



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

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THE HANSARD

Tuesday, 25th February 2025

The House met at 2.30 p.m.

[The Speaker (Hon. Moses Wetang'ula) in the Chair]

PRAYERS

QUORUM

Hon. Speaker: Serjeant-at-Arms, ring the Quorum Bell. It is clear we have no quorum to transact Business.

(The Quorum Bell was rung)

Order, Hon. Members, we now have a quorum. Clerk-at-the-Table, proceed.

PAPERS

Leader of the Majority Party.

Hon. Naomi Waqo (Marsabit County, UDA): Hon. Speaker, I beg to lay the following papers on the Table:

1. Legal Notice No. 9 of 2024 relating to the Capital Markets (Coffee Exchange) (Fees) Regulations, 2024, Explanatory Memorandum and evidence of stakeholder engagement from the National Treasury and Economic Planning.
2. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2024 and the certificates therein in respect of: -
 - (a) Agricultural Sector Development Support Programme II (SIDA GRANT NO. 51110109);
 - (b) Hybrid Generation of Off-Grid Power Systems Credit No. CKE 1066 01 L- Kenya Power and Lighting Company PLC;
 - (c) Horn of Africa Ground Water Resilience Project- Kenya Credit No. 7082-KE – Water Sector Trust Fund;
 - (d) East Africa Skills for Transformation and Regional Integrated (EASTRIP) Credit No. 6334- Kenya Electricity Generating Company PLC;
 - (e) Prisons Industries Revolving Fund;
 - (f) State Department for Cabinet Affairs;
 - (g) Kenya Education Management Institute;
 - (h) Commission for University Education Staff Loan and Mortgage Scheme/Fund;
 - (i) Kenya National Commission for UNESCO Mortgage and Car Loan Scheme;
 - (j) Kenya National Commission for UNESCO;
 - (k) State Department for Shipping and Maritime Affairs;
 - (l) The Kenya Scouts Association;
 - (m) Prisons Farms Revolving Fund;

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- (n) State Officers House Mortgage Scheme Fund - State Department for Housing and Urban Development;
- (o) Meru National Polytechnic;
- (p) Financial Inclusion Fund (Hustlers Fund);
- (q) Universities Fund;
- (r) Kenya Literature Bureau Mortgage and Car Loan Scheme;
- (s) National Intelligence Service;
- (t) Tourism Regulatory Authority;
- (u) Office of the Controller of Budget;
- (v) Office of the Controller of Budget Staff Mortgage and Car Loan Scheme;
- (w) Competition Tribunal;
- (x) State Department for Lands and Physical Planning;
- (y) State Department for Environment and Climate Change; and
- (z) National Environment Trust Fund (NETFUND)
- (aa) Nyambene Level 4 Hospital;
- (bb) St. Marks Kigari Teachers Training College;
- (cc) Miathene Sub County Hospital;
- (dd) Railway Development Levy Fund -Holding Account – State Department for Transport;
- (ee) Engineers Board of Kenya – State Department for Roads;
- (ff) Chuka University;
- (gg) Meru Teachers Training College;
- (hh) Meru County Teaching and Referral Hospital;
- (ii) Meru University of Science and Technology;
- (jj) National Land Commission;
- (kk) Kisumu Urban Project (Cash Expenditure Fund)- CKE 1035.01.G;
- (ll) State Department for Public Service;
- (mm) State Department for Public Works;
- (nn) State Department for Wildlife;
- (oo) State Department for Transport;
- (pp) Nairobi Metropolitan Area Transport Authority;
- (qq) Independent Electoral and Boundaries Commission Staff Mortgage and Car Loan Scheme;
- (rr) Stores and Services Fund- State Department for Public Works;
- (ss) TVET Curriculum Development Assessment and Certification Council (TVET CDACC);
- (tt) Water and Sanitation Development Project (IDA CREDIT NO.60290 AND 60230-KE)- State Department for Water and Sanitation;
- (uu) State Department for Information Communication Technology and Digital Economy;
- (vv) ASAL Rural Roads Project Credit No. CKE 117 01- Kenya Rural Roads Authority;
- (ww) Roads Annuity Fund- State Department for Roads; and
- (xx) Commission on Revenue Allocation.

Thank you, Hon. Speaker. I beg to lay.

Hon. Speaker: Thank you, Hon. Naomi. Next Order.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

Hon. Christopher Aseka.

SCRAPPING APPLICATION FEES FOR IDENTITY
CARDS ISSUANCE FOR FIRST-TIME APPLICANTS

Hon. Christopher Wangaya (Khwisero, ODM): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding scrapping the application fees for issuance of identity cards.

Every Kenyan is entitled to the issuance of a national identification card upon attainment of maturity at the age of 18. Possession of the ID card is especially critical in facilitating the Kenyan youth's access to basic services such as university and college funding, employment opportunities, recruitment to the disciplined forces, and enrolment for financial services such as M-Pesa and banking.

Sadly, the Government's requirement for payment of a mandatory application fee of Ksh300 is hindering many teenage first-time applicants from acquiring national identity cards. Clearly, at the age of 18 years, teenagers applying for identification cards do not have an income of their own to pay fees and meet other related costs, such as convenience fees charged by Huduma Centres. Additionally, teenagers who do not have parents or guardians to pay the application fees for them fail to apply for identification cards due to the cost implication. As a result, most young people are not only delayed from timely access to opportunities requiring identity cards but also the enjoyment of their inherent identity as citizens of Kenya.

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

1. A report on the justification for the introduction of application fees of three hundred Kenya shillings for issuance of national identification cards to first-time teenage applicants who do not have an income; and
2. The immediate actions being taken to scrap the fees chargeable for first-time teenage applications to eliminate the prohibitive financial obligation hindering many eligible teens from obtaining the critical identification document.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you.

Departmental Committee on Administration and Internal Affairs. Hon. Tongoyo. Who is a member of the Committee? The Leader of the Majority Party, tell the Chairman of the Departmental Committee on Administration and Internal Affairs to bring a response in two weeks.

Next is Hon. Lelmengit Josses, Member for Emgwen.

RECRUITMENT PROCESS BY THE TEACHERS SERVICE COMMISSION

Hon. Josses Lelmengit (Emgwen, UDA): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order 44(2)(c), I wish to request a Statement from the Chairperson of the Departmental Committee on Education regarding the recruitment process by the Teachers Service Commission (TSC).

Article 232 of the Constitution provides the values and principles governing public service, which include accountability for administrative acts, transparency, diversity, and merit-based recruitment. Further, Sections 4 and 18 of the TSC Act (Cap. 212) require the TSC to be guided by constitutional principles and that staff appointments adhere to prescribed ratios,

including ensuring gender balance, inclusion of persons with disabilities, and regional and ethnic diversity. Despite these express legal provisions designed to ensure transparency and fairness in recruitment processes, concerns have emerged regarding potential irregularities in recruitment by TSC. These concerns raise questions regarding adherence to the set guidelines.

It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Education on the following:

1. A report on procedures used by TSC in the recruitment of administrative positions, including clerks and other support personnel.
2. A report listing all staff employed by TSC in the Financial Years 2021/2022 to 2024/2025, including gender distribution, regional representation, and persons with disabilities.
3. Copies of documentation of all public advertisements and recruitment notices issued by TSC during the specified financial years.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Josses.

Chairperson of the Departmental Committee on Education, Hon. Melly. Any member of the Committee? Hon. Mong'ina, tell your Chair to bring a response in two weeks.

Hon. Waithaka Machua, Member for Kiambu, you have the Floor.

OUTBREAK OF MARBURG VIRUS

Hon. John Waithaka (Kiambaa, UDA): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order 44(2)(c), I wish to request a Statement from the Chairperson of the Departmental Committee on Health regarding the recent outbreak of Marburg virus disease in the region.

Marburg virus disease is a rare but severe illness caused by flying bats and transmitted through human contact. It shares similarities with Ebola, a viral disease. According to the World Health Organisation (WHO), the Marburg disease has a case fatality rate of up to 98 per cent. On 20th January 2025, the Government of Tanzania, in collaboration with WHO, confirmed an outbreak of the disease in Tanzania, our neighbour. This implies that we are vulnerable owing to the ease of movement of persons within the region. Currently, there are no vaccines or treatments for the disease, and management relies solely on early intensive supportive care. Given our recent experience with COVID-19, there is an urgent need to put in place preventive measures to address this outbreak in the region.

It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Health on the following:

1. The immediate measures that the Ministry of Health has taken to prevent the spread of Marburg virus disease into the country.
2. Strategies developed by the Government to ensure preparedness for disease outbreaks, including enhancing early detection systems and health awareness initiatives.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Chairman of the Departmental Committee on Health, how much time do you need to bring a response?

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker. I will give a response in two weeks.

Hon. Speaker: Two weeks it is. Thank you. Next is Hon. Kwanjiku John, Member for Kiambaa.

Hon. Njuguna Kwanjiku (Kiambaa, UDA): Thank you, Hon. Speaker. Pursuant to the provision of...

Hon. Ruku GK (Mbeere North, DP): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Ruku?

Hon. Ruku GK (Mbeere North, DP): Hon. Speaker, the Chairman of the Departmental Committee on Health, Hon. Pukose, does not respond to requests for Statements by the time stipulated. I have a request for a Statement which has lasted for the last three months. He always says: 'Next week.' Can he be firm in responding to the requests for Statements by Members?

Hon. Speaker: He has heard you. Chairman, you shall not be heard to keep saying: 'Next week.' You do not need to respond.

Hon. (Dr) Robert Pukose (Endebess, UDA): On a point of order, Hon. Speaker. The Member is out of order. He says he asked for a statement three months ago when we were in recess. He needs to understand that his request lapsed with that session. Therefore, there is no Statement to demand. The Member does not understand the procedures of the House. He is complaining of a request that lapsed with the session of the House.

Hon. Speaker: The better thing is that you are a third term. Mentor and guide him.

Hon. (Dr) Robert Pukose (Endebess, UDA): Yes, I will.

Hon. Ruku GK (Mbeere North, DP): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Ruku.

Hon. Ruku GK (Mbeere North, DP): Hon. Speaker, you gave directions. I am not even talking about three months. It has been more than three months since I requested a Statement. Your directions are not in vain, unless this House has become a House where directions are given in vain. The matter is extremely important. A week ago, I raised the same matter about the payment of the National Social Security Fund (NSSF) dues to families affected by COVID-19 and the superannuation scheme of the civil service. The Committee should be able to respond unless we have stopped caring about Kenyans. The Committee should not let Kenyans down.

Thank you.

Hon. Speaker: We will not allow them to do so. Check with the Clerk.
Go on, Hon. Kawanjiku.

DISPUTED OWNERSHIP OF LAND BELONGING TO WILSON MITUMBA WOMEN'S GROUP

Hon. Njuguna Kawanjiku (Kiambaa, UDA): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order 44(2)(c), I wish to request a Statement from the Chairperson of the Departmental Committee on Lands regarding disputed ownership of land with registration LR No. 209/14582 located in Lang'ata belonging to Wilson Mitumba Women's Group.

Wilson Mitumba Women's Group is a social help group established in the late 1980s. It is the bonafide registered owner of LR No. 209/14582 located in Lang'ata, having obtained their title on 1st November 1990. However, in 2005, the police evicted the founding members of the group and occupied the land on which they built the West Park Police Post. Over the years, the group has staged demonstrations pleading with the police to cede back their land without success. The police are claimed to have been using intimidation tactics against the group, such as incarceration and malicious prosecution of leaders of the group with forgery and trespass cases, which they have since lost in court.

In accordance with the provision of Article 67(2)(e) of the Constitution, the group sought the assistance of the National Land Commission (NLC), which concluded its investigations in 2016. In a letter dated 13th September 2016, the Commission ascertained that the group was allocated LR No. 209/14582 on 1st November 1990, which they duly paid for on

26th November 1990. The title was issued to the group on 1st December 1990 for 99 years from 1st November 1990.

Hon. Speaker, it is against this background that I request a Statement from the Chairman of the Departmental Committee on Lands on the following:

1. Reasons the police are still in occupation of the said parcel of land, despite the National Land Commission (NLC) affirming that the Wilson Mutumba Women's Group is the legitimate owner of the land.
2. Report on the status of implementation of the recommendations of the NLC following its investigations concluded in 2016.
3. Specific timelines on when the police will vacate the land and revert it to Wilson Mutumba Women's Group to accord the legitimate beneficial owners their right to property.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Kawanjiku.

Chairman of the Departmental Committee on Lands. Hon. Wario, are you a Member of the Committee? Give him the microphone. How much time do you need to bring the response?

Hon. Ali Wario (Garsen, ODM): Thank you, Hon. Speaker. Due to the complexity of the matter, we request for two weeks.

Hon. Speaker: I do not see anything complex in what he has said. Just bring the response in two weeks.

Next is Hon. John Waluke, Member for Sirisia. Use the next microphone.

DECLINE IN PERFORMANCE OF THE TOURISM SECTOR

Hon. John Koyi (Sirisia, JP): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request a Statement from the Chairman of the Departmental Committee on Tourism and Wildlife on the decline of performance of tourism sector in the country.

Tourism is a critical sector that contributes significantly to Kenya's Gross Domestic Product (GDP), employment, and foreign exchange earnings. Kenya is renowned globally for its diverse wildlife, cultural heritage and breathtaking landscapes, positioning it as a prime destination for international tourists.

Our tourism sector has been experiencing a serious performance decline in recent years, with a marked reduction in international tourist arrivals. Our neighbouring countries—including Tanzania, Uganda, and Rwanda—have surpassed Kenya in attracting tourists due to more competitive prices, including significantly low park fees and enhanced infrastructure development.

High park fees in Kenya have been identified as a key deterrent to potential tourists, particularly compared to similar regional destinations. The trade undermines Kenya's ability to compete as a leading tourist destination, thereby affecting revenue, livelihoods and conservation of our equal diversity.

It is against this background that I seek a Statement from the Chairman of the Departmental Committee on Tourism and Wildlife on the following:

1. Competitive tourist policy pricing models and marketing approaches of neighbouring countries and other global leads in tourism.
2. The impact of the decline in tourism on the economy's Micro, Small and Medium Enterprises (MSMEs) operating in the sector, local communities and conservation efforts.
3. Sustainability measures to reverse the decline and position Kenya competitively as a prime tourist destination.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you.

Chairman of the Departmental Committee on Tourism and Wildlife, Hon. Kareke. Is there any Member of the Committee? Leader of the Majority Party, inform Hon. Kareke Mbiuki to bring the Statement in two weeks.

Hon. Members, allow me to acknowledge the following institutions in the House in the Speaker's Gallery:

1. Mabetex Group, Switzerland, courtesy of Hon. Phelix Odiwuor, Member for Langata Constituency, Nairobi County.
2. Kapkisiara Girls High School from Bureti, Kericho County.

In the Public Gallery, we have Kirigo Secondary School from Mbeere North, Embu and St. Clare Girls High School from Gatundu South, Kiambu County. Hon. Ruku has requested that I allow him to welcome the school from his constituency. Do so to all other institutions on behalf of the House.

Hon. Ruku GK (Mbeere North, DP): Thank you, Hon. Speaker. I take this opportunity to welcome all the schools which have visited this honourable House to learn how the affairs of the National Assembly are conducted. Kirigo Secondary School is one of the 47 secondary schools in Mbeere North Constituency. It is a day secondary school that operates in a very harsh environment, a semi-arid area. When you look at its performance, I am proud of its academic improvement as a Member of Parliament. However, they still have a huge task to do moving forward. We expect them to register a considerable improvement in their academic performance this year. We look forward to producing Members of Parliament in future from the students who are here. As your parents, we and the Government of the Republic of Kenya are investing in you. Please do not let the investment go to waste. We thank and pray for you.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. We will end there. Hon. Tindi Mwale, Member for Butere.

REMOVAL OF CHAIRPERSON OF THE UNIVERSITY OF NAIROBI COUNCIL

Hon. Nicholas Mwale (Butere, ODM): Thank you, Hon. Speaker.

Pursuant to the provisions of Standing Order 44 2(c), I rise to request a Statement from the Chairperson of the Departmental Committee of Education regarding the removal of Professor Amukowa Anangwe as the Chairperson of the University of Nairobi Council. On 21st February 2025, the Cabinet Secretary for Education revoked the appointment of Professor Amukowa Anangwe as the Chairperson of the University of Nairobi Council. The revocation followed mounting pressure from the University's Academic Staff Union (UASU), which issued a seven-day ultimatum demanding his removal.

Notably, the Vice-Chancellor of the University of Nairobi expressed concern about the demands by UASU, stating that all decisions made by the Council underwent all lawful channels before implementation.

Article 47 of the Constitution of Kenya provides that every person has the right to fair administrative action. Unfortunately, the revocation of the appointment of Professor Amukowa Anangwe appears to have been processed without granting him the opportunity to respond to the allegations.

It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Education on the following:

1. The specific reason that led to the dismissal of Professor Amukowa Anangwe from his position as Chairperson of the University of Nairobi Council.

2. A report on the actions taken by the Government to authenticate the claims raised by the University's Academic Staff Union regarding alleged interference in internal operations in the University of Nairobi.
3. A report on the procedures that were followed by the Government, including the steps taken to provide Professor Amukowa Anangwe with an opportunity to respond to the allegations made by UASU before the revocation of this appointment.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Tindi Mwale.

Chairperson of the Departmental Committee on Education. Hon. DK, what is it?

Hon. David Kiplagat (Soy, UDA): Thank you, Hon. Speaker. Hon. Tindi Mwale has aroused what I asked in my Statement last year, which is yet to be responded to, regarding how the Chairman was mismanaging the University. We are happy that the revocation has been done. It is completely out of order for him to claim that UASU started the whole thing. I am still waiting for a response to my Statement.

Thank you.

Hon. Speaker: Order, Hon. DK. You are the one who is out of order. Hon. Melly.

Hon. Julius Melly (Tinderet, UDA): Thank you, Hon. Speaker. The Member for Soy is completely out of order. We responded to his Statement here, and as the Departmental Committee on Education, we visited the University of Nairobi and found a number of issues.

Hon. Speaker: Order, Hon. Melly. He has requested a Statement. When will you bring the response?

Hon. Julius Melly (Tinderet, UDA): In two weeks.

Hon. Speaker: You appear to be ready. You can bring the response tomorrow.

Hon. Julius Melly (Tinderet, UDA): No. I will bring the Statement on the issues pertaining to the Chairperson's removal in two weeks.

Thank you so much.

Hon. Speaker: Okay. Two weeks is good.

Hon. (Dr) Pukose, Chairperson of the Departmental Committee on Health.

DELAYS AND GAPS IN THE IMPLEMENTATION OF THE SOCIAL HEALTH INSURANCE FUND

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker.

*(Hon. Muchangi Karemba and
other Members consulted loudly)*

Hon. Speaker: Hon. Karemba and your group, that *Kamukunji* is illegal.

Hon. (Dr) Robert Pukose (Endebess, UDA): It looks like a *Wamunyoro* village!

(Laughter)

Hon. Speaker, I rise to make a Statement on behalf of the Departmental Committee on Health regarding our recent engagement with the Ministry of Health and the Social Health Authority concerning the implementation of the Social Health Insurance Fund.

During the 2025 mid-term retreat for Members of the National Assembly held in Naivasha, Nakuru County, from Tuesday, 28th January to Thursday, 30th January 2025, you directed the Departmental Committee on Health to engage with the Ministry of Health and

representatives from the Social Health Authority to receive comprehensive responses to the issues raised by the Members.

The Ministry of Health and the Social Health Authority rolled out the Social Health Authority healthcare services and benefits under three funds: the Primary Healthcare Fund, Social Health Insurance Fund and the Emergency, Chronic and Critical Illness Fund. These Funds were established under the Social Health Insurance Act No. 16 of 2023, which was enacted by this House a year ago. The Government is currently operationalising this Act, and access to SHA healthcare services and the benefits offered by SHA were rolled out on 1st October 2024.

The Members of the National Assembly raised concerns regarding the delays and gaps in implementing the Social Health Insurance Fund. In response to these concerns, the Ministry of Health was invited on Monday, 10th February 2025, to provide responses to the issues raised as follows:

1. Concerns that claims were taking too long to be approved, as well as delays in the activation of new registrations, causing frustration among patients. In accordance with the SHIF Act on claims processing timelines, providers are supposed to submit claims within seven days of service delivery and processing by SHA within 90 days.
2. SHIF claims worth Ksh12 billion, representing 75 per cent, submitted between 1st October 2024 and 28th January 2025, have been processed and paid to the providers. The remaining 25 per cent, which comprises mainly of claims that require clinical review, are being processed, and payments will be made immediately after the process is finalised.
3. Primary healthcare capitation claims worth Ksh1.3 billion submitted between October and December 2024 have been processed and paid to the providers. In the initial rollout period, SHA encountered system readiness challenges, necessitating manual claims. Further, there were non-harmonised bank details in the system and delayed e-contracting, which are being addressed.

In addition, the remaining claims awaiting the filing of service delivery returns from facilities are undergoing a reconciliation and payment process, which will be processed immediately.

To address these challenges, SHA has put in place measures to fast-track claims processing and payment, including enhanced automation to facilitate payment on a monthly basis.

Regarding activation of new registration, the activation of new registrations under the Social Health Authority is immediate. Once a member has registered or made payments, there is no waiting period for accessing services at SHA-contracted healthcare facilities. Once registered and paid up, SHIF members can access services under the following categories:

Under the Primary Healthcare Fund (PCF), you can access services at Level 2, Level 3, and some Level 4 facilities for outpatient services at no cost once registered as a member or a dependent.

The Social Health Insurance Fund (SHIF) is funded by 2.75 per cent contributions from both formal and informal populations. Once paid up, beneficiaries can receive treatment from Levels 4, 5, and 6 facilities.

The Emergency, Chronic, and Critical Illness Fund (ECCF) currently caters to urgent care, including resuscitation and stabilisation within 24 hours for specific emergency services, per the gazetted benefit package. This is provided at no cost for the initial 24 hours, as the Fund is Exchequer-funded. Due to the current financial year funding limitation, the ECCF components are partially activated. These services are available in all Level 2 to 6 facilities for all Kenyans.

The second issue is the sustainability of the Social Health Authority (SHA), given that 18 million people are registered, but only four million have made payments and measures that SHA plans to take to cover the financing gap. There is a disparity between the registered persons, which is 18 million individuals, against the four million who are actively contributing financially. The following challenges have caused the financing gap:

1. **Low Contribution Rate:** The core challenge is the low contribution rate, which is approximately 22 per cent. This indicates that a large portion of the registered population is not actively participating in the scheme.
2. **Informal Sector Challenges:** The informal sector has a significant portion of the Kenyan workforce, estimated to be 80 per cent of the population. This presents unique challenges due to irregular income, limited financial literacy, and difficulty accessing formal financial systems. Reaching and retaining this group is crucial for sustainability.
3. **Indigent Population:** Approximately 30 per cent of our population is unable to afford contributions, requiring government subsidies. The mechanism for identifying and supporting indigents needs to be fast-tracked
4. **Compliance and Enforcement:** Ensuring compliance from both formal and informal sectors is essential. Effective enforcement mechanisms are needed to address non-payment and ensure consistent contributions.

To mitigate these challenges, SHA has put in place a multipronged approach, including:

1. **Enhanced Informal Sector Engagement** through sensitisation campaigns, integration with county government partnerships, informal sector organised groups and other existing structures like SACCOs and *chamas*.
2. **Engagements with the State Department for Social Protection** and county governments for identification, budgeting, and payment of premiums to SHA for all indigent populations.

Hon. GG Kagombe (Gatundu South, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Hold on. Yes, Hon. Kagombe, Member for Gatundu South.

Hon. GG Kagombe (Gatundu South, UDA): Thank you, Hon. Speaker. While the Chairman of the Departmental Committee on Health is on the Floor, you declared a *Kamukunji* that was here illegal. While the Chairman had the microphone, he announced that it was a party of the *Wamunyororo* meeting there. First, we do not have a party called *Wamunyororo* in this Parliament. Since this is a political House...

Hon. Speaker: Order, Hon. Kagombe. You are out of order. A point of order must be raised contemporaneous to the matter on the Floor.

(Hon. GG Kagombe spoke off the record)

A point of order must be raised contemporaneous to the matter on the Floor.

Hon. GG Kagombe (Gatundu South, UDA): He is still on the Floor.

Hon. Speaker: He is not on that matter. Take your seat.

Go, on Hon. Pukose. This Statement is very important, but very long. Give highlights.

Hon. (Dr) Robert Pukose (Endebess, UDA): Okay.

1. **Strategic Partnerships** through collaboration with cooperatives, microfinance institutions, the diaspora community, Non-governmental Organisations (NGOs), and donor agencies for insurance premium financing products.
2. **Formal Sector Enhancement:** Stricter enforcement of mandatory contributions, digital tracking of payments, and penalties for non-compliance.
3. **Enhanced engagement** with MOH and the National Treasury for budgetary allocations for PHC fund, ECCIF and Indigent premium for SHIF.

Further, SHA is actively implementing the following activities to build upon and improve its performance:

1. Data-driven Insights,
2. Incentive programs,
3. Payment systems,
4. Transparency and accountability,
5. Strengthened community engagement, and
6. Long-term financial planning where they develop sustainable financial models that account for population growth, healthcare cost inflation and economic fluctuations.

On number Three, the requirement for out-of-pocket payments and its impact on access to healthcare. While SHA aims to reduce out-of-pocket healthcare costs, the Committee noted concerns about instances where patients still incur expenses. To mitigate this, the following activities are being undertaken:

1. Creating awareness and sensitising the public on the applicable benefits and tariffs for informed decision-making in the choice of facility.
2. Reviewing the benefit package and tariffs in collaboration with the benefit package and tariff advisory panel.
3. SHA will submit to Parliament a list of healthcare facilities where patients on SHIF contributions will receive a comprehensive payment without co-payment and with co-payment.

Hon. Speaker, on the difference between SHA and Taifa Care, Taifa Care is a Kenyan government initiative aimed at achieving Universal Healthcare Coverage (UHC), ensuring that all citizens access equitable, affordable and quality healthcare services. The initiative focuses on four key pillars: sustainability of healthcare financing, digitisation of health systems, enhancing human resources for health and security of health products and technologies.

This programme encompasses a series of legislative measures designed to strengthen the healthcare system and reduce financial barriers for all Kenyans. The key legislative components of Taifa Care are:

1. Primary HealthCare Act,
2. Social Health Insurance Act,
3. Digital Health Act,
4. Facility Improvement Fund (FIF) as enacted by this House.

On the other hand, the Social Health Authority was established under the SHIF Act, 2023, with a core mandate of pooling financial resources, risks and strategic purchasing of healthcare services on behalf of the Kenyan people towards strengthening health financing for Universal Health Coverage (UHC) through the management of three funds namely:

1. Primary Healthcare Fund (PHCF)
2. Social Health Insurance Fund (SHIF)
3. Emergency, Chronic, and Critical Illness Fund (ECCIF).

On the status of debts inherited by SHA from the National Health Insurance Fund (NHIF) and plans in place to clear them to ensure seamless service delivery, Hon. Speaker, this is a very important fact because the defunct NHIF owes healthcare providers an estimated Ksh30.9 billion. Additionally, NHIF owes co-insurers Ksh8.137 billion for civil servants' WIBA claims and a further Ksh3.927 billion in accumulated WIBA claims before April 2021. NHIF also has outstanding premium receivables totalling Ksh25.5 billion across various government-funded schemes. These include the civil service medical cover, Linda Mama programme and indigent support as annexed. These delayed payments have disrupted service provision, putting pressure on both public and private health institutions. SHA has been

engaging the various MDAs to recover the outstanding debts owed to NHIF and facilitate payments of debts owed to providers by SHA.

Concerning NHIF benefits that were made more favourable compared to SHA despite SHA collecting higher contributions, SHA benefits have a broader scope of coverage compared to NHIF benefits. The contribution design for SHA is based on the solitary principle, which states that all persons contribute according to their ability to pay and receive similar benefits and tariffs. This is mainly due to SHA's potential for larger pooled resources and risks, enabling broader coverage and enhanced access to healthcare services. The SHA benefits ensure access to the full spectrum of healthcare services, from prevention and promotion to curative, rehabilitative, and palliative care.

Further, SHA benefits are equitable, affordable, and accessible to all Kenyans, which aligns with Article 43 of the Constitution. Regarding the comparison between NHIF and SHA benefits, we have an annexe, which I will table here.

Hon. Speaker, on the status of the NHIF staff and whether they will be absorbed by the SHA, despite Paragraph 1 of the SHIF Act, the Social Health Authority Board, established under Section 4 of the Act, shall competitively recruit and appoint staff under Section 17 of the Act, subject to the approved staff establishment and on-site terms and conditions of service as may be determined by the Board. Notwithstanding the provisions of that paragraph, staff are eligible to apply for the positions advertised by the Authority. They may be considered for appointment where they are suitably qualified for advertised positions.

Despite the provisions of paragraphs 2 and 3, the Authority will review the qualifications of all the staff of the Fund. It shall give priority to the staff of the Fund who are found to be suitably qualified for the positions in the approved staff establishment. The staff of the Fund not appointed to the Authority under Paragraph 2 of the Act may exercise their options to either retire from public service or be redeployed within the public service.

On the status update of the NHIF staff transition, the SHA Board has since sought the advisory of both the Attorney-General and the Public Service Commission (PSC) on staff transition. On 21st November 2024, all 1,737 staff of the defunct NHIF were taken over by the Public Service Commission and subsequently deployed to the SHA for six months or until the SHA completes recruitment, whichever comes first. The SHA Board has since reviewed the human resource instruments and submitted them to the Public Service Commission for approval. Suitability tests are scheduled to commence before the end of February 2025.

On concerns that data captured by the SHA is inadequate, frustrating patients seeking treatment, and on the measures being put in place to ensure data accuracy, the data captured by the SHA is adequate to ensure service provision. However, patients face challenges and measures to address them are ongoing. Further, the Authority noted that some Kenyans do not complete the registration process, especially those that only register through the USSD code *147# channel. Those Kenyans have not gone through the means testing process that enables them to make payments under the SHIF and are not eligible for the SHIF services in Level 4, 5 and 6 hospitals.

On the issue of lack of medicines in hospitals where patients are supposed to receive treatment but are not given the prescribed medication, the Ministry appreciates the challenges of procuring health products and technologies. The Kenya Medical Supplies Authority (KEMSA) business model was disrupted from 2019 to 2022 due to the impact of COVID-19 on the production of health products and technologies. The procurement of COVID-19 Health Product Declarations (HPDs) during the 2019/2020 period significantly impaired the Authority's cash flow. Additionally, as detailed below, the Authority has been burdened by significant receivables amounting to more than Ksh6 billion. As such, the organisation's sustainability model has been facing various challenges, including inadequate financing to procure HPDs, with a funding gap of Ksh5 billion, and debt repayments, among them being

the county debts amounting to Ksh3.5 billion, with more than Ksh2.7 billion being over 90 days old.

The counties work with KEMSA to generate forecasts on what should be stocked at the Authority. However, the counties opt to buy elsewhere when it comes to procurement. The Committee will hold a meeting with KEMSA to develop a way forward. We intend to improve HPD availability by recapitalising KEMSA with a budget allocation of up to Ksh5 billion to replenish deteriorating capital and break the various cycles of debt, pending bills, and low order fill rates. The National Treasury has so far allocated Ksh1.5 billion to be factored in the Second Supplementary Budget. That will boost the availability of essential health products and technologies for Universal Health Coverage. Additionally, the Authority is engaging the county governments to pay long-term outstanding bills currently standing at Ksh3.5 billion.

In a report on the public participation conducted before and after the roll-out of the SHA, the Ministry placed advertisements in the print media on 28th November 2023, and the regulations were also developed and posted on official websites. The analysis of the views and submissions expressed during the consultations and engagements indicated that the principal regulations, particularly the benefits package in the principal regulations, amended regulations and tariffs for health services will facilitate the realisation of Universal Health Coverage in the country. The principal regulations have provided a clear framework for reviewing the tariffs for healthcare services and benefits packages offered by the Social Health Authority under the Primary Health Care Fund, the Social Health Insurance Fund and the Emergency, Chronic and Critical Illness Fund.

On concerns that the SHA branches cannot adequately address customer challenges at the local level due to connectivity and system hitches, the system availability currently stands at 98.2 per cent as of 7th February 2025 at 12.38 a.m. Digital health agencies are working hard to stabilise the system to meet the targeted 99.99 per cent availability. The system configuration is ongoing to address those challenges, with a completion target by the end of February 2025. The agency is also fast-tracking the integration of existing hospital management information systems and claims management systems to further enhance efficiency in operations. That will improve system availability and experience for Kenyans.

On concerns regarding poor public communication, the SHA is employing the following strategies:

1. Collaboration and partnership with other Ministries, Departments, and Agencies (MDAs) to carry out public education and awareness.
2. Enhanced use of soft, as opposed to hard information education and communication materials.
3. Leveraging the SHA branches' network and Huduma Centres for service delivery.
4. Partnership and support from development partners.
5. Working closely with grassroots leaders, including the National Government Administration Officers (NGAOs), for enhanced communication, awareness and registration.
6. Use of alternative media, including social media, to reach a wide spectrum of the population.

Regarding inadequate service delivery under the SHA, I will table the SHA benefits package and tariffs so that Members can go through them.

On strategies that the Ministry is implementing to ensure disadvantaged groups are fully covered under the SHA, identification of indigent populations through proxy means testing as required by the SHA Regulation 19 is ongoing. The government budget allocation towards that endeavour will also be a boost to ensure that indigent populations are well cared for.

Coverage for pregnant mothers and teenage pregnancies falls under the Linda Mama Programme, which is still ongoing and ensures pregnant mothers, including teenage mothers, receive full health coverage. That coverage is effected upon first contact at the facility. For mothers due for delivery who have not paid the SHA premiums, the Linda Mama Programme automatically identifies them and pays their annual premiums, covering the entire household. The State Department for Medical Services is currently responsible for payments of the premiums.

On concerns that despite the high premiums, patients in need of services are being turned away by hospitals, several issues have been identified where members, despite having made payments, are deemed ineligible by healthcare providers. This includes incomplete payment records in the SHA database, absence of corresponding payment reference numbers, payments made via real-time cross-settlements, and RDGs and Electronic Funds Transfer (EFT) methods sometimes lacking corresponding Payment Registration Numbers (PRNs). That omission prevents the automatic updating of individual member amounts, leading to service ineligibility.

On payment variances and discrepancies between PRN amounts and bank payments, when the amount indicated on a PRN differs from the actual amount paid, the system cannot auto-update the member's amount. That scenario necessitates manual intervention. Employers are required to upload detailed payment information, including employees' names and corresponding amounts, into the SHA system before remitting payment. We have erroneous national identification numbers, incorrect data entry, and cancellation of payment registration numbers by employers. This also has an impact on employee eligibility.

We also have unprocessed payments. To mitigate this, we have the empowerment of branch offices, member self-service applications, employer notifications, employer sensitisation initiatives, the development of information materials, and simplified registration channels where we have accessible registration methods. The accessible registration methods include USSD code-assisted registration, an online portal, and physical locations where SHA branches and Huduma Centres provide in-person registration services.

Hon. Speaker: How much more time do you have to go?

Hon. (Dr) Robert Pukose (Endebess, UDA): Two minutes, Hon. Speaker.

Hon. Speaker: Good.

Hon. (Dr) Robert Pukose (Endebess, UDA): Integrating with the national registration bureau is for data verification and cross-referencing.

There was an issue with the measures that the Ministry is taking to ensure the informal sector and indigent populations are registered under SHA. Some of the challenges facing informal sector registration of members into SHA include low awareness and sensitisation, irregular and unstable income, and lack of formal identification. What is SHA doing to mitigate this? We are doing mass awareness and sensitisation, utilising community health promoters, vernacular radio stations, crossroad roadshows, and TV campaigns to reach informal workers in their local languages. This ensures a widespread understanding of SHIF benefits and encourages voluntary enrolment.

The flexible payment method allows informal workers to contribute through monthly mobile money payments like M-Pesa. That makes it easier for them to afford and maintain coverage despite irregular incomes. There is integration with SACCOs and *Chama*, partnerships with county governments, and engagement with informal sector associations such as the Bodaboda Association of Kenya. We also utilise insurance premium financing, where we collaborate with microfinance institutions and Government funds, like the Hustler Fund, to provide credit facilities for premium payment, thus ensuring affordability and reducing dropout rates.

We have targeted communication where we develop specific messages for the elderly, poor and vulnerable groups using simplified content and trusted community influencers to drive awareness and registration.

We also encourage NG-CDF budgetary allocations. We advocate allocating NG-CDF funds to sponsor SHIF premiums for vulnerable groups. This is where Members come in, ensuring equitable access to healthcare. This is in addition to public-private partnerships where we partner with microfinance institutions, donor agencies like AMPATH and UNHCR, and NGOs to extend healthcare loans to pay premiums.

Hon. Speaker, the Committee has also made recommendations. We shall be engaging the Ministry of Health and SHA in a retreat to look at debts owed to the defunct NHIF. Further, we will engage them on more issues. The means testing tool used in the informal sector needs to be reviewed to improve its reliability and accuracy through actual field visits, not online. Quality health assurance officers will verify health services with technical knowledge to detect and eliminate fraud. The SHA has inadequate feasibility capacity to confirm if contracted facilities render the services they claim. We will also look at the benefits package under the Primary Healthcare Fund, which needs to be enhanced. The State Department for Social Protection will leverage data provided by the SHA to avoid subjecting indigents to fresh means testing.

Hon. Speaker, the PSC has approved a SHA staff establishment of 815. In recruiting staff, the SHA Board should follow the law per the transition clauses in the SHA Act of 2020 and SHIF Act of 2020. All former NHIF officers not employed under SHA will be deployed within the Public Service Commission or exercise the right to retire under the Act.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Pukose, for that comprehensive Statement.

Member of Chepalungu, there is a microphone next to you.

Hon. Victor Koech (Chepalungu, CCM): Thank you, Hon. Speaker. We appreciate the efforts of the Chairman of the Departmental Committee on Health. I equally appreciate what the SHA has done. The SHA has a very successful story, particularly concerning one of my relatives. My aunt got injured, and Ksh200,000 was required. We registered her on SHA, which paid all the hospital bills.

However, we sometimes wonder about some situations – whether the problem is with some hospitals or SHA itself. There is a case of one of my residents called Wilson Keter. He went to Karen Hospital for a heart surgery. On request for approval, only Ksh78,000 out of the Ksh1.3 million required was paid for the patient. People raise such questions with us when we go to the constituencies.

I only wanted to comment on that matter and seek clarification. Why does SHA pay whole bills in some cases and only a part of it in other cases? In the case of Wilson Keter, who comes from Lelechonik village, SHA paid only Ksh78,000 out of the Ksh1.3 million that was required for him to undergo heart surgery. I attended his fundraising last week.

Hon. Speaker: Thank you. Next is Hon. Milemba.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Speaker. I appreciate the comprehensive and long Statement given by the Chairman of the Departmental Committee on Health, especially on the updates that we discussed in Naivasha and other emerging issues. I want to be quick to indicate that he should also be able to explain some contemporary issues. The issues are with us. The wananchi would like to know.

The first concerns private hospitals. I am a stickler supporter of the SHA. Private hospitals are on strike as you give this very comprehensive Statement. I can use that language, given my background in trade unions. You will notice it is affecting communities. You should say something about it. What is the correlation between the ongoing strike by private hospitals and the debts owed to them by the defunct NHIF? How is it affecting the operation of the SHA

to the extent that some hospitals are now not taking patients for treatment because of old sins? That is if you may allow me to speak on the NHIF.

There is also the informal sector. The SHA seems to borrow from the NHIF, and we support it. Workers founded the defunct NHIF. The fact that the informal sector is not coming on Board will lead to a situation where we will have a tiny population contributing to the entire country. It will not work. I want the Chair to explain clearly how we will onboard the informal sector to ensure that the SHA works. Otherwise, we will have a situation where a tiny population of workers contribute to the SHA. It will not work properly.

Hon. Speaker, there is room for improvement. I thank the Chairman because, at least, the discussion is now alive. However, registration may not be as perfect as we would have expected.

Hon. Speaker: Nyikal.

Hon. James Nyikal (Seme, ODM): Thank you for giving me this opportunity. I am very grateful. I was supposed to read this, but I did not. That was then. This is now.

I support the Report as read by our Chairman. It is an interaction between the Ministry, the management of SHA, and the Committee. The contents are correct. As we know, the Ministry and Social Health Authority (SHA) has not yielded the expected results, hence the outcry. However, those efforts appear fairly reasonable, and if properly implemented, they should achieve the intended outcomes. Our Committee's recommendations are based on observations from those reports and focus on what needs to be done to make the efforts more effective.

The most important recommendations are a retreat and a meeting we plan to hold with the Ministry and the SHA management. The main issue we noticed in all this is change management, which remains the core challenge. The concepts may have some minor issues, but not significant. The key concern is the liabilities and assets that SHA took over from the NHIF. The current problem of private hospitals closing down is directly linked to the liabilities that the SHA inherited from the NHIF. That is an area we probably should have examined more closely. While there is frustration with the SHA, it is a fundamental transition issue. It raises important questions about what happened to the money the NHIF raised and how the existing debts are handled. Ultimately, we are dealing with a process of change.

On registration, the NHIF process was straightforward. One would register and pay simultaneously. As long as one was registered and had paid, they could access the services. However, currently, registration has two major components. First, you register, and if you pay, you contribute 2.7 per cent of your gross income and gain full access to treatment under the SHA, with costs covered. However, there is also a provision where individuals can register without paying and still be entitled to services at Level 2 and Level 3 facilities, for which the Government must cover the costs. What is happening is that even the limited funds the Government allocates have not been utilised due to a lack of proper structures. This highlights an issue of system failure. A system that should be working seamlessly is not functioning as expected.

Another key concern is the approval of services that people need and the inefficiencies in the payment system. The Hon. Member has just said that the full payment was made in one case, while only a tiny portion of the payment was made in another. Again, this is because we are dealing with two systems. One is if you are at a Level 2 and Level 3 hospital, and the other one is if you are at a Level 4 hospital, where you are fully in SHA. The benefit packages put in place depend on the hospital you visit. In some hospitals, you will need co-payment or co-insurance. Again, these are things that are actually in this system, but they have not come out well.

Another critical issue is the human resource transition from the defunct NHIF to the SHA, where the numbers differ significantly. While all employees are now under the Public

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Service Commission and seconded to the SHA, uncertainty remains. Only 800 out of the 1,700 employees will be retained. As of now, no one knows who will stay. These employees cannot be expected to work wholeheartedly under such uncertainty.

That is the system we are dealing with. That is why I emphasise the importance of the meeting I mentioned earlier. As a Committee, we must thoroughly and objectively examine these issues in detail. In some areas, we may even have to look at the law to implement it very quickly as it is desirable. If we find a need to review the law, we must be willing to do so. One key issue is capping. Some people contributing 2.7 per cent of their income may end up paying as much as Ksh30,000 while others pay significantly less. When and where do we set the cap? That is an important question.

Additionally, if we look at people in informal employment and the indigent population, out of the 18 million registered, only 4 million paid. However, all 18 million people think they are entitled to benefit. Not all are entitled to all the services. Again, that is an issue of concern, as my Chair said.

Hon. Speaker: Thank you.

Hon. (Dr) James Nyikal (Seme, ODM): This issue needs to be sorted out. We have not properly established a system for the two remaining groups – people in informal employment and the indigent, who rely on government support. So, the only people who are now paying are the employed. For now, a vast population depends on the contributions of a tiny group of people. These are things that can be handled. We want to move fast. There is nothing wrong with the desire to move fast. Therefore, we shall return with recommendations when we go to the retreat. Even if it means we retrace our path, we propose some amendments to the law and bring them here quickly, let it be so. It is clear that, as of now, the population is not satisfied, but I think something can be done.

Hon. Speaker: Thank you.

Hon. Wangari.

Hon. Martha Wangari (Gilgil, UDA): Thank you, Hon. Speaker. I also want to laud the Chairperson. I remember Naivasha. Thank you for allowing us to have a very serious engagement while there. That session is what necessitated this Statement and the engagement we have seen.

Hon. Nyikal has raised most of the issues, but I want to plug in the need for intergovernmental relations to be put in place. This is because the county governments run Levels 2, 3 and 4 hospitals, where we are supposed to get services. We also have Level 6 hospitals, like Kenyatta National Hospital (KNH). Someone living in Nairobi would prefer going to KNH to get the first service, yet one should get the first service at Level 2. People know that at Level 2 or Level 3 hospitals, they will not get the services of doctors, or they may not get medicines.

Going forward, even if the Ministry engages with the SHA, it must loop in the Council of Governors or the County Executive Committee Members (CECMs) at the county level because these people interact with these facilities daily. That way, we can salvage the issues that are not working, as Hon. Nyikal has put it: ‘What should be working is not working.’

I hope that in the next engagement, the county governments will be given an opportunity to participate so that they also undertake to take care of their Levels 2, 3 and 4 hospitals. Ideally, we should specify what should be referred to referral hospitals. We can, for example, say that patients going for Anti-RetroViral (ARV) medicines, immunisation of children and treatment for malaria and flu should not get their way to a Level 6 hospital. That way, we will be able to decongest the referral hospitals so that they can deal with very serious issues.

I laud the Chairperson for the effort they have made so far. I hope that the next round of engagement will include the county governments so that we can make progress.

Hon. Speaker: Thank you.

Leader of Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. First, let me commend the Chairperson of the Departmental Committee on Health and all the Members of the Committee for the excellent work they did following your instructions in Naivasha.

Indeed, the Committee and the Ministry officials have gone to great lengths. I listened to what the Chairman and Hon. (Dr) Hon. Nyikal said and agreed with them on all the issues. Many transitional issues need to be addressed. We encourage the SHA management and Ministry officials to ensure these issues are resolved. People should be well-informed in advance on what they need to do. If there is anything that has suffered the negativity we have experienced in the country, it is the SHA. Unfortunately, as you have said several times in other fora, it is sad that even we, the political class, have contributed to this negativity and misinformation. It is especially disheartening when a Member of Parliament stands up at a public forum and says things he knows are for political expediency without knowing whether they are referring to SHA, SHE, SHO or SHU. What they call SHA, SHE, SHO and SHU, as Members of Parliament, whether in this House or the other House, relate to the four laws passed by Members of Parliament in both Houses. There is no single provision in those four laws that was not considered and adopted by this House and the other House. It is, therefore, very embarrassing to hear a Member of Parliament saying "*sha, she, shi, sho, shu,*" yet they were part and parcel of enacting those laws.

Leadership calls for what Hon. Nyikal and the Chairman said. There are issues that the Ministry and the SHA management ought to address. Top among these issues is the question of pending bills. If you listen to the conversation in the country on pending bills, you may imagine that pending bills only pertain to SHA. Nobody tells Kenyans that 99 per cent of the pending bills were inherited from the defunct NHIF. Out of the Ksh19 billion inherited from the defunct NHIF, Ksh9 billion had been paid by January. The remaining Ksh10 billion are bills undergoing verification. The Chairman will tell you that from the engagement with the Ministry of Health and the SHA management, quite a number of those bills are fraudulent. Because corruption fights back, the corrupt are so vicious that their lies and propaganda take centre stage ahead of the truth and factual information. If there is anything that the Departmental Committee on Health paid attention to immensely while considering the Supplementary Appropriations Bill, it is to ensure the SHA management has adequate resources to ensure proper information gets to the public.

It is embarrassing to see even bishops pontificating on pending bills as if the faith-based hospitals owed by the defunct NHIF just sprung up when SHA came into existence. The bishops are pontificating and telling us not to advertise what the Government is doing. When you are a bishop, you go to church every Sunday to advertise the good work of the Lord by preaching to good people to convert and become good Christians. It is the same for a government. The Government is in the business of delivering services, and our Constitution obligates us to ensure that Kenyans have access to the right information. Some of the people pontificating out there are pained by the truth that even faith-based hospitals presented fraudulent claims, which were flagged out during the verification process. The bishops pontificate to make Kenyans believe that the Government is not doing anything to address the problems that bedevil even the faith-based hospitals. They want to make the whole world believe that since the advent of SHA, no pending bills have been paid, yet 50 per cent of the bills that have been verified have been settled. It is only right to plead to our bishops who run hospitals, as much as they may not like this administration, to give credit where it is due. As you pontificate about the fight against corruption, speak about corruption and fraudulent claims from the defunct NHIF being raised by faith-based hospitals.

This week, the Association of Private Health Hospitals and the Rural Private Health Association called their members to go on strike because of the pending bills. I am glad that when I checked with the SHA management this morning, they told me that as of yesterday when the strike kicked off, 1,700 private hospitals that are members of those associations were already logged into the system and offering services to Kenyans. In the spirit of trade unions and politics of leadership of associations, it is good to be seen agitating for things. Those associations must know that healthcare is not a matter to joke with. Joking with healthcare matters would be joking with the lives of Kenyans.

Regarding relaying proper and accurate information to Kenyans, I encourage the Committee, the SHA management and the Ministry of Health to consider enhancing the publicity and advertising budget for SHA. Partly, Kenyans are being misled because they have not been given factual information, especially on primary healthcare and the referral healthcare system. If you go to the United Kingdom, the National Health Service (NHS) works under a referral system. As Hon. Nyikal said, one may walk into a primary healthcare facility, and his entire Bill is settled. However, when someone else walks into a referral hospital, his Bill is not fully catered for. This confusion arises because many do not understand that the process begins at a primary healthcare facility, from where patients are referred through the system to Level 4, 5 or 6 hospitals.

Hon. Speaker, I encourage the Committee to continue working with the Ministry and the SHA management to address the imperfections in this system. Universal health coverage has been elusive in this country. We have been talking about it since you were in the Cabinet under the able leadership of the late President Mwai Kibaki. During Mwai Kibaki's regime, we attempted to roll out universal health care, but it came a cropper because of negativity. President Uhuru Kenyatta also tried. Again, because of the noise and negativity you hear today, he had to run away from it. It was abandoned after being implemented in only four counties—Kisumu, Isiolo, Machakos, and Nyeri. We do not have the luxury of time to abandon the quest for universal health coverage at the altar of political expediency. We must encourage President William Ruto, the SHA management, the Cabinet Secretary in charge of health and our own Departmental Committee on Health to midwife this process with courage, knowing that what they are doing is good for Kenyans. At the end of the day, when we are assured of universal health coverage, every Kenyan will live a peaceable, healthy and productive life.

With those remarks, I support the Report by the Chairman.

Hon. Speaker: Hon. Pukose, most of the five interventions have been complimentary to the Report. You need to remain engaged, keep having meetings with the SHA management and the Ministry, and continue bringing appraisal reports to the House from time to time, whether requested or not, to keep the House and the country informed on the progress.

I have read the Report. It covers almost all matters of concern to the public, Members of this House and even to the Ministry itself. Together with your colleagues, like Dr Nyikal, continue working on how to improve. More importantly, communicate to the public. Avoid unhelpful cynicism. Members of the public should know where to go and what services to expect. Challenges will always be there in life. If there are challenges, how do you handle them so people do not keep talking as if a challenge means failure? Where there are challenges, deal with them. I will not necessarily invite you to respond. The statements were complimentary to your Statement.

Next Order.

Hon. Jared Okello (Nyando, ODM): On a point of order, Hon. Chair.

Hon. Speaker: Which Chair are you addressing?

Hon. Jared Okello (Nyando, ODM): I take that back, Hon. Speaker.

Hon. Speaker: Very well. Proceed.

Hon. Jared Okello (Nyando, ODM): Hon. Speaker, it has often been said that this House does not legislate in vain. We raise Questions here expecting remedies. We do not expect less from your pronouncements. A fortnight ago, you directed the Leader of the Majority Party to avail a report under the custody of the Ministry of Public Service, Performance and Delivery Management regarding appraisal on hardship allowance areas. You gave only five days for a response. We are now at a fortnight, and the Report has not been made available to the House. The substantive Leader of the Majority Party was not present on that day. However, you directed Hon. Baya to pursue it and bring it to this House so that you give direction on the next course of action. Fortunately, as the substantive Speaker, you are present today. I believe that our indomitable Hon. Kimani Ichung'wah has the Report ready for presentation.

Why am I pursuing this Report? It is because we have begun the budget-making process. If you direct on the areas that need to be gazetted, the directive will have a direct connotation to the budgeting process. Any inordinate delay on this matter will only put us in more jeopardy. We all understand the benefits that will accrue from your pronouncement after the Report is presented before the House.

Thank you for giving me this opportunity, Hon. Speaker. The Report ought to have been here much earlier so that whatever needs to be infused into the Budget is infused.

Hon. Speaker: Leader of the Majority Party, I do not know if you have listened to Hon. Jared Okello's classification of areas as hardship or non-hardship. A report was supposed to be brought from the Ministry of Public Service, Performance and Delivery Management. If you do not have it now, I direct that you bring it on Thursday in the afternoon. Do you have it now?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, let me talk to the Chair—because I have not seen him today—to see whether we can bring it on Thursday.

Hon. Speaker: What I have heard from Members is that the issue is a random and erratic declaration of some areas as hardship and others as non-hardship when they are in the same neighbourhood or enjoying the same geographical topography.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, it disadvantages very many people, especially professionals like teachers, who work in those areas. I also have the same issue in my constituency. I told the Chair that in my constituency, there is one sub-location within the same location, which is a hardship area. Across a road on the other side is a non-hardship area.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Hon. Jared, you should be here on Thursday afternoon.
Next Order.

BILL

Second Reading

THE CULTURE BILL (National Assembly Bill No.12 of 2024)

(Moved by Hon. Silvanus Osoro on 20.2.2025)

(Resumption of debate interrupted on 20.2.2025)

Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. In replying, allow me to thank all the Members. You and I were away on Thursday afternoon, but I watched online as this Bill was debated. We must thank the Parliamentary Service Commission for

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making it possible for us to follow what is happening in the House even when we are out of the Chamber and on the roads. I must express my gratitude to the many Members who contributed to this Bill.

I appreciate the central role that culture plays in an African society like ours. Even with the emerging trends and transformative things happening within the technology space, many Kenyans, and indeed many Members who represent them, still appreciate the central role that culture plays in the lives of our people and seek to preserve it. I thank the Ministry and the State Department for Culture and Heritage for drafting this Bill, seeking to, among other things, ensure that we register issues that touch on culture and alienate the roles of the two levels of Government: the National Government and the county governments.

More importantly, the Bill provides for the management of culture in Kenya. As I said, it alienates the functions of the two levels of Government: National Government and county governments. It also provides for the recognition and promotion of cultural expressions and indigenous technologies by public entities – which did not happen in the past. It also protects our cultural heritage, expressions and endangered communities and cultures. I was particularly interested in seeing how the Maa Members of Parliament or those Members of Parliament who represent the Maa communities would contribute to this debate. I am glad because a number of them contributed. The Maa culture has been abused over the years.

I can see Hon. Lenguris because I know she is very passionate about protecting the Samburu cultural practices. It is not only the Maa community where you find Hon. Kimani Ichung'wah dressed in a Moran *Shuka*, donning the Moran's hair and pretending to jump like a Moran. Many people often make money out of other people's cultural practices.

Hon. Speaker: Leader of the Majority Party, you may be interested to know that we went to London—Hon. Ng'elechei was in that delegation—for the 75th Anniversary of the Commonwealth. Some very stocky Nigerians were brought and introduced as Maasai dancers. To pretend to be Maais is distorting Kenya's culture. You should call upon our missions to know who represents our culture out there.

(Laughter)

Hon. Kimani Ichung'wah (Kikuyu, UDA): Precisely. You narrated that story at another forum—the House Business Committee. It is indeed true that one of the most abused cultural practices of Kenya is the Maasai culture. You can imagine Nigerians pretending to be Maais in London. It is, therefore, important to have such cultures and certain cultural practices registered so that the proper owners are known.

Hon. Speaker: To make it worse, they are paid for their pretence.

Hon. Kimani Ichung'wah (Kikuyu, UDA): When you register your cultural practices—for instance, the Maa Community registering their Maasai dances and cultural practices—and anybody uses them, they have to pay for them. Otherwise, you have seen the brand and property rights of things like the Kikoi that were made largely by Kenyans, and some Tanzanians are foreigners today. I am being told that it is an American who patented it. Kikoi is a Swahili name. These are some of the losses that we have been making.

We must also protect our culture from abuse by ourselves. Politicians also abuse our cultural practices for the sake of politics. At times, you see people trying to mobilise others mainly based on their ethnicity but hiding behind culture. We must be in a position where both the county governments and the national Government can protect cultural practices from political abuse. You also see some leaders or people who pretend to be leaders abuse our cultures. We saw the Governor of Nyeri recently insult an entire community. It is unfortunate that a whole Governor insults an entire Maa community by claiming they do not wear either

underwear or trousers. When did he establish that Maasai men do not wear underwear? What was he doing? How and when did he discover that some people do not wear underwear?

(Laughter)

It is so embarrassing that it came from someone who purports to be a leader. He pretended that he had apologised to the Maa community. It is said that birds of the same feather flock together; you will understand why the Governor for Nyeri would use such derogatory language against an entire community—a very culturally rich community of the Maasai and the greater Maa communities, including the Samburu and the Rendille. I want to encourage the Maa nation to continue preserving their cultural practices as they have always done. All the other communities in our country and Africa at large should do the same so that our young people do not lose the values we were raised with. We were taught our way of life, which is better than adopting the Western way of life. Let us embrace the technological changes from the West while maintaining our cultural practices.

In conclusion, this Bill speaks at length about how we will protect these cultures and safeguard them from abuse and from being stolen by those who do not even understand the value of cultural property rights. The enactment of this Bill will go a long way in protecting ourselves as a nation and as proud African people.

With those many remarks, I beg to reply. I thank all the Members who contributed until late Thursday evening. I encourage those who expressed the need to bring amendments to do so when we take the Bill to the Committee of the whole House.

(Several Members stood up in their places)

Hon. Speaker: Members, on their feet, take your seats.
I will now put the Question at Order No. 8.

(Question put and agreed to)

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

Before Order No. 9, I know learners from various schools seated in the galleries have left. Given what we were transacting, I was not able to recognise St. Gregory Koru Girls School from Muhoroni Constituency, Kisumu County. They were seated in the Speaker's Gallery. Hon. K'Oyoo, I know you wanted to welcome that school. You are still allowed to go and welcome them within the precincts of Parliament.

(Laughter)

In the Public Gallery, we had Muthengera Primary School from Laikipia West Constituency, Laikipia; Ewangan Emaa Primary School from Kajiado East Constituency, Kajiado County; and Ndiaini Girls High School from Mukurweini Constituency, Nyeri County. Although they have left, we still record our welcome to them to the House of Parliament.

Next Order.

THE EQUALISATION FUND (ADMINISTRATION) BILL
(Senate Bill No. 14 of 2023)

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(Moved by Hon. Kuria Kimani on 18.2.2025)

(Resumption of debate interrupted on 19.2.2025 – Afternoon Sitting)

I am told the Member for Chesumei was on the Floor. Is he in the House? That opportunity is forfeited. Hon. Samuel Atandi, are you on the screen for this one?

(Hon. Samuel Atandi spoke off the record)

No. Hon. Kuria Kimani, are you on the screen for this?

(Hon. Kuria Kimani spoke off the record)

Hon. Robert Basil?

(Hon. Robert Basil spoke off the record)

You have already spoken on this matter. Get off the screen.

Hon. Ferdinand Wanyonyi, are you on the screen for the Equalisation Fund (Administration) Bill?

(Hon. Ferdinand Wanyonyi spoke off the record)

Get yourself off the screen.

Hon. Catherine Omanyoo, do you want to contribute? We are on the Equalisation Fund (Administration) Bill. Go ahead.

Hon. Catherine Omanyoo (Busia County, ODM): Thank you, Hon. Speaker. This Fund is supposed to reach every corner of the country where there is a need, especially in arid and semi-arid places and those that receive floods. These areas deserve to be supported all the time. Everybody was born in a place. If you were born either in the eastern or northern parts, Budalang'i, or the semi-arid areas in Kenya, you did not apply to God to be there. All the places that deserve attention should be funded adequately annually to make those areas attractive, such as the deserts we visit in the Middle East. No one would love to be described as poor and needy anywhere in this world. People have their dignity. Even if they lack now, if their situational living standards are improved, they will not just be waiting for help or wanting to be called beggars.

[The Speaker (Hon. Moses Wetang'ula) left the Chair]

[The Deputy Speaker (Hon. Gladys Boss) took the Chair]

I support that the Equalisation Fund should be increased. Whatever the Fund touches should be progressive. We must see towns, health centres, institutions like schools, and good roads that attract investors. Many investors are not attracted to areas with poor infrastructure or places where getting a health facility with medicine is a problem. We need to make these places attractive.

Hon. Robert Basil (Yatta, WDM): On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: Member for Busia, hold on for a minute. There is a point of order from Hon. Basil.

Hon. Robert Basil (Yatta, WDM): Thank you, Hon. Deputy Speaker. I did not want to interrupt my sister, Hon. Omanyo. However, after checking how she is dressed today, I do not think she has dressed within the Parliamentary standards. I think that is inappropriate dressing.

Thank you.

Hon. Deputy Speaker: Proceed, Hon. Omanyo.

Hon. Catherine Omanyo (Busia County, ODM): My dressing style is adequate. If you are to define a properly well-dressed woman, then look at me. I have a well-ironed shirt, a windbreaker in case of the cold, and a pair of trousers that fit me. I have no problem if he wants to emulate my unique elements, which express my individuality. He should speak nicely to me, and I will teach him how to dress up.

Hon. Raphael Wanjala (Budalangi, ODM): My dress, my choice.

Hon. Catherine Omanyo (Busia County, ODM): Yes, 'My dress, my choice.'

Hon. Deputy Speaker: Hon. Donya.

Hon. Dorice Donya (Kisii County, WDM): Thank you, Hon. Deputy Speaker. Is it in order for Hon. Basil to say that Hon. Catherine is not properly dressed? Is he used to yellow colours? We have very important things to discuss, only for him to point out a gorgeous white colour, the best colour that most people do not want to have in their closet.

Next time, Hon. Basil should be put to task for wasting Hon. Members' time by bringing pettiness, opaque, null and void things before this hallowed House. It is hot air. This is a hallowed house. Why a woman? What is wrong with him? She is smart. Look at Catherine. He is saying she is out of order. Maybe he wanted to be felt by his constituents that he is in Parliament. He has been missing for the last five months.

Thank you. Hon. Speaker.

Hon. Deputy Speaker: Okay. Hon. Members, let us proceed. Hon. Beatrice Elachi, you were contributing to this Bill.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Deputy Speaker.

(Loud consultations)

Hon. Deputy Speaker: Order! Order! Hon. Members, let us proceed.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Speaker. I just want to tell Hon. Robert Basil that you never tell a woman that she has not dressed well unless you have admired something. Having said that, allow me to support the Equalization Fund in terms of administration. I am very sad that ever since I was a nominated Senator, we have always spoken about the Equalization Fund — how we can administer it to support our people.

Hon. Deputy Speaker, when we put this in the Constitution, it was meant to ensure that marginalised areas receive the necessary support, especially from the national Government. This was so that projects such as water, sanitation, health, and roads would be adequately supported. However, to date, in every parliamentary term since 2013, we have had to look at the Equalization Fund. I hope this will be the last time, and we will finally administer it effectively.

The good thing is that we have broadened our scope. Many areas are marginalised, not just the counties we initially thought were marginalised. The Government should focus on projects that cut across counties. For example, health facilities should be prioritised. We need to ensure that the Government supports those projects to completion. We had projects funded by the National-Government Constituencies Development Fund (NG-CDF) that were left incomplete when we moved to devolution. These projects have been hanging, and public resources have already been spent on them. That is also important as we look at this Bill.

When I look at the Senate Bill and its proposals, the first is establishing a framework for administration and management. The other concerns completing projects under policies

developed by the Commission on Revenue Allocation (CRA) under Article 216. This means the board they are proposing is different and intended to look at different projects. I hope the advisory board will go beyond just oversight and look across the country at projects that have utilised public resources. Specifically, projects that were 80 to 90 per cent complete and funded by the National Government should be finished so people can use them.

Even as the Senate proposes an office to administer the Fund, which shall open a separate account at the Central Bank of Kenya (CBK), we need to be cautious. If we are not careful, this could create challenges. I would suggest identifying a project without introducing a pending bill if asked. Similar to how the National Government Affirmative Action Fund (NGAAF) and NG-CDF are managed, we could set up a committee in the area to oversee the project. This would ensure that the money goes directly to the project. However, if, again, we say it will operate and maintain books of accounts and consult the Cabinet Secretary for approvals, the project will not move forward.

We must have a committee in the area where the project is located to oversee the money. The mandatory signatory must ensure that the funds are used directly to complete the project identified under the Equalization Fund. Hon. Deputy Speaker, there are many factors to consider. The crucial question is whether the Equalization Fund will benefit these counties successfully after all this. In a few years, can we identify projects funded by the Equalization Fund and see them completed? More importantly, how will these projects benefit the people in these counties?

Another aspect we need to address is whether the Equalization Fund, for example, in the case of electricity, is effectively reaching the counties. Are the last-mile connections we make in constituencies benefitting the counties as intended? The Report presented to the House should show that the last mile was completed and that constituencies in areas qualifying for the Equalization Fund now have electricity. By doing that, we can move past the issue of electricity and focus on other areas like water, sanitation, and roads. If we identify roads in those counties as part of the Equalization Fund, why can we not have a report showing that these trunk roads, alongside other projects like electricity, are complete? This would demonstrate that the Equalization Fund has contributed to improving the livelihoods of marginalised communities.

Hon. Deputy Speaker, we also need to consider what the Senate has proposed regarding the functions of the county technical committee. This Committee will be responsible for approving projects to be financed, which is critical. However, they suggest that no more than two public officers designated by the County Executive Committee Member (CECM) with technical expertise should be part of the Committee. Additionally, they say not more than two public officers appointed by the Cabinet Secretary with similar expertise in areas of prioritised projects. To avoid duplication, it would be more efficient to have two representatives: one from the county and one from the Cabinet Secretary.

At the county level, more members are needed, but if the Cabinet Secretary appoints one, it could work better. The Committee includes chairpersons of the Project Identification and Implementation Committees within the sub-county and the secretary of the Constituency Development Fund. It is a good committee, but I wonder about including the secretary of the constituency development fund. Given the complexity of this Committee's work, the roles of each member need to be clearly defined in the regulations. This would ensure that they do not find themselves in constant back-and-forth arguments. It will prevent too much politicking on projects.

Also, it says that the board should ensure that a Project Identification and Implementation Committee is established in every eligible county. The Assistant Sub-County Commissioner shall head this Committee. It will also have village administrators of the areas defined by the Commission as marginalised and representatives of women, youth and persons with disabilities from marginalised areas.

The Equalisation Fund has many committees to deliver what is needed. When you have such committees, sometimes the struggle to reach an agreement on how to move hinders the implementation of the Fund. While I support the Bill, it is necessary to look at it and ask whether we really want this Fund to function. With those few remarks, I beg to support.

Hon. Deputy Speaker: Member for Masinga.

Hon. Joshua Mwalyo (Masinga, Independent): Thank you very much, Hon. Deputy Speaker, for the opportunity to contribute to this Equalisation Fund and Administration Bill, Senate Bill No. 14 of 2023. The Senate passed this Bill about a year-and-a-half ago, precisely 16 months ago. It was waiting for this House to debate, pass, and enact it into law. This Fund was established by Article 204 of the Constitution in 2010 and provided 1.5 per cent of the audited National Government Fund as the Fund to be used for the Equalisation Fund purposes.

This Fund was meant to be an equaliser, as its name suggests: the Equalisation Fund. It is supposed to address areas that were marginalised through historical injustices. These areas were never considered. They did not have hospitals and little facilities like health centres. This Fund was meant to be an equaliser so that marginalised areas could have water and roads. Its purpose is very good. The country will be governed equally, and everybody will feel that they belong to this country.

Some time back, I used to hear some people in this county say, "When you go to Kenya, greet Kenyans." That meant they never saw any development in their areas compared to other parts of the country. As a result, they would say: "When you reach Kenya, greet the Kenyans and tell them that we are still around." I do not want to mention the affected areas, although I used to hear much of that in our area. These are the areas that need to be developed so that they can catch up with other areas.

I am sure we have seen many developments in some of the marginalised areas and how things have improved because of this Fund. The only undoing of this Fund is the Exchequer delays in releasing it. The delays happen until another Budget cycle is realised. However, the beauty of this Fund is that its money does not go back to the national Treasury. It is retained in the same way that the National Government Constituencies Development Fund (NG-CDF) money is retained. Once the NG-CDF money is sent to the NG-CDF Board, it does not go back to the Treasury. This Bill has been crafted in the same way. The Fund will be administered in the same way.

During the 2023/2024 Financial Year, my constituency was given an Equalisation Fund worth Ksh13.5 million. A hospital and a bore hole were earmarked for installation and implementation in different places. However, until now, monies from the Fund have not been sent to the account to be channelled to my Constituency. There are many delays in the disbursement of this Fund. We need to bring an amendment. This Fund is mainly for marginalised areas, like my constituency, which is the only such constituency in Machakos County. The Equalisation Fund money has never come up to now. This year's Equalisation Fund money has already been allocated. However, the money for the 2023/2024 Financial Year has not been wired to our constituencies. We can propose an amendment for the funds to be wired to the accounts of the NG-CDF through its board. That is a straightforward Fund managed by the Fund's Accounts Manager. The projects can be identified in the same way we identify our projects. That can be an easy way of implementing the Fund. If the Fund passes through the account commissioner, its money will get lost there. I do not know if it will be administered.

We shall keep talking about this Fund. However, a further amendment will be required on how the money should be channelled and where it should be channelled so that areas budgeted for the Equalisation Fund are not disadvantaged for an entire year without its implementation. The Fund can be a good equaliser in some areas. When we go for the NG-

CDF inspections, we find places that are properly marginalised, yet the Equalisation Fund is not administered there. So, the Fund should be run better.

The mapping of marginalised areas should be done again. Some people have already mapped areas for equalisation that were not there before. So, that exercise has somehow been abused. We need to be strict in administering the Equalisation Fund so that all the marginalised areas can get their share of it. With those few remarks, I rest my case.

Hon. Deputy Speaker: The Member for Turkana South, Hon. John Namoit.

Hon. John Namoit (Turkana South, ODM): Thank you, Hon. Deputy Speaker, for giving me this opportunity to add my voice on the matter of the Equalisation Fund. The intention of the Equalisation Fund, as per Article 204 of the Constitution, is to ensure that areas that were marginalised by Sessional Paper No. 10 of 1965... The Paper intended to reduce poverty, ignorance, and diseases in this country. Secondly, it was to promote political equity, social justice, and human dignity, to promote equal opportunities, and to enhance high-growing income per capita. That particular Paper concentrated all the resources on productive areas of this country, leaving some areas marginalised. That is why the Constitution of Kenya, 2010, brought in the county governments and the Equalisation Fund to equalise those areas. In addition, the decentralisation of funds was first realised when the National Government Constituencies Development Fund (NG-CDF) was introduced as a policy to ensure that some areas of the country are at par with others.

I want to identify some grey areas in the Equalisation Fund, which is why this House and the Senate are discussing it. First is the structure of governance of the Equalisation Fund. Articles 204(2) and (4) of the Constitution clearly spell out that the Equalisation Fund falls under the mandate of the national Government. They further state that the national Government can provide basic services directly or indirectly to marginalised areas. I want to state categorically that those are national Government functions delegated to the county governments.

The board conducts public participation on the Fund. The Equalisation Fund has a four-tier structure: the Equalisation Advisory Board, the County Technical Committee, the Sub-County Technical Committee, and the Project Identification and Implementation Committee. One cannot know which tier will undertake public participation. I hope the Fund will undertake public participation through the Sub-County Technical Committee.

Secondly, the funds for public participation are not remitted to the right Committee because the Advisory Board administers the Fund. When we prepare the regulations for the Fund, we must ensure that the administration of the Fund is also devolved to the three other structures.

[The Deputy Speaker (Hon. Gladys Boss) left the Chair]

[The Temporary Speaker (Hon. Martha Wangari) took the Chair]

As a Committee, we saw that it was appropriate for us as an oversight institution not to be included in nominating members to the boards. The previous law had given the Senate authority to nominate a board member. We have stipulated in the current proposal that the oversight body should not have any nominating power.

We need to reduce the bureaucracy in the current Equalisation Fund to make it very efficient. The Committee has reduced the four-tier structure of the Equalisation Fund to a three-tier structure, right from the Advisory Board to the County Technical Committee and, finally, to the Sub-County Technical Committee.

The Fund has greatly helped marginalised areas. We have done over 30 projects in my constituency under the Equalisation Fund for the Financial Year 2023/2024. Delays in

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Exchequer releases of funds mean that up to now, no projects have been identified in the Financial Year 2024/2025. That is why marginalised areas in this country have not realised the value of the Fund.

As I said earlier, Sessional Paper No.10 of 1965 resulted in the marginalisation of certain areas. The Equalisation Fund intended to address that particular Sessional Paper. Unfortunately, this House and the leadership of this country have mutilated the intention of the Fund. Only 14 counties were initially identified as beneficiaries of the Equalisation Fund. However, even Nairobi County is among the current beneficiaries of the Fund. The list of beneficiaries of the Fund under Article 204 of the Constitution was not meant to be diluted. It has now been diluted, and everybody is benefiting. The Fund's intention was not to address the emerging marginalisation. It was to address the matters raised by Article 204 of the Constitution, where only 14 counties would benefit.

When the period for the operationalisation of the Fund ends as envisaged in Article 204(6) of the Constitution, I urge this honourable House to assess the impact of the Fund to see whether it has addressed marginalisation. That provision is in Article 204(7) of the Constitution.

I beg to support the Report by the Departmental Committee on Finance and National Planning.

The Temporary Speaker (Hon. Martha Wangari): Hon. Victor Koech.

Hon. Victor Koech (Chepalungu, CCM): Thank you, Hon. Temporary Speaker, for giving me the opportunity to speak about this Bill.

At the outset, I support the Bill because it seeks to provide services such as water, roads, electricity, and health facilities to marginalised constituencies to appear equal to other, more developed constituencies.

The Bill has delayed because projects were identified a long time ago, and people have asked us, as Members of Parliament, where the Fund went. I had a situation in Cheptagum and Nogirwet villages in my constituency where members were called for public participation, and they came up with reports. It has now been several months, almost close to a year, and the people are still waiting for those funds to reflect in the various accounts so that the projects they identified can be implemented.

We speak about marginalisation, and we applaud the drafters of the Constitution of Kenya, 2010, for endeavouring to bring parity to different counties and sub-counties. As we seek to do the same, we ask ourselves as Members if this is what we are waiting for so that marginalised constituencies can now compete with immensely developed constituencies. I am bitter because we cannot compare rural constituencies to the town ones. Their electricity connectivity is almost at 99 per cent. Hon. Temporary Speaker, I was with you at the Rural Electrification and Renewable Energy Corporation (REREC) offices, seeking a few transformers. As some of us were requesting for transformers, some constituencies were asking for streetlights simply because of the disparities in the budget-making process in this House.

It is time we spoke and agreed that the Equalisation Fund is good and will at least bring some development. However, will the Equalisation Fund tip the inequalities that have been meted upon our constituencies for a very long time? For example, in my constituency, there is a road that has stalled for many years now. It has a lower allocation in the budget than roads in other constituencies that have developed over the years. We would like to categorically state that we support this Bill. It is timely and urgent. Therefore, it is time we pass it so that the constituencies that are suffering can benefit from it. However, my sentiments on the issues that touch on our constituencies will always be the same.

I wish that the drafters of the Constitution of Kenya, 2010, went ahead and highlighted the budget-making process in this House. This is because if we continue treating things normally, this world will not treat us in a normal way. I will continue speaking about the issues

of Budget as many times as possible. This is because if we cannot speak about it, no one will do so on behalf of our constituents. I support this Bill. When the time comes, we will discuss issues that touch on our constituencies, especially our needs. I wish that the Constitution of Kenya, 2010 could address the budget-making process, that is, how we prioritise projects and balance the underdeveloped constituencies vis-a-vis the developed ones. How I wish that the Constitution could handle such a variance.

I support the Bill and urge that as soon as it is passed, the national Treasury should set aside money for this Fund and transmit it to the various accounts. This will ensure that what the Board had planned is realised, and the value for money is seen.

Thank you so much, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Member for Tigania West, Hon. Mutunga.

Hon. (Dr) John Mutunga Kanyuithia (Tigania West, UDA): Thank you very much, Hon. Temporary Speaker, for the opportunity to add my voice to this very important debate on the proposed legislation concerning the management of the Equalisation Fund.

The drafters of the Constitution of Kenya, 2010 thought it wise to develop Kenya as a unit, which is very important. That is why Article 204 of the Constitution provides the Equalisation Fund. This was upon the realisation that some areas of this country are not as developed as others. This Fund has been utilised in some areas. Even testimonies on the Floor of this House show that the Fund has done a good job. The need to recognise that Kenya needs to develop as a unitary country was important.

However, before I speak to the legislative proposal, I would like to introduce some dimensions which may have led to discrimination in determining the areas that need to be considered for the Equalisation Fund. I come from Meru County. If you tell anybody that Meru County may need the Equalisation Fund, they will refuse. This is because they think the county is 'on top of Mount Kenya or Nyambene Hills', which has all the water you can imagine. In fact, we have trees or twigs that are chewed, *miraa*, which may make one imagine that Meru County does not require an Equalisation Fund. This is why Members of this House pushed for the formula to stop recognising counties and instead recognise sub-locations. The exercise that followed was to find out whether the Equalisation Fund can be spread further and leaner.

My constituency is Tigania West, which borders Isiolo County. For practical and theoretical purposes, Tigania West is an Arid and Semi-Arid Land (ASAL) to a large extent. From the content used to develop the formula for the Equalisation Fund, the people of Tigania West are considerably locked out. One of the parameters that they look at is proximity to a school. In Tigania West, people have occupied every available piece of land, whether arid, semi-arid, dry or desert. They live everywhere in the county. If people from Isiolo County get an Equalisation Fund, yet those from Tigania West cannot get the same, there is a problem. This is because our problem is a shortage of land due to the increased population that has occupied all parts of the countryside. The idea is that vast tracts of land are idle in some areas. Therefore, the people who live in those areas or make a living from there should qualify to benefit from the Equalisation Fund. This is based on the parameters, such as proximity to a school, health facilities, watering points, and motorable roads.

People cannot live in the countryside without a school. This is because they need to educate their children. We need to look at the state of the school; how has that particular school improved? I have schools in a pathetic situation despite trying to bring them up. The funding in the National Government Constituencies Development Fund (NG-CDF) alone is insufficient to improve the schools.

Additionally, the effort made by the Ministry of Education is not enough. So, the Equalisation Fund is important in some of these areas. When we proposed that these areas be looked into, a team was sent from headquarters to re-assess. However, they used the same

formula that we had rejected, therefore, the exclusion. So, we were once again excluded from those sub-locations that require the Equalisation Fund.

The Equalisation Fund is important because, for instance, most of the parts could be developed in Meru County. However, Tigania West and other parts of the ASAL sub-counties are not developed. This is a serious problem. As I said earlier, people cannot live in an area without water, so they must try to get some water. They may access water because they live there. They do not just graze animals and move around; they live there. They are farmers and not herders; they are cultivators of the land.

On the other hand, they may have some makeshift health facilities that are not of good quality. The watering points are just improved dams or water ponds. Therefore, we need to dig deeper to understand whether we should reconsider such areas for equalisation.

Some areas are rarely productive because there is not enough rainfall to sustain crops to maturity. People living in some of those areas in my constituency, such as the lower Kianjai, Athwana, and part of Akithi Wards, are marginalised. We have a serious problem there. Therefore, we need to revisit the formula and ask ourselves whether having makeshift health facilities, some watering points, or living in an area with an ill-equipped school is good enough. These areas should not be excluded from the Equalisation Fund.

The other issue I would like to consider is the management of the Fund itself, which many Members have spoken to. The proposed legislation is to moderate the management of the Funds in view of identifying projects that are supposed to be done in an area. It is the prioritisation of the projects. Identification has to do with public participation. In most cases, you will realise that public participation sometimes lacks credence. It is not exhaustive and overly inclusive. Prioritisation needs to ask the people exactly what they need.

The initiation of projects vis-a-vis the availability of money is the other issue that comes up. In some cases and to a certain extent, Exchequer releases have been an issue in this country. Members have complained that the Equalisation Fund is not working because initiated projects are not progressing at the expected rate. It takes quite a while before they progress to maturity and closure. The legislative proposal is needed to moderate the committees that have to sort out issues of identification, prioritisation, initiation, project implementation, and monitoring and evaluation of some projects. The management aspect of the Fund is an issue that needs revisiting.

On the other hand, the amount is 1.5 per cent of the Budget. When you look at the vastness of this country, 80 per cent of Kenya falls under ASALs. Do we want to maintain people doing business in ways that may never be fully sustainable?

We have more or less maintained the kind of animals we have had since we became inhabitants of this country. We have not considerably improved the animals. Animals have not changed in the northern rangelands, which include parts of where I come from-Isiolo, Samburu, Marsabit, North Eastern, and other areas. The genetic pool of the country has not impacted them. Animals in the southern rangelands may have changed, but not in the northern rangelands.

We need intensification to bring AI services to people. We need to think about AI services for people to use. The idea is to make water available to ensure these animals are in centralised places. Then, we can improve the quality of the animals. The most important thing is the turnover and not following the animals forever. Let us have animals that get to market weights at a good age. You do not have to keep an animal for 10 years for it to get to market weight. It may need a maximum of three years.

Many countries in this world are developing like ours. However, they are doing 18 months to get 500 kilogrammes of an animal's live weight. We should be able to do that because we are properly endowed scientifically. We have what it takes. We have a whole Kenya Animal

Genetic Resources Centre that is quite equipped. It can help us get our animals where we want. Therefore, equalisation is important even as we look at lifestyle and utilisation.

The Temporary Speaker (Hon. Martha Wangari): Thank you. Your time is up.

Hon. Samwel Moroto.

Hon. Samwel Chumel (Kapenguria, UDA): Thank you for also giving me the opportunity. Sometime back during colonial times, where I come from was a closed district. That is why the Kapenguria Six were taken to that place. Nobody could come from here to that place. It was totally closed. Sessional Paper No. 10 of 1965 came in after Independence. It was not until 2010 that we saw light at the end of the tunnel. During the time, West Pokot was a closed district. I have also said that we only got missionaries who came through Uganda and not even Kenya. The Catholics came and settled in a place called Tartar. Only those missionaries lifted that area to where it is now. They are still operating there. In fact, we have a girls' national secondary school in Tartar, which is doing very well.

Then, the Protestants settled in Nasokol, where we also have a wonderful girls' secondary school, a primary school, and other institutions. The word of God spread all over. Muslims came from Uganda, not Kenya.

Now that the good Kenyans who drafted the 2010 Constitution considered us and remembered that some Kenyans were suffering somewhere. Somebody has said that we are the 14 ASAL counties here. A timeline of only 20 years was given to improve disadvantaged areas to come to the status of others. Unfortunately, nothing is going on now, and we have only started. I was there and was still a Member of Parliament. This is my fifth time here.

People were called for public participation. All the people in West Pokot came to a place called Mtelo Hall. Others went to other places. We agreed to improve some areas. We were considering even schools. I started class one in 1972. I was having my Class One to Class Four lessons under a tree. There were problems. Blackboards and books were flown in. Sometimes, we ran to collect the books. It was already noon by the time we came back. We would just sing "*naskia sauti, sauti ya mama. Kwaheri mwalimu*". Everything would remain under that tree.

We prayed and thanked God when the Equalisation Fund came. We said God had given us good people and leaders who listened to us and said, "Some areas are suffering". Now, it is not working. We do not mind if they extend the Equalisation Fund to 20, 28, 34, 38, 40, or all the way to 47 counties. They are also Kenyans who may be suffering. However, we also need to increase the amount that goes into the kitty to cover these other areas. I am a teacher by profession and have been with people for a long time, seeing what they are doing.

As the leadership of this House and Kenyans, my prayer is to be considerate. We should ensure these people get whatever is given to them. Unfortunately, other counties are now being brought in. It means there is no proper administration and a problem if, for instance, a county government constructs a road and puts money into it only to claim later that it is by the Equalisation Fund. I pray that the Committee in charge will go down to see what is happening.

I am happy that from the time we began talking about the Equalisation Fund, most colleagues have really been talking. Let us keep the spirit so that we see the lives of our people and Kenyans improved.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. Chairman? Hon. Moroto, hold on.

Hon. Kuria Kimani (Molo, UDA): This is more of a point of information to my senior. We have done public participation and received the views of the public by the time a Bill comes for Second Reading. The Report is available.

The Temporary Speaker (Hon. Martha Wangari): Hon. Moroto.

Hon. Samwel Chumel (Kapenguria, UDA): I agree with him. This young man is doing well. In fact, we were with him outside this country. It is my prayer that we keep such leadership. He will come later as part of the leadership to assist us.

I want to wind up by stating to the leadership of Kenya that things are not going well. As I said, I have been here. This is my fifth term. I served President Moi and President Kibaki all the way to the current one. However, things are now changing. It is not as it used to be. In Athi River, there is this cement factory that has a lot of problems. I request that the Departmental Committee on Trade, Industry and Cooperatives visit and see. Two Managing Directors were appointed and gazetted; it is now a tug-of-war. Each has a friend in their corner.

Thank you very much.

The Temporary Speaker (Hon. Martha Wangari): Hon. Member for Baringo County, Hon. Jematiah Sergon.

Hon. Jematiah Sergon (Baringo County, UDA): Thank you very much, Hon. Temporary Speaker. I like the way you have mentioned my name. It reminds me of the days we were in campus together.

Hon. Temporary Speaker, I also want to add my contribution to this Bill. First, I congratulate the Committee for a very well elaborated Report. Members who have contributed have also added much weight to the Equalisation Fund (Administration) Bill (Senate Bill No.14 of 2023) that came back to us. This gives the document good weight.

Counties are beneficiaries of this Equalisation Fund, and Baringo is one of them. So far, we have been allocated some money, and four constituencies are benefiting in my county. Tiaty Constituency has got a sizeable amount of money. We also have Baringo South, Baringo North and Mogotio. These areas have dire needs in terms of basic amenities such as water and schools and, largely, in sparsely populated areas.

This Bill also comes when we are trying to correct the colonial errors and bad administration that began in this country long ago, immediately after independence.

Sessional Paper No.10 side-lined and gave much weight to some specific areas that already had resources that could build themselves and left out the more significant part of Kenya and, specifically, the largely sparsely populated area. Now that we are here, I reiterate what Hon. Moroto said: that leaders today and in the future will be keen on ensuring that the utilities and money allocated to these areas are well utilised.

As the Committee has put it, they have given us a board-people who will be sitting and distributing these monies all the way to the counties. Senate is involved, including at the consistency level. These are the people who will determine which projects are going to be implemented using this Equalisation Fund.

At the enactment of this Constitution, the Equalisation Fund had a timeline. Article 204 of the Constitution states that the allocation of this money was given a sunset of 20 years. Article 204(6) says:

This Article lapses 20 years after the effective date, subject to Clause (7).”

(7) Parliament may enact legislation suspending the effect of Clause (6) for further fixed periods of years, subject to the Clause (8)

(8) Legislation under Clause (7) shall be supported by more than half of all the Members of the National Assembly, and more than half of all the county delegations in the Senate.”

This is a very crucial Article for me because I am looking forward to another legislation to give this Fund another lease of life. After all, the Fund's disbursement and enactment was not started at the right time. There was a lot of push and pull between Parliament and the Judiciary that kept these monies for very long, and that is why they started to disburse the other day. If you look at the country today, I do not want to predict that in the future, more counties will benefit from this money. However, if you look at equalisation, it does not only mean semi-

arid and arid areas; we also have areas in cities like Nairobi where you still have marginalised people in the informal sector. Going forward, these people should also be considered so that it does not look like we are only looking for these monies to benefit people who are very far away.

While we look at Nairobi, for instance, in terms of population and people moving towards cities and urban areas, it should also be considered that we need to categorise so that when we are doing further legislation, we need to understand who is marginalised in the society. It does not only mean that you are marginalised when you do not have water. You can have water but are marginalised in many other areas.

We also have to look at the amenities that we build, whether we will strictly build schools that can take care of children or people living with disability. This could also be considered equalisation, so society is equal in many ways. Since most Members have also contributed a lot, I will be very keen as we enact this Bill going forward.

Thank you.

The Temporary Speaker (Hon. Martha Wangari): Thank you.

Member for Njoro, Hon. Kathambi.

Hon. Charity Chepkwony (Njoro, UDA): Thank you very much, Hon. Temporary Speaker, for granting me this opportunity so that I can contribute to the Equalisation Fund (Administration) Bill (Senate Bill No.14 of 2023).

First, I thank the team, which was led by our able colleague. Allow me also to make some comments. The Equalisation Fund is very important in this country. However, this money should not only be meant for the arid and semi-arid areas because there is some culture and thinking that sometimes, it is only arid and semi-arid areas which might be purely in need of this Fund.

I propose that the Commission on Revenue Allocation (CRA) should go beyond and feature other areas in this country, because even though the Fund was traditionally meant for the marginalised areas, some areas in this country have many challenges. People who have not visited some parts of Rift Valley, including your constituency, Hon. Temporary Speaker and mine, Njoro Constituency, would not understand why we are saying that in future, the Fund should be applied to other parts of the country to bring fairness to other Kenyans. Some parts of my constituency are dry almost every year. We have many challenges, such as people not getting food when others are harvesting in this country.

If you visit a place called Kilo in Naishi, Mahiga, Kianjoya, Kamunge'i, Mauche and extend to a place called Piave in Njoro Constituency, you will be shocked at the way people are suffering due to lack of water and challenges in matters food insecurity.

This year, when I was going to launch some schools, I had to lobby for food so that I could give to some specific schools because of the challenges they have. Therefore, when discussing equalisation, when the CRA is planning project priorities, let them also go beyond and look at other constituencies that have not been considered previously. What should be most emphasised in the Equalisation Fund is coming up with the right project, the right project cost, timelines for project completion, and proper management of the Fund.

As my colleague said, the Fund should be extended to most constituencies. She is from Rift Valley, which has not benefited from this Fund. If they are considered, we expect many irrigation projects to be initiated in areas that are also affected. So many arid and semi-arid areas do not have basic needs like water, health, and roads. In my Constituency, one of the largest in Nakuru County, there is a big challenge with road networks and electricity. We want fairness in the distribution of the Equalisation Fund. Some constituencies still face many challenges regarding health services, electrification, water, roads, and food security. In future, if we are to mainstream this Fund, other areas with many challenges should be considered. The Fund is very important. As Members of Parliament who have undergone many challenges in

our constituencies that have never been considered, we propose that the Fund should be inclusive in the future.

Thank you for the time you have given me, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Thank you very much.

Member for Trans Nzoia, Hon. Siyoi.

Hon. Lillian Siyoi (Trans Nzoia County, UDA): Thank you, Hon. Temporary Speaker, for this opportunity to contribute to the Equalisation Fund. The Fund was supposed to be good for marginalised areas. While going through this document, I realised it is a National Government Fund. Some areas are not marginalised per se, but the levels of poverty are too high, and it is important that we consider such areas. But when I went through the document, I realised that the Fund is being disbursed to county governments. I feel this Fund could be given to Members of Parliament because they are closer to the people. Constituencies belong to Members of Parliament, and they can tell what each part needs.

I support this Report. As my colleagues have said, this Fund must equalise all constituencies, wards and other underdeveloped areas. This will ensure that all Kenyans get equal services.

Thank you so much, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Hon. Umi, Member for Mandera.

Hon. Umul Kheir Kassim (Mandera County, UDM): Thank you, Hon. Temporary Speaker, for this opportunity. Article 204 of the Constitution establishes the Equalisation Fund to bring regions that were not developed at par with the developed areas. Unfortunately, the Fund is not what it was meant to be. We have seen constituencies saying that they have pockets of marginalisation, so the Fund has lost the meaning of why it was created in the first place. As you know, it has a sunset clause of 20 years. We are in the 14th year, six years to its lapse, and there is nothing to show for it, which is unfortunate.

Mandera County is behind in all forms of development, be it water, education or healthcare. I feel that Members of Parliament have let down the people they represent. Healthcare facilities are built for Ksh3 million or Ksh4 million, which is not what they were meant for. Each marginalised county that receives the Fund should implement one big project that is impactful to the community, not many small projects that do not make sense.

I support this Report. I am part of the Departmental Committee on Finance and National Planning. My able Chair has been seated from 2.30 p.m. to ensure that this Bill sails through. I commend Hon. Kuria Kimani for the good job he is doing.

Thank you very much.

The Temporary Speaker (Hon. Martha Wangari): Thank you very much.

Member for Kuresoi South, do you want to speak to this matter? Hold on, Hon. Tonui. You have already spoken to this matter. You are on record. I will give the opportunity to Hon. Dorothy, who is still walking on the aisle.

Hon. Dorothy Muthoni (Nominated, UDA): Thank you, Hon. Temporary Speaker. I want to add my voice to this very important Bill. The Equalisation Fund is very important for our country because it supports areas left behind for many years. Such areas have suffered historical injustices in terms of roads, schools, hospitals, water, and other amenities that would make life more comfortable for people living in those areas. The Fund has a constitutional mandate under Article 204, which requires the Government to provide basic services in marginalised areas.

It is disheartening to note that in the 21st century, there are areas with no access roads. You would be shocked that in some areas, people are tasked to carry a coffin on their shoulders so that a body can be taken to its final resting place. There are areas in this country where women give birth by the roadside because the nearest health centre is kilometres away from

where they reside. There are areas where children do not know what electricity looks like. These are the areas we are speaking out for. This Fund is, therefore, crucial to these areas.

Hon. Temporary Speaker, surprisingly, the areas that have been gazetted to benefit from this Fund are not necessarily the ones this Fund should reach. We have other areas that have been left behind but still require it. However, we should not be selfish and say they will not benefit. Let there be a thorough audit when this particular Committee sits down. This will enable us to map out this country and see, other than these areas that are now benefiting, which other areas deserve to have this Fund. I will speak out on the other counties the Fund will go to. I will move an amendment so that this money goes to the National Government Constituencies Development Fund (NG-CDF).

I am making this proposal because when I came to Parliament, I had an opportunity to serve on the Decentralised Funds Accounts Committee. Without any fear of contradiction, I am a witness to the fact that the NG-CDF is properly utilised in the majority of our constituencies. When you go to some of these areas and want to know what the county governments have done with their funds, I say a resounding nay. So, I will move that amendment, which will carry the day.

Let us go back and do a thorough audit on where this money was earlier disbursed to find out if it was utilised in the right way or if it was just given out and people took advantage of it. I also propose that, as much as it is in the Bill, we should have uniformity in how projects are being done in these areas. It beats logic when you are given money to build classrooms and you build makeshift ones. This means we will never move from asking for this Equalisation Fund. Let us have uniformity in how these projects are administered so we move from these areas completely. You cannot remain marginalised for life. If we do things the wrong way, these areas will be marginalised. Then, we continue calling for the Equalisation Fund for the same purpose that has already been done.

Let us look at the percentage of development in these areas that have benefited. If this Fund is properly utilised, it would be a game changer in sustainable development. It will promote environment-friendly and inclusive areas in this country in terms of development. I want to speak to areas like Nairobi, which we assume is well-developed. There are pockets of areas which require this Equalisation Fund. However, I applaud the Government of Kenya for introducing the Bottom-Up Economic Transformation Agenda (BETA) programmes, such as the housing project it is undertaking. It will be a game changer in most areas because it will give equal opportunities to everyone. Citizens will own decent and affordable houses. The Government is doing its part. Let the people who use this money also do it the best way possible.

Australia has an Equalisation Fund. When you visit there, you will see what their Fund does to bring people closer. If we use this Equalisation Fund properly, the inequality gap will be lessened. Let this money be disbursed in a timely manner so that people do not vet projects, conduct public participation and then, at the end of the day, finish two, three or four years before this money hits their accounts.

I strongly support this Bill. Let us re-look at other areas like Meru where we are in dire need of this Equalisation Fund. Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Thank you. That brings us to the end of this debate.

I call upon the Mover, Hon. Kimani, to reply.

Hon. Kuria Kimani (Molo, UDA): Thank you very much, Hon. Temporary Speaker. At the outset, I thank the many Members who have made very good contributions to this Bill. We like the proposals made by Hon. Dorothy, Hon. Serгон, Hon. Kathambi and all the good contributions made concerning this Bill. As we prepare to go to the Committee of the whole House, please liaise with the Clerk's Office so that you can process those amendments. As the

sponsors of the Bill, the Departmental Committee on Finance and National Planning will be happy to ensure we have a watertight law.

The Equalisation Fund Act was declared unconstitutional by the Court. We look forward to having a watertight law that balances the distribution of these resources. As Hon. Umul Kheir said, we need to have projects that are not so thinly stretched to the extent that the impact on the marginalised areas is not at par with the rest of the country. Hon. Kaluma said that when little money is allocated to a water project in a big town or city or a marginalised area, it does not have a good impact. Instead, we have fewer projects that impact the community. Hon. Members who have a way of assessing the success of these particular projects said this.

Another bigger debate that we should have, which needs to be addressed better by the other House, the Senate, is that some areas are marginalised because of political interests. Some counties and governors perceive particular areas as not having political support. They end up neglecting them in allocating resources for those projects. Unfortunately, even some of the NG-CDF committees also neglect some areas. So, as much as we want to bring those marginalised areas to par with the rest of the country, it is also important to have the political goodwill of all the leaders and people who allocate resources to our communities. We do not want to disadvantage or marginalise some communities because of our political differences.

With those remarks, Hon. Temporary Speaker, I beg to reply.

The Temporary Speaker (Hon. Martha Wangari): Very well. I will defer the putting of the Question to the next appointed time.

(Putting of the Question deferred)

Next Order.

THE INSURANCE PROFESSIONALS BILL
(National Assembly Bill No. 13 of 2024)

(Moved by Hon. Kuria Kimani on 20.2.2025)

(Resumption of debate interrupted on 20.2.2025)

Hon. Kimani, today is your busy day. Move the Bill.

*(Hon. Temporary Speaker (Hon. Martha Wangari)
consulted the Clerk-at-the-Table)*

I have been told it was moved and seconded. I will start by proposing the Question.

(Question proposed)

We will start with the Member for Kitui Rural, Hon. David Mboni.

Hon. David Mwalika (Kitui Rural, WDM): Thank you, Hon. Temporary Speaker, for giving me this opportunity. From the onset, I support the Bill because it originated from my Committee. It was first introduced in the 12th Parliament but was not well drafted. The version we have in this Parliament is very good. We are also requesting Members to propose amendments to make it better.

This is a very important sector in this country. It contributes 2.1 per cent to the Gross Domestic Product (GDP) and employs over 10,000 people, directly or indirectly. Together with

the manufacturing, banking and Information and Communications Technology (ICT) sectors, they contribute around 53 per cent of tax revenue. However, insurance penetration in this country remains low, at 2.4 per cent. Statistically, it is the third-lowest in Sub-Saharan Africa and below the global average of seven per cent.

This sector faces many challenges. One is the public perception that insurance agents are conmen, which causes people to avoid taking insurance. Other challenges include uncertainties in the market, cybersecurity risks and workforce inefficiencies. Some claims take too long to be honoured. I have one claim that has taken about three months to be compensated. Unfavourable government regulation framework has harboured the penetration of insurance in this country.

This Bill seeks to address some of these challenges. The main objective of the Bill is to provide a framework for regulating professionals in the sector, enhance standards, promote professionalism and address professional misconduct. Most people fear this sector because the people working there do not have a very good reputation.

This Bill also seeks to establish the Insurance Institute of Kenya and an Examination Board that will regulate the exams taken by professionals in this sector. The proposed Insurance Institute of Kenya is expected to regulate professional conduct and maintain the standard of services rendered by professionals in this sector. This Institute will be equivalent to the Institute of Certified Public Accountants of Kenya (ICPAK), whereby professionals in the sector who misbehave will be penalised and put in order.

Part 4 of the Bill provides for the registration of insurance professionals. It will ensure that professionals are registered, allowing for monitoring of their conduct. Those who will go against the provided regulations will be punished. There will also be a registration committee whose mandate will be the registration of professionals, just like the Institute of Certified Public Accountants of Kenya (ICPAK), which ensures that all accountants are registered and monitored. The Bill aims to promote the recognition of insurance professionals in Kenya and beyond, just as what happens with accountants.

Additionally, the Bill provides for the establishment of the Insurance Professionals Examinations Board, which will be entrusted with preparing syllabuses and setting exams. When we were conducting public participation, we realised that the College of Insurance is currently tasked with setting exams, and some courses take only two weeks. One would wonder how a person can attend a two-week course and become a professional. These are the kinds of standards we are talking about. This Examinations Board will prepare the syllabus, set exams, reconcile those exams and issue certificates. Anybody who will undertake those exams will be recognised as a professional. As I mentioned, this sector currently has no professional examination board. If this Board is established, it will mean that a student taking a course in Kesses, Kitui Rural, or Mwea can take exams in those colleges because they would be the same for everyone.

This Bill is very important. It will enhance insurance penetration and streamline the conduct of people working in this sector. Additionally, people will not lose their claims as it has been happening.

With those few remarks, I support the Bill.

The Temporary Speaker (Hon. Martha Wangari): Thank you. Let us have the Member for Kitui Central, Hon. (Dr) Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you very much, Hon. Temporary Speaker. I also join my colleague, Hon. Mboni, in supporting this Bill. It is important that this Bill is in the House today. You will recall that it was introduced in the 12th Parliament but did not see the light of day. The 12th Parliament's Term ended before it could become an Act of Parliament. I hope that we will see it go through this time.

This Bill is very important and has remained so for many years. In my view, we are doing it a bit late. We should have had this Bill many years ago. The insurance sector is very important and plays a key role in assisting the country to grow economically.

This Bill captures some critical areas that need to be worked on for an effective insurance sector in Kenya. One of the areas is the establishment of the Institute, which will determine who an insurance professional is. To be called a professional, you must have undergone some minimum hours of training. This is one of the sectors where we have "briefcase" insurance brokers and agents, and as a result, our people have suffered. I am sure you, or any of my colleagues, know of a person who took fire insurance but was never compensated when the worst happened. We have so many such cases in this country. When they come to sell the policy to you, they do everything to convince you to buy, but when it is time for compensation, the wars begin. Through this Bill, we will have professionals who will get claims paid on time, as this is critical.

The other important issue is the examination administered to these professionals. In most professions, there are minimum lecture hours that you must cover to be qualified. The same case applies to members of the Institute of Certified Public Accountants of Kenya (ICPAK), lawyers and engineers. You will not be regarded as a certified professional in that area unless you have achieved that. That is why, in this country, some universities that attempt to offer engineering degrees are deregistered by the Institute of Engineers of Kenya (IEK) because they do not meet the minimum requirements. The same will apply to this Bill. We will have professionals who have completed a minimum number of lecture hours to ensure you become certified. In that case, we will be standardising the training so that whether one is trained from Nairobi, Mombasa or Kisumu, at the end of the day, they will be regarded as a professional because they have met the minimum hours to complete the course.

Another important issue is having a data bank of certified insurance professionals so that if one wants to ascertain whether one is a registered insurance professional, one can do so by visiting an office or clicking a button. That will help Kenyans differentiate between genuine professionals and brokers, as there is so much money in this sector that brokers outnumber professionals. I want to see that situation reversed where we have more professionals than brokers. If we get to that level, we will be helping the country.

Even as the Committee looks into this Bill and pushes it forward, I wish the House can give priority to this Bill to be passed and become an Act of Parliament so that it improves our insurance sector.

As I conclude, Hon. Temporary Speaker, I commend the good work done by the Insurance Regulatory Authority (IRA) in this country and urge it to look at the existing gaps. Here are people who have been involved in accidents and never received compensation, as well as those whose insured homes were destroyed by fire but have not been compensated. Insurance companies take so long to settle claims that when they do, they no longer serve the intended purpose during the accident or loss of property. I wish that through IRA, we could help Kenyans settle their insurance claims promptly so they do not suffer. One gets insurance to cover themselves from emergencies and be bailed out when they happen.

With those many remarks, I support the Bill. I also request that the House, through the House Business Committee, prioritise this Bill so that it can become an act of Parliament before the lapse of the 13th Parliament.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Hon. Maingi.

Hon. Mary Maingi (Mwea, UDA): Thank you, Hon. Temporary Speaker, for giving me a chance to support as I contribute to this important Bill. The Insurance Institute of Kenya (IIK) was formed in 1948 and operated as an affiliate institute of the Chartered Insurance

Institute of London until 2002 when it finally got registered as a society by the Registrar of Societies in Kenya.

Hon. Temporary Speaker, every year, Kenyan students take away money from this country to London to pay for their exams in the Chartered Insurance Institute of London. If we recognise the IIK as a professional body of this country, we will have Kenyans register for their exams here; we will retain our money and have members of our neighbouring countries and other countries register with us and, thereby, bring their money into the country.

Hon. Temporary Speaker, having a controlled insurance sector in this country is important because it employs thousands of people. In fact, this country has more than 13,000 players in the insurance industry. The finance and insurance industry contributed 6.7 per cent to our country's Gross Domestic Product (GDP). The insurance sector contributed 2.4 per cent to our GDP. Such a sector cannot go unchecked.

There is a direct and positive correlation between insurance penetration and economic growth. Countries that have a strong insurance penetration also have strong economies. Economies like South Africa, the United Kingdom (UK) and the United States of America (USA) have a very high insurance penetration, meaning their insurance uptake is higher than ours. This is because our insurance industry is not regulated, and our customers have no confidence in it. If we establish the Insurance Institute of Kenya as a regulatory body to regulate all insurance professionals, we will increase the confidence levels in this country and have more insurance partakers. Even our Technical and Vocational Education and Training (TVETs) institutions will provide insurance examinations because they know the Insurance Institute of Kenya (IIK) will be recognised. Subsequently, their exams will be recognised. That will mean that our people will not spend money sitting for exams in London with the Chatham Insurance Institute.

The role of insurance cannot be underestimated. Insurance provides cash for investment through financial markets, capital investments like real estate, the banking and construction sectors, and protecting people and their properties. When you consider the terrorist attacks at Westgate Mall, World Trade Centre or the more recent attack on Parliament by outsiders, if those places had no insurance covers, operations would not have resumed as quickly as they did to allow people to continue working and the economy to continue growing.

Insurance also creates employment and makes nations even more prosperous because people will invest and take riskier chances. They will risk more because they know that in the event that their businesses go under, insurance will compensate for their losses. Confidence levels will increase because people are assured that insurance will take care of their businesses and lives.

With those few remarks, I beg to support the Bill and thank the Chairperson of the Departmental Committee on Finance and National Planning for bringing it up for discussion.

The Temporary Speaker (Hon. Martha Wangari): Member for Busia, Hon. Omanyo.

Hon. Catherine Omanyo (Busia County, ODM): Thank you, Hon. Temporary Speaker. This is a beautiful Bill that is long overdue. Many people have lost their lives or been rendered handicapped or mentally challenged after losing money to some dubious, uncertified brokers or agents of various insurance agencies. Some of them con people right away. They come with nice language and say that if you pay them a certain amount per year, you will be taken care of in case of any emergency. If you get sick, you do not have to worry whether or not you have money in your pockets. Your next of kin and children will get all this compensation whether you have money in your pocket or not. You will be paid per week or after every two weeks in case of your demise or being handicapped. Then, you are drawn into paying some yearly or monthly money, knowing there is an assurance at the end. We have to tie our string to the kite as a country. We want a country where we are truly assured and know insurance brokers or agents are certified. We should have an institution or body to ask in case

of anything. We will go there and ask, "So and so, agent number this or broker firm this came to us, and we got insured by your body, and this is what has happened".

It will be easier to track when anything happens if they have records or data of every professional insurance person. They will see what to do if you were conned or given a particular insurance. What happens in Kenya today? Many people have gone into villages and towns where people like bodaboda operators pay. However, there is no compensation when they get an accident. They go to Court only to find out they have been played and conned. They have nobody or institutions to run to and report to.

As a nation, we have lost a lot in the hands of some people. Let me use maybe the harsh word "con man" or "con woman" on these people. They came in the name of an insurance firm but did not mean it. They just took the money. Also, some of these firms ensure they do not compensate, knowing they cannot be taken anywhere. It is as if they make sure they do not pay according to how they promise.

If a teacher misbehaved and I went to the Teachers Service Commission (TSC), TSC would know what to do to that teacher. I will go to the Law Society of Kenya (LSK), which will handle any lawyer who conned me or did not purchase what I wanted. Maybe I trusted him and gave him the money that he ate, and LSK would punish such lawyers. If I go to the Nursing Council of Kenya, they are orderly. Which body regulates insurance? Which body do I go to and say a certain broker or agent took my money, I got an accident, and I have not been paid to date?

The long bureaucracy in courts makes complainants tired and give up on the way. That makes many people not trust the insurance, which remains for the upper class only. People in the upper class in Kenya are very few. Maybe only 10 per cent of Kenya's insurance economy goes to the right and few trusted ones.

I want an institution or body that looks like the LSK but is an insurance body; it looks like TSC, but it is an insurance body, a body that can give certificates to all agents that represent various insurance institutions. We can trust insurance, do more, and save lives if they come up with that certificate. We cannot just deposit or keep giving to a place resembling a bottomless pit. As they say in Kiswahili: *Kiendacho kwa mganga hakirudi*. It is a beautiful idea, but what do we do when we feel conned?

Thank you.

The Temporary Speaker (Hon. Martha Wangari): Very well.

Member for Kesses, Hon. Rutto.

Hon. Julius Ruto (Kesses, UDA): Thank you so much for the opportunity you have given me. From the onset, let me thank my Chairman of the Departmental Committee on Finance and National Planning, Hon. Kimani Kuria.

It is for spearheading and steering a way to ensure this Bill is here on the Floor of the House today. It has taken a lengthy time, knowing that it has gone through many rigorous processes, more so, stakeholder engagements in which I participated. Indeed, this sector is one among those that have lagged for long. It is one of the sectors with much interest. There are many players in the chain of this particular business. Some come together and organise themselves into an association or a company called brokers, while some find an opportunity to trade in insurance covers and for any other reason. It has also established many regulatory bodies. If you look at the objectives of these particular regulatory bodies, they have no definite focus on the people in them.

This particular Bill has been brought at the right time. The financial sector is crying out for people with technical knowledge and a level of competence to not only conduct business but also advise the people. Many people have been suffering from a lack of understanding of the kind of insurance coverage or policy to take to secure or to protect their interest in business or even life. Why? We all understand the level of unemployment in this country. Like any other

country, it is rising. Some people find themselves in the industry just because it can give them an earning at the end of the day. What happens is that it causes a lot of chaos and confusion. Occasionally, people have lost their valuables and money even when they thought they had covered the risk. This is because they were neither guided well nor had clear instruments or tools to confer confidence to a particular person.

Hon. Temporary Speaker, whereas we have heard many people talk about the whole sector, this Bill is unique because it will organise the sector. A system minus people is a failed system. We have had many systems in place that have created many levels and brought much confusion to those levels. When someone is affected, there is no clear body or person to run to, plead, or appeal their case.

This particular Bill is going to do three major things. First, it is establishing an Institute. The Institute is tasked with an enormous role. Its major role is to ensure that it constitutes people operating within a given standardised environment guided by a legal framework that will guide this particular practice.

Second, it defines insurance practitioners. In professions like accounting, for which I am a certified public accountant, an accountant is defined in the Accountants Act. For a person to be an accountant, other than going through normal education, knowledge, and skills, they have to be subjected to another training to ensure they are well knowledgeable of this particular practice. That person is certified after accomplishing that training through the Kenya Accountants and Secretaries National Examination Board (KASNEB). They are then subjected to another institute called the Institute of Certified Public Accountants of Kenya (ICPAK), which they register. They are taken through proper training and testing by a practitioner or a professional until the person has enough knowledge to discharge his duty.

The Insurance Practitioners Act proposed in this Bill will ensure consumers and Kenyans have confidence in the people they will engage. Let us look at the chaos in the Matatu sector. Some people have found an opportunity in it, but others lose a lot of money. We have emerging issues like the bodaboda sector, where we do not understand how to evaluate the risk. This is because we do not have people who have devised a policy on assessing the risk of a customer who sits exposed without any support, yet they are moving on roads with a lot of risk. If you visit Moi Teaching and Referral Hospital, you will find victims of accidents. They have a dedicated facility to address the issue. Families suffer because no insurance company is ready to take up those challenges. This is because the sector is not organised and does not have knowledgeable people.

One of the issues that we have to appreciate that this Bill introduces is the standardisation of the Kenyan insurance sector to match international standards. This means that any business or Kenyan can be covered in the country and accepted even outside Kenya. Alternatively, anybody can acquire insurance in Kenya, undertake the risk, and get confidence for that business to take place. This body will ensure that we have linkage, partnership and liaison with other insurance bodies to ensure that world standards are brought back to the Republic of Kenya so that the Kenyan insurance sector is appreciated globally. That will give latitude to our country in moving forward.

Another issue is indiscipline. You realise most of these practitioners have been going scot-free, yet they have been messing around because nobody is checking on them. This body will ensure that quality assurance is undertaken and enhanced, proper supervision is done now and then, and follow-up is undertaken now and then, including Continuous Professional Development (CPD) training. This institute will ensure that CPD is provided for practitioners so that they have an opportunity to become acquainted with emerging issues in the sector. They ensure that they can discharge their duty in a manner that can befit the required situation at that particular moment.

The other issue is that during public participation, we had concerns from the sector where they felt threatened that we were probably taking away the roles or functions they have been playing. An example is the Kenya College of Insurance. They fear that establishing an examination body will take away their role. No, this Bill does not create an institution or a college. Instead, it will establish a board that will sit down, define, and design the standard training and examinations that the same colleges—the Kenya College of Insurance and Kenya College of Accountants and any other institution, including private colleges—can offer. The examination will be set for every practitioner across the board within the country and, who knows, even outside the country. I know that KASNEB trains accountants from South Sudan, Uganda, and sometimes even Tanzania, and we subscribe to it in the same formation.

The other issue is the concern of the people who have been in the sector for quite some time. There is a worry about how the transition will be now that this sector is being organised. During implementation, we also need to be cognizant of the people who have developed the interest for quite some time, although they do not know what they are going to do. We have a soft way of adopting them into the system through training and giving them that opportunity because of being there for some time. Now that you will regulate the sector, you cannot have those people moving out of the market. My concern is for the implementers to provide a proper transition mechanism so that those already in this sector are adopted and onboarded in a manner that allows them to move forward smoothly. Nonetheless, I am sure it will provide a better mechanism to sieve out those who have been lying to the people and those who have been camouflaging as insurers and have not gone through training.

May I not mention anybody, but we saw some people giving names of people qualified for a given profession the other day. But we saw an institution coming out strongly saying: Look at this, we are not aware in our roll of register that so and so has been trained, has been qualified and has duly earned the title given or that is reserved to professionals for this name.

We saw everything change because if we are not careful, this market will get confused and, in the future, we will have no people to be relied upon. I am calling upon this... It is not only in the insurance sector but also in many other professions. We need to look at them.

I am also proposing a Bill to ensure we also standardise the banking sector. We should also standardise the procurement sector because this is another area we have been looking at with many challenges regarding procurement corruption. We need to organise it.

With that, Hon. Temporary Speaker, thank you so much.

The Temporary Speaker (Hon. Martha Wangari, UDA): Very well.

Member for West Mugirango, Hon. Mogaka.

Hon. Stephen Mogaka (West Mugirango, JP): Thank you, Hon. Temporary Speaker, for giving me the opportunity to contribute. As I do that, please permit me to thank and congratulate our Finance and National Planning Committee Chairman for scoring yet another first for the 13th Parliament by bringing this Bill. This Bill will go a long way in regulating one of the major players in the finance sector, an intermediary that has hitherto not been regulated.

This law is key even when discussing life, medical, property, personal accident, or motor vehicle insurance. All these insurances are offered as products in this Republic, in a market that is so porous, where everybody carries themselves as an insurer. The proposed Bill will define what constitutes a professional in the insurance sector, whether a surveyor or a consultant, to assign responsibilities to the various practitioners in the industry as defined in Section 2 of the Bill.

In law, we always say that when you hold someone liable for negligence, they must have a certain level of qualification against which you judge whether they had reasonable knowledge in that profession to carry a certain level of responsibility and liability expected of their training, certification and registration.

Until now, we have been operating in a market where insurance salespeople carry themselves as insurance professionals, advising unsuspecting and vulnerable individuals who enter into insurance contracts whose fine print they do not fully understand.

The Bill distinguishes who an insurance consultant is and who can give you advice which you can rely on. If you lose any money, you can hold the consultant liable. That also makes it easier for professional practitioners in the insurance sector to obtain professional indemnity insurance. If a claim arises due to faulty advice, the consultant will have insurance coverage to address the resulting liability if they misjudged the advice they gave to a client, who then lost money.

Almost all professionals in the country are being regulated. When practising banking, I was a member of the Kenya Institute of Bankers. You cannot practise as an accountant without being a member of the Institute of Certified Public Accountants. Even human resource practitioners now have laws regulating and defining who professionals are in that sector. The same applies to marketers, engineers, medics, teachers and Information and Communication Technology (ICT) practitioners. The Bill was long overdue, and the insurance sector should be celebrating that the 13th Parliament has elevated it from a general market to a professional practice, which will ensure that quacks do not operate in that sector.

Through the Bill, we will standardise the qualifications, registration, and conduct of practitioners in the insurance profession. Standardising the industry will open the doors to globalisation so that any potential insurance practitioner around the world can access a website to establish the requirements for practising as an insurance professional in our Republic.

We have seen unscrupulous businesspeople entering Kenya, setting up brokerage firms using the license of a non-practising broker and continuing to do business as aliens in the country.

The Bill will resolve that problem and ensure only licensed and qualified practitioners can practise in the country.

I support the Member for Kesses, who, as we introduced this Bill, said to the Chairperson of the Departmental Committee on Finance and National Planning that there is already an insurance sector in the country without this law. Therefore, if the Bill is assented to, we must include transitional clauses that will not bastardise those already practising insurance in this economy but will give them a grace period to comply. That is how civilised countries and nations like Kenya have always worked. Through these parliamentary proceedings, let those who do not have this kind of qualification start preparing for them. We want to position ourselves on a platform with a competitive edge to be active participants in the global financial market.

I thank the Chairperson and the Committee. I also thank you once more for making me voice my thoughts. I cannot sit before appreciating the people of West Mugirango, to whom I am forever grateful, for giving me the chance to bring my brain to assist in formulating such legislation. I support.

The Temporary Speaker (Hon. Martha Wangari): Thank you very much.
Member of Njoro, proceed.

Hon. Charity Chepkwony (Njoro, UDA): Once again, thank you very much for granting me the opportunity to contribute to the Insurance Professionals Bill of 2024. My neighbour from Molo Constituency, which borders my Njoro Constituency, has spearheaded this. It is a fantastic professional Bill.

As I reviewed the presentation, it became clear that this Bill will enable Kenyans to work with insurance companies with greater confidence. We have faced numerous challenges in this sector, and this Bill addresses many of them. When Kenyans want to learn about insurance matters, where do they go? Currently, if someone from Turkana, Nakuru, northern Kenya, or the coastal regions wants to study insurance, their only option is the Nairobi College

of Insurance. This Bill seeks to empower Kenyans in their respective constituencies by allowing institutions like Technical and Vocational Education and Training (TVET) colleges, universities, and other registered educational organisations to offer insurance education. This will make it easier for Kenyans across the country.

Another key benefit of the Bill is its emphasis on clear structures that are simple in communication and better accountability. We have faced significant challenges in this country, where Kenyans insure their properties but struggle to receive compensation when accidents occur. Often, the brokers and legal representatives involved are difficult to trace as we do not know the locations from which they operate. We realise the very last minute when Kenyans have gotten some challenges.

This Bill will help Kenyans identify trustworthy professionals to work with on insurance matters. Many have lost money and property due to dubious insurance firms. Just as we have professional marketers, myself being one, we need well-regulated insurance professionals guided by the law.

This Bill also addresses cross-border issues. For instance, what happens when a Kenyan travelling to Uganda or Tanzania is involved in an accident with a foreign vehicle in a foreign country? This Bill ensures that professionals in Kenya and the East African region are covered and, therefore, it will assist us.

Additionally, the Bill establishes the Insurance Institute of Kenya. The professional body will guide the sector and establish the right procedures and processes to ensure good conduct and instill discipline in this country.

This year, I also had a challenge when I wanted to renew my insurance. I did not tell the people where I went to renew who I am. Someone claimed they could not insure my vehicle because of a claim against it. That was a pure lie. Therefore, I expect this Bill to bring transparency, proper communication and the right information. When Kenyans encounter a problem, they realise they lack the right information. Sometimes, there is hide and seek. Therefore, Kenyans suffer a lot.

We support this Bill that was brought by Hon. Kimani Kuria. It is now our responsibility to find where we can improve it so that Kenyans benefit from it. Thank you very much for giving me this opportunity. The Committee led by Hon. Kimani Kuria has done good work.

The Temporary Speaker (Hon. Martha Wangari): Thank you very much.

Member for Eldas, Hon. Keynan.

Hon. Adan Keynan (Eldas, JP): Thank you, Hon. Temporary Speaker. I am a Member of the Committee, and this Bill has come at a time when this country is faced with many challenges. The insurance sector is critical to our economic stability by providing financial security against risks and uncertainties. That is the very basic definition of insurance.

First, I must admit that I have an interest in this sector. It was the first sector that gave me an opportunity to eke a living when I left university, so it is an area that I am very familiar with and fond of. In Kenya, the industry has witnessed significant growth, necessitating the establishment of a robust regulatory framework to uphold professionalism and integrity and safeguard consumers against many risks.

This industry has been associated with fraud and many other illegal street activities. It is only fair that at this time, in this modern-day Kenya, the critical activities in the sector must be predictable, measurable, practical and value-driven. This is what the sector lacks. This Bill attempts to provide this, and I therefore recognise this need.

Recognising this need, the Bill seeks to institutionalise the regulatory framework for the entire insurance industry profession through a structured oversight mechanism. Over the years, like in other sectors, many players in this sector have resisted coming under one structured professional entity, and we understand the reasons.

The Proposed Bill also represents a significant step towards strengthening Kenya's insurance sector by instituting regulatory oversight, enhancing professionalism and protecting consumers. One of the seven principles of insurance is that you must act in utmost good faith. Can this be defined? Can it be quantified in modern-day Kenya? It is difficult.

The second principle is that you must indemnify the consumer, the person taking a cover. The other principle is that it must also contribute to the welfare of that particular individual and the particular insurer. The other principle is that it must minimise loss. That is why we take insurance coverage so that in case this happens, one must get a return. For that to happen, both the insurer and the consumer must have some understanding. Previously, it was in good faith. Can that continue in this modern day, where Artificial Intelligence and all kinds of groupings have taken over the global business system? Another principle is that you must have an insurable interest. This is why it has been a debatable issue in modern-day Kenya.

Addressing these implementation gaps or reality gaps, we must also admit that the Kenyan public is so much informed. The atmosphere is pregnant with certain expectations when we talk about the benefits in a certain sector. That expectation must be met by the sector through a legally acceptable mechanism by the professionals. This is one thing that we have struggled to do. Therefore, addressing these implementation gaps requires a robust dispute resolution mechanism that will be crucial in realising the full potential of having an insurer. I commend those who have contextualised this brilliant idea. These refinements to the Bill will effectively transform the insurance landscape, fostering a trustworthy, efficient, locally and globally competitive industry. Once this is done, it will provide employment opportunities for many Kenyans and contribute to their economic well-being. It will make Kenya an investment destination. Insurance attracts a lot of capital investment in what I can call 'hot' money. You must have heard this: individuals with more resources look for areas where they can invest.

The Bill provides for the regulation of insurance professionals. They are just like other professionals. Lawyers have the Law Society of Kenya; accountants, architects and engineers also have their associations. Professionals in the insurance industry have resisted over the years to come under one professional entity. The Bill proposes to establish three critical regulatory entities: the Insurance Institute of Kenya, the Insurance Professionals Examination Board, and the Registration of Insurance Professionals Committee. These entities will not only examine, register and regulate insurance professionals to uphold ethical conduct and mandate industry standards but will also formalise structures. Practitioners must adhere to these standards and structures in their everyday professional engagement.

Secondly, the Bill also attempts to establish professional standards. You will notice that every quack with a piece of paper can go to the streets and talk to a motor vehicle owner or an individual struggling to have a life or medical insurance. Individuals must meet certain professional standards. This means you are expected to undertake a minimum professionally driven, centred and orientated examination to understand the dynamics of that particular sector. It will not be a free-for-all industry where every person is expected to carry a business card and a bag and then pretend to be an agent of any particular entity. I am glad that this is proposed in the Bill. This being a financial sector, professionalism and adherence to ethical codes are paramount. By mandating stringent qualification criteria and continuous oversight, the Bill aims to elevate the level of confidence, competence and integrity among insurance professionals like in any other critical financial profession. Once done, it will foster confidence in the sector, reinforcing credibility.

As I said, one of the principles of insurance is to act in utmost good faith. I think this only happens in certain societies, and it is slowly waning because of the changing dynamics of the human race. This will reinforce the credibility of a sector largely driven by acting in good faith.

The third component of this Bill is consumer protection. What safeguards do we have for the many vulnerable insurance seekers? A well-regulated insurance industry directly benefits the consumer. This makes the Kenyan insurance industry competitive in Kenya, regionally, and globally. This is one status that Kenya has been attempting to acquire over the years. This will minimise the risk of fraud, misrepresentation and malpractices. The Bill attempts to ensure that only qualified insurance professionals are allowed to practise.

Hon. Temporary Speaker, the other bit is industrial growth. What do we expect from this Bill? Kenya has a struggling economy. We are not supposed to be where we are today. We are supposed to be a leading nation in every sector. The insurance sector is one of the critical components that has also been struggling. Therefore, this regulatory framework that emphasises professionalism and ethical conduct catalyses sector growth. By instilling sector confidence and fostering best practices, the Bill attempts to position Kenya as a critical insurance sector in Kenya, East Africa, South of Sahara, the African continent and globally. This is the status that each of us must be proud of. However, there are certain gaps that we must also look at. How is this generous institution...

The Temporary Speaker (Hon. Martha Wangari): Your time is up. I will give you one minute to wind up.

Hon. Adan Keynan (Eldas, JP): Thank you, Hon. Temporary Speaker. The Bill proposes the establishment of three bodies. Who will fund, staff and manage them? After this, we need to think outside the box and come up with a platform.

Who will administer this continuous professional development in the name of continuous professional assessment? We must look at it in the insurance sector globally. The other bit is public access, consumer protection and education. We must also look at it.

The other one is a dispute resolution mechanism. We must come up with arbitration. It is one of the things that needs to be looked into, but it must also be captured within this Bill and other groups so that as we go to the public, this is done.

Otherwise, I support this Bill, which is critical. I pray that once it is enacted, it goes through the other stages. Kenyans will benefit from this reformist Bill. I support it.

The Temporary Speaker (Hon. Martha Wangari): Very well said.

Member for Kaiti, Hon. Kimilu.

Hon. Joshua Kimilu (Kaiti, WDM): Thank you, Hon. Temporary Speaker, for giving me an opportunity to contribute to this important Bill. Before I contribute, I thank the Member for Molo, Hon. Kimani, for coming up with such an important Bill. We need to make things right where we are in our country now.

I support the Insurance Professionals Bill (National Assembly Bill No. 13 of 2024) because it is very important. It will make things straight in our country. Once it becomes a law, we will strengthen the sector and make it gain a lot of support and weight. It will come up with a good measure to ensure the sector gets rid of quacks who sometimes pose as insurance professionals. Once this Bill becomes an Act of Parliament, it will ensure you meet a certain criterion before becoming an insurance professional. This will ensure that quacks will not join this sector pretending to be insurance professionals.

Once this Bill becomes a law, it will also educate Kenyans. There is one case I handled in my constituency last week. A guy took an insurance cover for his car. After an accident, he has been taken to Savings and Credit Cooperative Societies (SACCOs) for more than a year without being paid. When this Bill becomes law, some of these small things will be avoided because things will be right. We will not take our clients to SACCOS.

The Bill will also empower the insurance sector and make it look better than it is now. The Bill will help the insurance sector to gain... When people are trained to a certain level, they will have certificates. People will no longer hide and pretend that what they are doing is right when they are not doing the right thing.

When the Bill becomes law, it will help the insurance business to be recognised. I have gone through the Bill and realised that globally, countries like France and the UK have the same Bill. This Bill is important. We can go somewhere to benchmark. A country like Kenya needs to come up with such a law. In fact, this Bill has come at the right time. In unison, I urge all my colleagues to pass this Bill to become law so that we can help our country.

The Bill will also help to grow the insurance profession, just like we have Bills that cater to the legal and medical professions. Con men and con women will be repulsed. If I can remember, there was a financial institution where someone was conned. When they tried to make a follow-up on their money – they had been assured by the organisation that their money was insured – they lost it because the institution lacked structures and offices. Therefore, having good structures in our financial institutions will help this country. I can see time is running out, and I want my colleagues to contribute. I support.

The Temporary Speaker (Hon. Martha Wangari): Very well.

The Member for Kitui West, Hon. Nyenze.

Hon. Edith Nyenze (Kitui West, WDM): Thank you, Hon. Temporary Speaker, for giving me this opportunity to air my views on this great Bill on insurance. Let me take this opportunity to also congratulate the Member of Parliament for Molo, Hon. Kimani, for bringing such a Bill. This Bill will make provisions for the establishment of an insurance institute in Kenya that will have an examination body for insurance professionals. It will also have a board in charge of examinations, registration and regulation of standards and procedures. By doing so, the board will offer checks and balances to the institution. Therefore, the institution will be run according to the established standards, and it will regulate the insurance sector. In doing so, it will act like any other professional body for other fields like engineers, marketers, lawyers and human resource personnel. All these professions have institutes that offer checks and balances.

It is also important to note that professionals will be issued practising certificates from this institution, which will help them register. That will also ensure that people who are not disciplined are not registered and de-registered through a disciplinary committee that will ensure such professionals follow the rules and procedures the institute will have set out.

We have a lot of con men, quacks, and brokers who are not serious about the insurance work. They found their way into the insurance industry without the requisite qualifications. They have made people even lose trust in insurers with qualifications in the insurance industry, especially with investments. Most Kenyans doubt whether they will receive their dues when they invest through insurance. However, such an institution will give Kenyans confidence to insure their vehicles or even invest with insurance companies. They will know there is a body where they can report issues and one that ensures discipline. I know of a person who insured their vehicle with an insurance company, believing they were fully covered, only to be turned down after the car had an accident. They later discovered they were not insured because the money had not been remitted. Such an institution will ensure checks and balances and give people confidence. This is a very good body that will assure the insurers that things are being done correctly.

With those many remarks, I support the Bill.

The Temporary Speaker (Hon. Martha Wangari): Thank you.

Member for Kuresoi South, you are not visible on my screen.

Hon. Joseph Tonui (Kuresoi South, UDA): Thank you, Hon. Temporary Speaker, for giving me this opportunity to add my voice to this important Bill. First and foremost, I would like to thank Hon. Kimani Kuria, Member of Parliament for Molo Constituency, for coming up with the Insurance Professionals Bill 2024. From the onset, I support this Bill.

Having looked at the Bill, I believe it will bring a lot of sanity to the insurance industry. It has come at the right time because people have suffered for too long. The principle of

insurance is based on indemnity, which aims to bring the person who suffered a loss back to their former financial position. People have suffered because they have been dealing with the wrong people. When accidents occur, those people often disappear. I see this Bill bringing a lot of professionalism to the industry, and professional misconduct will be a thing of the past.

This Bill also provides for the Insurance Professional Examinations Board, which will prepare syllabuses for insurance professionals and issue certificates. In brief, this Bill has come at the right time. Once it becomes law, I will encourage my colleagues to sensitise our people to register properties with various insurance companies.

With those very few remarks, I support the Bill.

The Temporary Speaker (Hon. Martha Wangari): Thank you. There being no more interest in this Bill, I call the mover to reply.

Hon. Kuria Kimani (Molo, UDA): Thank you very much, Hon. Temporary Speaker. I want to thank Members of the Departmental Committee on Finance and National Planning for their input on this Bill. I would also like to single out Hon. Keynan, who has sat through the debate this afternoon. I have thoroughly enjoyed the contributions that all the Members have made. I assure you that the views you gave will enrich this piece of legislation.

As a reply, one of the issues raised by the Member for Funyula when seconding was on the question on the Fourth Schedule, which provides for establishing a disciplinary process for these insurance professionals. The Member's intuition was that this could disadvantage these professionals or be a source of unnecessary bureaucracy. I checked through to see what other legislation on professional bodies have. For example, the Accountants Act (Cap. 531), which regulates the Certified Public Accountants (CPAs) and Company Secretaries, has a disciplinary process provided for in the Fifth Schedule. The Engineers Act (Cap. 530) has Part VII that also provides for the disciplinary process. The Human Resource Management Professionals Act (Cap. 538) also has disciplinary provisions in Part V. Finally, the Advocates Act (Cap. 16), Part XI, also provides for a disciplinary process. Therefore, the provision of a disciplinary process is not any different from what has been provided for in the other pieces of legislation. We hope to accommodate as many of those remarks by Hon. Members as possible during Committee of the whole House. This is to ensure that we have a very good piece of legislation.

On the question by Hon. Keynan, it is important to clarify that we have expressly provided that this particular institute will not be funded by the Exchequer because the exams administered will be paid for by the students. Therefore, there will be no need to burden taxpayers any further.

I thank everyone who has immensely contributed to this great piece of legislation. I also thank the people of Molo Constituency for giving me a chance to serve in this Parliament. When they come to Parliament, they want to see their Member of Parliament proposing good laws for this country. This is one of such laws.

Hon. Temporary Speaker, with that, I beg to reply. Thank you.

The Temporary Speaker (Hon. Martha Wangari): Thank you very much. Hon. Members, we will defer the putting of the question to the next appointed time.

(Putting of the Question deferred)

Next order.

BILL

Second Reading

THE POLITICAL PARTIES (AMENDMENT) BILL

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(National Assembly Bill No. 35 of 2022)

Hon. Members, for the convenience of the House, this Business will be deferred to the next appointed time.

(Bill deferred)

ADJOURNMENT

Order, Members. The time being 6.58 p.m., this House stands adjourned until Wednesday, 26th February 2025, at 9.30 a.m.

The House rose at 6.58 p.m.

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