, Sir, that is why I am completely against the changing of the debt from a figure to a percentage of the GDP. Understanding finance is the beginning of building a nation. However, I tend to believe that sometimes, we speak from both sides of our mouths - You say that you want to help yet at the same time, you are increasing expenditure.

Today, if you ask me what the budget of the State House is, I dare say that it is 50 per cent of our budget deficit. It is about Kshs364 billion. If we care about this country and want to move it far, we should come up with a proper medium-term management debt strategy that allows us to monitor our credit rating worldwide, so that it is not affected. That should be the first thing. First, to monitor our credit rating worldwide so that it is not affected. Second, so that we can lower down the interest rate. Third, so that we can make it affordable for credit, domestically.

What is the first thing we need to do? We need to completely lower the cost of our day-to-day running of the House on the Hill. I would be happy if the President said that today, we are reducing this budget. I heard him in Narok saying that he was going to cut on those spending in parastatals.

It is good. Let us do away with those that are obsolete. Let us not fund them. However, when you live in a glass house; you have to be careful. The budget of Statehouse is unbearable; we are not able to manage it. That is issue number one.

I am happy that my good friend the Senate Majority Leader has just walked in. Two, we need to be creative. I heard the Cabinet Secretary for Treasury and Planning and my good friend, hon. Mudavadi talking about the new strategies that the Government is

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adopting in terms of going for the Kyoto funds which guarantee grace period of about 12 years' interest-free. Why not become creative and go for those funds? Borrow the funds, which we do not have to pay so much.

In fact, I do not see the logic, but maybe my good friend Sen. Eddie will be able to explain why we are borrowing 45 per cent locally. We should try to borrow the least locally and borrow outside. We need to be very clear on our financial goals.

You give credit where it is due. On what the Government does well, we will give credit. However, when they do things that are not right, we will tell them. If it is indeed true that we have paid off half of what we are supposed to pay in Eurobond, I will say kudos. This allows us to manage our finances and set up our goals so that we do not overtax our people to pay.

I was listening to my good friend, Senator for Nandi asking why we should be paying for KQ. We need to be clear that a call-up debt has to be paid by the company that guarantees it. The Government guaranteed that they would pay up. The Government has an obligation to pay for the call-up guaranteed loan of Kshs88.2 billion which relates to KQ. We cannot run away from it. We have to ask ourselves how we can manage it effectively.

Mr. Temporary Speaker, Sir, it is important that the Cabinet Secretary for Treasury and Planning, my good friend Prof. Ndung'u, seek approval from both Houses when they need to borrow more.

On this issue of exceptional circumstances that we allowed in the amendment of the Public Finance Management (PFM) Act; it is about time that we define what exceptional circumstances could be so that we clearly understand.

We might have rushed the amendment. We were not so clear in terms of the leeway that we give to the Cabinet Secretary. We need to give him a leeway, but to clearly define these exemptional circumstances for borrowing. This is so that we are all not taken by surprise. No one comes out to say we borrowed to pay this, but we did not know when and how.

These constant reports are very important, just like we are talking about today in terms of what we require from the Controller of Budget (COB). The National Treasury and Planning should also be submitting quarterly reports on the debt; giving us analysis of the debt.

The other point I made, which I want to reiterate, is the issue of cutting down unnecessary spending. This should not only be pegged on the national, but also county governments. All Senators here will tell you that there is a lot of unnecessary spending in county governments. In a month, my governor spends around Kshs16.2 million on helicopter. However, when you go to hospitals, there are no drugs. You ask yourself the logic in that. How do you go spending Kshs16 million? These are facts. The problem with facts is that they are stubborn.

Senate Majority Leader, that guy spends Kshs16.2 million. I can give you the figures now. The Governor of Narok spends that amount on a helicopter. However, if you go to hospitals, there are no drugs. That unnecessary spending has to be controlled. We must cut down on that.

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I want to reiterate that monitoring of borrowing is important. Even though right now we have managed to reduce it to 67 per cent of the GDP. Our GDP is a moving target; therefore, it can go up to 80 per cent. If that is the case, we will be in serious debt. It is imperative that we try to create a good environment for doing business.

I will be happy if county governments pay their debts when they are due. Right now, we are talking about a deficit of about Kshs739 billion. If you look at county governments combined, they owe about Kshs117 billion.

We need to be diligent in analysing budget performances. This idea of relying on the Auditor-General to give us financial statements that give us opinions such as adverse or qualified does not give us a clear picture of how funds are being spent.

How do you explain why a county like Nairobi City County can have pending bills amounting to Kshs103 billion in 10 years of devolution? How do you explain a county like Narok owing about Kshs1.5 billion, yet it is one of the leading counties in terms of own source revenue? We need to change. As we bring amendments to the PFM Act, we need to look at how we can put punitive measures to ensure that we control this issue of pending in the county governments.

Mr. Temporary Speaker, with all those few remarks, I support and hope that we will effectively monitor our mid-term management of debts of this country.

The Temporary Speaker (Sen. Wakili Sigei): Next is Sen. Orwoba.

Sen. Orwoba: Mr. Temporary Speaker, Sir, I support this Report on Mid-term Debt Management Strategy that has been prepared by the Committee on Finance and Budget.

First, I want to congratulate them for highlighting key aspects that are needed to change how things have been run in this country.

It is unfortunate that we have Members of the Opposition who want to do the same things over and over and expect to have different results. It is not a secret that the hole we found ourselves in is a situation that was created by the previous regime. For avoidance of doubt, these were documents that were tabled in the National Assembly showing that over four months, the former regime under the leadership of President Uhuru Kenyatta was borrowing close to Kshs854 million daily. That money cannot be accounted for. What we know as a country is that we are in debt, and we have to get ourselves out of the situation.

When we had a conversation about the numerical figure that had been put on the debt ceiling, it became clear that we were operating from a point of old ways; where you have a numerical figure and you are told the much that you can borrow without much justification.

We had this conversation on why we were moving from a numerical debt figure into a debt anchor, which was a percentage of the GDP.

Mr. Temporary Speaker, Sir, it is because as a country, we are also alive to the fact that we intend to move the economy to a place where we can break even and we might not even require to borrow as heavily as possible. In that sense, we passed and changed the policy so that we can have a debt anchor as our guiding line in terms of our debt management.

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The idea of having a medium-term debt management strategy is not that we stop borrowing completely. It is so that we can ensure that we have - we find a way to ensure that our public debt remains sustainable. In that essence, then I was looking at the report and trying to see what we were doing differently.

I welcome the proposal of ensuring that some of the undisbursed loans should be cancelled so that we can save on the spending or save on the commitment fees of these undisbursed loans.

When you look at that Report as well, it highlights that we are trying to get to a point as a country where we are producers, that we have more outputs. The opposite of what has been happening is that we have been borrowing to subsidise output. We have been borrowing to finance big elephant infrastructural projects that have very little impact on our day-to-day economic affairs, and what we are trying to say now is that we will borrow, but we will prioritise what we are spending our debt on.

In essence, then it is an issue of how we get ourselves out of that hole. First, we must reduce the borrowing, but that has to be a reflection on what our priority areas are. What do we need money for? As I have heard our fellow Senators speaking on infrastructural projects, roads and things like that, we still have to be aware of the fact that we are in serious debt. We have to find a way to, first of all, get to a point where we can breathe as a country.

As I was listening to Sen. Ledama Olekina, speaking of all these projects that should not happen and all these ideas of how we are spending our money, I was wondering whether, with that spirit of his submissions, he would support the privatization of some of the state agencies that are performing very poorly.

You look at state agencies, for instance, Post Bank. Post bank is an asset that is accumulating a lot of expenditure that is unnecessary. It is not generating any revenue as it is supposed to do. Sometimes I wonder and I ask myself, if we will run State agencies as if they do not require to break even or become profitable; then it is a serious conversation that we should have.

We need to get to a place where we should let go of some of these State agencies. This is in realization that they are not being run properly and that a culture of corruption has been inculcated in those agencies. That the State agencies are not adding value to our economy in terms of the revenue that they are supposed to bring in.

I have heard Sen. Cherarkey speak of Kenya Airways. It is the same issue we are having with the Kenyatta International Convention Centre (KICC). The conversation of privatization of some of these state agencies is very imperative.

It also occurs to me that as we highlight those that are known such as Post Bank, KICC, Kenya Airways and all others, which have refused to change and turn their ways to become profitable entities, I would like to bring to the attention of this House to a state agency known as Unclaimed Financial Assets Authority (UFAA).

If the personalities who run this agency understood how hard our President is working to ensure our budgets are making sense and to break even in order to run this country with minimum borrowing, then they would account for Kshs10 billion where we have discrepancies.

Just to bring it to perspective. After I highlighted the issue of monthly period poverty and how the Government needs to be part of the interventions, the national budget for provision of sanitary towels to all public schools in the country was roughly Kshs260 million.

In relevance to what I am trying to show. Unclaimed Financial Assets Authority (UFAA) has discrepancies of up to Kshs10 billion per year. I had asked the budget for sanitary towels to be pushed to Kshs1 billion. When the President heard my plea of increasing the budget, he was kind enough to make it work to a point that even with the debt that he is managing, we got Kshs940 million.

We have a State agency operating in the sums of billions that cannot account for this money which is potentially being looted. The impact of Kshs1 billion providing sanitary towels to schools would be immense. Sometimes I look at all this money being spent and the same agency cannot account for Kshs500 million that they claim they have spent for auditing services.

The sad thing about this is that this is money that has been left by those who have passed on. It is literally dancing on the graves of dead people. Most of the unclaimed financial assets come from the people who have passed on and they never informed their next of kin.

We should be prudent in terms of austerity measures, even here in the Senate. we should ensure that these state agencies one of them being UFAA are audited to the point where we are looking at the extra resources that this country has and how we can either diversify or use them to help us in running the economy of this country.

Mr. Temporary Speaker, Sir, the previous regimes were focusing on putting money on huge infrastructural project on output such as subsidizing *unga*. There was a time we were told that *unga* would be subsidized to a certain price. Billions of Kenya shillings were spent to hoodwink Kenyans, because we were close to an election, that money was going to be used from the government coffers to ensure the price of *unga* was subsidized.

Mr. Temporary Speaker, Sir, to date, that subsidy that was put in has never reflected in the price of *unga*. As a matter of fact, it was only until the Kenya Kwanza Government subsidized the input in terms of fertilizer that we saw the cost of *unga* coming down from the highest of Kshs225 to Kshs154.

That was because we channeled the resources in the right direction and subsidized the input as opposed to the output.

I want to urge Senators from the Opposition to understand that we cannot keep doing the same things and expecting different results. While the previous regime wanted to subsidize output and spend the money on huge infrastructural projects that did not immediately impact the economy, this Kenya Kwanza regime is saying that we must first get out of the hole we are in. We have to practice the austerity measures.

I like the fact that Sen. Olekina and Sen. Sifuna always highlight how austerity measures should be put up in State House. However, since they are part of the Senate leadership, I would like to ask them: How are they practicing austerity measures in the Senate? For the bigger interest of this country, since they are trying to save and ensure

the youth and everyone feels the impact of what we are trying to do in this economy, can they also shine the spotlight they want to take to State House in their offices?

How are they dealing with their travel and the resources they have here? If you can say that the State House needs to do the following, we are also looking at you as leadership and senior Members of this House, and the same is reflected in their offices.

Mr. Temporary Speaker, Sir, in the spirit of ensuring that we never go back to the horrible situation that the previous regime put us through with the “handshake” Government, we must understand that for us to get to a place where we are not going to borrow any more, we have to pay our taxes so that we can run this country without borrowing.

The Temporary Speaker (Sen. Wakili Sigei): What is your point of order, Sen. Oketch Gicheru?

Sen. Oketch Gicheru: Mr. Temporary Speaker, Sir, you asked me what my point of order was when Sen. Orwoba was just about to conclude. Sometimes, I wish you would accede the courage of just giving us this chance because sometimes there are some pronouncements that are made in this House that do disrespect your Chair. You have ruled a number of times that in this House there is no term called the “handshake” Government.

I want to encourage some Members of this House that we are at a point where the country is trying to move forward. We have seen the spirit of bipartisanship in several instances, including last week when we exercised our rights and our responsibility as a House with respect to the Kisii impeachment case. You saw amazing bipartisanship when this House rose above any kind of party positions to speak to the nation on some issues.

I want to encourage my sister, Sen. Orwoba - through the Chair because now I missed the point of order - that these statements that tend to polarize the House are very unnecessary, especially when you look at what we are discussing now, which is the issue of managing our debt as a country.

This is a very important issue that I wanted to chime in. I would have wished to have spoken almost last on this matter, given that I sit in that Committee that drafted this report with the diligence and keenness it deserves.

I have seen several concerns being raised in the House; some from my side of the House. I heard Sen. Sifuna talking about the issue of including the voices of the ICPAK in the conversation that applies to this debt management strategy as well as other Senators from the other side, including Sen. Cherarkey who raised the same.

As a Committee, we did a lot of work in trying to consider a number of these ideas. We find ourselves in an important place as a country. We need to rethink almost every single time, almost every single month how we manage our debt.

Mr. Temporary Speaker, Sir, when you are faced with an accumulation of debt to the level that we see our country being faced with, the most obvious strategy is always fiscal consolidation. The idea is that you must contract your fiscal space.

There are several strategies that the committee pondered in the response to the National Treasury. The National Treasury composition is always a hybrid one. However, given what we are facing in the country today, it is either you choose to cut your expenses as a Government or you are faced with the other angle of increasing taxes.

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Mr. Temporary Speaker, Sir, you have seen that from last year to now, the fiscal consolidation structure that we have faced as a country is that of increasing taxes. Now, the problem with this is that the moment you take that direction of increasing taxes over reducing expenditure, then the population is bound to suffer.

It is like having a calf and you are trying to get the milk from the cow. You then take even the last bit of the milk that the calf is supposed to survive on so that you cannot milk the cow the next day.

As we are having a conversation around this mid-term debt management strategy, the Senator who moved this Report, which is our report as a committee, Sen. Faki, had talked and alluded to so many parts of what constitutes the strategies that the Government is trying to put in place. Those that we saw as a committee that were important to this particular Report to the House.

My conscience will not rest if I do not prick the conscience of the Senators to be able to start thinking about other ways of ensuring that there is proper fiscal consolidation in this country. This is important because this mid-term debt management strategy comes at a time when we have just passed the BPS.

Mr. Temporary Speaker, Sir, when you look at the BPS, there are some areas that we are going to spend money on in this year's budget. Those are the areas that I think we could rethink, especially on what we want to spend on.

I know Sen. Olekina did allude to this, but I wanted to give it a perspective. For instance, if you talk about the budget that we are going to have in the State House of Kshs352 billion, not Kshs364 as that is what passed in the BPS--- I just wanted to inform my brother Sen. Olekina that it was Kshs352 billion.

Mr. Temporary Speaker, Sir, this almost averages an expenditure of between Kshs800 million to Kshs1 billion a day in one single function. That kind of spending is so huge and those are areas that we can easily contract our budget in terms of our fiscal deficit.

Despite the fact that our fiscal deficit is injuring the country, it is actually manageable; that is why we use the words 'sustainable debt management'. If you think about it, there have been pronouncements from the Executive both in the previous Government and in this Government, that in this country, we are losing Kshs2 billion every day to corruption. If you do the maths, that means in the whole year, we are losing exactly the Kshs700 billion that we want to go out there and borrow. Why are we losing money as a country?

Mr. Temporary Speaker, Sir, we are losing that money in areas of procurement by the Government where you find that in procurement offices, things are constantly inflated. This one you see with procurement officers and you see them in national Government as well as in county government.

Therefore, we end up losing so much money as a country to the extent that if we were to deal with the menace of corruption in this country---

I have seen in some counties, a simple budget such as a budget of domestic travel and subsistence and sometimes hospitality skyrocketing to unimaginable numbers. If there was a way of being able to control that, then you can ensure there is a fiscal consolidation---

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ADJOURNMENT

The Temporary Speaker (Sen. Wakili Sigei): Hon. Members, it is now 6.30 p.m. time to adjourn the Senate. The Senate, therefore, stands adjourned until tomorrow Wednesday, 20th March, 2024 at 9.30 a.m.

Sen. Eddy, when we resume tomorrow, you will still have 12 minutes of your time to contribute to the Motion.

The Senate rose at 6.30 p.m.