

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Tuesday, 3rd December, 2024

*The House met in the Senate Chamber,
Parliament Buildings, at 2.34 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?

(The Clerk-at-the-Table consulted with the Speaker)

Serjeant-at-Arms, kindly ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

The Speaker (Hon. Kingi): Hon. Senators, I am told we do have quorum now. Kindly take your seats.

Clerk, you may proceed to call the first Order.

COMMUNICATION FROM THE CHAIR

VISITING DELEGATION FROM THE CENTRE FOR PAN-AFRICAN AFFAIRS-USA CHAPTER

Hon. Senators, I would like to acknowledge the presence, in the Public Gallery this afternoon, a visiting delegation from the Centre for Pan African Affairs - USA Chapter. The delegation is composed of eight dignitaries who are in the Senate on a one-day study visit.

I request each member of the delegation to stand when called out so that they may be acknowledged in the Senate tradition.

(1) Mr. John W. Milton - Esq Attorney, Archbishop Imani Temple.

(2) Mr. Seanice M. Etienne - Esq Attorney.

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(3) Mr. Joseph Johnson –Jr. Businessman.

(4) Ms. Aleisha Johnson Cook - MBA, PMB, LSSBB, Principal Consultant - AJC Business Solutions, Adjunct Professor - University of Louisiana, Lafayette College Business.

(5) Mr. Christopher J. Williams - PhD Founder and CEO, SUNVESTKA.

(6) Ms. Brenda Wanjiku Wanyoike - Project Specialist, SUNVESTKA.

(7) Mr. George Ndhawa - Director, International Liaison Centre for Pan-African Affairs, Kenya.

(8) Mr. Ismail Owuor - Director, Membership and Recruitment Centre for Pan-African Affairs in Kenya.

On behalf of the Senate and on my own behalf, I extend a warm welcome and wish you a fruitful visit. I will call upon the Senate Majority Leader to extend a word of welcome to the delegation.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Speaker, Sir. On behalf of the House, I wish to extend a warm welcome to the delegation from the Centre for Pan-African Affairs -USA Chapter, who are visiting with us this afternoon.

I hope that in the course of this afternoon, they will get to enjoy the robustness of our debate if there shall be one, though you can never promise, but you must always anticipate because this is a Chamber of debate. I know we have quite a heavy agenda before us because this is the last week of this calendar year.

I hope that, so far, in the interactions with our staff and if they have met with any Members of the Senate, they have learnt a thing or two and shared their wisdom with us.

With those very many remarks, I appreciate them. I wish them well for the remainder of their stay with us and the days that they still be in the Republic.

I thank you.

The Speaker (Hon. Kingi): Next Order.

MESSAGE FROM THE NATIONAL ASSEMBLY

APPROVAL BY THE NATIONAL ASSEMBLY OF SEN.
WAHOME WAMATINGA AS PSC COMMISSIONER

Hon. Senators, I wish to report to the Senate that I have pursuant to Standing Order No.46(3) received the following Message from the National Assembly regarding the approval of the appointment of a Member to the Parliamentary Service Commission (PSC). The Message, dated Tuesday, the 26th November, 2024, was received in the office of the Clerk of the Senate today, Thursday, 28th November, 2024. I believe it is a message that was supposed to be read on that particular day.

Hon. Senators, pursuant to Standing Order No.46(4), I now report the Message. Pursuant to the provisions of Standing Order No.41(1) of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly.

Whereas Article 127, sub-article 2(c) of the Constitution provides for the appointment by Parliament of four Members of Parliament (MP) nominated equally from

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both Houses by the party or coalition of parties forming the national Government, of whom at least two shall be women.

Whereas, following the resignation of Sen. John Kinyua, MP, from the PSC, Sen. Wahome Wamatinga, MP was nominated to fill the vacancy occasioned by the said resignation.

Further, whereas in accordance with the provisions of Article 127, Sub-Article 2(c) of the Constitution, by a resolution passed on Tuesday, the 26th November, 2024, the National Assembly approved the appointment of Sen. Wahome Wamatinga, MP, to the PSC.

Now, therefore, pursuant to the provisions of the Standing Order No.41(1) of the National Assembly Standing Orders, I hereby convey the decision of the National Assembly to the Senate.

Hon. Senators, having concluded the bicameral approval of the appointment of Sen. Wahome Wamatinga, MP, for the position of Member of the PSC, the Senator took his oath of office on Wednesday, 27th November, 2024, pursuant to Section 46 of the Parliamentary Service Act.

I thank you, Hon. Senators.

Next Order.

Statements pursuant to Standing Order No.52(1). Hon. Sen. Kathuri, Senator for Meru County, kindly proceed.

QUESTIONS AND STATEMENTS

STATEMENTS

CHALLENGES FACING MIRAA SECTOR IN THE SOMALI MARKET

Sen. Kathuri: Thank you, Mr. Speaker, Sir. I have a personal Statement on the recurring challenges in the miraa sector in the Somali market and other related issues.

I rise pursuant to Standing Order No.52(1) to make a Statement on a matter of regional and national concern; namely the persistent challenges facing the miraa sector, particularly the ongoing crisis in the Somali market and the broader implications for miraa farmers and Kenya's agricultural sector.

Mr. Speaker, Sir, on Wednesday, 17th April, 2024, I requested a statement from the Standing Committee on Trade, Industrialisation and Tourism regarding the myriad of issues facing the Miraa sector.

While I am aware that the Cabinet Secretary has submitted a preliminary report on the statement pending his appearance before the committee, the sector continues to grapple with the poor prices, cartel-like tendencies leading to the extortion of farmers as well as adverse effects of the ban of flights delivering miraa from Kenya by the Somali Government.

Mr. Speaker, Sir, this is an issue that continues to threaten the revenues of thousands of miraa farmers, many of whom rely on this crop as a primary source of

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income. The drastic price reduction is the latest symptom of a sector plagued by mismanagement, inadequate support and the unchecked influence of cartels who continue to profit from the exploitation of farmers.

As a result, the economic future of these farmers are in jeopardy, with many unable to meet basic needs due to the collapse of miraa prices.

The Federal Government of Somalia's decision to suspend flights delivering miraa to the Horn of Africa country has had a severe impact on the market for this key export crop.

We need a comprehensive report detailing the causes of the recurring Kenya-Somalia diplomatic tensions, which have contributed to this suspension. The report should also include the steps being taken to resolve these tensions in the long term to ensure that Kenyan farmers are not disproportionately affected by these diplomatic disputes.

We must address this issue, not just in the short term, but through a sustainable solution that will guarantee access to Somalia's market, which remains one of the largest for Kenya miraa. The cartels operating in the miraa sector have long been a source of frustration for farmers and traders alike.

The Government must provide a clear statement on whether the State Department for Trade has undertaken any significant actions to dismantle these cartels. This should include an assessment of the impact of these cartels on farmers' incomes and the broader miraa value chain.

Additionally, we need to understand the transparency of the monthly levies charged at the airport for miraa exports, who exactly is benefiting from these levies and how are they contributing to the overall development of the miraa sector.

Mr. Speaker, Sir, in light of Somalia's actions regarding miraa quotas and market access, the Government must clarify whether it is considering a firm response, including the possibility of closing the Kenya-Somalia border to push back against Somalia's decisions. This is a critical matter, not just for the miraa sector, but for bilateral relations between our two countries.

The Government must outline the potential implications of such actions on both the miraa trade and the livelihoods of Kenyans, particularly those in the affected regions. Furthermore, what diplomatic steps are being taken to prevent the escalation of tensions and secure long-term access to the Somali market?

Mr. Speaker, Sir, there is a pressing need for transparency in the management of resources allocated to the miraa sector. The Senate should be provided with a detailed report on the budgetary allocations to the miraa, pyrethrum and Industrial Crops Directorate for the last three financial years; that is, 2021/2022, 2022/2023 and 2023/2024.

This report should include information on how these funds have been utilised and whether there have been any investigations into their misappropriation.

Additionally, the Cabinet Secretary must clarify the status of any charges or convictions related to such misappropriation. This is critical to maintaining public trust and ensuring the effective use of taxpayer resources in supporting agricultural development.

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Mr. Speaker, Sir, the negotiations with Somalia to increase miraa market quotas have been ongoing for years. However, there is very little progress to show for these efforts. The Government must provide an update on the status of these negotiations, including the progress made in reopening closed miraa markets and the specific steps being taken to diversify export markets beyond Somalia.

Over-reliance on the Somali market exposes Kenyan farmers to significant risks. We must explore new markets and trade routes to ensure the long-term sustainability of the miraa sector.

Mr. Speaker, Sir, this is a critical matter that requires swift and decisive action. Miraa farmers are facing the dual threats of cartels and diplomatic disputes, both of which are pushing them to the brink. Their livelihoods, their communities and the entire miraa value chain are at risk. Therefore, it is imperative that the Government take immediate steps to address these issues.

Further, these issues as failure to act, will result in even greater economic hardships for our farmers and further erosion of trust in the Government's ability to manage this vital agricultural sector.

As I conclude, in light of the above concerns, I challenge the Cabinet Secretary for Investments, Trade and Industry to urgently appear before the Standing Committee on Trade and Industrialisation to provide a comprehensive report on these matters. The time to act is now. We must ensure that our farmers are given the support and protection they need to thrive.

Thank you, Mr. Speaker, Sir, for indulging my long Statement. It is about the livelihood of the Meru community and this is the only option I have to communicate to the affected people.

(Interruption of debate on Statements)

COMMUNICATION FROM THE CHAIR

VISITING DELEGATION FROM THE PARLIAMENT OF NAMIBIA
AND MANDERA COUNTY ON TRAINING AT CPST

The Speaker (Hon. Kingi): Hon. Senators, before we proceed for the request for statements pursuant to Standing Order No.53(1), allow me to make a communication.

I would like to acknowledge the presence, in the Speaker's Gallery this afternoon, a visiting delegation from the Centre for Parliamentary Studies and Training (CPST).

The CPST is conducting training on evidence-based report writing for members of staff from the Parliament of Namibia, a clerk assistant from the County Assembly of Mandera and research officers from various services of the Parliament of Kenya.

I request each member of the delegation to stand when called out so that they may be acknowledged in the Senate tradition;

- (1) Ms. Dorothy Fransman, Deputy Director, Committee Services
- (2) Mr. Himuvi Mbingeneko, Deputy Director
- (3) Mr. Bonfatias Amadila, Parliamentary Clerk

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- (4) Ms. Moringa Guagoses, Parliamentary Clerk
- (5) Mr. Brian Riruako, Parliamentary Clerk
- (6) Mr. Mwala Neo, Chief Parliamentary Clerk
- (7) Ms. Hilde Kapuku, Chief Parliamentary Clerk
- (8) Ms. Moonu Matengu, Chief Parliamentary Clerk
- (9) Ms. Amelia Katongolo, Chief Parliamentary Clerk
- (10) Ms. Pamela Mate, Chief Parliamentary Clerk
- (11) Ms. Elizabeth Andreas, Parliamentary Clerk
- (12) Ms. Priscila Kulula, Parliamentary Clerk
- (13) Ms. Valerie J. Chemweno, Research Officer

On behalf of the Senate and on my own behalf, I extend a warm welcome and wish you a fruitful visit.

I will allow the Senate Minority Leader to extend a word of welcome to the delegation.

The Senate Minority Leader (Sen. Madzayo): Thank you, Mr. Speaker, Sir. I would like to join you in welcoming the delegation from Namibia.

I hope their stay here has been very fruitful and that they have managed to learn a lot from our members of staff with regards to how we operate here as a Parliament. At the same time, I hope they have been able to enjoy themselves in the course of their stay here.

Additionally, when they go back home, I am sure they will have learnt one or two things from us. I also believe they have shared their experience from Namibia to our staff here, which is a very good relationship between the two countries. I wish them luck and all the best as they go back home.

(Resumption of debate on Statements)

The Speaker (Hon. Kingi): Sen. Faki, present your Statement pursuant to Standing Order No.53(1).

KUCHELEWESHA KWA MALIPO YA KUSTAAFU
YA WAFANYIKAZI WA KENYA AEROTECH

Sen. Faki: Asante, Bw. Spika, kwa kunipa fursa hii. Nimesimama kwa mujibu wa Kanuni Ya Kudumu No.53(1) ya Kanuni za Seneti kuomba kauli kutoka kwa Kamati ya Leba na Ustawi wa Jamii, kuhusu kucheleweshwa kwa malipo ya uzeeni ya wafanyikazi wa Shirika la Kenya Aerotech, waliostaafu.

Bw. Spika, katika kauli hiyo-

(1) Kamati itoe orodha ya majina ya wafanyikazi wa Shirika la Kenya Aerotech waliostaafu kutoka mwaka wa 2002 mpaka leo, ikionyesha ni wangapi wamepata malipo yao ya uzeeni na wangapi hawajapata.

(2) Ieleze sababu za kucheleweshwa kwa malipo hayo kwa wafanyikazi waliostaafu, hususan Bw. Mohamed Abdala Harusi ambaye alistaafu mnamo 31/12/2022.

(3) Ibaini ni lini wafanyikazi hao watapata malipo yao.

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(4) Iorodheshe hatua ambazo Shirika la Kenya Aerotech litachukuwa kuhakikisha kwamba ulipaji wa malipo ya uzeeni hayacheleweshwi tena katika siku za usoni.

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

ALLEGED FINANCIAL IMPROPRIETIES AT UNCLAIMED
FINANCIAL ASSETS AUTHORITY

The Statement is dropped.

(Statement dropped)

Proceed, Sen. Cherarkey

Sen. Cherarkey: Thank you, Mr. Speaker, Sir, for the indulgence. Sen. Seki has left on exigences of duties. Allow me to read on his behalf his two statements. I will read them concurrently.

ALLEGED THEFT OF MBIRIKANI
GROUP RANCH TITLE DEEDS

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek for a Statement from the Committee on National Security Defence and Foreign Relations regarding the theft of a safe box containing land title deeds and other critical official documents belonging to Mbirikani Group Ranch from Kimana Police Station in Kajiado County.

In the Statement, the committee should-

(1) Explain the circumstances under which a safe box containing land title deeds and other critical official documents belonging to Mbirikani Group Ranch were stolen from Kimana Police Station in Kajiado County.

(2) Outline any steps taken to recover the said safe box together with its contents and to bring to book those responsible for the theft.

REISSUANCE OF TITLE DEEDS TO
MBIRIKANI GROUP RANCH

Mr. Speaker, Sir, I rise again pursuant to Standing Order 53(1) to seek a statement from the Standing Committee of on Lands, Environment and Natural Resources, regarding the reissuance of the land title deeds belonging to Mbirikani Group Ranch that was stolen from Kimana Police Station in Kadiado County.

In the Statement, the Committee should-

(1) Indicate the current status of the land title deeds bearing Serial Nos.5253001-5253367 belonging to Mbirikani Group Ranch, that was stolen from Kimana Police Station in Kajiado County in the month of August, 2024.

(2) State whether the Minister of Lands, Public Works, Housing and Urban Development has embarked on the process of issuance of new title deeds to replace the stolen title deeds and if so, provide timelines for the same.

I have read this statement on behalf of Sen. Lenku Kanari Seki, Senator for the great people of Kadiado County.

I thank you for the indulgence.

The Speaker (Hon. Kingi): Sen. Crystal Asige, please proceed.

Sen. Crystal Asige: Thank you, Mr. Speaker, Sir. I am in a bit of a quagmire, if you will allow me.

I had put through a Statement, but unfortunately, I have not received the soft copy of it, even though I had requested for it to be handed over to me before this particular moment. So, I cannot read it before the House today.

Mr. Speaker, Sir, I would request you, kindly if you would allow, to have another Senator read it on my behalf so that the opportunity does not leave without it having been read.

The Speaker (Hon. Kingi): Clerk, can a soft copy be availed to the hon. Senator so that she can proceed to request for her Statement, if possible?

PLIGHT OF MS. RACHEL NASIMIYU BARASA
ON INDIRECT DISCRIMINATION

We will defer it for a few minutes. We will come back to you, hon. Senator.

(Statement deferred)

Senator for Kisii County, Sen. Richard Onyonka, please proceed.

Sen. Onyonka: Thank you, Mr. Speaker, Sir, for giving me this opportunity.

Before I read my Statement, I would like to take it upon myself to thank the Pan-African team that has come from the United States of America (USA). It is quite interesting and wonderful to see all of you because I went to school in the USA. I used to dream that I would come back here to participate in trying to change my country. I am happy to see you.

I would also like to say to the team from Namibia that I am proud to see you. How I wish that it would be possible, and I would ask the Speaker to coordinate this, that the man who led the Kenyan delegation as a mission to go and make sure that Namibia becomes independent, Gen. Opande, is still alive. It would have been wonderful for you to meet him because he is somebody we hold highly in our country.

LOGGING AND DEGRADATION OF
KENYAN FORESTS

Mr. Speaker, Sir, pursuant to Standing Order No.53(1), I would like to request a statement from the Standing Committee on Lands, Environment and Natural Resources regarding the continued logging and degrading of forests in our country, Kenya,

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especially in the critical ecosystems such as Karura Forest, the Maasai Mara, Kisii County, Homa Bay County, Migori County, Trans Nzoia County, Kakamega County, Uasin Gishu County and Siaya County.

Kenya's forests are under significant threat due to illegal logging being done by Chinese companies who are encroaching and basically unsustainably cutting down our forests.

Mr. Speaker, Sir, despite the Government moratoriums on logging, illegal activities do persist, threatening soil fertility, water supply and tourism revenues. The effects of logging are evident in counties where indigenous trees, vital for biodiversity and cultural heritage, are right now being felled. This deforestation undermines Kenya's climate resilience, increases the risk of landslide and disrupts rainfall patterns critical for the farming communities in our country.

Mr. Speaker, Sir, whoever that has approved this to be done has forgotten that the United Nations Environmental Programme is actually stationed in Kenya.

Despite the Government insisting that this has not happened, I would like the committee to-

(1) Provide an update on the enforcement on the moratorium on logging and outline the specific measures being implemented to address illegal logging activities in all these affected regions.

(2) Explain the penalties currently in place to deter or stop this illegal logging and whether there are any plans to enhance such penalties.

(3) Outline the status of reforestation programmes in counties that have been mentioned earlier on, which are currently having critically low forest cover

(4) Explain whether the Ministry of Environment and Natural Resources is collaborating in making sure that our forests are basically destroyed.

MISSING KENYANS IN SAUDI ARABIA AND OTHER FOREIGN COUNTRIES

Mr. Speaker, Sir, again, under Standing Order No.53(1), I am making a request for a Statement from the Standing Committee of National Security, Defence and Foreign Relations on the issues of missing and dying Kenyans, who have died in countries such as Arabia, Lebanon and Qatar.

Mr. Speaker, Sir, there has been an alarming increase in reported cases of Kenyan citizens disappearing under mysterious circumstances in these countries mentioned, after leaving our country for job opportunities abroad, especially in the Gulf region.

This has caused immense anguish for their families who are left in the dark about the fate and whereabouts of their loved ones. Such a case that I have is a lady from Kisii County, known as Edi Mosomi Nyasing'a who died four weeks ago and her body cannot be found where she was in Lebanon.

I would want the Committee to-

(1) Provide details of all reported cases of missing Kenyans who have either gotten killed in Saudi Arabia, Qatar and Lebanon, and any other countries within the

Arab region, so that we can know who amongst these Kenyans is still alive and who has not been found.

(2) Table the relevant bilateral labour agreements and arrangements that Kenya as a country and the Ministry of Foreign Affairs and the Presidency have signed, particularly with these Gulf countries, so that we can know whether these agreements have been safeguarding the rights of our people and whether these agreements are enforceable.

(3) State the protocols in place in all our Kenyan embassies and consultancies to address the complaints, the challenges and the distress calls and reports of abuse from these Kenyans who are working in these foreign countries.

(4) Seek the State to explain whether there are any long-term strategies being implemented to regulate and monitor the recruitment agencies who are recruiting our people without any safeguards, so that we can prevent exploitation. We must ensure that accountability for the safety of our people as citizens who are working in all these countries is managed and our people are safe as they seek for greener pastures, since we are unable to employ them.

Thank you for giving me an opportunity to raise these Statements.

The Speaker (Hon. Kingi): Sen. Joseph Githuku, please proceed.

SUPPLY OF PHARMACEUTICAL AND NON-PHARMACEUTICAL PRODUCTS TO HOSPITALS IN LAMU COUNTY

Sen. Githuku: Thank you, Mr. Speaker, Sir. I rise pursuant to Standing Order No.53(1) to request a statement from the Standing Committee on Health regarding the supply of pharmaceutical supplies to hospitals in Lamu County for the financial year 2023/2024.

In the statement, the committee should-

(1) Investigate claims of non-availability of essential medicine in hospitals in Lamu County, despite the county government having allocated Kshs23,043,842.20 for pharmaceutical and non-pharmaceutical supplies to hospitals and healthcare facilitated during the financial year 2023-2024.

(2) Provide a detailed breakdown of how the seed amount was spent, including documentation on the specific categories of the supplies purchased and the quantities involved.

(3) Explain whether the procurement tendering process complied with the requirement of the Public Procurement and Disposal Act and provide details about the awarded supplies, including the terms and conditions of these contracts.

(4) Outline the measures the county government has put in place to ensure that the procured supplies actually reach the hospitals and healthcare facilities that are appropriately applied for the intended purposes, in explaining any mechanisms in place to track the delivery and distribution of pharmaceutical and non-pharmaceutical supplies to the hospitals.

(5) State auditing mechanism in place to track the expenditures in procurement and subsequent distribution process related to pharmaceutical and non-

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pharmaceutical supplies, ensuring that it aligns with the actual supply needed in the hospital and furnishes the senate with the findings of such views.

Thank you.

The Speaker (Hon. Kingi): Sen. Crystal Asige, proceed.

Sen. Crystal Asige: Thank you, Mr. Speaker, Sir, for giving me the opportunity to table this Statement and just a note to the clerk's table. Kindly, I am a person with a disability. I do need a little bit more time to process things. It is not just a matter of me picking up a paper and reading it out loud. So, I would appreciate it if you could give me a reasonable adjustment and time to access my own statements.

PLIGHT OF MS. RACHEL NASIMIYU BARASA
ON INDIRECT DISCRIMINATION

Mr. Speaker, Sir, I rise pursuant to Standing Order No. 53(1) to request a statement from the Standing Committee on Education regarding the distressing and unjust case of Rachel Barraza, a 21-year-old student with Down Syndrome who was denied the opportunity to sit for her Kenya Certificate of Secondary Examinations (KCSE) by Siaka Mixed Secondary School in Bungoma County.

Rachel's father, Mr. Abraham Barraza, took the necessary steps to ensure that the school was aware of her special needs, enrolling her in Siaka Mixed Secondary School with the understanding that she would be given the necessary support. However, despite the initial agreement, Rachel faced mistreatment throughout the term, and subsequently, her registration for the KCSE exams was overlooked.

I, therefore, request that the Committee-

(1) Explain why Ms. Rachel Baraza was unjustly denied the opportunity to sit for her KCSE exams at Siaka Mixed Secondary School, despite Rachel's father informing the school of her special needs, requesting the school support and making efforts to ensure that she received the necessary accommodation and support.

(2) Investigate claims that Rachel faced mistreatment, including harsh treatment from teachers and, ultimately, the failure by the school to register her for the KCSE exams, with a special focus on any reported instances of ill-treatment or discrimination due to her disability. Outlining any actions taken to address them.

(3) State any measures the Ministry intends to put in place to help Rachel and her family recover from this emotional and psychological devastation resulting from the impact of the school's action, a situation that exemplifies indirect discrimination and a violation of Rachel's fundamental rights to education.

(4) Examine the actions of the school administration in the matter, focusing on the following key areas: Whether Siaka Secondary School made any formal communication to Rachel, her father, or any other guardian regarding the decision not to register her for the KCSE exams, and if so, when, how, and what reasons were given for her exclusion.

Whether the county director of education was involved in the decision, what role they played, how they were informed of the issue, and any steps taken to investigate and resolve the matter.

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How does the school ensure equal access for all students and do they provide any alternatives or accommodations to ensure that Rachel has equal access to education and the KCSE exams?

Explain how they intend to rectify Rachel's situation.

(5) State how the county director ensures all schools under the jurisdiction comply with the laws regarding disability inclusion in education and exams, providing any steps to prevent such incidents in the future from occurring.

Thank you.

(Interruption of debate on Statements)

MESSAGES FROM THE NATIONAL ASSEMBLY

PASSAGE BY THE NATIONAL ASSEMBLY OF THE MEDIATED VERSION OF THE DIVISION OF REVENUE AMENDMENT BILL, NATIONAL ASSEMBLY BILL NO.38 OF 2024

The Speaker (Hon. Kingi): Thank you, Sen. Crystal Asige. Before I allow comments on those statements, hon. Senators, allow me to read this message from the National Assembly.

Hon. Senators, I wish to report to the Senate that pursuant to Standing Order No. 46(3), I did receive the following Message from the Speaker of the National Assembly regarding the approval by the National Assembly of the mediated version of the Division of Revenue Amendment Bill, National Assembly Bill No. 38 of 2024.

The Message, dated Friday, 29th November 2024, was received in the office of the Clerk of the Senate on Monday, 2nd December 2024.

Pursuant to Standing Order No. 46(4), I now report the Message-

Pursuant to the provisions of Standing Order No. 41(1) and 154(b) of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly.

WHEREAS on Wednesday, 16th October, 2024, the National Assembly conceded and rejected the Senate amendments to the Division of Revenue Amendment Bill, National Assembly Bills No.38 of 2024, thereby committing the Bill to a Mediation Committee in accordance with the provisions of Article 112(2)(b) of the Constitution.

And Whereas on Friday, 18th October, 2024, and Tuesday, 5th November, 2024, the National Assembly and the Senate, respectively, appointed Members to a Mediation Committee to develop a mediated version of the said Bill.

AND WHEREAS on Wednesday, the 27th of November, 2024, the National Assembly conceded the mediated version of the Division of Revenue Amendment Bill, National Assembly Bill No. 38 of 2024, and passed it without amendments and in the form developed by the Mediation Committee.

Now, therefore, in accordance with the provisions of Article 113(3) of the Constitution and Standing Order 154(b) of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate.”

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Hon. Senators, as you are aware, the Senate, on Thursday, 28th November, 2024, also passed and approved the mediated version of the Division of Revenue Amendment Bill, National Assembly Bills No. 38 of 2024.

Accordingly, the Bill, having been passed by both Houses, will be referred to His Excellency the President for assent and pursuant to Article 113(3) of the Constitution.

Thank you, hon. Senators.

(Resumption of debate on Statements)

Hon. Senators, we will entertain comments for not more than 15 minutes on the requested statements. This means we need to agree that any Senator wishing to comment on these statements will have two minutes to do so, because I have a fairly long list on my dashboard. Sen. Sifuna Edwin, proceed.

Sen. Sifuna: Mr. Speaker, Sir, allow me to take one minute to congratulate the Namibian team on the successful election they held this November. They have their first woman president, something that we, in Kenya, are still struggling with.

You also know that there were elections in the USA. I had occasion to visit the Democratic National Convention in Chicago. I want also to take this opportunity to welcome the team from the USA.

Lastly, because I attended elections as an observer in Somaliland, I want to speak to the statement by the Senator for Meru to let him know that, in fact, when I was there, we were encouraged as a country to expand our trade ties with the country called Somaliland.

As I speak, they are importing all their miraa from Ethiopia. I got an opportunity to test it. I can say without blinking that our product is far superior. So, I will encourage because I am aware that the Somaliland Mission in Kenya has written to the respective Speakers, inviting Members of this House and the National Assembly for the inauguration of the new President.

Mr. Speaker, Sir, I would like that list to include the Senator for Meru. Even if I have to go, I will give up my seat, because this trade diplomacy will be best pushed by the Deputy Speaker of the House, who is also a member of the *Njuri Ncheke*.

I thank you.

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

Sen. Kisang: Mr. Speaker, Sir, I also want to comment on the Statement by the Senator for Meru. The majority of the people from Igembe and Tigania depend on the cash crop called miraa. People have gone to school and they are leaders.

We request the relevant department to speed it up, so that the great people of Meru continue to get markets to sell their crops. Maybe it is also important that we tell the people of Meru to look for alternative markets, so that they do not rely only on one part of the segment of the market. We should also encourage other Kenyans to partake in the same thing.

Finally, I would like to comment on the statement by the Senator for Lamu. Most of our Level 1, 2 and 3 healthcare facilities in the counties do not have drugs. I do not

know why governors are not partnering with the Kenya Medical Supplies Authority (KEMSA) so that it supplies drugs even when they do not have the resources.

Mr. Speaker, Sir, today we are going through the issue of revenue. There is a huge debt owed to KEMSA by the counties. I think that is the reason they are not willing to extend more credit to the counties.

I thank you.

The Speaker (Hon. Kingi): Let us now listen to Sen. Madzayo.

The Senate Minority Leader (Sen. Madzayo): Bw. Spika, ningependa kuzungumza kuhusu taarifa aliyoleta Sen. Faki. Watu wanaofanya kazi kwa miaka mingi hawalipwi mapato waliokuwa wakiweka baada ya kustaafu.

Mara nyingi tunaona watu waliokuwa katika mamlaka wakiishi maisha ya uchochole baada ya kustaafu. Wanaishi maisha mabaya kana kwamba hawakuwa na heshima wakati walipokuwa wakifanya kazi. Haya yote yanachangiwa na taasisi zinazoweka mapato ya wafanyikazi.

Wanawafanyia madharau kwa sababu wanachukua pesa hizo na kufanyia kazi zingine. Sasa imekuwa kama mchezo. Kila mtu anayefanya kazi nchini Kenya hana uhakika kwamba pesa ambazo amekuwa akikikatwa ili kuwekwa kwenye hazina zitamfaidi wakati amestaafu na kumhakikisha maisha mema.

Langu ni kwa wale wanaohusika na kuweka pesa za wafanyikazi, wakiwemo walimu na wafanyikazi wengine, imefika wakati wanafaa kuangaliwa. Kama kuna njia mbadala ya kuona kuwa wanalipwa mapato yao angalau mwezi mmoja au miwili kabla ya kustaafu, maisha yao yatakuwa sawa na kwenda sambamba jinsi walivyokuwa wakiishi.

Bw. Spika, hayo ndiyo maoni yangu. Asante.

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

Sen. Cherarkey: Mr. Speaker, Sir, I welcome the delegation from the USA and congratulate them for doing a peaceful election unlike last time. I also pass our regards to the president-elect, Donald Trump. I hope he will look at Kenya this time around. I also pass our regards to Megan Whitman who was a very good Ambassador to Kenya.

I equally wish Namibia well. I request them to push on with the spirit of Pan-Africanism. I request the new president to support Baba Raila Odinga to be the African Union Commission (AUC) Chairperson going into the future because I know he will win. I was with him at Sen. Osotsi's home.

Finally, is on the issue of miraa. We should not be discussing about banning miraa because Somalia is the new child of the East African Community (EAC). If we want to establish trade protocols within the EAC and ensure balance of trade and payment within the new nations---

Mr. Speaker, Sir, I am cognizant of the fact that you were also in Uganda representing His Excellency the President. One of the agenda is building EAC where we do proper trade engagements. If trade partners of the EAC like Tanzania, Uganda, Somalia and Rwanda cannot trade amongst themselves, how will we do it with the rest of the world?

I challenge the Somali Government to allow miraa from Kenya to access their market. I challenge President William Ruto who was elected the Chairman of the EAC to look into this issue. We congratulate him for being the new chairman.

Mr. Speaker, Sir, I hope the *Njuri Ncheke* Chairman here, who is also your Deputy Speaker, Sen. Kathuri Murungi, will engage the new Chair of the EAC.

Finally, the Committee on Labour and Social Welfare looked at recruitment agencies that take our sons and daughters abroad. I ask each and every Kenyan now that we have the State Department for Diaspora Affairs, to use Government agencies to look jobs abroad, including in Saudi Arabia, USA and Germany. We are getting close to Kshs1 trillion from foreign exchange in this country.

The issue of using bogus and fake recruitment agencies to go abroad will not solve problems that Sen. Onyonka talked about. The President challenged the National Employment Authority (NEA) to ensure they give us updated recruitment agencies that are lawfully being run in the entire Republic of Kenya.

When Kenyans pay money to travel abroad to look for opportunities, they should use credible and legal recruitment agencies in this country.

In conclusion, we need to have sanctuaries in our embassies in Saudi Arabia, Qatar, USA, Germany, and across the world. Today I was told even Tanzania and Uganda are also considered as being abroad. So, let us establish sanctuaries for our young men and women who run into distress.

I thank you, Mr. Speaker, Sir, for the opportunity.

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

Sen. Olekina: Mr. Speaker, Sir, I rise to support a few statements. I want to begin with the statement that deals with the welfare of retirees.

It is nonsensical. You will find teachers who worked for over 20 years retiring at 60. It is time we re-evaluated the issue of retirement. Why do you retire when your brain is still working? You should continue. We need to be a bit creative on how we deal with these issues.

Last week my sister called and told me that she retired in 2022. However, until today, she has not received her pension. This House has an opportunity to re-evaluate the role and functions of these retirement benefit schemes. We have agencies like Local Authority Pension Trust (LAPTRUST) and LAPFUND. We also have other retirement benefit schemes. It is like their core business right now is to invest in real estate because they are building houses all over.

They are engaging in deals with county governments. They are saying that county governments have not paid them because this House has negated its role of protecting Kenyans by ensuring that any piece of legislation we draft here includes huge penalties and interest.

Mr. Speaker, Sir, it is about time that we now revisit the Retirement Benefits Act and amend it so that when these companies like LAPTRUST and LAPFUND are owed by county governments the principal amount, if it is Kshs20 million, it is easier for county governments to pay them.

I would like to request the committee that while investigating the issue raised by the Senator for Mombasa County, consider looking at the entire Retirement Benefits Act

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to see how we can do away with these interests and penalties. Also, to put a period when you retire, you should be able to get your benefits.

There is no reason why when you retire, you come to Parliament and beg us to assist you get your pension or gratuity. This is something that should be automatic, but that money invested in other ventures.

Right now, the richest firms in these countries, include LAPFund and LAPTRUST. Why should they be carrying billions and billions of shillings yet they cannot pay teachers?

Now, for a teacher to get their benefits, they have to call the Teachers Service Commission (TSC). The TSC will spend hours going through their files and, then finally, when the file is complete it is forwarded to the National Treasury.

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

[The Deputy Speaker (Sen. Kathuri) in the Chair]

Mr. Deputy Speaker, Sir, last week, I had to call the head of Accounting Services National Treasury to follow up on one teacher to ask them why they had not paid her dues. Why are they keeping all those files without processing teachers' dues? This is your money which was being deducted from you as you were working.

Now the law should be recrafted in a way that if the National Treasury delays in paying the retirees their benefits or their pension, they should start paying interest. Since the LAPFUND and LAPTRUST are spending the money that they are collecting from these county governments or civil servants on investments we should now qualify those investments.

We should ask: If I am retiring and you are paying me this, how much have you made from the investments that you have invested in? This money should not just be sweet for these entities, but it is not sweet for the people who contributed it.

Mr. Deputy Speaker, Sir, I really would like to request that the committee take this matter very seriously and reopen the whole debate on these pension schemes. Why should I be contributing to a pension yet when I retire, I do not get my money? Should I not just go to a bank account and open a fixed deposit account or an escrow account where I can just be putting money so that at the time when I retire I can get that money?

Secondly, I would like to comment on the statement raised by Sen. Onyonka where he is seeking clarification on the issue of logging.

The Deputy Speaker (Sen. Kathuri): Sen. Olekina, there was an agreement of two minutes.

Sen. Olekina: Mr. Deputy Speaker, Sir, can I have 30 seconds?

The Deputy Speaker (Sen. Kathuri): Please proceed.

Sen. Olekina: Mr. Deputy Speaker, Sir, I wish Sen. Onyonka was here. With regard to his statement, I want some clarity. He talked about logging in Masai Mara park. I do not know whether there is logging taking place inside the park.

I would like that clarity made. If it were a forest in Narok County, it would make sense, but Masai Mara is just a region. As I said, inside the park, there is no logging. However, if there is logging taking place there, I would like to know.

Mr. Deputy Speaker, Sir, it would be important for the committee while investigating this matter to appraise the House on the reforestation efforts that are taking place. We see many Cabinet Secretaries flying to go and plant two trees. They probably spend about Kshs1 million to go and plant one or two trees. That Kshs1 million could buy many trees that are sold for Kshs20. So, let us be realistic.

If you look at the carbon print that is created by these choppers that the Cabinet Secretaries are using is worse than even deforestation. So really, we just need to look at those things and become very serious.

The Deputy Speaker (Sen. Kathuri): Next is Sen. Cheruiyot.

The Senate Majority Leader (Sen. Cheruiyot): Thank you, Mr. Deputy Speaker, Sir. I have a comment on two issues quickly because I know we have two minutes.

The first one is on this issue of Somalia and access to that market by the miraa growing farmers predominantly from Meru and the neighbouring counties. I cannot understand why this is taking too long to settle. We have had very good and stable relations with the country of Somalia, primarily dominated by the fact that we have been of good assistance to them at the time when their country had turbulence.

Kenya has been a home to many. There are many Kenyans who trace their roots originally back to this country. We have all integrated and become one people and continue to live together as good neighbours.

I do not understand and perhaps we need the Ministry of Foreign Affairs to help us appreciate why Kenya cannot have a bilateral conversation with Somalia and agree on how to best handle this miraa business.

Administration after the other, I remember for as long as I became an adult from the late President Moi, President Mwai Kibaki and President Uhuru. Each President resident has had to occasionally deal with interruption of miraa business and the trade between us and Somalia without it being resolved with finality.

If our flowers can access European markets with so much ease because of the bilateral agreements that we have signed with those other countries, this group will not be banned in Somalia.

The only issue that the miraa farmers, through their representatives are telling this House, is that there are middlemen who are taking advantage of a lack of an existing framework between the two countries. We will ensure that in the long run, farmers benefit out of their sweat and not middlemen that are positioned in between the Government of Kenya and the Government of Somalia. It is a very fair request.

Mr. Deputy Speaker, Sir, it is my sincere hope that finally, this administration shall be the administration that will put this matter to rest and allow miraa farmers to enjoy the fruit of their sweat.

Lastly, it is on this issue that has been raised by Sen. Onyonka, I know we have a Standing Committee on Labour and Social Welfare in this House, and its Members are listening to us. Part of the very first engagement that we had in this House, as a leadership, was an interaction with Kenyans living in UAE. They insisted on us, as

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Senate, that when you return to Kenya, we insist to the Government to have a labour management system that keeps up a trace of all its citizens that leave the country to work in other countries.

Citizens should familiarize themselves and know the rules of engagement in the countries that they have gone to seek employment. What their rights are and what they are not permitted to do? It will also be important for the Government to how many Kenyans have left the country.

We only get to know about those whose families report that their sons or daughters have either been harmed or have lost their lives. Probably, there might be others who disappear never to return to this country.

It is the intention of how good countries take care of their citizens when they go to work out of station. Especially, in a country like Kenya, where the leading foreign exchange used to be tea and coffee back in the past. However, today, and in the last 10 years, the foreign remittance by citizens who are working out of this country, is a leading foreign exchange earner. This means that the heroes of this Republic are those who choose to work in other countries and send their earnings back home.

Mr. Deputy Speaker, Sir, we must demand through our Standing Committee on Labour and Social Welfare, that this matter be finally put to rest. The Cabinet Secretary for Labour and Social Welfare has to be invited so that we can see the steps that have been taken towards ensuring the safety and comfort of citizens who work in different capitals and various parts of this world.

The Deputy (Sen. Kathuri): Thank you, Sen. Cheruiyot.

Next is 033, Identification Card 13.

Sen. M. Kajwang, what is this formula that you have brought here?

Sen. M. Kajwang: Mr. Deputy Speaker, Sir, I apologise that I left my card in Vihiga County when we went to visit Sen. Osotsi. The entertainment was robust and the beverages were flowing--- So, I did not take care to come back with my card.

The Deputy Speaker (Sen. Kathuri): Is it somewhere that when you go back to Vihiga, you will locate it?

Sen. M. Kajwang: Mr Deputy Speaker, Sir, I will struggle to find out exactly where I left it, but Sen. Osotsi will do me the favour.

Sen. Osotsi hosted us at a very sumptuous event. I want to congratulate him, our Deputy Party Leader, in the Orange Democratic Party (ODM).

The Deputy Speaker (Sen. Kathuri): Yes, but I will be encouraging Members to use their cards when they are seeking intervention; it is neater that way. Shouting for a point of order from your seat is not good.

Sen. (Dr.) Khalwale: Mr. Deputy Speaker Sir, is the Senator for Homa Bay County in order, under Standing Order No.105 on accuracy of facts, to mislead the House about the loss of his card when it is with a young lady in Mbale, who did not attend the function in Chavakali? Is he in order to mislead the House?

The Deputy Speaker (Sen. Kathuri): Sen. Kajwang', proceed.

Sen. M. Kajwang: Mr. Deputy Speaker, Sir, I would prefer that my private matters not be discussed on the Floor of the House. That then could let the matter rest. Allow me to comment on the statements that have been issued.

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First, I would have loved to congratulate the delegation from Namibia for making the historic decision, a very landmark decision of electing a leader who is a very well-respected lady to lead the nation. It takes a lot of courage and strength for a population that is largely male to entrust a female to lead them. They have shown the way and I hope that Kenya will follow suit.

On the communication that you made regarding the passage of the Division of Revenue Act (DORA) by the National Assembly, I request the leadership of the House, both the Majority and Minority side, that we have only two days before we go on recess. Out of DORA springs County Allocation of Revenue Act (CARA), out of CARA, springs the Disbursement Schedule, and out of it, springs the County Additional Allocations Bill.

Mr. Deputy Speaker, Sir, we have got so much work to do that even if it was not coming as a communication from the Senate Majority Leader, we could find ways of doing *kamukunjis* so that we can mobilize each other. At the same time, we are competing against the demands of the East Africa Legislative Assembly (EALA) games. I know many Members sometimes might want to put in a little bit more exercise.

There is nothing more important and urgent for the Senate right now beside the consideration of those three additional statutes. Therefore, I encourage that we form a caucus, even if informally, so that we ensure that county governments get this money. This money does not belong to the governors, but to our mothers, fathers and brothers, who need it for much-needed services.

Thank you.

The Deputy Speaker (Sen. Kathuri): Sen. Murango Kamau, proceed.

Sen. (Dr.) Murango: Asante sana, Bw. Naibu Spika. Kwanza naunga mkono taarifa kuhusu wakulima wa miraa. Ningependa kuwafahamisha kwamba kuna miraa inayotoka eneo la Meru na muguka kutoka kaunti za Embu na Kirinyaga. Wakati soko la hiyo bidhaa linatafutwa, ni vizuri wakulima hawa wawakilishwe.

Tumeongea kuhusu wakulima wa miraa kwa sababu ni muhimu. Lakini ni vizuri pia tukae pamoja kama viongozi kuzungumzia usafirishaji wa miraa. Kama viongozi, tunafaa kuongea na wale wanaosafirisha miraa ama muguka kwa sababu wanasababisha harasa kubwa sana katika eneo la Kirinyaga. Wiki hii tumezika watoto wawili waliogongwa na gari linalosafirisha miraa. Kila mwaka takwimu inaonyesha wazi kwamba wale wanaobeba miraa na muguka katika eneo la Mwea wanaua watu zaidi ya 55.

Sijui kazi ya polisi ni gani kwani kuna vilio kila mwaka kwa sababu ya watu wanaoendesha gari za kubeba miraa kwa kasi sana inayosababisha wengine kupoteza maisha yao. Kuna mmoja alikuwa yatima na tulikuwa tunatafuta mahali pa kumzika jana kwa sababu mahali pa makaburi pamejaa pia.

Jambo hili litakuwa la maana na manufaa kwa mkulima wa miraa na muguka kama watatafutiwa soko na vilevile wenyeji wanaotumia barabara zetu wawe na haki yao ya maisha. Sio madereva wote ni wabaya, bali kuna baadhi ambao sijui shida yao ni nini. Wanaokula miraa hawana haraka ya kula miraa kwani utawapata wamekalia vigogo kwa masaa manne au matano wakitafuna miraa yao bila haraka wala wasiwasi.

Lakini gari zinazosafirisha miraa *zinaovertake* mpaka *ambulance* zinayopeleka watu hospitali. Ni vizuri kuwe na *airport* itakayo jega karibu na maeneo ya miraa ili iwe inasafirisha miraa kwani itaokoa muda na uhai.

Ni vizuri viongozi kutoka Meru, Embu na mahali muguka inakuzwa kukaa na vitengo vya usalama na polisi wa trafiki wanaokaa katika zile barabara ili tupunguze hasara kubwa za ajali zinazosababishwa na gari za miraa. Mimi ni mkereketwa mkubwa wa kuunga mkono ukulima sanasana wa miraa. Lakini tunaona kuna hasara na vilio na vizuri tuangalie mambo hayo pia.

Asante sana.

The Deputy Speaker (Sen. Kathuri): Sen. Wambua Enoch, proceed.

Sen. Wambua: I thank you, Mr. Deputy Speaker, Sir. I would want to make a comment on the statement by Sen. Faki on the payment of the retirement dues for Aerotech retirees.

I thank him for bringing this statement because it brings to the fore a number of issues that have been pending before this House and the other House of Parliament on the matter of the management of pension schemes and payment of retirement benefits to people who have already served their terms.

Mr. Deputy Speaker, Sir, I remind this House that we have a serious matter pending on the issue of the retirement benefits for former councillors. When this debate started some years back, the Government then agreed to pay these former councillors a one-off honorarium and include them in the coverage of National Health Insurance Fund (NHIF), which has now shifted to Social Health Insurance Fund (SHIF) and Social Health Authority (SHA). However, since that promise was made by the Government many years ago, nothing has happened.

We are faced with a situation where the number of former councillors is reducing by the day. We are losing these people on a daily basis. When we started, we were talking about 12,000 of them. Now, we are talking about less than 10,000. These former leaders and their families are living in squalor.

Mr. Deputy Speaker, Sir, at the time they were serving, they did not have any kitty from anyone to develop their areas. They used their own resources to develop their own areas. We have abandoned and forgotten about them. I urge this House to remember the fate and the plight of former councillors.

Secondly, one of the reasons why I was coming to this House today is that I had a conversation with Sen. Roba and Sen. Cheruiyot last week. I thought that we were going to be introducing the CARA for debate and processing today. Truth be told, one of the reasons why we passed DORA early last week is because we wanted to deal with these other instruments to allow our counties to access funds, including CARA and the Disbursement Schedules.

Mr. Deputy Speaker, Sir, going into the end of the week, people will start disappearing because EALA games are coming. Can we fast track at least those two instruments; CARA and the Disbursement Schedules, so that our counties can access the money and develop our regions?

I thank you.

The Deputy Speaker (Sen. Kathuri): Thank you. Sen. Mundigi Alexander, proceed.

Sen. Munyi Mundigi: Asante, Bw. Naibu Spika. Naunga mkono taarifa iliyoletwa katika kikao hiki cha Seneti kuhusu miraa na muguka. Tumezungumzia mambo haya kwa muda mrefu na inaonekana bado kuna shida kwani bado tunayazungumzia hivi leo.

Ningeomba siku zinazokuja, Kamati ya Agriculture, Livestock and Fisheries pamoja na Kamati ya Tourism, Trade and Industrialization na National Security, Defence and Foreign Relations zikae pamoja zione vile zitasaidia mkulima wa miraa na muguka. Wakulima kutoka Kirinyaga, Tharaka Nithi, Embu na Meru wanaendelea kulima miraa na muguka ilihali bei inaendelea kurudi chini kwa sababu ya vita ya hapa na pale. Ningeomba hata kama kuna kizuizi baina ya Somalia na nchi yetu, kamati hii iangalie kwa makini bei ya miraa nchini.

Bw. Naibu Spika, mambo haya yanafaa yachunguzwe na kamati zote tatu ili mkulima afaidike. Tunajua kuwa watafuatilia bei ya miraa humu nchini na pia kwenye soko za nchi za ng' ambo. Hili litafanya tujivunie kwa sababu tutakuwa na sheria inayofaa. Miraa inafaa kuwa kama *cash crops* zingine kam vile pamba, majani chai, kahawa na macadamia.

Kamati hizi zinastahili kusisitiza umuhimu na mbinu za kuwasaidia wakulima hawa ili pia wajivunie manufaa ya mazao yao. Serikali imewezesha kaunti zote tatu ziwe na kilimo cha miraa. Kwa hivyo, Wizara ya Kilimo na Mifugo inafaa kutekeleza ujenzi wa dams ili wakati wa kiangazi mimea hii ipate maji ya kutosha na uchumi wa kaunti zetu zote zitaendelea vizuri.

Bw. Naibu Spika, Seneta wa Kaunti ya Kirinyaga amenena kuhusu *speed* ambayo magari ya kusafirisha miraa/muguka yanatumia. Naomba Serikali ijenge airstrip ili wakulima kutoka kaunti za Embu, Tharaka Nithi na Kirinyaga, wapate mahali ambapo patatumika kusafirisha miraa katika kaunti zingine au nchi za ng' ambo.

Naunga mkono pia, *Statement* iliyosomwa na Sen. Faki kuhusu pensheni. Watu wengi wameumia sana. Mtu wa miaka 20 anapofanya kazi miaka 40 na kustaafu akiwa na miaka 60 anapata ugumu wa kusaidia jamii yake ama kufanya kazi yeyote. Baada ya kustaafu anakawia miaka miwili ili apate pensheni yake. Ningependa sekta zote katika nchi hii zitazame mfano wa kampuni ya kutengeneza umeme KenGen. Ukienda retirement, chini ya miezi miwili, unapata pensheni yako.

Wafanyikazi wa New-Kenya Co-operative Creameries (KCC) pia wameumia na Kamati ya Labour and Social Protection iko na kesi hii. Unapata watu waliostaafu miaka mingi wanawadai Shilingi 800 milioni ambazo hawajalipwa. Mwalimu anapostaafu baada ya kufanya kazi miaka 60 anangojea miaka mingine miwili kabla ya kulipwa.

Bw. Naibu Spika, naomba kuwa Kamati husika itazungumza na National Treasury ili watoe pesa za kuwalipa walimu, wafanyikazi na pia kaunti zetu.

Asante.

The Deputy Speaker (Sen. Kathuri): Sen. (Dr.) Oburu, proceed.

Sen. (Dr.) Oburu: Thank you, Mr. Deputy Speaker, Sir, for the opportunity. I just want to comment on the issue raised by Sen. Onyonka. This issue of our people disappearing in foreign lands is caused by various factors. It starts from home through

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some of the recruiting agents. I do not know whether due diligence is done on them, how they are selected, or it is the regulations that are there.

The Standing Committee on Labour and Social Protection needs to investigate thoroughly and find out if the laws regulating some of these agencies are weak. If so, then let us find ways of strengthening them. If it is the enforcement that is bringing problems, let us find ways of strengthening the enforcement and also follow up with the Government agencies who are supposed to take care of enforcement.

Mr. Deputy Speaker, Sir, there is also due diligence on those who are going to employ these people. Some of them are crooks. We are aware that internationally, there are companies and people who are taking people to the slaughter for the harvest of human organs. This happens. How can it be that somebody has disappeared? How can a Kenyan just disappear without being located in a foreign land yet we have embassies with all the people and some are in charge of intelligence and labour?

Mr. Deputy Speaker, Sir, before our people are allowed to go and seek employment in those foreign lands, the embassies should do some due diligence on their destinations. It should also be mandatory that Kenyans working abroad are all registered with our embassies. The embassies should have records of each and every Kenyan working in those countries.

Mr. Deputy Speaker, Sir, I went to Qatar and the embassy there only has records of a few Kenyans. They are pleading with Kenyans to register with them because they do not know them. These issues only come up when somebody has gotten into trouble, or has been involved in some incidences, then the embassy is now asked to get involved. Kenyans should be aware that when they go to foreign lands, they are exposed because those are not our people.

I would like the Committee to look at these issues wholesomely. It has been with us year-in, year-out. Kenyans continue to disappear, to be exploited or killed. Some of them even live in very pathetic conditions. When they go there, they are robbed of their telephone and documents. This is a very serious situation. We must deal with it once and for all. The Committee should investigate it thoroughly. This is the only issue I had to raise.

I thank you.

The Deputy Speaker (Sen. Kathuri): Sen. Chimera, and Sen. Wafula, in less than two minutes you can give your points.

Proceed.

Sen. Chimera: Asante, Bw. Naibu Spika, kwa fursa hii. Maoni yangu ni mafupi sana, hususan kuhusu ile hoja ambayo imeletwa hapa na Seneta kutoka Kaunti ya Kajiado, Sen. Seki. Ni kinaya kuona kwamba jamii hii Mbirikani inaweza kupoteza hati miliki ya ardhi yao katika mikono ya maafisa wetu wa usalama.

Ile kamati ambayo itatwikwa jukumu la kuchunguza kisa hiki ifanye kazi yake vyema. Ningependa pia kuhimiza wizara ya masuala ya ardhi wahakikishe wamefanya mbinu haraka iwezekanavyo ili wapimie wananchi wetu ambao wako kwenye group ranches. Kaunti ya Kwale kuna group ranch inayoitwa Mabeja na kuna watu ambao wamefurushwa katika Mwamdudu Group Ranch eneo la Bonje. Nahimiza Serikali ifanye

haraka iwezekanavyo kuhakikisha watu wa Mwereni na Samburu North group ranches wanapata hati miliki ili wapate amani wanapoishi.

Asante.

The Deputy Speaker (Sen. Kathuri): Sen. Wafula, proceed.

Sen. Wafula: Asante, Bw. Spika wa Muda, kwa nafasi hii ambayo umenipa kuchangia. Mambo ya fedha za uzeeni ambazo wafanyikazi wanatozwa ni jambo nililotaja wiki iliyopita. Hili ni jambo la kusononesha sana. Bunge hili la Seneti limegeuzwa kuwa kinanda mbele ya Wakenya. Haiwezi kuwa leo ni santuri ya fedha za kustaafu, wiki ijayo kama, Bw. Naibu Spika, unaweka santuri ile ile. Sio vyema wala haki kwa Wakenya kutuona sisi kama walalamishi wasio na suluhisho.

Naomba tutamatishe shughuli hii kwa kuuliza Serikali ya Kitaifa, watumishi wa umma pesa zao zipo ama hazipo? Viongozi katika kaunti - magavana watuambie, pesa za wafanyikazi zipo ama hazipo. Wanakatwa ama hawakatwi?

Jambo la pili, katika usajili huo, nimeona katika kaunti zetu, fedha za afya, *insurance cover*, ya baadhi ya wafanyikazi hazilipwi. Wanasononeka na kutaabika. Kwangu Bungoma wafanyikazi wanalia. Wakienda hospitalini wanaambiwa Britam haijalipa. Britam haitekelezi wajibu wake. Nami naomba Serikali iamuru kwamba pesa zitolewa ziende katika kaunti.

Bw. Naibu Spika, ni kitendawili ama ni kinaya, hadi sasa kaunti yangu ya Bungoma pesa hazijafika. Wananiambia yule ambaye anastahili kuweka sahihi ili malipo yafanyike hayupo.

Nami naomba anapopatikana, fedha ziende kwa wale ambao wanapaswa kulipwa. Kama ni wanakandarasi walipwe. Watu wasilipwe ilhali mradi unaenda kubadilishwa baada ya mwezi moja.

Ni jambo la kustaajabisha kuwa serikali za kaunti zimeanza kucheza shere na Serikali ya Kitaifa hapa Nairobi. Unapata mwezi huu serikali ya kaunti inatoa shilingi 10 milioni kurekebisha muundo msingi fulani na baada ya miezi miwili, serikali ya Kitaifa inaweka pale shilingi 200 milioni.

Sasa shilingi 10 milioni ni ya kusafisha halafu shilingi 200 milioni ni ya kufanya kazi? Huu ni utapeli na hatupaswi kuruhusu watu kutumia pesa kama hizi kujinufaisha wenyewe.

Bw. Naibu Spika, najiunga na Maseneta wengine. Mambo ya mashamba na Wakenya ambao wanaenda nchi mbalimbali kutafuta kazi halafu wanaporwa pesa zao ni jambo ambalo hatutaruhusu.

The Deputy Speaker (Sen. Oketch Gicheru): Sen. Eddy, maybe you can speak on the Motion which is coming. It is a very nice Motion.

Sen. Oketch Gicheru: Mr. Deputy Speaker, Sir, I will always oblige to your guidance and you know that your wisdom is always my cup of tea.

The Deputy Speaker (Sen. Kathuri): Next Order. Proceed, the Vice-Chairperson of the Committee on Finance and Budget, Sen. Tabitha Mutinda.

MOTION

ADOPTION OF REPORT ON NOMINATION OF MR. GERALD
NYAOMA ARITA FOR APPOINTMENT TO THE
POSITION OF DEPUTY GOVERNOR OF
THE CENTRAL BANK OF KENYA

Sen. Tabitha Mutinda: Thank you, Mr. Deputy Speaker, Sir. I beg to move – THAT, the Senate adopts the Report of the Joint Sitzings of the Standing Committee on Finance and Budget of the Senate and the Departmental Committee on Finance and National Planning of the National Assembly, on the nomination of Mr. Gerald Nyaoma Arita, for appointment to the position of Deputy Governor of the Central Bank of Kenya laid on the Table of the Senate on Thursday, 28th November, 2024; and pursuant to Section 13B (1) of the Central Bank of Kenya Act and Section 8 of the Public Appointments (Parliamentary Approval) Act, approves the nomination of Mr. Gerald Nyaoma Arita for appointment to the position of the Deputy Governor of the Central Bank of Kenya.

Mr. Deputy Speaker, Sir, let me start by appreciating the Senate Members of the Committee on Finance and Budget and also the Members of the Committee on Finance and National Planning of the National Assembly. Since this was a Joint Committee, there was positive commitment and we embarked on the vetting process of the candidate, one Mr. Gerald Nyaoma Arita.

Our focus was on the basics in terms of the qualifications, suitability and competency levels of the nominee. The basics were the education in terms of the Higher Education Loans Board (HELB), the Ethics and Anti-Corruption Commission (EACC) certifications, the Directorate of Criminal Investigations (DCI) reports, Kenya Revenue Authority (KRA) reports and Office of the Registrar of Political Parties.

As a Committee, through this joint sitting, we were able to verify these documentations. I confirm before this House that Mr. Gerald was able to meet the required specifications as far as these documentations were concerned. One Mr. Gerald has over 36 years of experience in his banking expertise or sector. To narrow it, his expertise comes mainly from the Central Bank of Kenya (CBK).

The nominee does hold a Master's degree in Philosophy from the University of Cambridge in the United Kingdom (UK) and a Bachelor of Arts degree in Economics from the University of Nairobi where I am also an alumnus.

He holds a Certificate of Public Accountants and he is a Certified Public Secretary from Kenya Accountants and Secretaries National Examination Board (KASNEB). Additionally, he is an associate of the Kenya Institute of Bankers.

Mr. Deputy Speaker, Sir, when it comes to academic qualifications, Mr. Gerald met the required standards of a nominee for this particular position. There is his affiliation to the different bodies that I have mentioned such as the Kenya Institute of Bankers, KASNEB, Institute of Certified Public Accountants of Kenya (ICPAK) member and so on and so forth.

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This vast spread of his certification gave him not only the qualification on paper but also brought about his experience when it comes to his 36 years working experience.

What the Committee was also able to appreciate is that this particular position has also been given to one person who was also part to the CBK team for these number of years. It is not someone who is coming from a different organisation or entity but someone who has also been in this particular institution.

The 36 years' experience of Mr. Gerald comes and it is accompanied by his expertise on the payment systems, quality control, banking supervision, banking services and the financial market which is very key to this country. He holds the skills and expertise needed for the position.

The experiences that he holds gives him the opportunity to adequately advise the CBK in terms of the economic matters. Remember he is a bachelors holder in matters economics. Therefore, his 36 years' experience brings the blend of a qualified candidate in this particular position.

A time back I was able to raise the concerns of fraudulent withdrawals in different banks. This is a matter that CBK was able to take up. During our vetting process, Mr. Gerald was able to come out on how to curb the fraudulent withdrawals by rogue fraudsters in this country among other nationals, fraudsters who have embarked on a system of online robbing and fraudulency through the modern digital banking system.

He was able to highlight on the quality control measures that he has experience on and they continue to ensure that the over 42 banks that we have in this country are in place to ensure maximum quality control.

The Committee was able to consider the nominee's qualifications and also his work experience and membership to the relevant professional associates. We were able to keenly look on the issue of conflict of interest.

We have a Conflict of Interest Bill that we await to be tabled before this House. Mr. Gerald was clean in terms of matters conflict of interest.

The candidate was able to respond when it came to the sensitive issues of conflict of interest. He was very vast and was able to show not only managerial skills but also leadership skills pertaining the issue of conflict interest.

Mr. Deputy Speaker, Sir, as I conclude, the Committee having held the approval of the nominee regarding his suitability as per Article 231, was able to recommend that the Senate approves the nomination of Mr. Gerald Nyaomo Arita, for the appointment of the position of the Deputy Governor of the Central Bank of Kenya.

Lastly, I wish to also appreciate our Secretariat, led by one Gitonga and the team, Beverly, Lucy Radoli, and Kioko, the team that we work closely with. We always appreciate them, because as I have always said, the Senate Committee on Finance and Budget is one of the committees. So, in conjunction with our Secretariat, we are able to work in hand to conclude what our mandate pertains.

I wish to request that Senators approve the Report of the approval hearing of one Mr. Gerald for the position of the Deputy Governor, and call my colleague Member, whom we sit with at the Committee on Finance and Budget, the young man from the great County of Vihiga, sorry, Migori... Since we were in Vihiga County over this

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weekend supporting our Chairperson with the same Hon. Member, Eddie, I think the issues of Vihiga are still fresh in our mind, but we are very proud and happy Sen. Osotsi, for his great leadership. We were able to not only see it in this House, but also had an opportunity to see how he painted the County of Vihiga orange on Sunday, which really affirms his leadership skills are not only in this House, but also on the ‘ground’.

I now call Sen. Eddy Gicheru to second this Report.

Thank you.

The Deputy Speaker (Sen. Kathuri): Sen. Tabitha, this House might be interesting to know what transpired in Vihiga County. We might be forced to select a special committee to investigate the activities of the Senators who were in Vihiga because I understand wallets and cards were lost. Now, you are also confusing the Senator of Migori County for Vihiga.

So, Sen. Eddie, do not give us Vihiga experiences, but just second the Motion.

Sen. Oketch Gicheru: Mr. Deputy Speaker, Sir, why is it that you are careful if I want to give you experience of Vihiga? Has it become a matter of concern? I assure you that there was no problem. If there were any losses, it was just a lack of individual keenness and responsibility. However, in terms of the event, the way it was organized by Sen. Osotsi and his team, it was marvelous, a representation of what Orange Democratic Movement Party (ODM) as a party is, always, a very organized and high-level Party in the entire continent.

That said, I am here to second this Report by Sen. Tabitha.

Mr. Deputy Speaker, Sir, this is basically a routine Report because of the fact that once the two Houses canvassed around the presentation of the gentleman, Mr. Gerald, who was forwarded to us for the position of Deputy Governor of Central Bank of Kenya (CBK), it just becomes a routine report. My sister, Sen. Tabitha, has emphasized on the character and presentation of the nominee to the extent that that merits the person that we, as a country, envision to be a member of the Monetary Policy Committee (MPC). As much as going to be a CBK Deputy Governor, he is also going to be a member of the CBK Monetary Policy Committee.

I would like to stress on where we find ourselves today as a country, even as we take in new people into the Central Bank. Of course, he is not new in Central Bank, having worked there for over 15 years, but he is going to be new in that role and in the MPC. I would like to stress is that our Central Bank needs more capacity in terms of human resource, to rethink the entire monetary policy at the CBK level.

Mr. Deputy Speaker, Sir, the world is currently run by nanotechnology. The world is at a place where financial services have fungible and invisible assets. As a country, we have not figured out our own crypto assets and crypto currency, both regulation laws and frameworks that can make us compete in a global world where these innovative and new technological aspects of financing are coming fast and vast.

There are countries that are using technologies like virtual visa cards. We are not there yet, inasmuch as we have made a leap in the M-Pesa revolution, which I was proud that the nominee was among the team that was keen to make sure that M-Pesa works to enable people to exchange money on the interface of a mobile phone. Even though we have made serious strides in the country on the M-Pesa front, we are still lagging behind

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on these innovative, complex and dynamic financial and virtual assets. This is important for us, as a country, to start reflecting on.

Another reflection that I would like to put closely is on the management of our monetary policy. You would know that in October, the Central Bank passed the Central Bank Rate (CBR) at 12 percent. However, you are not seeing a corresponding element in our commercial banks. Our commercial banks are still lending at crazy interest rates that do not still allow businesses to borrow from them. I would like to see innovation in terms of the management of Central Bank, whereby even something like the CBR can be used as a formula in terms of the requirements of how the commercial banks end up lending people money.

Mr. Deputy Speaker, Sir, we have seen a serious crowding out effect, given that we are still having a problem in terms of our debt management crisis in the country, where the Government is still forced by circumstances, to borrow more domestically. There needs to be an incentive from a monetary policy perspective that can enable more businesses access credit. It is only when the business access credit that the country can move forward, make more taxes by having a bigger tax base by more businesses, creating a framework for them to access money and do better businesses.

Mr. Deputy Speaker, Sir, lastly, while there is importance to look at what is happening at the Central Bank, it is also important for us, as a House, because now I have gotten this opportunity, this is what I wanted to talk about in my previous opportunity, to work hard in the next two days. If we do not figure out County Allocation of Revenue Bill (CARB) and the disbursement Schedule, in the next two days, our counties are going to suffer massively.

As the Chairperson of the Senate Committee on Finance and Budget will tell you, currently, we are only depending on the advisory of the Attorney-General for counties to access money using Regulation 134 of the Public Finance Management (PFM), which says, in the event that we have got this problem, counties can access up to 50 per cent of previously allocated resources. Now, that window is going to close in this December.

Mr. Deputy Speaker, Sir, I do not want to bore you much with a lot of information about this nominee. I therefore second, and I hope that the House will approve this Report.

However, on behalf of the Committee on Finance and Budget, and on behalf of my hardworking Chairperson, and Vice-Chairperson, perhaps some Members want to leave early to start making their way to Mombasa for East African Legislative Assembly (EALA), but I would like to urge the entire House that there is a complexity in passing this particular Bill, because this is not ordinary. We are not going to pass it with the normal 24-mark of the delegation that we always do. This requires that we must have two-thirds of the House to be able to adopt a memorandum by the President.

So, it will be important that tomorrow, Wednesday, and Thursday, hopefully, we can have this Bill moved today by the Chairperson of the Committee on Finance and Budget. However, for tomorrow and Thursday, let Members try as much as possible to be in the House so that our counties do not lack money. We were sent to this House for only one thing: to protect counties. The biggest case for protecting counties is passing mainly

those two bills, the Division of Revenue Bill (DORB) and the County Allocation of Revenue Bill (CARB). This, of course, also goes with the disbursement schedule.

This is what I would like to urge the House to focus on. Even as they approve this nominee, I want to urge the House to focus on ensuring that our counties will not start January without money and are struggling to get their portion of the Exchequer leases.

With that, I thank you, and I humbly second this Motion.

(Question proposed)

The Deputy Speaker (Sen. Kathuri): Senators, you could proceed to contribute. First is Sen. Faki.

Sen. Faki: Asante, Bw. Naibu Spika, kwa kunipa fursa hii kuchangia Hoja ya kukubali uteuzi wa Bw. Gerald Nyaoma kama Naibu Mkurugenzi wa Benki Kuu ya Kenya.

Ripoti ya Kamati iko wazi kwamba Bw. Nyaoma alikuwa amehitimu katika Chuo Kikuu cha Nairobi. Alipata Shahada ya *Bachelor of Arts* kwa masuala ya *arts*. Vilevile akaenda Chuo Kikuu cha Cambridge ambapo alifanya vizuri na kupewa shahada maalum kwa sababu ya bidii yake ambayo ilimfanya kuwa mwanafunzi wa kwanza katika chuo kile mwaka huo.

Vile vile amehitimu kama mhasimu yaani *accountant*. Amefanya kazi kwenye Benki Kuu zaidi ya miaka 30 mpaka alipostaafu hivi majuzi kama mkurugenzi wa masuala ya uangalizi wa Benki hiyo. Kama ilivyosemwa na Kamati ni kuwa Benki Kuu ya Kenya ni taasisi muhimu sana katika nchi yetu. Inasimamia uchumi wa nchi. Inasimamia fedha na hali nzima ya mchakato wa uchumi nchini.

Kuwepo kwa uongozi ambao unatajiriba kubwa kama hii utasaidia pakubwa kuiendeleza benki hii ili uchumi wetu uweze kuimarika na kuwe na hali ambayo inawapa waekezaji *confidence* kwamba wakiwekeza hapa nchini ni vizuri na ni maendeleo kwa nchi yetu ya Kenya.

Nchi yetu inataka wawekezaji hivi sasa, kwa sababu, masuala ya kuomba mikopo na misaada imepitwa na wakati. Ni lazima tulete wawekezaji ili uchumi wetu uweze kukua. Tuajiri watu wengi, kama vijana wanaomaliza vyuo vikuu na taasisi zingine ili uchumi uweze kuimarika.

Ningegusia mambo mawili matatu ambayo nimeona yako katika uchumi wetu kwa sasa. Tumeona kuwa Benki Kuu imeshukisha Riba ya Mikopo ila benki nyingi, riba iko kwenye asilimia 23 na 20 wakati Benki Kuu imetoa mwongozo kuwa mikopo ishuke. Tunatarajia kwamba uteuzi wa Bw. Nyaoma kama Naibu Mkurugenzi wa Benki Kuu utasaidia pakubwa kusukuma hizi benki za biashara kupunguza riba ili wananchi wapate mikopo ya rahisi kisha watafanya biashara na kupanga maendeleo tofauti tofauti katika maeneo yao.

Jambo la pili ni kuwa Bw. Nyaoma alikuwa msimamizi wa Benki wakati huduma ya Mpesa ilikuwa inasajiliwa kwa mara ya kwanza. Alijieleza kwa ufasaha kwamba alichukua jukumu la kupendekeza kwamba huduma ya Mpesa ipewe leseni. Baada ya hapo tumeona mabadiliko makubwa yamefanyika katika huduma za fedha za kidijitali.

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Ni lazima pia tumpe kongole kwa uamuzi huo ama jukumu hilo ambalo alichukua yeye binafsi kupendekeza kwa mkurugenzi wa Benki Kuu wakati huo, kuandisha Mpesa kama njia moja ya kutuma pesa.

Mpesa imeweza kusambaa ulimwengu mzima hivi sasa. Kila sehemu matumizi ya pesa kwa njia ya Dijitali yanazidi kukua. Kuna mambo mengi mapya ambayo yanahitajika kuingia kwenye mfumo wetu wa fedha. Haya yote, tuna imani kwamba Bw. Nyaoma atasaidia pakubwa kuhakikisha kwamba hizi mbinu za biashara na fedha kama *cryptocurrency*, *bitcoin* zitatumika ili kupanua uchumi wetu.

Soko la fedha likipanuka ina maana kwamba uchumi wetu pia utapanuka na itakuwa ni faida kwa Wakenya ambao wanastahili kupata huduma hizi ambazo ziko sehemu nyingi za ulimwengu. Vilevile Wakenya waweze kuzitumia waone kwamba fedha zao zinakua.

Kwa hayo mengi, naunga mkono ripoti hii.

The Deputy Speaker (Sen. Kathuri): Asante. Sen. Olekina, proceed.

Sen. Olekina: Thank you, Mr. Speaker, Sir, I rise to support the Report from the Joint Committees in approving the nominee to serve as the second Deputy Governor of the Central Bank.

I listened to some of the Committee Members asking questions. One of the things that all Kenyans will be asking is how we put money back into their pockets. I believe the then-candidate we are now discussing answered that the answer lies in lowering interest rates.

A lot is happening in this country. I hope that this current nominee, when approved - I hope that this Senate will approve him - will look at the informal sector and how it is attacked by unscrupulous micro-finance entities that loan money to poor people and end up paying interest rates of almost 100 per cent.

You will find that people in the informal sector and rural areas will be told to borrow money through mobile apps, and once they borrow that money from mobile apps, they end up paying a lot of money in terms of interest.

I believe that it is time for the Central Bank to re-examine its policy on lending institutions, from Tier one, two, and three banks to micro-enterprises and small lending institutions.

There was another discussion because I listened keenly to what Gerald was saying. When Michael Joseph thought of introducing M-Pesa, he met him, and they discussed the introduction of M-Pesa services, which now everyone here depends on M-Pesa. At that point, no one really had the vision, had seen it ahead, like 20 years ahead, to see how far the development or innovation of M-Pesa would be.

M-Pesa is essentially a financial institution which has nothing to do with telecommunication companies.

It is time we delinked telecommunication companies from financial institutions, so that they can be regulated 100 per cent by the Central Bank of Kenya (CBK). Right now, when you look at the regulations that a company like Safaricom faces, there are some that are issued by the CBK while others by the Communications Authority of Kenya (CA). It is time we relooked at the whole issue.

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Earlier today, when a staffer in my office went to one of the financial institutions that has been nominated to receive Social Health Insurance Fund (SHIF) payments, they were told that they could only pay using cash and not by cheque. It begs the question; why do we still use cheques as one of the modes of paying?

The CBK must get correct answers from Diamond Trust Bank (DTB), Kenya Commercial Bank (KCB) and other banks that are sending away institutions that want to make payments by cheques. Unless you have an existing account with that bank, they do not accept a cheque from any other financial institution. It is also important to streamline how Government services should be paid for. If we are paying everything on e-Citizen, then we need to figure out how to account for that.

In Parliament, we are told that all payments should be made using cheques. However, when you go to other Government institutions, they tell you to pay cash. When an officer is given money in form of imprest, tomorrow, auditors will come and say that that officer collected so much money in form of imprest, forgetting the context in which that money was collected. It is imperative for these monetary policies to cut across.

One of the things that I hope Gerald will assist the Governor in determining is to do with this issue that had been introduced in this country on how much interest a financial institution can charge. Businesses were thriving when we knew that banks would only charge a maximum of about 4 points above the base lending rate.

If the base lending rate set by the CBK is about 12 per cent, we should revisit the discussion of reintroducing a maximum point that a bank can charge for interest. That is how you encourage a young economy to grow and money to circulate.

When you have a credit lending system in a country which is not fully defined, you will find someone rushing to a financial institution and getting a loan. Since the loan interest will be on a reducing balance, by the time they end up paying that loan, they throw away the In Duplum rule or any other rule that has got to do with protecting the lender and also the borrower. They will be told how much they are supposed to pay and if they do not pay, they auction their property.

We need to put some discipline and allow this country to develop. We should encourage the youth to start businesses. However, if a youth wants to open a business, he goes to a bank and asks for a loan and they are given at an interest rate of 20 per cent, by the time they are repaying that loan whose interest is on a reducing balance, it will have gone up to almost 36 or 40 per cent. We need to have control. We need to find a way of encouraging financial institutions to do clean businesses.

There are many ping-pong businesses out there with these financial institutions. Today, if you ask these financial institutions, particularly those in Tier 1, to publish their Non-Performing Loans (NPLs), you will be shocked. I am talking about especially financial institutions that trade in Kenya, Uganda, Tanzania, Rwanda, Burundi, and even South Sudan.

For them to balance their books, maybe their bank in Rwanda is doing better than in Kenya. However, you will hear them saying that they have made so much profit this year. However, if you go into the details, because they always say the devil is in the details, you will find that the NPLs portfolio of particular banks, especially those banks in Tier 1, is unbearable.

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There are some people who own like Kshs3 billion or 4 billion. However, you will not see that because it is a business. In fact, if you work with financial institutions and take a loan but delay to pay for two months, that bank will be after you like no one's business.

They will call you and call you. If you happen to dodge them and hit the third month, the calls reduce. In the fourth month, you will not get any call. Ask yourself what happens. Whatever loan you owe is put into a suspense account. It can either be one that is written off that does not allow a financial institution to present their actual position.

When they calculate their performance or try to demonstrate how they made profit, they do not consider that money in a suspense account. Something interesting happens. You will find an international institution that comes and purchases those loans. People who will now be forcing you to pay are those who bought that loan. They follow you and you end up paying.

We need to be clear. We have a young economy with good leadership from the Governor and this distinguished fellow whom we are now debating to approve. A man who has served at the CBK and other financial institutions in this country for 36 years is not someone you can just wish away. It is time we encouraged meritocracy. He is being nominated because he has content. He has worked and seen different governments and policies come and go.

It is time we looked at everything that we are doing, allow meritocracy and support this individual. Just because he will be seated up there and not hang out with technocrats who discuss what is happening on the ground, he should maintain the same principle of wanting to see a better country. It is important that we have a good monetary policy. I long for the time we will say that Kenya as a country is going to be not only the centre of gravity financially for the East African region but also a country that many people will come and live peacefully and enjoy.

Mr. Deputy Speaker, Sir, I know that you come from Meru and the economy of Meru has got to be supported, particularly the *miraa* industry. We see young people. Let us allow them to sell *miraa*.

I long for the time we will be talking about other things which maybe if I mention here my other brother will look at me and wonder what I am talking about. When you look at marijuana, there are different issues and it is a big economy. I am not equating it with *miraa*.

We have oil and there are many products that use it, including those used in hospitals. So, there is a lot we can discuss and support with a good monetary policy one that is predictable. We do not want a system where people say that our tax system is not predictable because today we have this and tomorrow we have another policy. When we have CBK policies that can help our economy to grow, we will go very far.

Finally, on this issue of overnight lending, it is time that the leadership of the CBK looked at it. Some financial institutions even tell you not to pay at the end of the month because banks will be doing overnight lending. Overnight lending sometimes affects businesses because banks will want to have a lot of liquidity, so that at the end of the month, they can do overnight lending to make more money and that affects how people do businesses.

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In summary, there are three key issues that I hope Gerald will put his experience in. First, how do we ensure that we regulate other lenders who are not regulated? Everyone should be regulated by the CBK. If you leave out others such that you can just come up with an application and lend money, it is not something which is going to help this country grow.

Secondly, it is time we had a discussion on how we should treat M-pesa and Airtel Money.

Let them establish financial institutions, and have a bank which is called M-Pesa, such that we can have ATMs that you can go withdraw and deposit. Currently, with M-Pesa, with ATMs, you can only withdraw, but you cannot deposit at ATMs.

So, we need to be able to advance that further. We are now at a time when we fully regulate it, allow it to work well, and so, that you can even have a bank statement.

I know a lot of institutions now lend money, and when they do that, they allow Kenyans to submit their M-Pesa statements. It would be a better way that even for people to develop, you can show that I am only banking with M-Pesa because it works better. After all, that money will be able to go into the rural areas.

Then, interest rates; the last thing, which is very key, and I hope that you will take this seriously, is the issue of reintroducing a maximum of about four points above the base lending rate. That in itself, may not be very attractive to local financial institutions, but you would rather have good books, rather than hide your NPL because you want to show that you are making a lot of money by overcharging people high interest rates, yet they are not paying for the loans that they have taken.

I thank you, Mr. Deputy Speaker, Sir, and I support.

The Deputy Speaker (Sen. Kathuri): Thank you, Sen. Olekina. Next is the Senate Minority Leader, Sen. Cheruiyot.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, I rise to support this Report; a very good report by the Standing Committee on Finance and Budget.

I have not hidden the fact of my admiration for this committee over the years that I have served as Majority Leader, maybe stemming from the fact that it is the one committee that I served for the longest time as a Senator, and I know how much work they get to do.

First is to appreciate them for the good job that they have done. I hope one day when we eventually clean up this Constitution, we will be able to distinguish between Parliament and National Assembly. There are so many instances where the Constitution intended to say Parliament but has ended up saying National Assembly.

It is only on rare occurrences such as this particular item, where the words were used interchangeably, perhaps because of a typo or some of the editors were not keen enough, or may have been keen, that we have a chance and an opportunity to hear the approval of certain key Government officials. These are alongside the Inspector General (IG) of the Police and one or two others. That, I do not think, is what Kenyans intended when they went to the polls in August 2010 to bequeath themselves a new constitution.

Therefore, I rise to approve the good job that has been done by our colleagues on the approval hearing of Mr. Gerald Nyaoma Arita, a gentleman who has a fairly rich resume. He went through a competitive process. Both committees of the Houses of

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Parliament have sat down to listen to him. In their words, they think that the gentleman fits the bill. If he fits the bill, then we can go ahead and approve him.

I have noted that the Ethics and Anti-Corruption Commission (EACC) did grant him clearance. We need to give effect to Chapter 6 of our Constitution. Apart from just EACC saying we have no case with Sen. Ledama Olekina or Sen. Eddy Oketch, I look forward to a time, when we will grant them actual power to either, on account of very strong findings that they have made, recommend either to Parliament, to the Judiciary, or even to the Executive, the department from holding public office of certain individuals.

We need to go beyond this ritual of just seeking clarification because you have been nominated for a job and say, oh, this is what we have found out about you, that we have no case against such and such a gentleman. Nonetheless, this gentleman was approved.

The Kenya Revenue Authority (KRA) also granted a tax compliance certificate. Also, the Higher Education Loan Board (HELB) has confirmed that he has cleared his help loan.

I would not be shocked that the younger Members of this House, like Sen. Eddy, perhaps have not cleared their HELB loan. I do not know if he took it up, but I know that for a while, I must be honest about this, that even me, though it was only in my second term of parliament that I cleared my HELB loan, even though I could easily have written the first pay-cheque upon actually assuming office as a Senator it took me a while.

I appreciate the fact that this forms part of what we seek from those who seek public office.

Mr. Deputy Speaker, Sir, this conversation, on the university funding model cannot be complete without the conversation of how many citizens benefited but today, they do make a simple effort to pay.

You may not have a job, but at least reduce on it occasionally when you have a windfall or you have done a project somewhere and you have been handsomely paid; sent the Kshs5,000 or Kshs10,000. It goes into growing this fund because, at the end of the day, this conversation about bands is just about money at the end of it.

If we had a significant proportion of money at HELB, and they had a good amount of money at their disposal, then what would we need for band two to band five, we would put everybody in band one and pay for them. However, we have resources competing at the national level, where we have to fund various Government items, and then we only have to make do with what is available.

Over and above what is available, we need those who have benefited from HELB to try and ensure that it is not only until they have been nominated or granted an opportunity to serve in an office, such as the gentleman who was being vetted here, that they quickly dash to clear their HELB loans.

I am aware that many would have wished to pay, but they have not been able to secure jobs. More importantly, because we know, and you can see the hue and cry that is in the country amongst our college and university students on the need for HELB to be properly resourced so that they can continue to fund and make education a bit more affordable at the post-secondary level, then we have to pay.

The Directorate of Criminal Investigations (DCI) also granted the certificate of good conduct, a process that is something which I do not know what you are going to do about. I find it to be extremely archaic what you have to go through to get a DCI good conduct approval.

Occasionally, I see and I think amongst the last days of President Uhuru Kenyatta, Uhuru, I saw him launch a forensic lab or something. When are we going to make that information available across the various parts of our country, as such that citizens can get good conduct within a matter of hours?

I believe that they have copies of these records of who are the criminals, and if not records, then if not hours, then at least one or two days. The truth of the matter is that when you apply for good conduct nowadays, the minimum wait time sometimes even runs into months without getting approval.

Many young people are missing job opportunities on account of a lack of good conduct. For example, in my county, when they are recruiting people to work in the multinational tea states, and most of those jobs, they recruit quarterly. Sometimes your certificate of good conduct expires midway, and because these people work extremely hard from Monday to Saturday, they do not get the time even to apply for renewal, or by the time they apply, when the next renewal of their conduct comes, they do not have a renewed certificate of good conduct, they do not get the contract.

If there is an institution, and I want to believe that when our colleagues in the National Assembly get to vet the next Cabinet Secretary for Interior and National Administration, when that opportunity presents itself, or even when he comes to this House, to answer questions next session, part of the things we must demand of the person, the gentleman or the lady that will serve in this docket next; he/she should give a policy direction on what will be the quickest turnaround time for citizens to acquire, or what will it take for citizens to acquire good conduct within a maximum of seven days at most. There are many Kenyans who are missing job opportunities on account of this certification.

Mr. Deputy Speaker, Sir, moving to the more important issues, there is the resume of Mr. Gerald Nyaoma Arita. This nominee has 36 years' experience, which is my entire life less two years. He has been in the banking industry and has experience in issues such as payment system, quality control, banking supervision, banking services and financial markets.

There is only one thing that I had hoped Sen. Eddie would have asked the nominee because I know he serves in Standing Committee on Finance and Budget. I do not expect Sen. Faki to ask this. However, because you are young and dynamic, I had expected you would have asked this gentleman what is his view on regulation of cryptocurrency in this country. I have scanned through your report, but, unfortunately, that question was not captured.

Many countries that are more liberal in their thinking are beginning to live within the realms of reality and accepting that there are many people who are trading on Bitcoin and binary assets. It is important that the Central Bank of Kenya (CBK) leads the conversation. If you ask them today, chances are that they will tell you they formed a working committee.

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The Government circles use working committee when they do not want to handle anything. They form a committee so that any time Parliament asks about what they are doing about a certain issue, they tell you that they have put up a committee. It is my hope that the CBK will take the bold decision and lead the country into having a conversation about what to do with the cryptocurrency---

Sen. Oketch Gicheru: On a point of information, Mr. Deputy Speaker, Sir.

The Deputy Speaker (Sen. Kathuri): Senate Majority Leader, would you be interested to be informed?

The Senate Majority Leader (Sen. Cheruiyot): Yes, because I know he was part of those who interviewed this gentleman. I am sure he has useful information.

The Deputy Speaker (Sen. Kathuri): Sen. Eddie, proceed to inform him.

Sen. Oketch Gicheru: Thank you, Mr. Deputy Speaker, Sir. I want to inform the Senate Majority Leader that we explored the issue of cryptocurrency and virtual assets in the Committee. However, there was time limit to the extent that I was not able to explore that when we were discussing it at the Committee level. However, when I was seconding this Motion, the bulk of my conversation was on the issue of innovation, dealing with cryptocurrency and virtual assets. Maybe you were not here.

I recognise that we do not have a substantive law that can deal with this in the country today. The CBK needs to respond to part of it. However, as legislature, there is a part that we must deal with, which is developing proper laws that can protect customers who are consuming these virtual assets and cryptocurrencies. I therefore recognised it in my moving notes.

The Senate Majority Leader (Sen. Cheruiyot): I thank you, Mr. Deputy Speaker, Sir. That is very useful information. The reason why I wanted to know what the nominees said is to know his personal views. However, we need to know the CBK's position on cryptocurrency and virtual assets. They cannot continue to bury their heads in the sand.

The country must be led into making a proper decision on it because Kenya is a lead innovator. We gave the world M-Pesa. How come we are being left behind when other countries innovate other things? If other countries had taken the kind of approach that we have taken on cryptocurrency on our own M-Pesa, then we would not be getting the global recognition that we are getting. The world is innovative in nature. We must appreciate and move with the tide and the times of the world.

I, therefore, expect that in the next few months, the CBK shall be sending to Parliament a proposal. There have been conversations around Parliament on the same. I am aware that there was a Member of the National Assembly who was moving a Bill on cryptocurrency regulations. However, that is just a thought by a single Member of Parliament (MP). It is the CBK that gives the monetary policy of the country and guides the nation into making certain critical decisions from where they sit. We expect them to lead the charge on that front.

I know that there are companies that engage in the trade of binary assets and the best they can get from both the CBK and the regulator of capital markets is a letter of no objection. That is not enough. We need to guide these institutions or companies and let

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them know that there are certain criteria they need to meet because there are citizens who are losing money.

Kenyans are very advanced in appreciating technology. There are many young people who are losing money because of unregulated digital platforms that are operating in this country. People are paying and they lose money on those fronts.

We expect the CBK to lead the way into making those decisions. Giving a letter of no objection alone is not enough. I expect that in the next few months, now that we have approved a new Deputy Governor, the CBK shall get busy and guide us as a nation into that space so that we lead on the continent. I know there are a number of African countries that have already led the way.

The last point I expect of this nominee and the CBK in general is on predatory lending applications that many of my colleagues have spoken about that they are increasing day by day and we are not sure whether they have been licensed or unlicensed and whether they are living up to the promise of what this administration promised the people of Kenya.

At the heart of the campaigns, I know His Excellency President William Ruto promised to take millions of Kenyans out of the Credit Reference Bureau (CRB) and that has been done. There are many people that had been banned from ever borrowing because they were listed on the CRB. We are not removing them from the CRB so that they can be taken advantage of by these online lending applications. It is therefore our expectation that the CBK will continue evolving with the times and lead the country.

We expect to occasionally see an update from them of institutions that do not live by the regulations of what their license demands. They should be banned from doing business in Kenya because many of them do not have residence in the country. They just come here, reap from young people, toil and disappear out of the country after making a tidy sum. I therefore hope that the CBK shall soon be leading the country in making a firm decision on what to do with many such institutions that are taking advantage of our young people.

Mr. Deputy Speaker, Sir, I do not intend to be long. I want to congratulate Dr. Mr. Gerald Nyaoma Arita on his nomination and proposed approval. I grant him my vote. I am satisfied by the work that was done by the Committee, the Report and the answers that he gave, knowing full well that he shall do a good job in reforming our financial institutions and making sure that we continue to be a global leader in this space.

I thank you.

The Deputy Speaker (Sen. Kathuri): Thank you.

Sen. Okenyuri Esther, proceed.

Sen. Okenyuri: Thank you, Mr. Deputy Speaker, Sir. I also want to support the Report by the Committee on Finance and Budget on the approval of Mr. Gerald Nyaoma as the Deputy Governor, Central Bank of Kenya. I have gone through the Report. He has a rich academic credentials with 36 years of experience. Maybe he was on the technical section then. I believe that since he is now in a decision-making position, he is going to largely assist the Governor in making decisions that will help this country stabilize financially.

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I would like to comment on what the Senate Majority Leader, Sen. Aaron Cheruiyot, was mentioning about repayment of Higher Education Loans Board (HELB) loan. I admit that initially when I was jobless, it took me a very long time to repay the HELB loan. As a result, so many other students who are looking up to such allocations were not able to benefit. However, I am fortunate that I completed that obligation and I can walk free knowing I am aiding several others needy Kenyans to study and benefit from HELB loan.

Finally, I wish to also highlight money laundering. That is one of the major issues we have as a country. If we have several inlets where such money is coming in and the Central Bank of Kenya (CBK) is not able to monitor, then we will still be having the issues we are talking about.

One would wonder why am I bothered about money laundering yet the money is not being stolen. It is because it ends up affecting people who are doing genuine business. That is why people are even opting to join cryptocurrency. For your information, people who are trading in cryptocurrency are making more profit than those putting money in the bank. That is why several young Kenyans are trading in cryptocurrency.

You can either put your Kshs10,000 in the bank or you may opt to invest it in cryptocurrency. By the end of the month, you will have more than a Kshs30,000 profit in cryptocurrency. That is for a beginner. We need to think about such questions when we want to go to the line of regulating. If Kenyans or young people are opting for cryptocurrency and leaving our existing banking systems, then we need to seriously think about where we went wrong and try to make the environment conducive to encourage most people to get into the banking system so that we can generally thrive as a country.

I support this Report and wish Mr. Gerald all the best as he executes his mandate. I see Sen. Cherarkey is trying to communicate with me. I am not supporting him because he is from my region of origin but because he is a qualified Kenyan whose merit has been observed. We have seen from what the Committee has highlighted and this is what we need to see. It will encourage several other young people who have qualifications to put themselves up for some of these positions.

I thank you.

The Deputy Speaker (Sen. Kathuri): Thank you. Proceed Sen. Osotsi.

Sen. Osotsi: Thank you, Mr. Deputy Speaker, Sir, for the opportunity to also support this Motion; the appointment of the Deputy Governor of the Central Bank of Kenya (CBK). From the onset, I support this appointment. I have gone through the Report and one striking thing is, for the first time, we are having a scenario where someone who has grown through the ranks within CBK is being recognized and rewarded.

This is a culture that we need to promote in this country so that when an opportunity arises in our public institutions, priority is given to the persons who work in those organisations. It beats the logic that you have very qualified individuals who understand the institution better and have worked there for many years, but then someone from outside who has no experience in a particular line of trade is brought to head or occupies a senior position in that public institution at the expense of the people who have worked there. This is commendable.

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I want to encourage the President to do the same for the other public institutions where he is the appointing authority. This gentleman, Mr. Gerald Nyaoma Arita, has 36 years of experience in this sector. This is a very long period. He has worked in this sector for the entirety of his life. I am confident that he is going to add value to the CBK, having served as a director in a number of very critical departments within the Central Bank. That positions him to do better as a Deputy Governor of the Central Bank.

Mr. Deputy Speaker, Sir, we know that this appointment is pursuant to Section 13B of the Central Bank of Kenya Act, which requires the President to appoint two Deputy Governors. So Mr. Arita is just one of the two who are supposed to help the Governor in managing the CBK. We expect that we are going to have a bank that is going to deal with several critical areas.

One of the major roles of the CBK is to regulate the monetary policy of this country which is very key to our economy. At this point, where our citizens are complaining about high prices for essential commodities, the CBK comes in handy, because one of the things they do is to ensure we have price stability as part of the monetary policy. A lot of focus has to be put so that we ensure that our people are not in a position where they are unable to purchase essential commodities like *unga*, sugar, paraffin, and cooking oil.

We need a strong monetary policy, which is supported by a strong price stability strategy. When he was being interviewed by the Committee, he said that he would try to ensure that the Monetary Policy Committee of the CBK is made efficient and effective. I hope that he is going to live up to his words because this is one area that the Bank can help to ensure we have economic growth in the country.

The next important thing is regulatory frameworks to deal with the issues around combating fraudulent activities in our financial sector. We have heard about money laundering which is on the increase. In fact, Kenya is one of the hotspots and epicentres for money laundering. The CBK plays an important role in combating these criminal activities. One of the things that we expect the CBK to do is to strengthen the existing regulations so that we have strong rules and regulations to combat money laundering in our markets.

Mr. Deputy Speaker, Sir, issues of cybercrime are also very serious in this country. I read a report that said the banking sector in Kenya is losing up to Kshs21 billion every year as a result of cybercrime. Most of the banks do not report about it and opt to keep quiet. I hope the CBK, where Mr. Nyaoma is going to be the Deputy Governor, will do something about increasing levels of cybercrime targeting the financial sector.

If you have a financial sector that is prone to cybercrime, then you will be unable to even implement what the Senate Majority Leader was talking about; cryptocurrency. If indeed this country wants to move the digital way in terms of money transactions; it will be important to focus on eradicating cybercrime targeting the financial sector so that people have confidence in doing business through cryptocurrency. It is also important that the Central Bank of Kenya (CBK) leverages technology in its operation. It is very key.

I hope Mr. Nyaoma, who has wide experience in almost all the departments of the CBK, will take that opportunity to push for full adoption of technology in the CBK operations. As you know, technology plays a big role in reducing inefficiencies and promoting effectiveness in performance of the mandate of an institution.

[The Deputy Speaker (Sen. Kathuri) left the Chair]

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

Mr. Temporary Speaker, Sir, CBK is also expected to oversight the financial institutions. This has had challenges in the past. If you can recall, a few years back, some of the banks were penalised for having participated in the National Youth Service (NYS) scandal.

Where was CBK when all this was happening? Therefore, that means that the CBK needs to up its game to ensure financial institutions such as banks, are properly oversighted and regulated based on the risk-based supervision.

The issue of financial inclusion has been effectively addressed by M-Pesa platform. Mr. Nyaoma having been one of the key people who approved the usage of M-Pesa, should play a big role in ensuring that we have enhanced financial inclusivity in this country.

We have so many people who are keeping money under their mattresses. Some are keeping their money under their chest or breasts. This is money that should be put in the bank. They are doing this because we have gaps in our financial inclusion strategy. We hope that Mr. Nyaoma will guide the CBK to ensure that we have an effective financial inclusion strategy to warrant as many Kenyans as possible join the banked population.

The issue of high liquidity is a concern. Banks nowadays are holding a lot of money, which they cannot lend out and you wonder why. During President Kibaki's time we used to see people moving around with the forms, asking us to apply for loans, but we no longer see those people do the same.

I do not know what changed. We have a lot of liquidity in the bank which ideally should be available to the citizens of this country, so that they can invest in businesses for productive or multiplier effect in our economy.

Mr Nyaoma, according to the report that we have, is in fact, overqualified for this position. This is one person who ideally should be the CBK governor. Nonetheless, he has been there for many years, learnt on job, and it was only wise that such a person be promoted to the position of Deputy Governor.

We wish him well and hope that he is going to use his knowledge and experience for the betterment of the CBK and also to help in ensuring that CBK performs its role as a premier bank in this country; a bank that is critical to our economy and that should work for the people of Kenya.

With those few remarks, I support the appointment of Mr. Gerard Nyaoma Arita to be the CBK Deputy Governor.

Mr Temporary Speaker, Sir, I do not know why you are looking at me with a wondering eye. However, I want to thank the Members who came to my thanksgiving in Vihiga. I think that was a show of love.

I thank Sen. Cherarkey, Sen. Tabitha Mutinda and Sen. Oketch Gicheru who are here. I think this is the spirit we want to have as a House regardless of our political allegiances. That was a good demonstration and I encourage us to continue with the same. Additionally, even those who went to the real Secretary General's (SG's) of United Democratic Alliance (UDA) function, *achana na yule mwingine bandia aliyeenda. Alikuwa anaitwa Malala---*

The Temporary Speaker (Sen. Wakili Sigei): Sen. Osotsi, I am reminding you of the Standing Orders of this House with regards to the language that you want to conclude your speech on.

Sen. Osotsi: Mr. Temporary Speaker, Sir, I am well guided please. I wanted to create some satire because people were looking so tired. I support this Motion and I want to encourage the Members to do the same.

The Temporary Speaker (Sen. Wakili Sigei): Sen. Osotsi, one of the reasons why the Chair and Sen. Veronica Maina were looking at you was appreciating the kind of reception that you gave the hon. Members who came to celebrate with you.

You are aware yours truly ought to have been there but for the treatment that you showed him in Kitale on a day before your event, he definitely could not have been able to attend because of the time constraints. Even so, we celebrate you as the Deputy Party Leader of the Orange Democratic Movement (ODM). We also celebrate the unity that you showed the political parties and more importantly bringing together the Members of this House from both political divides.

As the Chair and as a Member of the Speaker's Panel, we celebrate your position as the Deputy Party Leader and we look forward to such other additional engagements you will invite us as a House, to celebrate together. Proceed, Sen. Cherarkey.

Sen. Cherarkey: Thank you, Mr. Temporary Speaker, Sir. From the onset, I want to congratulate Sen. Osotsi and also thank Hon. Raila Amolo Odinga and the ODM fraternity for giving him opportunity to be the ODM Deputy Party Leader.

We received a warm reception in Vihiga. Vihiga is in my neighbourhood. Coincidentally, Sen. Osotsi is our in-law. The wife of Sen. Osotsi comes from Nandi County and I had to be there. As you are aware, in our culture, when somebody of the status of Osotsi is celebrating, the in-laws must be there.

It looks like going into the future, UDA and ODM will work closely with the reception that we received. We are happy that Hon. Raila Amolo Odinga and William Ruto are working closely for the betterment of country.

Secondly, I want to support this report of the Committee on Finance and Budget that has been tabled and moved by the Deputy Vice-Chair, where Mr. Gerald Nyaoma Arita is going to be the Deputy Governor of the CBK. A lot has been said. I congratulate the Committee for doing speedily and efficiently on the approval process of Mr. Gerald Nyaoma Arita.

The only way we can create an ethical public service and a service of integrity, is to allow people to grow within rank and file of a public service. This issue of making

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political appointments especially in public service, must stop. Let somebody grow from the level of clerk to middle level manager to the level of running that organisation because they understand the challenges that face such an organisation.

I am happy that Mr. Gerald Nyaoma Arita grew up within the rank and file of the financial sector and financial public service of this country. The only way we can inspire and encourage the public service to be vibrant is to allow people to grow within the rank and file of public service with ethics, being corruption free.

I commend and thank the President for appointing him. I know many of the public servants in this country as we talk today will be happy and excited that one can grow in the public service sector until you reach such a level.

Therefore, we should discourage political appointments in some of these parastatals. Let us allow public servants to grow within rank and file and head those institutions, so that we do not get people from nowhere to head some of these critical institutions.

Mr. Temporary Speaker, Sir, I would like to also thank the Central Bank of Kenya because their work is to do monetary policy, financial surveillance among commercialists, and ensure regulation within the financial sector. Inflation has been stabilized and the economy is looking better than when President William Ruto took over in 2022.

When the President was sworn in as the fifth President of the Republic of Kenya, Kenya was almost defaulting in payment of public debt, which is close to Kshs10.5 trillion Kenyan shillings. Every child that is born in this country owes the public debt Kshs201,000. The President has done well that there is no default of payment of public debt by his government.

Therefore, I would like to ask Kenyans to be patient; that, in the next one or two years, this country will be flowing with honey and milk. This country will be “Canaan” through His Excellency the President William Ruto. I know to many people it sounds like a miracle, but it will be like a miracle that will have happened after 2,000 years since Jesus left this world.

Let us give the President the chance and opportunity to transform the economy of this country. One of the critical factors in this is the Central Bank of Kenya. If they can do proper financial regulation, it will be critical.

Mr. Temporary Speaker, Sir, I would like to appeal to Kenyans, as they take to social media, which is their right, to be responsible. As a senior lawyer in this country, you know that freedom of expression has its boundaries. We therefore would like to ask Kenyans who use social media, that they have a right to criticize the Government, but they should do it factually. They should do it in a proper and hygienic way.

Freedom of expression does not mean you insult or demean. You can still pass your message without demeaning, undermining, and insulting. So as Kenyans go to social media to criticize, they have the right to, but they should criticize it in a factual manner. Even as they criticize the negative things, they should also be saying the positive things that this Government of His Excellency President William Ruto has done.

Mr. Temporary Speaker, Sir, from the President’s address on the state of the nation, the Kenyan economy is looking more resilient than it was before. It is looking

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better after William Ruto took over. We are talking about inflation rate of 2 per cent. Even when you walk around, you can feel money. Where I come from, we are selling maize at the moment. You have bonuses in South Rift and across the country. Therefore, let us allow the President to transform this country to a better nation.

Inflation rate and the cost of living has significantly gone down, because we depend on the Central Bank of Kenya to stabilize and regularize the financial environment. Even the cost of living and food has gone down. Many other issues are coming that look good for this country.

I would to appeal and advise Mr. Gerald Nyaoma Arita, to just be a Deputy Governor. He is not a co-governor. The problem we have in this country is that I see many counties have a problem because the Deputy Governor imagines that they are co-governors. If Mr. Nyaoma will just be a Deputy Governor, he will just be assistant to the Governor. Let him not be a co-governor. That is free advice. We have seen situations, where people are trying to be the co-governor or even a co-president.

Mr. Temporary Speaker, Sir, secondly, the issue of monetary policy is critical. We want to see the issue of money laundering being taken care of. We are aware, that quite a number of people are using money laundering through financial systems in this country. We would like to call the Central Bank of Kenya, now that we have a new Deputy Governor, to put in place necessary mechanisms to prevent money laundering.

We do not want to see money that comes from cartels, drugs, and proceeds of corruption being laundered through our banking system in the country. We also do not want to see money that comes from pirates getting into our financial banking system in this country.

To run a commercial bank, you need a deposit of Kshs1 billion. However, I would like to request the Central Bank to raise that amount to be Kshs10 billion, because I am told the number of people who will earn more will increase going into the future because of President William Ruto's macroeconomic policies in this country.

Secondly, Mr. Temporary Speaker, Sir, a bank like Kenya Commercial Bank (KCB), is worth Kshs1.4 trillion. It is one of the richest banks. So, if you ask KCB to open a commercial bank account and the deposit that is required is Kshs1 billion, that is chicken change.

Mr. Temporary Speaker, Sir, we need also to look at the issue of technology. Even fixed deposit interest rates are not good. That is why Kenyans prefer to keep their money through cryptocurrency.

I am told bitcoin is coming back. The Central Bank must work to ensure that the fixed interests are paid to Kenyans, because that is why Kenyans are keeping their money under the pillows and mattresses.

Mr. Temporary Speaker, Sir, the financial surveillance by Central Bank must be up to date. You have seen in the previous years, some of the banks, for instance, Imperial Bank, have collapsed with Kenyans' money. What is the Central Bank of Kenya doing to recover for Kenyans who have lost their money because the bank has gone under?

That is why Kenyans do not trust the banking system and choose to keep money in their pillows, skin, mattresses, coats, or even in the forest. Others are digging graves to keep their money, because they do not trust the banking system. In this country, when a

banking system is collapsing, you do not get your money back. We need to have a proper deposit protection fund that is ensured to cushion clients in the country.

Mr. Temporary Speaker, Sir, on the issue of domestic debt and foreign exchange reserves, we would like to ask the Central Bank of Kenya to ensure it is stable. In balance of trade, where we import oil and food, if we do not have sufficient foreign reserves, it will always affect the stability of the shilling.

Mr. Temporary Speaker, Sir, let us be honest. There is a time the US Dollar against the Kenya Shilling had risen up to Kshs160. As we speak, it is now below Kshs130 against the US1 Dollar, which means the economy has improved. On the issue of licensing, regulatory and price stability of basic commodities---

In conclusion, there is this issue of micro-credit lending institutions. There must be a crackdown on these. For instance, in Watu Credit when somebody, especially the young people in *bodaboda*, finishes or is about to finish paying for their *bodaboda*, it disappears, and yet they had paid for it.

We must arrest the rogue micro-credit, like Watu Credit, and Platinum. They are fleecing people. They are taking like *kupe* or ticks. They are fleecing young people who are struggling, in the *bodboda* sector. The new deputy governor must ensure financial surveillance is top-notch.

Mr. Temporary Speaker, Sir, with those many remarks---

(Sen. Murango spoke off record)

Mr. Temporary Speaker, Sir, you need to protect me. He is saying something in Kikuyu. You know, this gentleman nowadays is bald-headed. I do not know if he is a Member of Murima Defence Force or something.

I support this Motion. Members, let us give Nyaoma Arita a chance. This is one of the nominees that we have never had a problem with because he has grown up in rank and file in public service.

Members, going into the future, let us allow people to rise up through rank and file of the public service so that we can give confidence to the public.

It was good seeing you in Kitale. I am told you did not leave that place as expected and you were treated like a king. I hope you left your markings around Kitale and Trans Nzoia.

Let us always support our colleagues when we can. With those many remarks, I support this Motion.

The Temporary Speaker (Sen. Wakili Sigei): Thank you, Sen. Cherarkey. I will give this opportunity to Sen. Ali Roba.

Sen. Ali Roba: Thank you, Mr. Temporary Speaker, Sir. I rise to support the nomination of Mr. Gerald Nyaoma.

When this gentleman appeared before the Joint Committee of both Houses, he presented himself as well-versed in banking matters, particularly the Central Bank. He worked for the central bank for over 36 years in various positions within its departments. Before he retired, he was an all-around staff member.

This was extremely critical in order to complement the governor and the deputy governor that have taken over. It is important to get somebody with serious institutional memory of the Central Bank to complement their efforts in making sure that our Central Bank does what it is supposed to do as effectively as possible.

Now that somebody with such experience has joined, it is our expectation, on behalf of the public of Kenya, that Mr. Arita and the team, including the governor and the deputy governor who preceded Mr. Arita, the three of them together, need to make sure as expeditiously as possible they put policies in place to make sure Kenya is not left behind in this space of cryptocurrency or the issues of virtual transactions that are taking shape across the globe and that is really impacting positively in the global trade.

It is important that this is properly regulated and looked into, as well as the issues of microfinance institutions so that they do not take advantage of our innocent masses. Also move quickly to ensure that the banks are properly regulated and monitored and that the customers get what they deserve without being exploited, such as when the central bank reduces.

When the Central Bank increases the base lending rate, the commercial banks move very fast at the speed of lightning to increase the interest rate for its existing customers. Likewise, it is important that when the base lending rate is reduced, commercial banks follow suit immediately, at the same speed, reducing the lending rates that they extend to their customers.

As we reviewed Mr. Arita's career and some of his critical achievements, it became clear through our engagement with him that he was one of the pioneer managers within the bank that facilitated the realization of M-Pesa in the country. This means that if he did not have the foresight required, he would have easily turned away when it was assigned to him.

However, he facilitated, and we became a pioneer in that field of technological advancement not only in our country but across the globe, which has made a lot of references to the issue of mobile banking.

We have taken mobile banking to unprecedented levels. Previously, no other country globally had managed to exploit using technology in this concept of M-Pesa, using our mobiles to transact effectively at the same level, or even better, than using credit cards, with security that is required, inbuilt in it, to get now a situation where most countries have started copying this issue. They want to take the lead that our country and Safaricom as an entity has taken, which we congratulate Safaricom and also Mr. Arita for having facilitated this programme of realisation of M-Pesa in our country and becoming a world leader globally in terms of taking advantage of innovation and technology in the mobile sector.

As I rise to support, the country is undergoing a lot of transformation, and a joint effort by the Government has become extremely apparent in terms of where the Central Bank also plays a role in improving our credit standing with international lenders.

When the current government came into being, we were near blacklisting with respect to accessing credit from other institutions. While there is an air of excitement about credit and liability and debt ceilings in Kenya, it is important to note that countries

even so advanced as America and others operate seriously with borrowing and debt. It is not an issue that is unique to Kenya.

Since we adopted the debt-to-(Gross Domestic Product) GDP ratio as a measure, and we put our ideal recommended level at 55 per cent of the GDP, now the trend has started taking shape, and we are gradually moving towards that 55 per cent. This is commendable to the Government and the National Treasury.

Records indicate that we have also improved tremendously. Soon, we will be tabling the Medium-Term Debt Management Strategy, which will indicate clearly that we have improved in our repayment of the debt from 2022 to date; the numbers have more than doubled in terms of our repayment ratio as opposed to that. It stands at almost Kshs1.5 trillion in the current financial year, which is something that shares a critical indication that we are headed in the right direction.

Something else that ought to be discussed: most people, when the exchange rate came down, thought that it was a glitch. It was just an accident that the exchange rate has come down from 164 shillings to the dollar to up to 130.

The sceptics have kept on saying that this is going to be short-lived. However, it is amazing that it has sustained itself. The exchange rate has stabilised at 130, and we are hoping for even better. This is also a matter of monetary policy from the bank and the Government in terms of availability.

When the President gave the State of the Nation, there was also a discussion of foreign exchange reserves. We had zero foreign exchange reserves to cover even a month. Now, it is reported that we have up to four months of export facilitation in terms of foreign currency reserves, which is very commendable.

I beg to support.

Thank you.

The Temporary Speaker (Sen. Wakili Sigei): Thank you, Sen. Ali Roba. Hon. Members, there seems to be no other member interested in contributing to this Motion.

I now call upon the Mover to reply. Sen. Tabitha Mutinda, proceed.

Sen. Tabitha Mutinda: Mr. Temporary Speaker, Sir, I really want to take this opportunity to appreciate all the Senators, starting with Sen. Eddy, who seconded this particular Motion, Sen. Olekina, Sen. Faki, the Majority Leader, Sen. Okenyuri, Sen. Cherarkey, and Sen. Ali Roba, my chair, for their great input.

At this particular point, I beg to reply that we adopt the report on the approval hearing for one Mr. Gerald Nyaoma Arita for the position of Deputy Governor of the Central Bank of Kenya.

Thank you.

The Temporary Speaker (Sen. Wakili Sigei): Hon. Senators, pursuant to Standing Order No.84(1), I determine that this particular Motion does not affect counties.

Clerk, could you confirm whether we have quorum for purposes of putting the question?

*(The Clerk-at-the-Table consulted
with the Temporary Speaker)*

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Serjeant-at-Arms, please ring the Quorum Bell for two minutes only.

(The Quorum Bell was rung)

Clerk, could you confirm that we now have quorum?

*(The Clerk-at-the-Table consulted
with the Temporary Speaker)*

Serjeant-at-Arms, stop ringing the Quorum Bell.

Hon. Senators, I can confirm that we do have a quorum for purposes of putting the question.

(Question put and agreed to)

Hon. Senators, before the next Order, I have got a Message from the National Assembly.

MESSAGE FROM THE NATIONAL ASSEMBLY

PASSAGE BY THE NATIONAL ASSEMBLY OF THE
COFFEE BILL (SENATE BILLS NO.10 OF 2023)

The Temporary Speaker (Sen. Wakili Sigei): Hon. Senators, I wish to report to the Senate that pursuant to Standing Order No.46(3)---

(Sen. Cherarkey stood at the Bar)

Hon. Senator, you may take your seat.

(Sen. Cherarkey sat at his place)

I received the following Message from the Speaker of the National Assembly regarding the passage by the National Assembly of the Coffee Bill (Senate Bills No.10 of 2023). The Message dated Friday, 29th November, 2024, was received in the Office of the Clerk of the Senate on Tuesday, 3rd December, 2024.

Pursuant to Standing Order No.46(4), I now report the Message. Pursuant to the provisions of Standing Order Nos. 41(1) and 144 of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly.

WHEREAS the Coffee Bill (Senate Bills No.10 of 2023) which was published as a Bill concerning county governments to provide for, *inter alia*, the regulation of the coffee industry in the country, was passed by the Senate on Thursday, 21st March, 2024, and thereafter referred to the National Assembly for consideration pursuant to the provisions of Article 110(4) of the Constitution;

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AND WHEREAS the National Assembly considered the said Bill and passed it with amendments on Wednesday, 27th November, 2024, in the form attached herewith;

NOW THEREFORE, in accordance with the provisions of Article 112(1)(b) of the Constitution and Standing Order Nos. 41(1) and 144 of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate.

Hon. Senators, Article 112(1)(b) of the Constitution provides that if one House passes an ordinary Bill concerning counties and the second House passes the Bill in an amended form, it shall be referred back to the originating House for reconsideration.

Hon. Senators, in this regard, I direct the Standing Committee on Agriculture, Livestock and Fisheries to deliberate on the National Assembly amendments and report to the Senate.

Further, pursuant to Standing Order No.165(1) of the Senate Standing Orders, I direct that the National Assembly amendments to the Coffee Bill (Senate Bills No.10 of 2023) be circulated to all Senators. At an appointed time, the Senate Business Committee (SBC) will schedule consideration of the amendments.

The House is accordingly guided. I thank you.

Clerk, you may call the next Order.

BILL

Second Reading

THE COUNTY ASSEMBLIES PENSION SCHEME BILL
(SENATE BILLS NO.14 OF 2024)

(Sen. Cheruiyot on 20.11.2024)

(Resumption of debate interrupted on 20.11.2024)

The Temporary Speaker (Sen. Wakili Sigei): Hon. Senators, for purposes of record, we have rearranged the Order Paper so that we go to Order No.18 for the convenience of the House.

I can see Senators who want to contribute. We will start with Sen. Cherarkey.

Sen. Cherarkey: Mr. Temporary Speaker, Sir, I would like to start by thanking the Senate. Under Article 96 of the Constitution, the role of the Senate is to protect devolution. One of the ways of doing so is by creation of legislative interventions to ensure that we continue nurturing devolution in this country.

Mr. Temporary Speaker, Sir, this County Assemblies Pension Scheme Bill is a clear milestone. You will remember when we took over, the County Governments Act was used in bringing devolution to fore and protecting it. However, there are many laws still not in place. For example, the Impeachment Procedure Bill which we tried to consider in the last session.

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We had the issue of financial autonomy by the county assemblies which we just concluded and voted for, where we gave financial autonomy to county assemblies so that they can do their work independently. They should have an equivalent of the Parliamentary Service Commission that we have.

This is a milestone by the Senate Majority Leader who sponsored this Bill to enhance the functionality of our county assemblies. We do not want our Members of County Assemblies (MCAs) to continue being like Public Relations (PR) officers for governors.

When we go to Narok, we want to see the MCAs do oversight without fear or favour. They depend on the County Executive Committee Member (CECM) for Finance to allocate resources for them to function. Just like MPs, after finishing their terms, MCAs should have an opportunity of getting pension because they are state officers. We need to correct historical injustices against MCAs.

Mr. Temporary Speaker, Sir, in the previous municipalities, we used to have councillors, and councillors did not have pension schemes. In the last session, we brought a Motion to request an honorarium or one payoff to councillors because they do not have pension schemes.

For example, more than 12,000 councillors across the nation, even from Nandi County, led by the Chairman, Mr Maritim, most of them are yet to get the resolution that we passed.

I remember in the last session, we passed the Motion, and it went to the National Assembly. I want to appeal to the Ministry of National Treasury and Economic Planning that they should pay all councillors their money because that is the little we can give them.

You have to appreciate municipalities and county councils are the bedrock and foundation of the current devolution it was at that level that we had municipalities and county councils that now most of the counties where we had Kipsigis County Council, where they used to have Bomet and Kericho. We had Nandi Hills County Council, Nandi County Council, Wareng' County Council, and even Nairobi here, we used to have Municipalities. Even in Lamu where my brother Sen. Githuku comes from, councillors were the baseline of where the devolution that we are enjoying came from.

Therefore, to correct the historical injustice towards leaders of mashinani, the Members, of County Assemblies (MCAs) to ensure we pass this law, to allow them to have a pension scheme, the way when you serve two terms and more, you can access your pension, and just like any other civil servant.

Every civil servant accesses a pension scheme. So, it is a basic right. It is not even supposed to be a privilege that anybody who has served, and you know serving as a politician is not in this country, is one of the most hazardous engagements that you will ever engage in.

It has a lot of occupational hazards; I will use that word, where you work for the people 24 hours, seven days a week; where the phone calls come from 6 a.m. to 6 p.m., from 6 p.m.; where you must handle every---

By the way, being a politician in this country and a leader is a very unique experience. You are exposed to everything. Even if you are not a doctor, you must know.

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I was in Kapsabet County Referral Hospital and it is in a pathetic condition. I hope the National Environmental Management Authority (NEMA) should close that hospital.

What I witnessed after I left Vihiga County, I drove immediately to the Kapsabet County Referral Hospital; that place smelled like death. The filth and the dirt where Governor Sang has run down completely that hospital. It cannot even qualify to treat an animal or even a sick dog.

That place, I noticed that even when you are inside the ward, you can smell death, dirt, and filth. You go to the toilets and the wards; I was shocked. I have never been traumatized in this life, even when I was arrested by the Subarus, this was the first time I came face to face with the incompetence of Governor Sang in terms of running down that county referral hospital.

There is no lighting, basic light is not there in the wards. There are no drugs; I was shocked. I want to encourage the MCAs to do proper oversight. The MCAs need to do oversight.

Can you believe in confidence some of the medical practitioners told me that they have to buy gloves; when they are treating patients at Kapsabet County Referral Hospital? When your patient walks in before the doctor, he will tell you, to go and buy gloves in the pharmacies in Kapsabet town, buy syringes, and buy masks. After the doctor has seen you, they tell you to go and buy drugs again from the pharmacy.

Where we saw a week ago, the Governor was launching only Kshs48 million worth of drugs, but most of those drugs are fluids and reproductive health drugs. Instead of the issue of HIV/AIDS prevention, he was launching other things, which I cannot say because of this parental-guided programme.

It is a parental guided programme that every Kenyan watching, and I do not want our Parliamentary Broadcasting Unit (PBU) to be sanctioned by the Ministry of Information and Communication Technology (ICT).

So, Mr. Temporary Speaker, Sir, there is a problem, and I hope the MCAs for Bomet County, Kericho, Embu, Narok, Lamu and the rest of the counties including Nairobi where the Nairobi City County Delegation is talking to you, we cannot be working hard to pass laws to give them powers, and yet, they are not doing oversight. We cannot.

We have given them financial autonomy. We are now giving them a pension scheme. We are giving them everything as the Bible says. When we met MCAs, the Senate Majority Leader knows because we go to County Assemblies Legislative Forum (CALF) where we are in Kisumu. One of the requests of the MCS was a pension scheme, and also the issue of financial autonomy.

The Bible says, if a child asks you for bread, you do not give them the stone. The MCAs asked for us, and we have delivered. The minimum requirement we want from the MCAs is proper oversight.

Mr. Temporary Speaker, Sir, you saw what happened in my county assembly, where an Ad Hoc report was being tabled, where the Governor Sang's administration could not account for 10 billion Kenyan shillings worth of the projects.

You saw that the County Assembly went into *sine die*; it is very unfortunate. I want to thank the 19 MCAs, led by Kapsabet Ward MCA, who did an Ad Hoc report.

You see on the paper in Kapsabet, that the project is complete, but the background *vitu ni* different. You go to the Kakiptui dispensary, somewhere in the Mosul sub-county; A Kakiptui dispensary was constructed with Kshs450,000. The governor's administration, or maladministration, went and renovated the same dispensary with over Kshs3 million. Even in Kakiptui, the borehole that Kshs3 million was used is only giving Kutu water; the water that has rust; dirty borehole water yet, over Kshs3 million was spent.

I was in the Kapsabet New-Born and Mother Unit, even the one in Kabiet which has consumed over Kshs1 billion, if the MCAs can assist us in doing proper oversight in Mashinani, I can tell you the devolution will flourish.

You do not have to wait for Sen. Wakili Sigei Segei to visit. I saw you, and I hope you wore protected gear. I saw you in some swamp, and you were trying to show us whether a hole has been dug for water in that region.

You do not need Sen. Wakili Sigei to go up to that level. Where is the area MCA? It is the primary oversight; that is what they need to do. Even when I see an MCA in Kapsuser Ward, in Kericho County, trying to talk about the role of Senator, he cannot oversight the project in Kapsuser Ward, He cannot tell us what happened to the Mananasi factory that was supposed to be constructed.

Unfortunately, we fight for the MCAs but you do not want to support us in doing proper oversight. I want to challenge them. I even expect a statement from the MCAs of the Narok County Assembly.

I saw the governor had the biggest convoy that even President William Ruto does not have, and that vehicles that were being driven were going to launch something that is not even worth more than Kshs5 million; flying were choppers. I wish Sen. Olekina was listening to this. I do not know whether the budget of Narok County can sustain the use of chopper by the governor. It cannot.

A governor is flying with a chopper all over. It does not make sense in this country, and that is why Kenyans sometimes no longer have confidence in our people.

I saw a governor saying when he was being elected, he was a poor man.

In 2027, he will be laying the money on the ground, and the Senate Majority Leader was smiling and clapping. I do not know whether he could be the beneficiary or not.

(Laughter)

We should not allow counties to look like it is an enrichment centre where, when somebody is elected a governor, the only motivation is to steal and plant account resources.

So, when we see the Governor of Narok County flying around in choppers, I wonder if the money for that fuel, and the hiring of those choppers, if it can be put to the people of Narok County, they will get ECDE centres, and they will also get clean waters.

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I think the reason Governor Ole Ntutu, flies around in a chopper is because he has not made roads. There are no roads and the only way he will fly around is by a chopper. I normally see him and the Senator driving at night, not because he wants to function at night, but because the roads are impassable and he gets stuck all the time.

Mr. Temporary Speaker, Sir, the Members of the County Assembly (MCAs) must do proper oversight. That is my request. We are doing the pension scheme and have given them financial autonomy. I want to warn the MCAs because I have been their champion. There is an unholy alliance that the governors and MCAs are doing nowadays. I do not know whether that disease is in Bomet County. However, it is in Nandi and Lamu Counties.

The MCAs are going into unholy alliance and sleep in one bed. Can you imagine some MCAs are given contracts by the same governor? That will always affect the oversight. That is what we call conflict of interest. I have a number of MCAs who are transporters within the county government. For example, you will find that the transporter in Kaimosi Tea Estate Limited is an MCA. They are doing business with the county. In fact, when the Ad-Hoc Report came, most of the MCAs who objected it were mentioned as contractors.

I associate myself with the incoming Chairman of the African Union (AU), the Rt. Hon. Raila Odinga, when he says it is very unfortunate that when a President goes to launch a project, the contractor is a Member of Parliament (MP). It will blind our oversight role. I ask Members of the National Assembly, as they are busy bashing the Senate, they should not be the contractors in some of these projects that we see.

I do not know whether Bomet County has such a challenges where you find an MCA as a contractor. How will they oversight the governor? I appeal to the MCA to choose what they want to be. If someone wants to be a leader, let them be a leader and if one wants to be a contractor, let them be a contractor. However, if you want to be a Public Relations Officer (PRO) of a governor, resign from being an MCA and go and be a PRO at the county.

I felt sad when I walked to a function in Nandi County and found an MCA speaking on projects that even the governor is not aware and praising the governor and doing a PR stance. This is done across all the other 46 counties. We can work concurrently with MCAs without conflict of interest.

On the issue of pension scheme, as I have said, I want to thank the Senate Majority Leader for bringing this Bill. There is a small matter on the personal emolument, salaries, stipends and mileage allowances of MCAs.

I thank the President profusely for appointing one of my voters from Kapkoros in Terik Ward to be the Chairperson of the Salaries and Remuneration Commission (SRC). I ask Members of the National Assembly to speedily approve the new SRC team. My message to the new SRC team is that they need to look at the salaries, emoluments, mileage allowances and welfare of MCAs across the country.

I hope that our MCAs will do their job after we have given them financial autonomy, pension scheme, better salary, mileage, emoluments and welfare. It will be a mockery to this House if we have worked hard through the Senate Majority Leader to

have financial autonomy, pension scheme, improved salaries, welfare and emoluments for MCAs, then they do not do proper oversight.

I am speaking to all MCAs from Nandi, Bomet, Kericho, Narok, Lamu, Embu, Kirinyaga, Siaya, Homa Bay Counties and all the counties, including Turkana County, where a form four graduate is giving out drugs and the Health Committee of Turkana County Assembly cannot go and visit. I am appealing to them that we cannot be working hard and then they let us down.

I hope that in the next Legislative County Assemblies Forum (CAF), we will call it out as it is so that we ensure we put these things in place. The SRC should work towards it.

I appeal to Members to support this Bill. We will ensure our county assemblies become stronger, more vibrant and independent. Going into the future, they shall have the ability so that all these issues, even the construction of county assembly headquarters are completed and are functional.

With those very many remarks, I support this Bill. I appeal to our sister House, the junior House, the National Assembly, to fast-track this Bill when we pass it. I do not think there are a lot of issues with it, it is a direct bill.

The Temporary Speaker (Sen. Wakili Sigei): Thank you, Sen. Cherarkey. The particular project you referred to in Bomet County is called Ulusik. The Governor, on national Television (TV) and radio, told the people that it was completed. This project is in Mutarakwa Ward, Bomet Central Constituency where over Kshs4 million went to waste.

Hon. Members, I now invite Sen. Olekina to make his contributions to this particular Bill.

Sen. Olekina: Thank you, Mr. Temporary Speaker, Sir. On a lighter note, I was trying to follow the contribution of my colleague, Sen. Cherarkey, and I was a bit confused because I did not know whether this Bill would now give Members of County Assemblies (MCAs) or the county assemblies money. He said you should not be waiting for County Executive Committee Members (CECMs) to give you money. He also continued to address other important issues.

It is always interesting when you sit down here to listen to the Senator. Even if you were dozing you cannot continue because he will say something very drastic that will just get you up.

This issue of pension is very pertinent. As Parliament, we must also consider putting some form of discipline into the issue of pension schemes. I know my good friend, the Senate Majority Leader, means well by looking at a way of establishing a pension scheme that will take care of the interests of all county assemblies and their staff. However, I am afraid that my good friend is just opening up a can of worms.

In the last Parliament where I sat with him, we were trying to collapse the two; Local Authorities Provident Fund (LAPFUND) and Local Authorities Pension Trust (LAPTRUST) into one scheme. The amount of lobbying and fights that we got, did not get us anywhere. Earlier, there was a statement which was brought by Sen. Faki that raised serious questions in terms of the management of pensions.

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I would like to beseech the Senate Majority Leader that as we debate this Bill, we should also put some form of discipline in this issue of pension schemes---

(Sen. Githuku consulted loudly)

The Temporary Speaker (Sen. Wakili Sigei): Order Sen. Githuku.

Sen. Olekina: How do you work? Sen. Cheruiyot has said that the retirement age should be not less than 50. In other jurisdictions, people do not even talk about retirement because the older you get, the wiser you become. However, in this country that we live in, because of the demand for jobs, people are encouraged to take early retirement. They are encouraged to go home and do something else to give room to the younger generation to take up positions.

The important thing is for us to find a way of not over-legislating. That has always been one of my biggest pet peeves. Sometimes I feel like we over-legislate. We create jobs for people but then there is indiscipline in the management of these pension funds.

Some people sell their cows and mortgage their houses to come to the National treasury to follow their pension. Every so often you find people walking around there.

There is a gentleman called Peter Karanja. Peter Karanja one day met me at a Kenya Commercial Bank (KCB). He told me that he needed to speak to Mr. Kiliu because of his pension. Every single day, Mr. Karanja calls me, I connect them with Kiliu, but he is still complaining that his money has not been paid.

This is a man who is over 80 years old and he has got his calculation properly. The Majority Leader, what I wanted you to include in this Bill is to clearly put a mechanism whereby if a staff of the county assembly retires today, which is December 3rd, by January 3rd, when he is supposed to be getting a salary, he can be able to draw down on his pension. However, right now, you cannot really say we have anything like that.

Consequently, with all these pension schemes, we are going to fight them now. I can guarantee you we are going to pursue them and demand audits on how they spend their money. Most of them are now busy building apartment complexes and buying assets all over. This also includes looking at how much county government owes them in penalties and interest, so that they can go and negotiate on what they are now calling asset swaps.

I would like to beseech my dear colleague, the Majority Leader, to be able to bar any sort of interest when it comes to remunerations or deductions not having been forwarded. This is a cycle. I do not believe that county governors intentionally decide not to remit the deductions. The truth of the matter is, because sometimes money is delayed from the exchequer to the accounts.

This is a Human Resource (HR) process where you know this is your gross salary and these are your deductions, so it is done. Most of the time people's salaries delays. Sometimes even we ourselves in this Parliament delay getting our salaries and sometimes our staffs do not even get their salary until two weeks. That is a reality.

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The KRA at times charges us penalties for us not having paid to KRA the deductions. Nonetheless, the truth of the matter, the exchequer has delayed. Therefore, I would like to request that in the event that there is proof that there is a delay from the exchequer, county assemblies should not be punished. They should not be charged any interest or penalties. I would like to request that you relook at your Penalty Clause and Interest Clause. You can choose to eliminate, so that we can do God's work properly and ensure that people retire honourably.

Furthermore, we can also ensure that our county assemblies are not pushed to making deals by swapping their assets, so that they can be able to clear this interest and penalties. As we sit in this Parliament today and deliberate on this county assemblies pension scheme, it is also important for us to consider other distinguished men and women who have served this country.

We have got people like the Auditor-General, for instance. There is a day I met with the former Auditor-General Mr. Ouko. Auko said, I have served this country for many years. I have gone into retirement and guess what? I do not even have a pension. I am sure the Attorney General will probably say the same thing or something different.

There is a Bill in the last Parliament that I introduced here. However, when I introduced that Bill, I was forced to withdraw the Bill. It was the retirement scheme of the former Vice-Presidents, former Prime Minister and other designated officers. That issue was set aside.

If we are being honest, that we want to make sure that for the time God has given us on earth, when we serve as public officers, continue enjoying our remunerations and when we retire, I should not have to sell my cows to pursue for me to be paid pension.

I would like to request the Senate Majority Leader, to look into that and consider it. There is one other thing that makes it difficult for pension schemes to be managed effectively. This has to do with the establishment of the Board. I can see this Bill, when I perused through it, says that for them to call a meeting, six Board members must be able to sign, so that the Chairman can be able to call a meeting.

The relationship between the Chief Executive Officer (CEO) and the Chairman must be clearly defined. Who is more powerful? Is it the Chairman of the Pension Scheme or the CEO? That way, it is easier. You are there to do God's work and make sure that Kenyans who served diligently and gave their sweat and blood, when they retire, they continue being honourable. I think that it might even be a recipe for ending corruption in this country.

Sadly, Mr. Temporary Speaker, Sir, you will find that Kenyans who work diligently, go to work every day, 8.00a.m. to 5.00p.m, for instance teachers and staffers at the Assembly, the day they retire and hold a party to celebrate, that will be the last day they will be able to enjoy any money coming to them, having served for a long time.

Mr. Temporary Speaker, Sir, I would like to beseech that my good friend focuses on how the retirees will be able to access their funds.

As a matter of fact, if today you ask me whether there is a set amount for civil servants who have worked and their money has been deducted from their salaries and forwarded to one of these pension schemes, like the local Authorities Pensions Trust

(LAPTRUST) or Local Authorities Provident Fund (LAPFUND), how is that set amount of money determined, yet, these schemes are busy investing?

We should come up with a scheme whereby, we are able, and I will bring up a Statement here or a Motion to investigate these retirement schemes to see how many members they have. For instance, if you have 10,000 members, how are you paying these 10,000 members? Are you paying the 10,000 members based on a scheme or a particular amount that you have set that they will receive for the rest of their life, or are you paying them based on how much you are making from your investments?

If you take Kenya Power and Lighting Company as an example, I know their retirement scheme agency has built houses in Karen. Those houses are being sold for about Kshs103 million. Many cabinet secretaries have bought those houses.

Those houses belong to that pension scheme. However, who is benefiting when the payments are being made? Is a staffer of Kenya Power, who has contributed to that scheme benefiting from the money, which the scheme is getting after they have sold those houses?

We need to be a bit objective. We also need to know that through these schemes which are being introduced, that we sit here and pass laws to establish them, we are not creating jobs and something which in Britain they call a hole in the wall, like an Automated Teller Machine (ATM) for the CEOs and the Board members always to be milking it, going in there and just getting money.

It will be prudent for us to know as a country, when the amount of money contributed by the assemblies is transferred to this new scheme which is being proposed by the Senate Majority Leader, what does the balance sheet say? How much has been deducted from their salaries? How is that money being transmitted and what benefits are they getting?

Mr. Temporary Speaker, Sir, I know most of us are businessmen and women here. You know well that if you invest about a million shillings. You expect to get a minimum of 30 per cent in terms of profit.

Over time, maybe you have worked for 30 years. Those 30 years that you have worked for, how much can you equate it for? If money has been deducted from your salary and put in that pension scheme, has that money remained as Kshs10,000, or has that money been used by the management of that scheme to do business? It is money you are lending them and not putting it in an escrow account so you can get that money tomorrow.

We want to ensure that you continue living a good life. So, unless we rain down on these pension schemes, we will not be doing anything. We will just be creating jobs for a Chief Executive Officer, for a chairperson or our friends who become members.

When you look at Clause 24(5) of this Bill, I will read it-

“Upon commencement of this Act, contributions required to be made under subsections (1) and (3) shall be deducted by a sponsor from the salary of the member in each month on which the salary is paid and shall be paid into the Scheme together with the sponsor’s contribution before the tenth day of every calendar month or before any other day which may be notified in writing and approved by the Authority.”

I wish that the Senate Majority Leader would expound on this section. It should state that the authority shall take cognisance of the fact that sometimes the exchequer delays in remitting the money. I can see the time is running up, and you are trying to eat into my time. But it is okay.

I wish that, my dear friend will, on this particular last sentence, which I am going to try and highlight, where you say that, “or any other day which may be notified in writing or approved by the authority.”

You should go back to the function of the authority and indicate that they have to be cognizant of the delays by the exchequer. In fact, even editing this Clause could be “that upon receipt of the money by the assembly from the exchequer” because that is something you can prove.

Today, we are here debating. We are still waiting. I am sure you are going to table CARA so we can divide the money among the 47 counties. I will finish with this one point because I know you really want to table CARA.

Senate Majority Leader, change this Clause. Please make sure that we deny these pension schemes the interest and the penalties that they are using around to say that, for instance, Manderu County owes them Kshs6 billion. Yet, maybe the principal amount is only Kshs20 million. The amount of money they are using to go into counties and agree on asset swaps is based on that interest and penalty.

Finally, as I promised, I will bring a Motion to this House to audit all these pension schemes to get value for money. For all teachers who are retired, even previous Members of the County Assemblies who have retired, their money, either money which has been paid to the National Security Social Fund (NSSF), money paid to Lap-Fund or Lap-Trust, has to be calculated based on the amount of benefit that those schemes have gotten using that money.

Hypothetically, if someone has contributed about Kshs3 million based on their work, what is the value of that Kshs3 million compared to how much these schemes have benefited from that Kshs3 million? It cannot be that the schemes have billions of shillings worth of properties, yet their contributors are languishing in poverty.

I support.

The Temporary Speaker (Sen. Wakili Sigei): Thank you, Sen. Olekina. Hon. Senators, there being no other Member desirous of contributing to this particular Bill, I call upon the Mover to reply.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Temporary Speaker, Sir, I really appreciate colleagues who have taken time to speak to this Bill. They have talked about how we can better manage the pension schemes of our county assemblies.

Sen. Ledama, you raised valid concerns about what we do with our pension funds both for county assemblies and public servants. They are managed under something called superannuation. There is an Act for that.

Sen. Ledama, you can bring a Motion for an audit of these institutions and the payout they make. That will be fine. For this particular one for county assemblies, we can address many of the issues that you raised by way of amendments because this is just the Second Reading and we are hearing thoughts about it.

We are just trying to ensure that the same way when you and I eventually retire from this House, because you have served your second term, Sen. Ledama, one day you will earn a pension. At least you will have some comfort. We have made life so comfortable for us.

I do not think it is going to work. I was going to mention that we had even secured a medical scheme for retired MPs. I have remembered that SHA does not have exclusions and that kind of deal with institutions.

(Sen. Olekina spoke off record)

I can assure you they do not. We were present when the presentation was being made today. The reason they cannot have that is because it is a single benefit for all Members regarding standardisation of the cost and what you need to pay.

Mr. Temporary Speaker, Sir, I propose that colleagues who have thoughts on how we can improve this to ensure that MCAs live decent lives, unlike those who served in the defunct local authorities--- When you meet many of our former councillors, they keep on calling us and saying that they did their bit to serve the country. They tried whatever they could to make this station a better place but unfortunately, they have been left out in the cold.

I urge colleagues that when we get to read the report of the committee, we should still play around and consider what we can do better. We do not have to take MCAs to a new pension scheme. We may reduce this and ensure that there is a criterion upon which you determine how and where they get their pension services and set a high bar for them.

Therefore, Mr. Temporary Speaker, Sir, with those many remarks, I beg to reply and thank colleagues who have contributed. In accordance with Standing Order No.66(3), I request that you defer putting of the question until a further date.

I thank you.

The Temporary Speaker (Sen. Wakili Sigei): Thank you, Senate Majority Leader. In regard to the application made, putting of the question on this particular Bill is deferred to the next sitting of this House.

(Putting of the question on the Bill deferred)

I call upon the Chairperson of the Committee on Finance and Budget, Sen. Roba, to table the report that he has.

PAPER LAID

REPORT OF THE PRESIDENTIAL MEMORANDUM ON REFERRAL OF THE COUNTY ALLOCATION OF REVENUE BILL (SENATE BILLS NO. 25 OF 2024)

Sen. Ali Roba: Mr. Temporary Speaker, Sir, I beg to lay the following Paper on the Table of the Senate, today, 3rd December, 2024-

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Report of the Standing Committee on Finance and Budget on the consideration of the Presidential Memorandum on Referral of the County Allocation of Revenue Bill (Senate Bills No.25 of 2024).

(Sen. Ali Roba laid the document on the Table)

ADJOURNMENT

The Temporary Speaker (Sen. Wakili Sigei): Hon. Senators, you may rise.

(Several Senators stood up in their places)

Hon. Senators, it is now 6.30 p.m., time to adjourn the Senate. The Senate, therefore, stands adjourned until tomorrow, Wednesday, 4th December, 2024, at 9.30 a.m.

The Senate rose at 6.30 p.m.