

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Tuesday, 18th March, 2025

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

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

PRAYER

DETERMINATION OF QUORUM AT COMMENCEMENT OF SITTING

The Speaker (Hon. Kingi): Clerk, do we have quorum?

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

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

(The Quorum Bell was rung)

The Speaker (Hon. Kingi): Clerk, do we have quorum? You may proceed to call the first Order.

COMMUNICATION FROM THE CHAIR

ADMISSION OF SEN. GLORIA ORWOBA, MP BACK INTO THE SENATE

The Speaker (Hon. Kingi): Hon. Senators, I have a Communication to make relating to the admission of Sen. Gloria Orwoba, MP, back into the Senate following the conclusion of her suspension.

As hon. Senators will recall, on 12th February, 2025, I issued a Communication on the implementation of the resolution of the Senate to adopt the report of the Committee of Powers and Privileges on the conduct of Sen. Gloria Orwoba, MP, made on 20th September, 2023.

Hon. Senators will also recall that subsequent to the Senate resolution, Sen. Gloria Orwoba, MP, filed Petition No.E283 of 2023 and a Judicial Review Application E008 of

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2023, which sought to quash the recommendations of the Committee of Powers and Privileges and the resolution of the Senate made on 20th September, 2023.

Hon. Senators will also note that on 28th September, 2023, the High Court at Machakos issued orders whose effect was to suspend implementation of the resolution of the Senate on the conduct of Sen. Gloria Orwoba, MP, pending the hearing and determination of the matter. The High Court Petition and Judicial Review Application were subsequently merged by the court, heard undetermined on 15th January, 2025.

In the judgement, the court dismissed the Petition and the Judicial Review Application. The import of this was that the court order staying the resolution of the Senate on the report of the Committee on Powers and Privileges, as well as any other consequential orders in the matter that had been filed by the Senator lapsed.

Consequently, in the Communication issued on 12th February, 2025 and in accordance with Section 15(7) as read together with Paragraph Four of the Third Schedule to the Parliamentary Powers and Privileges Act, I proceeded to enforce the resolution of the Senate on the report of the Committee on Powers and Privileges.

In the Communication, I informed the Senate that the 79-calendar day's suspension that are to be applied in the year 2023 will run from Wednesday, 12th February, 2025 to Thursday, 1st May, 2025. In light of this directive, Sen. Gloria Orwoba, MP, commenced her suspension as resolved by the Senate on 20th September, 2023. However, Hon. Senators will recall that on the 26th February, 2025, the Senate varied its resolution on the report of the Committee---

(Sen. Abass consulted loudly)

Sen. Abass, be attentive, please.

The Senate varied its resolution on the report of the Committee on Powers and Privileges on account of Sen. Orwoba. The effect of the variation was such that the suspension of the Senator was reduced from 79 calendar days to 30 calendar days. Accordingly, the 30-calendar day suspension commenced on 12th February, 2025 and concluded on 13th March, 2025.

Hon. Senators, in accordance with the resolutions passed on 20th September, 2023 and on 26th February, 2025, Sen. Gloria Orwoba is required to tender an apology to the Senate, Hon. Senators, the Clerk of the Senate and the Secretariat of Parliament before being admitted to the Senate.

I now invite Sen. Gloria Orwoba, MP, to tender an apology in the manner prescribed in the report of the Committee on Powers and Privileges and as adopted by the Senate. Sen. Orwoba is required to read the prescribed apology verbatim without any addition, omission or amendment. Additionally, the apology shall not be followed by any comment by the Senator or another Senator.

Sen. Gloria, you may now proceed to tender your apology as you stand at the Bar. The other Hon. Senators may walk in and take their seats.

(Several Senators walked into the Chamber)

Sen. Orwoba: Mr. Speaker, Sir, I, Sen. Gloria Orwoba, hereby tender my unreserved apology to this Senate. I undertake that I shall abide by the responsibilities of leadership as set out in the Constitution, the Leadership and Integrity Act, 2012 and the Parliamentary Powers and Privilege Act, 2017. I therefore beseech to be admitted to the Chamber.

I thank you.

The Speaker (Hon. Kingi): Have a seat, Sen. Gloria. That is not the apology as prescribed by the Senate in the report. Let me help you. The Senate sitting on 20th September, 2023, while considering the report by the Powers and Privileges Committee passed certain recommendations. One of those recommendations, which I believe was recommendation No.3, read as follows-

“On resumption of the Senate Sitting for the Third Session, the Senator while at the Bar apologizes to the Senate, Hon. Senators, the Clerk of the Senate and the Secretariat of Parliament before being admitted to the Senate, pursuant to Section 173(c) of the Parliamentary Powers and Privileges Act, 2017, in the following manner.”

So, the Senate came up with the wording of the apology. It is not open to you to craft or word your own apology. The Plenary worded the kind of apology that you are supposed to tender and it goes as follows-

“I, Sen. Gloria Orwoba, hereby tender my unresolved apology to the Senate, Hon. Senators, Clerk of the Senate and the Secretariat of Parliament for having acted in a manner which pursuant to Section 16(e) and Paragraph Seven and Eight of the Fourth Schedule to the Parliamentary Powers and Privileges Act, 2017, constituted a breach of parliamentary privilege and that reflected adversely on the dignity and integrity of Parliament and its Members, and was contrary to the best interests of Parliament and its members.

I undertake that I shall abide by the responsibilities of leadership as set out in the Constitution, the Leadership and Integrity Act, 2012 and the Parliamentary Powers and Privileges Act, 2017, and, therefore, beseech to be admitted to the Chamber.

I thank you.”

This is the prescribed apology as adopted by the Plenary. It cannot be amended. It is only the Senate Plenary Sitting that can amend the wording. Therefore, Sen. Orwoba, proceed to read the apology as prescribed by the Plenary and by this Senate.

Sen. Orwoba: Mr. Speaker, Sir, I have apologized before and I have no problem reading a prescribed apology. I want to draw your attention that we have an ongoing court case. I have been advised that the prescribed apology in the wording that has been put is self-incriminating and undermines my right to a fair process with the current court proceedings.

I have no problem apologizing to the House. I have apologized to the House. I continue to apologize for my conduct. I continue to apologize to my colleagues that I am sorry for the ways that I offended them. I have no issues apologizing. Even now, I am apologizing.

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I brought this to your attention prior to this sitting that there is a sentence that is self-incriminating and can be used against me in an ongoing court process. I had kindly requested to give the apology as I have read it. I further tell my colleagues and this House that I continue to be sorry for the conduct that they perceived to be unbecoming. I do not know how else to appeal.

As I stand here, I have sat out my suspension without pay. I have suffered the consequences of reporting issues and I continue to suffer those consequences. I am okay with that. However, I do not understand in whose interest it is for a prescribed apology with a self-incriminating sentence that puts me in an issue.

Again, I appeal to my colleagues and this House, that I am sorry. I do not know how else to say I am sorry. I have said, I am sorry, before. I am saying, I am sorry, again.

(Loud consultations)

The Speaker (Hon. Kingi): You cannot raise a point of order. The Senator is not properly admitted to the House. So you cannot raise a point of order against her.

Sen. Gloria, let me help you. It is not up to the Speaker or the Chair to vary the apology.

The apology was prescribed by the Senate sitting at a plenary. It is only the Plenary, sitting again, to reopen this matter and amend that particular apology. As it stands, it must be read as contained in the report.

So, you either read this apology as prescribed or you think about it and come back any day, any time you would be willing to read it as prescribed. There are no two ways about it. By allowing the apology that you have read out, and basically usurping the powers of the Plenary, by amending a report that was passed and adopted by this Senate, I do not have those powers.

Sen. Orwoba: Mr. Speaker, Sir, I stand guided. As I said, I have no problem reading it. However, I have been advised, and I am not a legal expert, I have an ongoing court case, and I do not know what else is required from me.

The Speaker (Hon. Kingi): Sen. Gloria, the Chair is speaking, and you know our Standing Orders. I have told you that there are only two ways; you either read as prescribed, walk in, and take your seat, or you do not read as prescribed and you walk out until such a time that you will be ready to read the apology as prescribed. Which way do you want to go?

Sen. Orwoba: Mr. Speaker, Sir, having heard your advice and noting that by reading this apology, I will be incriminating myself, noting that this is attached to my work, I find that very unfair. I, therefore, stand by my dignity, and I stand by where I am.

From where you have left me, I have no option, but to walk away from my duties because I cannot read an incriminating statement on a matter that has not been investigated. As it stands, I want to say that this being the last statement that I make, I continue to stand by my statements, and I want to say that it is truly unfair that an incriminating statement is being put in an apology, so that I can tie myself down to something that has not been investigated, not by the Parliamentary Service Commission,

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not by this House, not by an independent organ. So, therefore, I have no option but to walk away from the Chamber as you have directed.

Having said that, I would also want to inform this House that it is happening to me now, but it is going to happen to you in the future. I am not fighting any one, I am saying I reported a case, it has not been investigated, and the powers that be are influencing a process so that I can incriminate myself, and puncture myself in an ongoing court case. I find this very unfair, and this being the 'Upper House', I am disappointed.

I am not going to trade a salary for something that has not been investigated. I can stay without the salary, I can stay without the position, and I still want to say it is unfair that someone who has reported a matter is being taken through this.

I thank you.

(Sen. Orwoba picked up her bag and left the Chamber)

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

PAPERS LAID

Sen. (Dr.) Khalwale: Mr. Speaker, Sir, I beg to lay the following Papers on the Table of this Senate today, Tuesday, 18th March, 2025-

THE SOCIAL HEALTH INSURANCE (AMENDMENT)
REGULATIONS, LEGAL NOTICE NO.55 OF 2025

The Social Health Insurance (Amendment) Regulations, Legal Notice No. 55 of 2025;

THE SOCIAL HEALTH INSURANCE (TARIFFS FOR HEALTHCARE SERVICES)
REGULATIONS, LEGAL NOTICE NO.56 OF 2025

The Social Health Insurance (Tariffs for Healthcare Services) Regulations, Legal Notice No. 56 of 2025;

COB REPORT ON NATIONAL GOVERNMENT BUDGET IMPLEMENTATION
REVIEW FOR THE FIRST SIX MONTHS OF FY2024/2025

Report of the Office of Controller of Budget (OCOB) on the National Government Budget Implementation Review for the first six months of the Financial Year 2024/2025.

(Sen. (Dr.) Khalwale laid the documents on the Table)

The Speaker (Hon. Kingi): Next Order.

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QUESTIONS AND STATEMENTS

STATEMENTS

The Speaker (Hon. Kingi): Statements pursuant to Standing Order No.53(1), the Hon. Senator for Machakos County, Sen. Kavindu Muthama, you may proceed.

Sen. Kavindu Muthama: Thank you, Mr. Speaker, Sir, for this opportunity to read the two statements.

SHA OPERATIONS BY PRIVATE INDIVIDUALS

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a statement from the Committee on Health regarding the operations of the Social Health Authority (SHA) being conducted by private individuals.

In the Statement, the Committee should-

(1) Explain the reasons why Kenyan's health data is being held by private individuals, and whether the tendering process of the Health Care Insurance Fund Digitalization System under SHA was transparently conducted, disclosing details of the award of the contract, the number of bids received, and criteria used in selecting the consortium awarded and costs of the award.

(2) State the reasons for the non-disclosure-

(a) Of the control charges fees of 2.5 per cent on members' contributions claims on health facilities of five per cent, and track and trace solutions at a rate of 1.5 per cent for the period of 10 years with projected revenue to the consortium of Kshs111 billion, and highlight why the contract signed between the Government and the consortium bars the government or any other person from employing alternative systems.

(b) The details of the signatories of the account and the contract agreement, explaining why the transfers of funds---

(Loud consultations)

Mr. Speaker, Sir, I cannot concentrate, because of this meeting here.

The Speaker (Hon. Kingi): Hon. Senators, may the good Senator be heard in silence.

Sen. Kavindu Muthama: Thank you, Mr. Speaker, Sir.

I will repeat-

(2) State the reasons for the non-disclosure-

(a) of the control charges of 2.5 per cent on members' contributions, claims on health facilities of five per cent, and track and trace solutions at a rate of 1.5 per cent for a period of 10 years with projected revenue to the consortium of Kshs111 billion, and highlight why the contract signed between the Government and the consortium bars the government or any other person from employing alternative systems.

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(b) of the details of the signatories of the account in the contract agreement, explaining why there is the transfer of funds to the escrow account on a daily, weekly basis.

(c) in the contract agreement of the Kshs7 billion set aside for training, support and customer education; the number of health workers to be trained on the system and mode of training that led to arriving at the said cost.

(3) Explain why the contract signed requires that disputes arising be resolved by arbitration under the rules of the London Court of International Arbitration, contrary to the provisions of the Public Procurement Administrative Reviews Board (PPARB) and the Public Procurement and Disposal Act.

(4) Provide reasons for the non-accessibility of the Controller of Budget to the Social Health Authority (SHA) and its operations outside the Consolidated Fund.

Mr. Speaker, Sir, I have another Statement.

ALLEGED WASTAGE AND LACK OF PRIORITISATION OF PUBLIC RESOURCES IN MACHAKOS COUNTY

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Finance and Budget regarding the lack of prioritization and wastage of public resources in Machakos County.

The Office of the Controller of Budget in the report on the County Government's Budget Implementation review for the first half of the Financial Year 2024/2025, reported a disturbing and despondent expenditure of Kshs372.91 million in domestic and foreign travels by the Machakos County Government officials.

In the Statement, the Committee should-

(1) Provide details on all domestic and foreign travels projected and undertaken by the Machakos County Government officials for the financial years 2022/2023, 2023/2024 and 2024/2025, the criteria used in prioritizing the travels budgetary allocation and the costs-benefits-analysis for each of the travels.

(2) Explain whether there was transparency and accountability in the budgetary allocation and expenditure in accordance with the principles of Public Finance Management.

(3) State the mechanism in place for monitoring and report on instances of wastage or misuse of public resources and the channels available for the criticizing of reports concerning the spending of government resources by public officers.

(4) Clarify whether investigations have been conducted to identify instances of financial mismanagement and misuse of public resources within the departments of Machakos County and the remedial measures in place.

(5) Explain the various strategies the County Government of Machakos has put in place to enhance oversight mechanism and strengthen institutional capacity to safeguard public funds and resources.

I thank you.

The Speaker (Sen. Kingi): Sen. Mohammed Chute, please proceed.

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

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If you will allow me, I have three Statements to read-

THE ONGOING LIVESTOCK VACCINATION PROGRAMME

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Agriculture, Livestock and Fisheries, regarding the ongoing livestock vaccination programme in the country.

In the Statement, the Committee should-

(1) Inform the Senate on the specific diseases that the current livestock vaccination programme is targeting for prevention and control, giving details on when the livestock vaccination programme was officially launched, including the objective and the expected outcome.

(2) Provide details on whether the vaccine is locally manufactured or imported, including the manufacturing capacity or the quality to be imported.

(3) Furnish the Senate with details on the funding for the vaccination programme, particularly where the funds are sourced from and whether they are included in the current national budget or whether additional allocations have been made for the programme.

(4) Submit a timeline outlining how long it will take to vaccinate the 22 million head of cattle earmarked for the programme and the measures in place to ensure the timely completion of this process.

FOREIGN NATIONALS WORKING IN KENYA'S INFORMAL BUSINESS SECTOR

Mr. Speaker, Sir, I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on National Security, Defence and Foreign Relations regarding foreign nationals working in Kenya's informal business sector.

There is an increase in the number of foreign nationals working in Kenya informally. These individuals are engaged in activities such as barbering, salon work, hawking and other small-scale enterprises, raising concern about their legal status and the impact on employment opportunities for the locals.

In the Statement, the Committee should-

(1) Explain the sudden proliferation of foreign nationals engaging in informal business activities in Kenya, and whether this aligns with existing labour and immigration policies.

(2) Provide official data on the number of foreign nationals working in the informal sector, specifying whether they have valid work permits and if proper immigration procedures were followed before they started their businesses.

(3) Establish whether all these individuals are legally residing in Kenya and outline the Government's measures to address cases of illegal stay and undocumented workers in the informal business sector.

(4) Explain any steps the Government is taking to regulate and monitor this category of foreign workers to ensure they comply with the licensing, taxation, and labor

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laws and clarify any measures in place to protect job opportunities for Kenyan citizens in the informal business sector.

I thank you.

CONSTRUCTION OF KORONGO ROAD IN KAREN,
NAIROBI CITY COUNTY

Sen. Chute: Mr. Speaker, Sir, my final Statement is on the construction on Korongo Road in Karen, Nairobi County.

I rise pursuant to Standing Order No. 53(1) to seek a statement from the Standing Committee on Roads, Transportation, and Housing regarding the construction of Korongo Road in Karen. Korongo Road, which spans about 1.1 kilometre remains incomplete despite ongoing construction efforts.

Although stones have been laid, the road, which falls under the jurisdiction of the Kenya Urban Roads Authority (KURA), remains unfinished, raising concern among residents on accessibility and infrastructure development in the area.

In the Statement, the Committee should-

(1) State the commencement date for the construction works on Korongo Road in Karen and provide an update on its completion status, including challenges encountered, reason for the delays, and whether the construction is classified as an emergency repair project under the Framework Contract for Emergency Roads Repair Management.

(2) Outline plans by the State Department of Roads for upgrading the road to bitumen standards, specifying whether the project has been advertised for repair, if a tender has been awarded, and provide details of the contractor undertaking the works.

(3) Provide the total cost of the project, including a breakdown of projected expenses and sources of funding allocated for its completion.

(4) State the completion timeline for the project, ensuring transparency in project scheduling and accountability for any delays.

I thank you.

The Speaker (Hon. Kingi): Sen. (Prof.) Tom Ojienda.

PLANS FOR REVITALIZATION OF KISUMU PORT

Sen. (Prof.) Tom Ojienda, SC: Mr. Speaker, Sir, I have three Statements. The first statement is on the revitalization of the Port of Kisumu.

I rise pursuant to Standing Order No. 53(1) to seek a Statement from the Standing Committee on Roads, Transportation and Housing regarding the current state, operational challenges, and future plans for the revitalization of the port of Kisumu.

Despite efforts to revamp the Port of Kisumu, the facility continues to operate at a fraction of its capacity, significantly limiting its contribution to regional trade and economic growth. The deterioration of the rail connection from Mombasa to Kisumu has led to a steep decline in transit cargo volumes over the past decades.

While the port still handles some local and specific transit cargo, overall volumes have dwindled due to a lack of critical mass, inefficient transport infrastructure, and

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unreliable connectivity. Additionally, Lake Victoria Ports have roll-on-roll-off ramps, and all break-bulk cargo is handled manually, further slowing operation.

Mr. Speaker, Sir, in the Statement, the Committee should-

(1) Provide an update on the Port of Kisumu's current operational capacity, including the annual cargo through-put, transit cargo volumes, and the utilization of available infrastructure.

(2) Explain the measures being taken to restore and modernize the rail connection between Mombasa and Kisumu to enhance cargo transportation and revive trade efficiency; and clarify whether there are plans to invest in alternative transport systems, including road, rail, and lake transport connectivity, to make Kisumu a competitive logistic hub.

(3) Outline the Government's strategic plan to upgrade the Port's infrastructure, including cargo handling facilities, automation, and integration of modern logistic relations.

(4) State the Government's long-term vision for leveraging Kisumu Port as a major trade gateway for the East African Community and the African continental freighted area after markets.

(5) Explain the steps being taken at both the national and county government levels to attract private sector investment and regional partnerships to support port operations and improve efficiency.

TRANSFER OF CORE KISUMU COUNTY
GOVERNMENT FUNCTIONS TO KISUMU CITY

Sen. (Prof.) Tom Ojienda, SC: Mr. Speaker, Sir, my second statement is on the transfer of core county functions by the County Government of Kisumu to the city of Kisumu.

I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Devolution and Intergovernmental Relations regarding the transfer of core county functions by the County Government of Kisumu to the City of Kisumu as published by the County Government in the *Standard* Newspaper of 20th January 2025.

Mr. Speaker, Sir, the transfer of specified functions raises grave constitutional and governance concerns, since there is no legal provision that allows a county government to transfer its functions to a municipality or city. The law only provides for delegation of such functions. The transfer of the functions also negatively impacts service delivery to other areas of Kisumu County outside Kisumu City and potentially marginalizes these areas in the development agenda.

Mr. Speaker, Sir, in the Statement, the Committee should address the following-

(1) The legal basis for the transfer of core county functions by The County Government of Kisumu to the City of Kisumu as published by the county government in the *Standard* Newspaper of 20th January 2025.

(2) Rationalize the transfer of functions also stating whether public participation was conducted in accordance with Articles 10 and 174 of the Constitution.

(3) The implications of the transfer of functions including its effects on-

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(a) Operations of the County Government in view of the fact that its key functions have been transferred.

(b) Equitable development of both Kisumu City and other urban and rural areas within the Kisumu County.

(c) Revenue collections among county functions.

(4) Financial oversight, particularly how the Senate ensures transparency and accountability in the management of public resources allocated for the transferred functions, the fate of county staff previously engaged in undertaking the transferred functions stating the measures that have been taken by putting in place to safeguard their livelihoods.

STATE OF RICE FARMING IN KISUMU COUNTY

Mr. Speaker, Sir, the last Statement is on the state of rice farming in Kisumu County.

I rise pursuant to Standing Order No.53(1) to seek a Statement from the Standing Committee on Agriculture, Livestock and Fisheries regarding the state of rice farming in Kisumu County and the interventions by the Japan International Corporation Agency (JICA) and the Government of Kenya (GoK) to support the sector.

In the Statement, the Committee should-

(1) Provide a status update on the progress of the Ahero Irrigation Scheme Rehabilitation Project, detailing the scope of works, project timelines and the utilization of the Kshs3 billion funding from JICA.

(2) Outline the objectives and achievements and challenges of the rice-based and market-oriented agriculture promotion projects in Kisumu County, explaining the measures in place to address key issues affecting rice farmers such as post-harvest losses, limited market access and vulnerability to climate-related disasters like floods, while also highlighting any interventions aimed at improving productivity and resilience.

(3) State the current rice production levels in Kisumu County, including the average yield per acre and the number of farmers benefiting from JICA and GoK interventions and provide details on any planned initiatives by JICA and GoK to further improve rice farming, enhance food security and ensure long-term sustainability in the sector.

(4) Indicate the initiatives undertaken by the Government of Kenya or the County Government of Kisumu to expand and modernize the Ahero and Rai Irrigation Schemes to increase rice production, providing details on planned infrastructure improvements, technological advancements and timelines for implementation to ensure enhanced efficiency and productivity in rice farming.

I thank you.

The Speaker (Hon. Kingi): Hon. Senators, before I allow comments on the requested Statements, allow me to make the following communication.

(Interruption of debate on Statements)

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COMMUNICATIONS FROM THE CHAIR**VISITING DELEGATION FROM ELITE
BOYS' SCHOOL, KAJIADO COUNTY**

I would like to acknowledge the presence in the Public Gallery this afternoon, of visiting students and teachers from Elite Boys' School in Kajiado County. The delegation comprises 33 students and three teachers who are undertaking a study tour to the Senate.

On behalf of the Senate, I extend a warm welcome to the delegation and wish them all the very best during their visit.

**VISITING DELEGATION FROM
CHEBONEI GIRLS HIGH SCHOOL**

I would like to acknowledge the presence of visiting students and teachers from Chebonei Girls High School, Bomet County, in the Public Gallery this afternoon. The delegation comprises 97 students and six teachers who are undertaking a study tour to the Senate. On behalf of the Senate and on my own behalf, I extend a warm welcome to the delegation and wish them the very best during their visit.

I will allow the Senator for Kajiado County to extend a word of welcome to the delegation from Kajiado County and the Majority Whip to extend a warm welcome to the delegation from Bomet County, each to take not more than a minute.

Sen. Seki: Thank you, Mr. Speaker, Sir. I have not really got the name of the school. Which school is this?

The Speaker (Hon. Kingi): Elite Friends Boys School Kajiado County.

Sen. Seki: Okay, thank you. Let me also take this opportunity to join you and congratulate and thank the school, the students and the teachers from Kajiado. This is Sen. Seki, Senator for Kajiado.

I want to thank and appreciate you for finding time to be here today to join us together as the Senate, and as Parliament, to learn more about Parliament, particularly the Senate, now that we are still on. The other House, the National Assembly, is on recess.

I welcome you to the Senate as you continue to learn. As you go back home, greet the parents, teachers and the rest of the students. You will learn a lot from the debate, especially since you have now learned from the first message of the Speaker as the sitting began.

Thank you, Mr. Speaker, Sir.

Sen. (Dr.) Khalwale: Thank you, Mr. Speaker, Sir. As I welcome the young people to this House, whom I hope will have an opportunity to serve in the coming days, let me celebrate with them the rich leadership that has traditionally come from Bomet. I remember when we started devolution in 2013, the Governor of Bomet County, Hon. Isaac Rutto, became the first chairman of the Council of Governors, and he did a great job. I am saying all these good things on behalf of your Senator, Sen. Hilary Sigei. You are most welcome.

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The Speaker (Hon. Kingi): Now, Hon. Deputy Speaker, you know better that you cannot rise on a point of order. You can only seek intervention. You may proceed.

POINT OF ORDER

PETITIONS BY MEDICS ON CBA COMPLIANCE AND ABSORPTION OF CONTRACT UHC HEALTH WORKERS

Sen. Kathuri: Mr. Speaker, Sir, we are busy this afternoon in this House, and the working environment is not conducive because of the music playing outside by people who have come to present their petitions and want to be heard by Parliament. Could they submit their petition without the music that they are playing, then, we can also do some work?

Is it the intentional music that they are playing? Direct the Serjeant-at-Arms that the people should submit their petitions silently to the Clerk's office, and then they will be heard.

The Speaker (Hon. Kingi): Hon. Deputy Speaker, indeed, that singing and petitioning has been ongoing for the last five hours or so. When we sat as a panel, that music was still on. When we sat at the Senate Business Committee (SBC), that music was still on. It is still on.

Now, whatever the grievance, the leadership should listen to it. Pick whatever memoranda or memorandum is to be picked, and thereafter, ask them to retreat as Parliament looks into their grievances. Thereafter, we can invoke the powers of the Serjeant-At-Arms to disperse them.

It is good to listen to them before we tell them to disperse. So, in this regard, allow me to nominate two of our Senators to engage them and then come back to report to the House. Otherwise, we will not do business in this House. The noise out there is certainly disruptive of the proceedings, but again, we cannot just wish it away. The only thing we can do is to give the petitioners an ear and then ask them to retreat as we look into their grievances kindly.

I will nominate Sen. (Dr.) Khalwale, the Minority Whip, Sen. Sifuna, and the Deputy Speaker. The three of you will proceed to give them an ear, report to the House, and see if we can find some peace.

Sen. (Dr.) Khalwale, proceed to seek your clarification.

Sen. (Dr.) Khalwale: Mr. Speaker, Sir, I had the opportunity last week to discharge the duties that you are giving me now. It must be understood that those are workers of the Universal Healthcare, who happen to share the same professional background with me, albeit at different levels.

It would look a bit dishonest if I went back to do the same after promising them action last week, unless you are asking me to request that they play the *Kasongo* song at State House. If they are looking for the President, who they call *Kasongo*, he is not in the Senate, but at State House.

The Speaker (Hon. Kingi): Are you disqualifying yourself?

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Sen. (Dr.) Khalwale: Mr. Speaker, Sir, I beg that I be disqualified.

The Speaker (Hon. Kingi): So, the Deputy Speaker and Senator for Nairobi, please, listen to these wonderful Kenyans and ask them kindly to retreat as we look into their grievances.

So, we proceed to the comments on the requested statements. Sen. Beatrice Akinyi, proceed.

(Resumption of debate on Statements)

Sen. Ogola: Mr. Speaker, Sir, thank you for allowing me to comment on the Statements.

I want to add my voice to the Senator for Kisumu's Statement on the transfer of core county functions by the County Government of Kisumu to the City of Kisumu. The Urban Areas and Cities Act envisaged a situation where urban areas would be classified as either a city, a municipality, a town, or a market.

I have seen Sen. (Prof.) Ojienda's concerns about transferring these functions. However, the spirit of the Urban Areas and Cities Act required that urban areas run efficiently and effectively, have business-like operations, and sustain themselves.

Urban area management would only ensure that this happens if they are performing certain functions. Some of these functions are not limited to urban-specific services like the provision of water, management of fire and fire stations in the towns, and management of the sewerage system to be specifically managed.

The municipalities and cities should ensure that the urban areas have street lights and access roads within the cities. This can only be possible if they are managing certain budgets that are consistent with those services. I do not know to what extent these services have been transferred, but the urban areas have a management system where boards run these cities.

These boards are structured in a way that they have a chairman and board members. They even have a Chief Executive Officer (CEO), referred to as the city manager, that is running the city. It means that these boards have to run services within the cities. This ensures that the cities are managed well and give service to the city dwellers consistent with their establishment.

They have to run budgets allocated to them with a different sector within the county government allocations. This means that they must have functions which they are performing as boards, for which they are established because the urban dwellers have expectations. Therefore, I support that they must have functions, budgets to run these functions and all the cities and urban areas must run efficiently and effectively. There must be services that the city management is performing. I only need to understand if they transferred these functions procedurally.

Mr. Speaker, Sir, just as other services are devolved such as counties which have devolved structures like the sub-counties and the wards, the cities must also have structures within which they operate. Cities must operate in a way that services are efficiently and effectively delivered to the city dwellers. Even though these services might not have been transferred in a way that is consistent with the Senator, the city

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structures must have functions they are performing which ensure they have a budget and personnel that perform them.

I support the transfer of the services if it has been done within the law. How else would the services be executed if they did not have them? I thank you.

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

Sen. Mungatana, MGH: Asante, Bw. Spika, kwa kunipa nafasi hii ili nitoe maoni yangu kuhusu chanjo za mifugo. Sisi watu wa Kaunti ya Tana River tumekuwa na wasiwasi kwa sababu tangu chanjo hii itangazwe na Serikali Kuu, kumeingia mushkil. Wengine wanasema zina shida na wengine wanasema ziko sawa. Tungependa Kamati husika iangalie na iseme kwa kikamilifu kwamba hizi chanjo ni safi na zitatusaidia pamoja na mifugo wetu.

Pili, wanafaa kutueleza ni pesa ngapi zinatumiwa kwa mpango huu wa Serikali. Je hii pesa inatoka kwenye Serikali ya Kenya au kwa wafadhili yaani *donors*?

Swali la tatu na la mwisho, je, ni bajeti ya pesa ngapi ambayo Kaunti ya Tana River imeweka kwa minajili ya kuchanja mifugo yetu haswa wakati huu tunapoenda msimu wa mvua?

Bw. Spika ningependa kamati ichunguze maswala haya ili tujue ukweli wa mambo. Watu wanataka kujua ukweli kabisa. Ikiwezekana Kamati inafaa kuwaongelesha wanasayansi wanaohusika na mambo haya kwa sababu kuna siasa ambayo imeingizwa na wale wanaohusika na sekta ya mifugo wana wasiwasi.

Asante.

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

Sen. Chimera: Thank you, Mr. Speaker, Sir, for this opportunity to make brief comments on the Statement by Sen. (Prof.) Tom Odhiambo Ojienda, SC, on the transfer of core functions to our cities.

Mr. Speaker, Sir, there is a saying that a law is valuable, not because it is law, but because there is a certain right in it. As a House, together with our counterparts at the National Assembly, we passed into law the Urban Areas and Cities Act, 2011. There are certain silent provisions of that law that clearly confirm and speak to the transfer of functions to our cities what we call municipalities.

Mr. Speaker, Sir, as a member of the County Public Investments and Special Funds Committee (CPIC), we have recently been examining audit reports on the functions, management, financial and audit probity of this. To my shock, even as a new member of that Committee, most of these boards are not independent.

There has not been a complete transfer of functions from the County Executives to these boards. Most governors are not even aware that there exists such a law. They still want to clone this function, and as such, most of the functions that are meant to be undertaken by our boards at municipal level, are not happening. For instance, in the Diani Municipality, my good Governor of Kwale County will be appearing before us anytime soon.

I want to imagine she has completely ceded functions to this board, so that we can give and confer those rights in law to those officials tasked with the role of managing the functions, roles and duties of those boards, so that they can operate independently and autonomously, without any undue influence from the government.

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Mr. Speaker, Sir, I urge the Standing Committee on Devolution and Intergovernmental Relations, and perhaps the Standing Committee on Justice, Legal Affairs and Human Rights, that as they go around the country sampling counties that are either compliant or not, to be firm and speak to the governors.

They should inform them that there is a law that allows them to transfer core functions and mandates to these boards, so that we do not end up having boards that are not autonomous, cannot make decisions on their own, or are just an extension or rather an appendage of the agreement.

With those many remarks, I congratulate the Senator for Kisumu County, Sen. (Prof.) Tom Ojienda Odhiambo, SC, for a very well-thought-out Statement. I know this gives a chance to most of our governors to allow people below them; municipal managers, accountants and heads of water service providers to be functionally independent, so that they can perform their core duties as envisaged in that Urban Areas and Cities Act.

Thank you, Mr. Speaker, Sir, for allowing me to make those many comments.

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

Sen. Abass: Mr. Speaker, Sir, I rise to contribute to Sen. Chute's Statement on the livestock vaccination campaign. Livestock campaigns or vaccinations have been a common trend in this country. They are conducted annually and have been going on for many years. Livestock vaccination is a routine thing that has always been done by the Ministry of Agriculture and Livestock Development. However, this particular one has caused a lot of interest and concern among livestock farmers because of two reasons.

To begin with, there is a clip that was doing rounds on social media, where somebody by the name of Bill Gates was talking about how to control animal farting. We wondered whether it was an Artificial Intelligence (AI) issue or a fact. They are saying that livestock emit a lot of gas, which unfortunately causes global warming. Livestock and other animals belching cannot cause any global warming compared to what is happening in the first world countries. Many industries emit a lot of gases, but surprisingly---

Secondly, there has been a lot of interest, especially from our Head of State, saying that our livestock must be vaccinated. It has not been common because this was a routine thing. I do not know why there is so much interest by the Head of State. This is actually what has caused concerns. Farmers are getting worried, especially because of the issue of Bill Gates that was doing the rounds.

I do not know if it is a true story or whether it is an AI issue. It is argued that voices and even pictures and everything can be changed. Therefore, it has caused a lot of concern. Livestock farmers are not willing to take their animals for vaccination. Actually, most of them are resisting.

We might miss routine vaccinations that have been going on for many years. It is necessary to have routine animal vaccinations so that we control diseases. It is a routine thing because there is something called the Overall Equipment Effectiveness (OEE). Animals must be vaccinated for them to be transported, sold, or exported to other countries. Therefore, this Statement is timely. We need to get the correct position of the vaccination campaign from the Ministry of Agriculture and Livestock Development

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Mr. Speaker, Sir, I support.

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

Sen. Seki: Mr. Speaker, Sir, I also want to support the Statement by Sen. Chute on the livestock vaccination programme in the country at the moment. It has come at the right time for livestock farmers in the country.

The Government has pronounced itself saying that they will vaccinate livestock all over the country. This Statement specifically looks at the kind of diseases and vaccination that will be carried out for a specific period. We are yet to know the kind of vaccination. Livestock farmers have not been told the kind of vaccination that the Government is trying roll out for our cows and other animals.

Farmers usually have a variety of vaccinations from time to time. As farmers, we want to be clear about the vaccination. I know well that the issue of the budget has been requested in the Statement. We are yet to know the budget that has been set aside to vaccinate animals.

That was not in the budget last year or even the year before. So, we want to know exactly where the funding will come from. The Ministry should explain to farmers where they will get the budget to vaccinate the animals.

We also have a concern on is the issue of the national Government taking or usurping functions of county governments without proper consultation. This is a fully devolved function for county governments. As a Senate, we are here to protect the interests of the counties.

The other interesting thing I would wish to see the Statement solve is the issue of approvals by the Kenya Veterinary Board (KVB). I do not know if they have approved this kind of vaccination for our livestock.

I also want to take an opportunity to add my voice to the Statement by the Senator for Kisumu, Prof. Ojienda. The Statement talks about transfer of functions to the municipalities or even cities. I want to echo what professor has said.

We are looking forward to seeing if counties have devolved all the functions to the cities. We need to support the spirit of devolution by devolving more functions to the lowest level of the counties. If a county government has transferred functions to cities and municipalities within its area, I think that is how it should be. We are looking at the counties trying to usurp and get almost everything for themselves without devolving functions to the lowest level, so that services reach the local mwananchi.

Thank you very much, Mr. Speaker, Sir. I also support it.

(Sen. Kathuri spoke off record)

(Interruption of debate on Statements)

The Speaker (Hon. Kingi): Senator for Meru, what is your intervention?

POINT OF ORDER**PETITIONS BY MEDICS ON CBA COMPLIANCE AND
ABSORPTION OF CONTRACT UHC HEALTH WORKERS**

Sen. Kathuri: Mr. Speaker, Sir, a few minutes ago, you asked the Senator for Nairobi City and I to go and listen to our brothers and sisters, who belong to the Kenya Medical Practitioners, Pharmacists and Dentists Union (KMPDU).

We went there and received their petitions. The first petition is on non-compliance with the Collective Bargaining Agreement (CBA) and non-remittance by the Social Health Authority (SHA) concerning 2.7 per cent deductions towards Universal Health Coverage (UHC). The second petition is on unfair terms of service and delay in absorption of all the 8,571 health workers under UHC contract.

Therefore, Mr. Speaker, Sir, we did what you sent us to do and they agreed that we look for a way forward. I request my colleague, the Senator for Nairobi City, to give the way forward because we have proposed something to them, so that we appear to be a serious House.

I thank you.

Sen. Sifuna: Mr. Speaker, Sir, first of all, I thank you for the confidence in both the Senator for Meru and I to execute that duty that you sent us to do on behalf of the House. Indeed, we have had a conversation with members of the KMPDU and also UHC workers from across the country. They were the guests who were making all that merry outside our gate.

As the Senator for Meru has said, these are not new matters. It is compliance by the national Government and the county governments with a Collective Bargaining Agreement (CBA) that was signed after that long strike that we had with Kenya Medical Practitioners, Pharmacists and Dentist Union (KMPDU). Apparently, the concerned Government agencies are not complying with that.

Secondly, they say that even though the counties are deducting the 2.75 per cent of Social Health Authority (SHA) every month, they are not remitting it to the Authority. Therefore, these are medical practitioners who are taking care of us, but when they fall sick, the SHA is not honouring those claims because the county governments are not remitting the 2.75 per cent that they deduct. That is unacceptable.

It is in the place of this House to ensure that there is compliance by county governments in terms of remittance of all deductions from salaried workers.

Lastly, there is the issue which we have discussed here many times about absorption of the Universal Health Care (UHC) workers, especially those who are not working in national hospitals. We had that debate here where a few of their colleagues were absorbed and now they are on permanent and pensionable basis. Those who were not absorbed have the same roles and execute the same workload, but they are paid almost three times less than their colleagues on permanent and pensionable basis.

Mr. Speaker, Sir, we have our suggestion to them and they have agreed. We want to beseech this House to deal with this issue with the sort of dignity that it requires. We cannot have our medical practitioners on the streets out there. We have invited them and I

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hope that you will agree to this, hon. Speaker, to a meeting that will happen with the Committee on Health of this House. We have proposed that we invite the Chair of the Council of Governors (CoG), who are representatives of the CoG, together with the Cabinet Secretary responsible for health.

We will provide the necessary environment for all these issues to be ironed out in a manner that will leave everybody satisfied on the challenges that the Government is facing on the CBA and all these other issues of absorption of UHC workers. From then on, we can at least see light at the end of the tunnel.

I hope that the Senate will adopt that proposal that we have made together with my colleague from Meru as a way forward for this matter.

I thank you.

The Speaker (Hon. Kingi): Thank you so much, Hon. Deputy Speaker and the Senator for Nairobi City. Now, Hon. Senators, do not get irritated when Kenyans come petitioning this House. In fact, it goes to prove one thing, the trust and confidence they have in you as a leadership. Therefore, whenever these things happen, it is good to give these people a shoulder to lean on. Listen to them, and as a leadership, let us seek for solutions that will address their problems.

Now, having listened to the Deputy Speaker and the Senator for Nairobi City, I direct the Secretariat through the Clerk, that a meeting be caused between the Committee on Health, CoG and the Cabinet Secretary for Health to discuss this matter. That meeting should be called as soon as possible. We know we are going on recess on Thursday. Let that be done within the first week of the recess, so that we get to the bottom of this and offer solutions.

I would not want to be the Speaker who presided over public relations with such heavy matters. Those workers who have petitioned Parliament are leaving with a lot of hope that some solutions will be found by this House. Let us not let them down. Let that meeting happen and they will, of course, be attending. I believe if all the stakeholders are brought on the same table, we should be able to fashion a wonderful way forward.

Sen. Sifuna: Mr. Speaker, Sir.

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

Sen. Sifuna: Thank you for that direction, Mr. Speaker, Sir. My last request is that you allow me to table the Petitions that we have received.

The Speaker (Hon. Kingi): That will be the basis of that meeting. You may proceed.

Sen. Sifuna: Thank you, Mr. Speaker, Sir, I hereby table.

(Sen. Sifuna laid the documents on the Table)

(Resumption of debate on Statements)

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

Sen. Olekina: Thank you, Mr. Speaker, Sir. I rise to make some brief comments on the Statement brought by the distinguished Senator from Marsabit, the hon. Mohammed Chute.

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The issue of vaccines is very dear to some of us. It is a big lesson that all of us must learn, that whenever you plan for anything, you must be able to get the buy-in of the professionals. There was a lot of hullabaloo, including even myself, saying clearly that my cows will not be vaccinated. You will excuse my speech today because I have a small disability in my mouth, but I will attempt to maybe put my message across.

The issue of vaccines is something which is very important. What we learned during the entire exercise, although I can still stand here very strongly and say I never allowed my cows to be vaccinated, there was a huge disconnect between the Directorate of Veterinary Services (DVS) and the county governments with regards to passing the information on the vaccines which were coming out mostly, which were foot-and-mouth disease (FMD).

This House has been set up to defend devolution. When you see that there is a function that is supposed to be carried out by the county government, but the national Government is the one which is raising so much hullabaloo on it, then we, in this House, must be very careful so that we do not lose our functions, especially for our county governments.

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

[The Temporary Speaker (Sen. Abdul Haji) in the Chair]

Mr. Temporary Speaker, Sir, it is imperative that Dr. Allan Azegele, who is the Director of Veterinary Services (DVS), appears before the Committee on Agriculture, Livestock and Fisheries to provide full information on the FMD vaccines.

I remember one day I was having a conversation with the new Cabinet Secretary for Agriculture and Livestock Development and he said something which was very important to me. He said that if these vaccines are to be imported, there has to be a demonstration that from the country which they are being imported, they are being used to vaccinate their livestock.

Later on, when I continued talking to him, he insisted that these vaccines are produced and manufactured locally by the Kenya Veterinary Vaccine Production Institute (KEVEVAPI). Certainly, it is very important that our county governments build capacity for extension workers who can then educate livestock farmers on the policy of the Ministry of Agriculture and Livestock Development when it comes to the issue of vaccination. Also, on the kind of vaccines which were being carried out, I inquired heavily on this matter. This is why I am so passionate about the issue of livestock. I was told that the type of vaccines which were going to be rolled out were two; one is for foot and mouth disease. The other one was a *Peste des petits ruminants* (PPR), which was mostly for sheep and goat.

The only problem we have and where we go wrong in this country is lack of proper communication, such that you do not get a buy-in from the professionals. I appreciate Sen. Chute for raising this matter, so that we can be clear. If indeed KEVEVAPI are the ones who produce these vaccines, it will be important for the

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Committee on Health to go into KEVEVAPI facilities and see the entire process. This is so because there is a lot which is being discussed worldwide about the issue of vaccines.

Mr. Temporary Speaker, Sir, when you hear Bill Gates saying that these cows need to be vaccinated, so that they stop farting, it worries us. It is imperative for us to be educated and our county governments must take their role seriously. Earlier on when looking at the budget of the Ministry of Health, we realised that there is a presidential directive that has directed the Ministry of Health to build sub-county health centres. According to the Fourth Schedule of the Constitution, that is a function for the county governments. One of the things that was a bit vexing is the fact that one county; Uasin Gishu County, was allocated Kshs700 million when my own county, Narok County, is getting zero. We have to very selfishly guard and protect devolution.

The Council of Governors (CoG) should have taken over the vaccine issue. Even if the Directorate of Veterinary Services (DVS) is the one that coordinates, but the implementation should be carried out by the county governments. When farmers are asking what is happening, even us who are the ombudspersons cannot tell them what is going on. Our communication leaves a lot to be desired and this must change.

It is important to note that we do not have any foreign Foot and Mouth Disease (FMD) vaccine manufacturer registered in this country currently. If indeed we are dealing with the issue FMD, we have to delve deeper into the issues of the borders. If we take care of our cows in the country, what about the cows, sheep and goats that come from our neighbouring countries; Somalia, Ethiopia and Tanzania? All of us must be alive to these things.

I hope that when the Standing Committee on Agriculture, Livestock and Fisheries is going to investigate the issues that Sen. Chute has raised here, it can visit the Kenya Veterinary Vaccines Production Institute (KEVEVAPI). I also hope that Dr. Allan Azegele, the DVS, can pull up his socks and issue out communication to sensitise the professionals, so that they can educate our people when going into the field.

Finally, there are a lot of fake parasites and animal vaccines in this country. Nowadays, people have moved away from the traditional dips, where they used to put the parasite in so that it can kill all the blue tick that is affecting the cows. It is about time that the county governments started rehabilitating the old dips, so that we can control these diseases. Some of the pumps being sold in the market nowadays are from China or made in many other parts of the world. You use them, but they are not even effective. The parasites are also not being controlled effectively.

The DVS must now take charge to see that we can control animal diseases in this country. We cannot survive without livestock. I am sure *Mheshimiwa* Chute cannot survive without the sheep. Neither can I survive without the cows. I was in Marsabit County once and there were almost 10,000 sheep and goats being taken care of by one person.

Therefore, it is important for us to work together to know our capacity. I like that question. "How much can we produce locally?" Since this is a function of county governments, can we then now talk to KEVEVAPI to set up stations across the counties, so that it can buy and get the approval from the farmers? This is a very good Statement and quite timely. I hope that all of us, when we get the report from the Committee on

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Agriculture, Livestock and Fisheries, we can be convinced to accept that our cows be vaccinated.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Veronica Nduati.

Sen. Veronica Maina: Thank you, Mr. Temporary Speaker, Sir. I rise to support the Statement that has been brought to this House by Sen. Mohamed Said Chute, the Senator for Marsabit County, on the foreign nationals working in Kenya's informal business sector.

At the onset, it is important to note that Kenya has an open visa issuance system, where it has encouraged many visitors from different countries from the neighbourhood and within the African Continent to visit our nation. However, the number of foreign nationals working in the informal business sector has fundamentally increased.

Hon. Temporary Speaker, as you are aware, every county and the national government is grappling with how to create jobs for the young people within the Republic of Kenya. We have jobs like saloon, hawking and small-scale enterprises being done by foreign nationals. In a very ideal situation, even foreigners should help to grow the economy. However, there is a balance that needs to be struck and a framework developed. If foreign nationals are allowed to work here, then they should fall within the legal framework that is set by the nation.

Why do I say so? If you track down Kenyans who are in the neighbouring countries like Tanzania, Uganda, Zambia, Congo or South Africa, every jurisdiction and nation is pushing that rules on immigration are implemented. The Kenyans in South Africa would have to make certain applications to be allowed to work within South Africa.

Until we have developed a framework within the African Union (AU) that enables the nationals to crisscross the countries, remove the boundaries and make a system like what we have as a Schengen Visa, it becomes very difficult when one country has opened its boundaries and the rest of the countries around that nation have equally not opened those boundaries and allowed the nationals to work.

The request by Sen. Mohamed Said Chute is that we take stock of the number of foreigners who are working, the target being in the Kenya's informal business sector where the Kenyans should first be given priority. We need to take stock and see whether we are having a proper balance of trade between our nation and other nations. The way other nationals come here and work in the business sector in the small-scale businesses, are Kenyans able to work the same way? For instance, in Democratic Republic of Congo (DRC), Somalia, Sudan, Egypt and across the continent and the seas in Europe and the United States of America (USA), are they able to work like that? You will find every nation has its own structure and systems.

I support this Statement, especially because we must ensure that our young people who are looking for jobs and opportunities within the small-scale business enterprises and the macro-economy sector are not cut off by the foreign nationals that have to work.

I support this Statement that the Cabinet Secretary should come and account to the House on the number of foreign nationals who could be working within Kenya and the existing labour and immigration policies that need to be implemented. That data

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should now be considered with the Kenyans who are working abroad to see whether we are getting complementarity in terms of application of the immigration laws and policies.

Mr. Temporary Speaker, Sir, I support this. I also support that every foreigner who is working in Kenya must definitely do so when they are licensed within the special sectors they should be working in. The taxation should net the benefit they are receiving from the Kenyan economy and go back to support the infrastructure within which they are trading.

What is the taxation regime that is being applied to the foreign nationals when they are earning in Kenya? Are they keeping to the labour laws or are they using the visitor's visa to work gainfully earn money from Kenya and go back to the other countries without maybe even paying the taxes that are required to be paid within Kenya?

So, I support this and I hope that once this talk and audit are taken by the Cabinet Secretary and a report is presented to this House by the Standing Committee on National Security, Defence, and Foreign Relations, I would also hope that the Standing Committee on Trade, Industrialization, and Tourism is involved in this matter.

Once this report is brought to Parliament or the Senate, then we will be able to tell whether we have extinguished opportunities that should be due to the young people in Kenya or whether the foreign nationals are working within the framework that is provided within the Republic of Kenya.

I thank you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Andrew Omtatah, you have the Floor.

Sen. Okiya Omtatah: Thank you, Mr. Temporary Speaker, Sir, for the opportunity. I will begin by commenting on the Statement regarding the vaccination or the much-hyped vaccination of animals. Clearly, we were dealing with something that was not ordinary. Vaccination of animals has not been a new thing in this country. Animals are vaccinated and they are usually handled by departments.

A nationwide one-time vaccination of animals has never happened in this country unless where we have got quarantines and the quarantines are not new. Towns like Karatina are corruptions of the word “quarantine” because they used to be major quarantine centres.

So, when we came up in this particular state, I would like the Statement to get out of where we are trying to be persuaded to go and tell us what the emergency that required the Head of State to personally take up and run with this particular vaccination programme. What were the intentions? What were the expected outcomes? It was totally out of the ordinary. We usually have periodic vaccinations with outbreaks of diseases and outbreaks. I cannot recollect a day when there was vaccination driven from the State House. That vaccination from the State House is the elephant in the room; not just the question of whether or not animals will be vaccinated. Even today, animals are being vaccinated.

I also would like to support the observations by Sen. Olekina. We have very many fake products in the market. I do not know how the standardization or the inspection of these products is done, but there are many fake products and many farmers have fallen

victim to buying these products and administering them to the animals and they do not get the desired results.

Associated with that is the cost of vaccination. Vaccinations have become very expensive and most ordinary farmers cannot afford them. Even when you have vaccinations offered by the county governments, you will find that county government officials who are employed to serve the public at times those veterinary officers turn around and charge for their services.

Some tell you we have gotten this, we have gotten that on our own, so we are charging a fee. So, we would like also those kinds of things to be looked into and be told why would a government employee during office hours performing the duties they are employed to perform add a fee of consideration to the services they are giving.

The other thing is the qualification of veterinary officers. I had an incident personally where I lost more than 100 goats over about one month depending on veterinary officers in Busia trying to come and intervene. It was until somebody said 'why do you not try somebody' and then they gave all manner of theories about what could be happening. They ended up saying that the climate change was what was affecting the goats.

Now, when I called the Kenya Agricultural Research Institute (KARI) Naivasha, they asked me to send a picture of one of the animals on *WhatsApp*. When I sent a picture, this fellow said, 'oh, this is a problem and we must intervene immediately.' They sent somebody from Naivasha to my farm, and in no time, that problem was contained. So, what makes me wonder is what kind of veterinary officers we have in Busia who over one month could not resolve a simple viral infection that required a kind of intervention.

Other than fake vaccines, we have fake veterinary officers who are purporting to be doing extension work or helping farmers here and there. The Committee may also want to look at the criteria for employing people to serve in the county governments in this very critical area.

Related to fake veterinary officers in terms of animal diseases, we have got the meat inspection officers. This is an area that is largely neglected but one that is extremely important given the current trend, where there is a transfer of disease across species from animals to human beings. We need to look at the question of remuneration, training and other aspects of equipping meat inspectors to do scientific work when they go out to inspect the meat our people eat. Many areas within the animal industry would go along with them because vaccines are about diseases in the industry that need to be looked into.

There is a statement on SHIF and SHA. I would have loved to contribute to it but, unfortunately, I am litigating it in court. I have noticed that a lot of the issues raised here are before the court. Maybe, the Secretariat might want to guide the Committee on how to deal with it, given that some of those issues are being litigated in court.

That being as it is, it is an extremely important case that needs to be looked into about the cost of this platform, especially in the light of the confirmation, I do not say the finding but the confirmation by the Auditor General of things that many Kenyans have been saying and complaining about and of the Government not raising a finger.

There are three funds under SHA; there is only one fund that is being debated or discussed in the public discourse, and that is the Social Health Insurance Fund (SHIF).

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There is a fund for primary healthcare and there is a fund for emergency healthcare. These two funds in the construction of the Act, you do not see how they are being fed and where they are getting their money. It is designed that the money will come from the Consolidated Fund.

Now when you look at Article 206 of the Constitution, you will find that all money raised by the Government is supposed to be deposited in the Consolidated Fund, except where Parliament excludes that money to go into special funds. I would like the committee to look into that issue and tell this House when that Act was made by Parliament, whether we created a fund that is not being resourced.

The SHIF, as we are debating and fighting it and whatever it is designed, will be funded from premiums that people will pay. That is okay for setting up a fund in terms of the law, but the two other funds do not have a provision. So where will that money come from? It cannot come from the Consolidated Fund.

Article 2(6) is an absolute bar. It says where Parliament sets up a fund, it must also set up a mechanism to exclude the monies from going into the Consolidated Fund. It does not say that Parliament will set up a fund to draw money from the Consolidated Fund.

Under the Social Health Authority (SHA) arrangement, we have two funds designed to get money from the Consolidated Fund. What informs that kind of disregard for the Constitution? If you go further and look at the Public Finance Management Act and the Public Finance Management Regulations, you will find that they underscored the word “that”. If a fund is set up, it must be resourced by the Legislature. Parliament must say where the money will come from. So, as the Committee looks at this particular issue of SHA, which is the umbrella of the Social Health Act that also creates it under which the Social Health Insurance Fund is created as one of the three funds.

In this particular case, I would like the Committee to focus on these two other funds that are lying there, hidden in the law, and that are designed to get money from the Consolidated Fund. I do not know how that will be done.

I hope it will not be considered that they are those that are anticipated under Article 223 of the Constitution where we have in the event of unforeseen circumstances, a supplementary budget can be made to provide. I hope those two funds are not placed there as unforeseen circumstances that will be used to draw money from the Consolidated Fund.

The question of transport in the statement by Prof. Ojienda, in Port Victoria, sorry, the Kisumu Port. I am sorry to have used the words Port Victoria. You know Busia has a lake. Port Victoria was in Busia, not in Kisumu. I am a bit confused there, but he raises an important point in terms of the Kenyan economy as a transit economy. Our economy is largely a transit economy.

If you look at what we call the economy of Kenya today, it is where the Uganda Railway passed. The railway passed from Mombasa going to Uganda. So, that corridor is very important. When you look at the traffic on our roads, the most common vehicle is the trailer; either carrying goods into the hinterland or empty containers from the hinterland back to the coast.

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Kenya's place of advantage is being challenged by the emergence of the ports in Tanzania. We should also wake up and look at the fact that the Tanzanian territory is largely flat and easier to transport across. However, the Kenyan territory is a bit steep. You have to cross the Rift Valley. When you go to the Ugandan side, it becomes a bit steep. So, we need to look at how we can expand our infrastructure - the Standard Gauge Railway, the metre gauge railway and the roads. We should not neglect the roads.

We should have a deliberate move to dual the road from Mombasa to Nairobi, Nakuru and branch off to Kisumu and Eldoret, then to Busia from Kisumu, and to Malaba from Eldoret, so that we can preserve our comparative advantage over---

The Temporary Speaker (Sen. Abdul Haji): Sen. Omtatah, in the interest of time, conclude so that we can give the other two Senators an opportunity who want to speak on the statements.

Sen. Okiya Omtatah: Thank you, Mr. Temporary Speaker, Sir. I am well guided.

By dualling these roads, we will be investing in efficiency to be able to compete with the natural terrain that Tanzania has. We have the road that goes through Namanga. If you look at the Kenyan side, the road funded by the same funder as Tanzania, the road is already breaking up and is narrower while the road in Tanzania is wider, smoother and has no potholes. Who cursed us? Why are we having this?

Mr. Temporary Speaker, Sir, let us invest in this infrastructure, knowing that our country cannot even produce enough food. We provide on the service industry. We must also go back and focus on the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor project. Open up the northern corridor so that we can have another artery of business from Lamu going all the way and opening up those sides of Somalia.

So, let us take that statement seriously knowing that with the emergence of strong economies in the East and Central Africa, also manufacturing things that we have been manufacturing in Kenya, our lifeline might remain in us being to transport things affordably and cheaply.

We have to crack down the corruption on our roads. We have to eliminate corruption. We have to make sure that the non-tariff barriers transporting through Kenya in security and goods being stolen are taken out. The Government should promote the establishment of proper garages along the corridors so that when trucks break down, they are serviced.

In Busia County, for example, there is a big piece of land in Ngelechom traversing the border. It is about 300 acres. The Government should consider putting up a trailer city on that piece of land so that we do not have congestion on our side. Trucks can drive non-stop. Once they get there, all the procurement can be done and simply cross over to Uganda instead of having our roads cluttered with congestion.

With those few remarks, I support the statements that I have commented on.

The Temporary Speaker (Sen. Abdul Haji): Sen. Hezena, please, proceed.

Sen. Lemaltian: Thank you, Mr. Temporary Speaker, Sir. I rise to contribute to the Statement by the Senator for Marsabit County, Sen. Chute, on the ongoing livestock vaccination programme in the country.

We know that about 22 million livestock exist in Kenya. Approximately nine million Kenyan citizens identify themselves as pastoralists, about four million of which,

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entirely and solely depend on pastoralism as a means of livelihood. Therefore, when we talk about mass livestock vaccination, without making it clear on what specific diseases we are vaccinating our livestock against, that directly endangers the existence of these pastoralists. We are talking about a threat to approximately four million Kenyans. That is a huge percentage.

Mr. Temporary Speaker, Sir, there has never been a public report that we are aware of on what these livestock are being vaccinated against. Diseases have not been specified. I like the statement that talks about outline of the timeline. How long it will take to vaccinate about 22 million heads of cattle?

It is important to have answers to those questions because we know that at no point do you find a huge number of our livestock accumulated in one place. Most of us are nomadic pastoralists. It is important to note that we move our livestock from places to places.

In Samburu County, we have something called *laleta*, which are like *manyattas* where livestock is put for a certain period of time. A lot of times, we also put our livestock in such *manyattas* away from where the citizens live in order to protect them from external threats and banditry.

It is important also to tell us whether there was sufficient public participation done in these pastoralist counties. If our people are aware that the vaccination is going to be conducted, the importance of why these cows must be vaccinated as well as a clear outline on other issues. If at all there are no diseases affecting this livestock, why vaccinate them?

I have heard information flying about that they are being vaccinated to increase their output and the quantity or kilogrammes of beef that will be produced by this livestock. How will our people directly benefit from the proceeds of selling this beef? We know that a lot of this beef is taken to Kenya Meat Commission (KMC). What is the Commission doing to directly benefit our people from the increased beef output?

Secondly, if we have foreign players, like sponsors, partners or shareholders in this whole process, what is their main interest? Is this programme targeting a special breed or a hybrid of livestock or is it also targeting our local breeds like the Boran cow, which our people keep in the north?

Mr. Temporary Speaker, Sir, we know that out of the 22 million livestock, a good percentage of it or more than half of it, is concentrated in the North Eastern counties; the ASAL areas of this country. It is also important to note that most of our people are illiterate. Therefore, they need to be given sufficient time for public participation and the leadership needs to be involved. We need to know. That is why these questions are valid and they come in timely.

I support the statement, Mr. Temporary Speaker, Sir.

The Temporary Speaker (Sen. Abdul Haji): Sen. Daniel Maanzo.

Sen. Maanzo: Thank you, Mr. Temporary Speaker, Sir. I will start with where Sen. Hezema left. For a long time in Kenya's history, we have never had such an operation - a massive vaccination of animals. For vaccination to be, you must be controlling a certain identified disease like an outbreak. Just like for human beings, COVID-19 Pandemic did happen.

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Mr. Temporary Speaker, Sir, you cannot just wake up and vaccinate human beings or vaccinate animals without scientific advice. For that matter, there has been an outcry and many farmers did not cooperate. You cannot also vaccinate by force; that you force every farmer. You persuade, you give reasons and the responsible professional bodies must completely advise them. Therefore, I do support that statement.

On the statement sought by Sen. Kavindu, the Senator for Machakos, the SHA and SHIF issues have brought a lot of suffering to our people. Previously, we had the National Health Insurance Fund (NHIF). All those complaints are not without reason.

There are questions as to private individuals running public money. There are issues of tendering processes, of which there is a law which controls that in this country. There is an issue of a consortium awarded and the cost of the award. Also, when you compare to what happened to the NHIF, we want to say that the thieves of NHIF are known and the criminals in NHIF are known.

Mr. Temporary Speaker, Sir, what has the Government done to prosecute and recover monies stolen through the NHIF? The reason the Government has done nothing is because the people who did that were friendly to it and some of them are now in SHA and SHIF. Therefore, there is a problem if the current Government is totally unable to sort this out. Kenyans can sort it out in the elections because at that time, Kenyans make decisions as to how they want to be governed.

There are issues of signatories to the account and the contract agreement explaining why there is transfer of funds to an escrow account on a daily or a weekly basis. - The monies are raised from the public and put away outside the country.

Additionally, in the contract agreement, there is Kshs7 billion set aside for training. Who are you supporting and who are you training? How did you make that assessment that you need Kshs7 billion to train? What are you training for because the staff who used to operate NHIF are the same staff who are employed? Have you employed new members of staff?

Mr. Temporary Speaker, Sir, this whole matter is very controversial. There is need for the Cabinet Secretary in charge of health to come and highlight all these things to the public, so that the public can stop suffering. We, as Members, are paid that Kshs33,000 every month to go and assist our constituents. We still have to go back to our pockets to get people released from hospitals. The matter of SHA and SHIF should be sorted out in the fastest time possible.

Although I do not have a PhD in matters relating to animal husbandry, it is important that Kenyans be explained properly that simple concept, so that they can do a buy-in. There must be public participation before we do a massive vaccination to animals.

The Temporary Speaker (Sen. Abdul Haji): Next Order.

BILLS*First Reading*

THE COUNTY GOVERNMENTS (REVENUE RAISING PROCESS)
BILL (NATIONAL ASSEMBLY BILLS NO.11 OF 2023)

*(Order for First Reading read – Read the First Time and
ordered to be referred to the relevant Committee)*

First Reading

THE BUSINESS LAWS (AMENDMENT) BILL
(SENATE BILLS NO.51 OF 2024)

*(Order for First Reading read – Read the First Time and
ordered to be referred to the relevant Committee)*

The Temporary Speaker (Sen. Abdul Haji): Next order. We are going to rearrange the Order Paper and defer Order Nos. 10, 11, 12, 13, 14, and 15. Next order.

BILLS*Second Reading*

THE PUBLIC FUNDRAISING APPEALS BILL
(SENATE BILLS NO.36 OF 2024)

(Bill deferred)

Second Reading

THE ENVIRONMENT LAWS (AMENDMENT) BILL
(SENATE BILLS NO.23 OF 2024)

(Bill deferred)

Second Reading

THE COUNTY CIVIC EDUCATION BILL
(SENATE BILLS NO.4 OF 2024)

(Bill deferred)

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*Second Reading*THE HERITAGE AND MUSEUMS BILL
(SENATE BILLS NO.8 OF 2023)*(Bill deferred)***MOTION**ADOPTION OF REPORT ON THE CONFLICT OF INTEREST
BILL (NATIONAL ASSEMBLY BILLS NO.12 OF 2023)

THAT, the Senate adopts the Report of the Mediation Committee on the Conflict of Interest Bill (National Assembly Bills No. 12 of 2023), laid on the table of the Senate on Thursday, 5th December, 2024 and further that pursuant to Article 113(2) of the Constitution and Standing Order 167(3) of the Senate, approves the mediated version of the Bill.

*(Motion deferred)***MOTION**ADOPTION OF REPORT ON THE 2025
BUDGET POLICY STATEMENT

THAT the Senate adopts the Report on the Standing Committee on Finance and Budget on the 2025 Budget Policy Statement laid on the Table of the Senate on Wednesday, 12th March, 2025, and pursuant to section 25(7) of Public Finance Management Act and Standing Order No.187(7) of the Senate, the Senate approves the 2025 Budget Policy Statement.

*(Sen. Ali Roba on 13.3.2025)**(Resumption of debate interrupted on 13.3.2025)*

The Temporary Speaker (Sen. Abdul Haji): Sen. Methu is not here. Sen. Manzo, you would want to contribute to the report on the Standing Committee on Finance and Budget.

Sen Maanzo: Thank you, Mr. Temporary Speaker, Sir, for giving me an opportunity to contribute to the policy statement, which informs the law relating to budgeting and the finance bills. I would like to say that having a policy statement is very

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important because it gives grounds as to how we are going to handle the matters thereafter and how finances will be dealt with.

The Senate mainly deals with what will be devolved, but devolution has gone through a lot of challenges. Although the monies going to the counties have been reported not absorbed as quickly as they should be, some of the challenges need to be noted on why governors are not absorbing all the monies in good time. Is it procurement challenges or what challenges are they are going through? We expect the monies given to the governors to be increased and absorbed quickly. When we go to the counties, we see undone roads and water systems which are yet to be connected.

Definitely, there is a lot of work to be done by the counties and which has not been noted at the grassroots level. Therefore, it is important that we should make this policy statement, go on to implement the Finance Bill and go on to do the Division of Revenue Bill.

As a Senate, we should ensure that counties have good money and that the monies are spent well. One of the biggest challenges has been corruption, skewed procurements and serious pending bills at the county and national levels. When money from businessmen and women is held at the national and county levels, it stops circulating in the economy. Therefore, it is important to clear all verified pending bills in both the national and county governments, so that money can be in circulation. We want to see these businessmen motivated to do more work for the people of Kenya.

Thank you, Mr. Temporary Speaker, Sir. I support you.

The Temporary Speaker (Sen. Abdul Haji): Sen. Mungatana, proceed.

Sen. Mungatana, MGH: Mr. Temporary Speaker, Sir, I thank you for allowing me to contribute to the report of the Senate Finance and Budget Committee on the BPS. Many years ago, when we were in the National Assembly, we never had the opportunity to interrogate the Government's priorities. However, the new Public Finance Management Act, which came after we left the other House, has made it clear under Section 35 that a BPS must be presented before the actual estimates are presented.

When this BPS comes, it outlines the priorities that the Government or the administration in power is supposed to set up. It also outlines what we should expect when the actual estimates come with the details of how monies are supposed to be raised and spent.

I did not want to be long, but I wanted to mention two things that are not reflected in this BPS. The BPS estimates that revenue will grow by about 10 per cent. Ordinary revenue is supposed to raise about Kshs259 billion, which is about 10 per cent of what was raised last year.

The surprising thing is that there has been no corresponding growth in the allocation that is supposed to go to county governments. The question then begs, are county governments inferior to the national Government? The Constitution has given us a clear answer. These are two levels of Government and none is superior to the other. Both levels have different functions with different mandates to execute those functions.

We have said many times here that the National Treasury seems to be working only for the national Government. If ordinary revenue is rising by 10 per cent, the logical thing is that county governments should expect a 10 per cent increment. That should be

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the projection and the allocation. However, that is not what is reflected in this BPS. We need to push this to have two separate treasuries. When money is collected, it should be split automatically. The percentage that goes to counties must go to a different treasury than the one going to the counties.

This BPS only serves the National Treasury's purpose. We need to interrogate this and ask ourselves if it recognises that county governments also need an equivalent amount in terms of projected increment of ordinary revenue. I suggest that this be looked at afresh.

Our mandate, as Senators, is to fight for these county governments. We have come from a history where the first President of this Republic wanted to finish up with majimbo governments. Majimbo governments were equivalent to the counties that we have now. First of all, what he did was to deal with the Senate by merging it with the National Assembly. When they absorbed this, there was no one who was fighting for resources for the majimbo governments. Then, the majimbo governments died a natural death.

If that had not happened more than 50 years ago, then we would not be talking of only one trunk road in the entire Tana River County. We would not be talking of segregation in terms of development for the Arid and Semi-Arid Land (ASAL) counties because we would have had our own *majimbo*. Senators would have been fighting for our resources. Maybe we would have good schools as they are in other regions, and have a better road network, as they are in other regions, title deeds are as available in our areas as they are in other regions. The segregation and discrimination that these regions suffered were caused by that decision at that time. We want to be clear that this BPS seems to favour only the national Government. If there are 10 per cent increments, the correct thing to do is also to state clearly that there will be at least a 10 per cent increment to the counties.

The other second thing I want to focus on is that in December, 2024, the Intergovernmental Relations Technical Committee (IGTRC) identified, delineated and transferred several functions to the county governments.

Mr. Temporary Speaker, Sir, the BPS of 2025 that we are debating now does not give any framework for allocating and transferring resources to those functions that were allocated or transferred to county governments. So, you can see that this BPS does not reflect the interests of the counties. The thinking in the National Treasury is still only serving the national Government.

For those listening to me in Kenya, I am calling for a clear separation of powers. When the Kenya Revenue Authority (KRA) raises money, we should take it for the national Government to a separate treasury from the money that is supposed to be sent to county governments. If this does not happen, this kind of attitude will continue.

The IGTRC sits down and delineates functions. They will transfer some functions from the national Government to county governments, but there are no funds that follow functions. What kind of thinking is this? The BPS does not reflect the simple principle that funds or resources follow function. If these functions have been transferred, why is there no process or framework that has been shown clearly in this BPS?

I have a lot of respect for the current Cabinet Secretary for National Treasury and Economic Planning, Hon. Mbadi. My prayer is that he will not go there and be surrounded by people who think that it was a mistake to create counties. I want to remind him that he intended to run for a county government position, that is the governor, before he came in as a nominated Member here. He should rearrange those people who serve in the National Treasury. We need people who are pro-devolution and will protect it.

Mr. Temporary Speaker, Sir, the Senate should be given an opportunity to nominate people who will be working as advisors in that Ministry. It seems the people who were presenting this BPS did not consult at all or care to hear the views of those of us who are in the devolution family.

Mr. Temporary Speaker, Sir, yesterday, there was a lot of hullabaloo from another member of the devolution family; the County Assemblies Forum (CAF). They were raising issues because some of the promises that were given in terms of financial emoluments that they expected are not reflected in this BPS. This means there are strategies that have not been prioritised. The promises to help our MCAs who have been degraded from job positions they used to have in the previous government are forgotten. An MCA serving in the previous election – 2022 - was earning better than the current one. We cannot celebrate when we see another member of the devolution family suffering.

It is our responsibility to continue raising these issues because the National Treasury is not friendly to devolution. The National Treasury thinks that CAF should not be given any more money and that the devolution family is draining them. They do not think that when you increase funds or you take them to follow functions, it is an investment for this country. They think it is better to add more money to security or international relations, but not to the devolution family. We must call out the National Treasury for what it is. I fully support this report by our very able Committee under the leadership of Sen. Ali Roba, the Senator for Mandera County. We thank them because they have flagged out these issues which are on record.

We need now to deliberately populate the National Treasury with people who think devolution is important. The National Treasury needs to be drained of workers who have grown up thinking that counties or members of the devolution family are not important or are a nuisance. You cannot devolve functions and not give money to the governors to execute those functions.

Mr. Temporary Speaker, Sir, I support.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Senator. There being no other Senator wanting to contribute, I will ask the Mover to reply. Is it Sen. (Dr.) Khalwale?

Sen. Tabitha Mutinda, Vice-Chairperson, proceed.

Sen. Tabitha Mutinda: Thank you, Mr. Temporary Speaker, Sir. I start by appreciating all colleague Senators who have given their views and remarks on the issue of BPS.

As I reply, I want to mention where we have come from as far as BPS is concerned. We do this every year. It has a timeline, that is 15th February, which is not very appropriate. This is an issue that we have raised as a Committee. I am happy

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because this is an issue that is before the Committee. We have been deliberating on it for amendment, so that more time is given as far as matters budget are concerned. That was just a mention because I know that most colleagues have raised this issue. These are matters that each and every committee has to look at and time has been a key factor.

The BPS is a government policy document which sets out the broad strategies, priorities, policies and goals which guide the national and county governments as far as preparation of budgets are concerned. This is a very important process both at national and county levels. As Parliament, it is a mandate that we should undertake.

It contains the assessment of the current state of the economy, including the macro focus as well as the Government's priorities, current pillars, growth and strategy directions, the financial outlook which also concerns government revenues, expenditures, borrowing for the next financial year and over the medium term. We need to have a deeper discussion when it comes to the issue of borrowing.

Today, we had the Cabinet Secretary for the National Treasury and Economic Planning and we touched on the issue of borrowing. We realized that as we support counties, some of the monies that we budget for during this process come from what has been borrowed. These loans bring about the issue of domestic and external borrowing.

Mr. Temporary Speaker, Sir, it is a matter that we need to be privy to because then that borrowing plays a very big role in as far as these budgets are concerned. That is why, as a Committee, we emphasize on the timelines for the system that is supposed to maximize on the Own Source Revenue (OSR) collection by the county governments. As much as we support county increments, we should be able to push for more OSR at the county level.

The proposed expenditure limits for the national Government includes those for Parliament, the Judiciary and the indicative transfers of county governments, as I earlier said, through the Division of Revenue, the fiscal responsibility principles and financial objectives over the medium term, which includes limits on the total debt.

We could not have tabled this Report without engaging our stakeholders. At this point, allow me to also mention our stakeholders. I thank them for their massive submissions and our intense discussions starting with the Commission of Revenue Allocation (CRA), the Council of Governors (CoG) led by the good Governor for Wajir County, the Institute of Certified Public Accountants of Kenya (ICPAK), Bajeti Hub, CAF, the Institute of Public Finance, the HENNET, the Institute of Economic Affairs (IEA), Okoa Uchumi, the constitutional commissions, independent offices and members of the public; Mr. Kevin Rono, Mr. Peter Njoroge and Mr. Eliud Matindi. These are stakeholders that we walked the journey with in the different aspects and issues that we tackle in our committee.

The theme for the 2025 BPS is: *Consolidating Gains under the Bottom-up Economic Transformation Agenda* (BETA) for Inclusive Green Growth. The PBS envisioned the global economic growth performance at 3.2 per cent in 2024 with projections of 3.3 per cent for this Financial Year 2025/2026. The economic growth is developing economies, which is projected to stabilise at 4.2 per cent in both 2024 and 2025. The National Treasury estimated the economy to grow by 4.6 per cent in 2024, down from 5.6 per cent in 2023, with projections of 5.3 per cent both in 2025 and 2026.

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For the first half of Financial Year 2024/2025, revenue performance fell short of Kshs1.43 billion by Kshs1.07 billion as of December last year, with a collection of Kshs1.3 billion. This was majorly occasioned by underperformance of the ordinary revenue to a tune of Kshs93.3 billion.

The 2025 PBS proposed several initiatives to improve and also maximise revenue collection, which include operationalisation of the national tax, Medium-Term Revenue Strategy (MTRS) of 2026/2027, strengthening tax administration, broadening the tax base, reducing tax expenditures, leveraging on technology to modernise tax processes and close revenue loopholes. Improving tax system efficiency and a focus on non-tax revenue that Ministries, Departments and Agencies (MDAs) can generate through public services.

The PBS overall budget for Financial Year 2025/2026 is Ksh4.3 trillion, which is 9.8 per cent above the approved expenditure in Supplementary One for Financial Year 2024/2025. You will realise that the previous allocation for the division of revenue to the counties was Kshs387.7 from our last year's proposal was around Kshs410 billion, which was occasioned by demonstrations that took place against the Finance Bill then. That prompted the allocation to the counties to be reduced to Kshs387.7 billion. The shareable revenue is expected to grow from a projected Kshs2.5 billion at the end of Financial Year 2024/2025 to Kshs2.8 billion for Financial Year 2025/2026.

I listened to my good friend, Sen. Mungatana, when he talked about the increment as far as revenue is projected. The same should reciprocate when it comes to county allocations. What we have proposed, as a Committee, is an increase from Kshs387.7 billion to Kshs465 billion to the county governments. If I can mention how we came up with this particular figure, you will note that we have increments that affect county governments.

One of those increments is the Housing Levy, which total to about Kshs4.1 billion. That is supposed to be taken care of by county governments. The enhanced contributions to the National Social Security Fund (NSSF) total to Kshs6 billion. Matching allocation to the County Aggregation and Industrial Parks (CAIPs) Project for 18 counties totals to Kshs11.8 billion. For our dear CHPs out there, their budget is Ksh3.23 billion. This is the responsibility of the counties. Annual wage increment, which is normally about 10 per cent, amounts to Kshs6.3 billion, which cuts across the 47 counties. Basic salary increment for doctors' CBA for 2017 amounts to about Kshs3.5 billion. All that total to Kshs34.9 billion. These are some of the issues we raised last time when we increased the Division of Revenue figures. With the sums that I have just read out, they justify the increment of up to Kshs365 billion.

It is further expected that sharing of equitable share among counties for the next financial year shall be used in the proposed fourth formula basis, which I know is a critical issue that we will highly participate in. In full recognition of the fiscal impact of the new formula from previous years, the Committee has provided an additional Kshs14 billion to cushion all counties from the transitional effects of the new basis. A figure of Kshs14 billion, Kshs34.9 billion, the previous amount of Kshs387.7 billion plus others will give us Ksh465 billion. As a Committee, we recommended that the county equitable share for this financial year should be Kshs465 billion while the national Government's equitable share will be Kshs2.3 trillion.

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Concerning the Equalisation Fund, as a Committee, we have gone further and asked the National Treasury to disburse the remaining Kshs10 billion. This money does not increase. It is money that was allocated. Some has been disbursed, but the balance is pending.

These are issues that can come to a closure when the National Treasury allocates these particular budgets, so that we achieve what the Equalisation Fund was to meant for because it was aimed to touch on critical issues, one of them being health. We know that issues of health are so sensitive. As a Committee, we propose Equalisation Fund of Ksh10 billion to see if it meets its goals. Additional allocation to the counties is Kshs69.8 billion.

Last year when I sat in the Mediation Committee on county additional allocations, we did not conclude because of the timelines. There is one critical issue where we had back and forth.

I want to mention this to Sen. Mungatana. I heard him talk about the Cabinet Secretary for the National Treasury and Economic Planning. When he appeared before our Committee today, he categorically stated that he is not happy with the wrangles between the National Assembly and county governments. The Senate fully supports county governments as far as the issue of the Road Maintenance Levy Fund (RMLF) is concerned. However, today, the National Assembly scrapped off the RMLF completely.

On our side, we have not scrapped it off in our Bill because these roles also belong to the counties. There is nothing wrong with them having funds. The funds for county headquarters have also been scrapped off by that Bill. As a Committee, we understand the need for counties to come to a closure as far as the issue of the five county headquarters is concerned, but you will find that there is back and forth.

I agree that, as a House, we should also be part of the budget-making process. This should not just be the responsibility of the National Assembly alone. That is why we end up having back and forth. Who suffers? It is the mwananchi. There is a saying in Kiswahili language that *fahali wawili wikipigana, nyasi ndizo huumia*. I hope I have said it correctly. When it comes to these budgetary issues, funds meant for devolved functions should be left.

We had to query a whopping Kshs29 billion for the health sector that has been transferred to the Ministry of Health directly. These are functions of county governments to improve different facilities. These are monies we should see being budgeted for all the medical staff. The legacy that should be left by the Ministry of Health is not beautiful buildings which are well-painted or well-structured. It should be the personnel.

What is the point of getting into a very smart, well-equipped hospital? I wonder who knows when they will be sick and need to get to hospital. Is there a calendar or specific timeline? No one knows.

The personnel are the most important team in this budgeting. We should be able to see that they are supported by their remunerations being paid on time. This to avert seeing the doctors and health workers on strike every week, including today. They will still approach the gates of Parliament. How can we be discussing billions of shillings yet the medical staff remunerations are still due or pending? We need to look at how much budget is needed? Also, we do have issues with the gratuities.

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Where I sat today in the Committee on Health, we were looking at how much is needed to pay the Universal Health Coverage (UHC) workers. Remember, these workers were the ones who were on the front line during the time of COVID-19 pandemic, when you and me were told to lock ourselves in the house and keep distance to be safe. Nonetheless, they were bold enough to be on the front line to stand for this country.

The budget that is needed to meet what they keep on carrying placards every day, it is just about Kshs4 billion. I am happy I have seen the budget that the Cabinet Secretary was able to state that medical practitioners 2017 CBA was agreed to. This money is budgeted for in this financial year. It is about Kshs1.7 billion. Subsequently, when it comes to the medical industry, there should not be a separation of this cadre of a medical worker or the other. They are all important and they play key roles in this country. Thus, when it comes to these budgets, it should be fair. Let the counties get what they need to.

The issue of OSR, as I mentioned earlier, is one that the county governments should also speed up on. We want to have a uniform system that helps collect own source revenue and stop depending on the national Government. We are concerned.

I know there was a time the President proposed a team to look at the audit questions as far as debt is concerned. Politics led the day when that proposal came. Certainly, I am sure as the Cabinet Secretary mentioned today, that the Office of the Auditor-General (OAG) will look into this. Kenyans will know the debt and how to reduce it so as to improve on our OSR.

I encourage the governors and county governments that as much as the Senate fights for you for additional allocation, work on reducing your pending bills. It is so painful that we push for more funding to the counties, but the pending bills are increasing each and every year. What are we doing to Kenyans? The cry that is out there for Kenyans is the current situation of the economy because money is not moving. If these things cannot be sorted, then our people will continue crying.

We look at the domestic borrowing versus the external borrowing. We are at 65 per cent domestic and 35 per cent borrowing from external. What are we doing to the private sector? I also noticed that even the Central Bank of Kenya (CBK) rates for the bank are not being fully implemented by all the banks. Where do we leave the private sector? We cannot all fit within the space of the Government sector. The private sector plays a very key role.

Mr. Temporary Speaker, Sir, I appreciate my Committee Members led by my very good Chair, Sen. (Capt.) Ali Roba, Senior (Dr.) Boni Khalwale, Sen. Faki, Sen. Shakila, Sen. Okenyuri, Sen. Mariam Omar and Sen. Onyonka, because these are matters that we have deliberated on very highly as a committee. I also want to appreciate the secretariat led by Gitonga, Beverline, Lucy, Kioko and all the team that we worked very closely with to ensure we are able to give good report.

With those many remarks, I beg to reply and request that the putting of the question be deferred to a later day pursuant to Standing Order No. 66 (3).

The Temporary Speaker (Sen. Abdul Haji): Very well. It is deferred.

(Putting of the question on the Motion deferred)

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Next Order.

MOTION

ADOPTION OF REPORT ON THE 2025 MEDIUM TERM DEBT MANAGEMENT STRATEGY

The Temporary Speaker (Sen. Abdul Haji): Proceed, Sen. (Dr.) Khalwale.

Sen. (Dr.) Khalwale: Thank you, Mr. Temporary Speaker, Sir. I beg to move-

THAT, the Senate adopts the Report of the Standing Committee on Finance and Budget on the 2025 Medium Term Debt Management Strategy, laid on the Table of the Senate on Wednesday, 12th March, 2025.

As the Senate adopts the Report herein, it is good for us to bring it to the attention of the House that the Medium-Term Debt Management Strategy is pursuant to section 33 of the Public Finance Management Act, CAP. 412A.

The MTDS provides a framework for informed decision-making on public borrowing and debt management. It gives and guides the national Government in structuring the debt portfolio to minimise costs and risks while ensuring sustainability and supporting the Government of the domestic debt market. The MTDS was tabled in Parliament on 13th February, 2025 and subsequently committed to the Standing Committee on Finance and Budget for consideration. Its submission aligns with section 33(1) of the Public Finance Management Act, 2012, which mandates the Cabinet Secretary responsible for finance to submit to Parliament a statement outlining the national Government's debt management strategy.

It provides information on the following key elements-

- (1) The stock of public debt as at the date of tabling of the statement.
- (2) The sources of the loans required by the national Government and the nature of the guarantees issued by the national Government.
- (3) The principal risks associated with these loans and guarantees.
- (4) The assumption underpinning the Debt Management Strategy.
- (5) Analysis of the sustainability of both actual and potential public debt.

The resolution of the House on the report of the Medium-Term Debt Management Strategy shall serve as a foundation for determining the appropriate limits on proposed domestic and external borrowing. Additionally, it shall inform the approval of the Budget Policy Statement (BPS) report.

The 2025 Medium-Term Debt Management Strategy outlines the following strategy-

- (a) A gross financing ratio of 25:75 for external and domestic borrowing respectively.
- (b) A net financing strategy of 35:65 for external and domestic finance respectively.

This underscores the continued reliance on domestic market as the primary source of financing for fiscal deficits over the medium-term. As at the end of January 2025, the

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total stock of public and publicly-granted debt stood at Kshs11.02 trillion, equivalent to 65.7 per cent of the Gross Domestic Product (GDP), up from Kshs10.58 trillion, which was equivalent to 65.7 per cent of the GDP in June, 2024.

This figure is projected to rise further to Kshs13 trillion by June, 2027. Consequently, debt servicing costs are expected to increase to Kshs1.97 trillion by June, 2025 and further to Kshs2.4 trillion by June, 2027. Additionally, debt service payments, including interest and redemption payments, are projected to remain elevated averaging 60 per cent of the total income.

This underscores the tightening fiscal space and highlights the urgent need for a robust debt management strategy aimed at minimizing costs and mitigating the risk associated with high debt distress levels.

In reviewing the 2025 Medium-Term Debt Management Strategy, my Committee engaged with the key stakeholders, including the Commission on Revenue Allocation (CRA), the Institute of Certified Public Accountants of Kenya (ICPAK), the Council of Governors (CoG), the County Assemblies Forum (CAF), Budget Hub, the Institute of Public Finance (IPF), the Institute of Social Accountability (ISA), Office of the Auditor General, Okoa Uchumi, Mr. Kelvin Ronyo and the Institute of Economic Affairs (IEA).

The Committee held a total of 10 sittings while processing this Medium-Term Debt Management Strategy. Additionally, in adherence to Article 201 (a) of the Constitution, the Senate conducted public participation on the 2025 Medium-Term Debt Management Strategy through a call for submission of memoranda.

Arising from these consultative engagements, the Committee made several recommendations, which included the following-

(a) Noting that as of June, 2024, Kenya's public debt stood at Kshs10.58 trillion, equivalent to 63 per cent in present value terms exceeding Public Finance Management Act frameworks of PV to GDP ratio of 55 per cent by 8 per cent points, the National Treasury should submit quarterly reports to Parliament detailing the progress made towards compliance with the set threshold as contained in the Public Finance Management Act.

[The Temporary Speaker (Sen. Abdul Haji) left the Chair]

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

(b) THAT the National Treasury, Central Bank of Kenya (CBK) and the Controller of Budget (CoB) should fully automate the withdrawal of debt service payments from the consolidated fund by 31st May, 2025. Additionally, an interagency report on the implementation status of these recommendations should be submitted to Parliament 15 days after 31st May, 2025.

(c) THAT to enhance financial controls, improve accuracy and timelines of public debt statistics and strengthen decision-making for greater transparency and accountability, the National Treasury should enquire, integrate the Public Debt Management System (PDMS) with the Integrated Financial Management Information

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system (IFMIS) by 31st May, 2025 and submit a report to Parliament within 15 days of implementation.

(d) THAT to enhance transparency and accountability in anticipated increase in domestic borrowing, the National Treasury should within 60 days-

(1) Establish a working committee to develop criteria for assessing the effective utilization of borrowed funds by Ministries, Departments and Agencies (MDAs) and establish the registrar of Government securities in accordance with Section 55 of the Public Management Finance Act.

(2) Should ensure that the Debt Register records comprehensive details on the utilization of borrowed funds, including specific breakdown of projects financed through the proceeds of infrastructure bonds.

(e) THAT the National Treasury should establish a multi-agency committee comprising of representatives from the National Treasury, the CBK and the CoB to review the public debt procurement process and assess the utilization of borrowed funds.

(f) The Committee should report to the Senate within 60 days.

(g) To mitigate the impact of high debt service costs, the National Treasury should ensure efficient resource utilization, prioritize investments in high-impact sectors and enhance the timely implementation of projects and programmes.

Madam Temporary Speaker, allow me to make a few remarks on the financial recommendations that we made as a Committee.

That the fiscal deficit target for the medium-term is approved and set at 4.6 per cent of the GDP for the Financial Year 2025/2026 and at 3.8 per cent of the GDP for the Financial Year 2026/2027 and at 3.5 per cent of the GDP for the Financial Year 2027/2028 in line with the fiscal consolidation path.

That the country's borrowing strategy is approved at 35 per cent for the net external borrowing and 65 per cent for the net domestic borrowing as contained in the 2025 Medium-Term Debt Management Strategy.

Finally, Madam Temporary Speaker, I would like to thank stakeholders who appreciated our work and appeared before the Committee or submitted memoranda on the 2025 Medium-Term Debt Management Strategy.

I also appreciate Members of the Committee on Finance and Budget for their commitment and dedication to completing the task. I also wish to thank the Office of the Speaker and the Office of the Clerk of the Senate for facilitating the Committee in executing its mandate. Lastly, I request Senators to approve the Committee's Report on this 2025 Medium-Term Debt Management Strategy.

Before I invite the Seconder, I want to appreciate the arrival of the leader of the youth in the Senate, the distinguished Senator from Siaya County, Sen. (Dr.) Oburu Odinga, aged 84 years old. Welcome to this great meeting.

Also, I want to welcome back after a two-week hiatus from the Senate, the Senate Majority Leader. I do not know whether he was reading for a Master's at Strathmore College or he was reading for a PhD.

Sen. Cheruiyot, I encourage you, if you do not have a PhD, quickly do so because some of us who are properly educated have decided to profile those who do not have PhDs.

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I wish to invite the Nominated Senator from Nairobi City County, Sen. Tabitha Maureen Mutinda to Second.

(Interruption of debate on Motion)

The Temporary Speaker (Sen. Veronica Maina: Thank you, Senator, but just hold on, Senator Tabitha. I do not know whether you have now profiled all of us who have not achieved the PhDs. We hope not, but let me give a communication from the Chair.

COMMUNICATIONS FROM THE CHAIR

VISITING TEACHERS AND PUPILS FROM GOLDEN PLAINS ACADEMY, KAJIADO COUNTY

Hon. Senators, I would like to acknowledge the presence in the Public Gallery this afternoon, of visiting teachers and pupils from Golden Plains Academy, Kitengela, Kajiado County. The delegation comprises eight teachers and 41 pupils who are in the Senate for a one-day academic exposition.

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

I thank you and I want to request the Senate Majority Leader who needs to do some work today to welcome this school together with Sen. Tabitha when you rise up to support the Motion.

The Senate Majority Leader (Sen. Cheruiyot): Madam Temporary Speaker, I do not know why the Senate Majority Whip is animated this afternoon and why he wants to announce to the students that I have not been around for a while but it is only last week and I have been coming in the evenings after class at five o'clock.

So, I want to join you in welcoming these pupils and teachers from Golden Plains Academy, Kitengela, Kajiado County. There are eight teachers and 41 pupils who are in the Senate for a one-day academic exposition.

It is always an interesting time when students get an opportunity to watch the proceedings of the House. It is unfortunate that by the time these students arrived, many of our colleagues have already checked out for the day, but it does not mean that they are not working. We have immediately after this wall, there is what is referred to as a Senators Lounge where many of our colleagues follow debates from the House and if there is a need for them to come and respond to something, they walk back into the House.

It does not mean that if you see the chairs empty, it goes without a fact that Senators are not around. I can tell you that had you been here at 2.30 p.m., the House would have been nearly full. So, I hope they get to interact with the Senators, learn and get to understand what is happening.

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What the Senate Minority Whip was doing, just to inform them of the procedure that we are going through, was moving a Motion. A committee is the Standing Committee on Finance and Budget where he sits, sat down, considered the report of Kenya's debt situation from the Treasury and now they are sending a report back to the House. What he is doing is called moving a report after which it will be seconded and opened for debate after which Members will vote. So that is one of the many things that we do in this particular House.

I wish them well in their studies because these are the leaders of our country presently and in the future and for those who want to pursue a future in political leadership in this country, they are welcome to do so. This is a very fulfilling profession, never mind all the difficulties that come with it.

I wish you well in all that you are up to and in your journey back to Kajiado County.

The Temporary Speaker (Sen. Veronica Maina): Thank you very much, Hon. Senate Majority Leader, Sen. Aaron Cheruiyot, the Senator for Kericho County.

I want to also give another Communication from the Chair on visiting teachers and students from Ndiaini Girls Secondary School, Mukurwe-ini Constituency, in Nyeri County.

VISITING TEACHERS AND STUDENTS FROM NDIAINI GIRLS
SECONDARY SCHOOL, MUKURWE-INI CONSTITUENCY

Hon. Senators, I would like to acknowledge the presence in the Public Gallery this afternoon of visiting teachers and students from Ndiaini Girls Secondary School in Mukurwe-ini Constituency, Nyeri County. The delegation comprises two teachers and 36 students who are in the Senate for a one-day academic exposition.

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

I thank you.

I will request Sen. Tabitha, when she is seconding this Motion, to first acknowledge and receive those students from Ndiaini Girls Secondary School, Mukurwe-ini Constituency in Nyeri County.

Sen Tabitha Mutinda: Thank you, Madam Temporary Speaker.

I take this opportunity to welcome the students from Ndiaini Secondary School, Nyeri County, and also not forgetting the other school from Kitengela.

One thing that makes you all to be on that level of education is because you are all students. I always say that education is the only thing that nobody will ever take away from you.

The knowledge and the skills that you gain while in school are very important. Nobody will take that from you. I always encourage students to enjoy your moment in their learning institutions because they are not going to be in primary school and high school throughout their life.

Our work is to legislate, to represent and to oversight. We have a Speaker; as we speak right now, we have Madam Temporary Speaker, who is like the principal or the headmistress of the institution.

We have the leadership of the House, the way you have deans in school, and we sit as Members. So, it is like another institution that has laws that we adhere to, the same way you have laws. I encourage you to enjoy your studies. The sky is the limit. You can as well be here today. The students from Kajiado County, I sit next to your Senator, but he had to leave for some other work.

The students of Nyeri County, behind me, sits the Senator for Nyeri County. I will pass my regards.

Thank you, Madam Speaker, for that opportunity.

(Resumption of debate on Motion)

I now take this opportunity to second my colleague, Sen. (Dr.) Boni Khalwale, Senior on the issue of the 2025 Medium-Term Debt Management Strategy that we as a committee have deliberated on.

I am happy to say that the Cabinet Secretary, Hon. John Mbadi appeared before the Committee today. We were able to get into some of the issues, definitely pertaining to the issue of debt, which I think when I was doing my contribution on the Budget Policy Statement, I touched on because they interrelate.

We deal with these two matters of the Budget Policy Statement and 2025 Medium-Term Debt Management Strategy concurrently. The issue that we focused on was to try and understand the increment of the debt compared to the Gross domestic product (GDP) which is currently at 65.7 percent.

Madam Temporary Speaker, this was of concern because last year, this was capped at 55.5 per cent. However, the Cabinet Secretary was able to state before the Committee that actually this has reduced from 72 per cent to where it is at 65.7 per cent of the GDP. It has been a reduction, which has been brought about by strengthening of the Kenya shilling versus the dollar, and which has saved us a whopping Kshs24 billion as a country, money that has been able to be transferred to schools for capitation as well as other budgets.

As I mentioned earlier, we were also able to raise the issue of domestic borrowing at 65 per cent and the external borrowing at 35per cent, putting in mind the position of the private sector because of the interest rates at the banks.

Madam Temporary Speaker, on the issue of debts, we also deliberated on pending bills, both at the county level and at the national level, because we have quite a chunk and this issue of pending bills, is a thorny issue. We were able to ask the Minister the amount of non-performing loans as far as the issue of pending bills are concerned. The way Kenyans are suffering, they are not able to pay their loans simply because their supplies have also not been paid, yet each and every year we are budgeting.

So, we asked the National Treasury the same thing we also asked the Council of Governors (CoG), to push to reduce the pending bills so that money can be able to circulate. Most business people are stuck because of pending bills, yet services have been

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rendered or goods have been delivered. We also deliberated on the issue of the cash basis versus the accrual basis of accounting and the importance of the accrual accounting system. As we speak, counties and the national Government have been using the cash basis system, which brings about the audit queries.

With regards to debt, we deliberated on where are we with the debt, how much has been borrowed, how much has been paid, the timelines for payment, interest rates, terms and conditions and what was agreed, because these need to come to light.

As I said earlier, there was a committee that the President had proposed last year, which brought a lot of politics. However, the Minister was able to promise the Committee that through the Office of the Auditor-General, this report should be tabled and we should be more informed on the level or how much debt has been borrowed, what is expected to be borrowed, because as we continue doing budgets, we are prospecting, we do not have the actuals, hence the borrowing comes in. However, if you look at borrowing on the positive perspective, our credibility is positive, hence we are able to get the approvals for the loan or we are able to be supported. However, we need to ensure that we prioritize, on the human resource capital.

If the human resource is demoralized, and not paid their dues on time, especially when you look at the issues in the health sector, the nation is not able to progress and achieve most of its goals that have been set, in the different dockets.

I therefore urge the Members to support our Report. We are behind time, as far as the Budget Policy Statement and the 2025 Medium-Term Debt Management Strategy are concerned. I would like to urge colleagues that before the end of this week, through the able leadership of the Senate Majority Leader, Sen. Aaron Cheruiyot, and his counterpart, Sen. Madzayo, to ensure that we pass these two Motions, otherwise, then we are not within the timelines. I have also informed the House that we are having Public Finance Management (PFM) Act amendments to increase the timeline. Normally, the time is too short, yet this is a very critical issue.

Lastly, I would like to mention that, we have noticed also as a Committee that some budgets have been set at the national level, especially the Ministry of Health. More funding has been able to move. If you look at the specific funding, you will realize this is a project that should be done within the county level.

With those remarks, I do second.

The Temporary Speaker (Sen. Veronica Mana): Thank you, Sen. Tabitha.

(Question proposed)

I would like to now invite the Senators to contribute to this Motion, beginning with the Majority Leader.

The Senate Majority Leader (Sen. Cheruiyot): I thank you, Madam Temporary Speaker.

This is an important Report that comes from the Committee on Finance and Budget. It is a pity that it is being moved late in the evening when most Members are out. However, I hope that each Senator gets an opportunity to speak on this particular issue, because it is a very fundamental issue.

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Personally, I have been very consistent on my call for a better management of our debt situation as a country. From the days last Parliament, when we raised first, the nominal figure, I think from six to 10 per cent, I opposed that move, for reasons that I will speak in to, and why I feel the Finance and Budget Committee, though they have done good work, can do better on this particular issue.

It is not just a ticking of the box when the National Treasury lays before the House the debt management strategy that they want to bring before Parliament. We are placed with serious responsibility as a legislature, and the institution of accountability, where we can call on the National Treasury and ask them, to perhaps do better on many areas. This issue of debt is not a simple issue. It is a serious issue, which, if not properly managed, can lead the country into economic collapse. This is a threat that we have lived with for a while.

Madam Temporary Speaker, if you take time to read the Kenya Kwanza Manifesto, you will see that the issue of debt featured quite prominently, and it is described there as a perfect economic storm, what Kenya finds itself in. That, we still are tinkering on or about 70 percent. From the figure that they have given to be specific here, is that we are currently at 65.7 percent of the GDP, which is not an interesting figure.

Remember, when we passed the amendment that I supported to a percentage and we explained the justification there in 2023, if I am not wrong, the argument was that that is more scientific and accurate than having it in a nominal figure, such that, as the economy continues to grow, you keep your debt at a sustainable level.

Due to the situation that we are in, the fiscal space that we find ourselves in, it is not possible not to borrow, yet you must still also do so responsibly. If today we were to say that we are not borrowing any shilling, as I have seen people ignorantly argue so many times in public spaces, perhaps then debt repayment might be the only thing that we will be able to do, because unfortunately, it is a first charge on our Consolidated Fund. With a debt repayment of close to Kshs1.6 trillion, then you will be left with less than Kshs600 trillion to fund counties, yet you have not paid salaries. Therefore, let us not even have that conversation, because it is totally impossible today, in this economy, not to borrow and fail to default, because you will have to choose one thing.

Madam Temporary Speaker, if you do not borrow, then one of the two most important charges - debt repayment and payment of salaries on our consolidated account will have to give way. Either we will have to default on debt repayment or on salaries to all the people that earn from the Kenyan taxpayer, which includes doctors, teachers, police officers and civil servants.

It is not an very interesting situation and, therefore, we have always requested that this debt management strategy be anchored on our fiscal deficit as a good measure of whether what we are doing is right or wrong. There must be a clear demonstration that there is an effort to consolidate fiscally so that we continue to reduce our deficit year-on-year, once we do our budget to a point where we are not borrowing more than the previous year; but we are borrowing barely enough to meet what is most critical and to also seek ways through which we can grow our own economy and pay up on our major debts.

In fact, many people sometimes discuss about this administration and what has been its biggest achievement. While there is debate about the stellar reforms that have been initiated in the agriculture sector, today, you go to public gatherings with coffee farmers or wheat farmers, they appreciate the interventions that have been made that continue to show positive results. However, a keen student of economics management will point out to the fact that avoiding to default and how we have succeeded in the last two years to pay our debts in time still ranks extremely high as the biggest achievement of this administration. At the coming into power of this administration, a default was imminent.

Madam Temporary Speaker, you will recall that in political circles, the conversation at that particular time was a matter of when, not if. There were predictions and it had been said this administration would not last more than three months. It was on account of the fact that people knew the landmines that had been left by the previous administration, where everyone was certain that we were going to default and that we are going to go into a financial crisis and a near collapse of our financial systems.

How that has not happened remains to be for the history books. While this is a conversation that is perhaps beyond the understanding of many average people who, for one reason or the other, may not comprehend or follow through what this has been about, it remains to be one of the key achievements of this administration.

The repaying of the Eurobond in good time, the near billion-dollar repayments of the Standard Gauge Railways (SGR) loan and another syndicated one from one of the commercial institutions - I forget the exact name - that has happened in the last six months, is something worth remembering.

Madam Temporary Speaker, therefore, the question that we should ask ourselves as a House and as we consider this Report on the 2025 Medium-Term Debt Management Strategy is: What is it that you are doing to ensure that in future, we shall have a more sustainable economy without appearing to grow it actually to levels beyond our repayment abilities in the near future? If we keep on shifting goalposts, the way I see it being done, we will find ourselves in a very difficult time. We will keep on kicking the can down the road and then it will get to a point where it will no longer be possible to either repay debt and continue thriving.

I therefore urge our colleagues in the Committee on Finance and Budget to take this work extremely seriously. I have read through this Report and I am impressed by what they have done, but there is a lot more that they can do. First, pointing out on things which I feel this Committee needs to lead this House into a conversation on, the country must be informed at every given budget-making season, including the Budget Policy Statement season that we are in on how well are we reducing on the fiscal deficit in the last two years. Is it from four percent? There was a promise that in Financial Year 2025/2026, which is the next financial, it, was going to drop beyond three percent. Is it possible, especially with the events of last year's June, happening, where the Government is not able to realize sufficient revenue; and also, with the continuing growth on public expenditure, on critical expenditure.

Sometimes our newspapers choose to be very simplistic and say, there is this Kshs3 billion that is being used for innovation or this or the other. While that is an

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important point, it is not the main point in a budget conversation. In a budget that continues to grow and the Budget Policy Statement this year was at 4.3 percent, the fine print needs to be checked against what is it that continues to consume public expenditure. If it is salaries, is it sustainable in this day and age to continue with the year-on increase that almost all public servants continue to earn in a depressed economy such as ours? Is the kind of expenditure sustainable that we see from certain key sectors of the economy? Education is the largest consumer at almost Kshs670 billion in the Budget Policy Statement that I have seen. What is the saving that needs to be made there?

Madam Temporary Speaker, why am I focusing my conversation on the fiscal deficit? It is the only known measure that will help us appreciate the balance of revenue *vis-a-vis* expenditure and the difference with what we are going to borrow to meet the gap there in between. If we continue to borrow in figures of beyond four or five percent, then basically what we are doing is that we may appear to be okay now, but it will eventually catch up with us.

This is a challenge that I want to pass on to the Committee on Finance and Budget as I know presently before you, there is an amendment to ensure that we move the year. Remember when we moved from nominal terms to percentage of the GDP on the debt anchor, we set 2028 as a year of moving it downward. That is a figure that you are supposed to grow towards.

There is now a proposal before the Committee on Finance and Budget to take it to 2030. I am not sure and I cannot see any Member of that Committee in the House to remind us. While I am willing to be persuaded by the National Treasury on why that particular reality needs to be made, there are other things that need to be adopted with.

Madam Temporary Speaker, I have just noticed that the Vice-Chairperson of the Committee on Finance and Budget is here. I hope she is paying attention. If you are to grant that, the only way through which I can support such an amendment is if there is a tightening of the fiscal deficit space and it must be accompanied together with it. There must be a clear path that demonstrates and says that, okay, we can grant it to you up to 2030, but it must demonstrate to us, financial year after the other, a figure cast in law.

I know how these budget things work as we have been around this Parliament for a while, to understand that as long as figures remain just a discussion and a report, they are never going to be observed. Perhaps, this is the time that we must bring into the national conversation, the fiscal deficit and have it put into law. So that we know in Financial Year 2025/2026, this is the figure beyond which we cannot be allowed to borrow beyond.

Madam Temporary Speaker, in the Financial Year 2026/2027 that figure must studiously come down, because there is a scientific way within which you achieve that 55 per cent by 2030. This is just five years that we are talking about. It is not a very long time; the way people want to put it. If we are not careful and if we do not tighten the path, we will find ourselves to be in this House - God granting us life and citizens granting us the opportunity to be here - in 2029, discussing how to move again that 55 per cent to 2034, unless Parliament did its work with diligence.

This is my argument - as a representative of the people and as someone who has keenly followed this conversation over the last two terms of Parliament as Kenya

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continues to struggle with its debt situation - that I hope as the Committee on Finance and Budget considers that proposal from the National Treasury, the only way is to have it anchored in law alongside the percentage of debt at 55 per cent so that it is clearly defined, a percentage beyond which we cannot borrow. If it is three per cent, let it be stated, whatever the figure, so that as we do a budget, we move away from this aspirational budget. I still do not understand the rationale as to why we have to take it at Kshs4.3 trillion, then after three months, there will be a supplementary like what was signed into law today that has reviewed most of those figures downwards on account of non-performance of revenue.

Why can we not, from the onset, live within our means and appreciate that things are difficult? We must have a conversation as a country. If it gets to a point where we can no longer go to the markets and borrow beyond a certain limit, there are things that we need to finance. What options are we left with? Reduction in wages, maybe of public servants that earn beyond a certain figure, how much will that realize? It is not a big figure because you have to be realistic and not sensational like many of our journalists in the newsroom. That is only two or three percentile that earn beyond a certain figure. Then, which other places can we save money? The reality is that we live in a country that has yet to understand the dichotomy of balance between politics and the economy. This will continue to be a struggle. If we are not careful, we will collapse this economy because of that demand.

As we speak today, many times you attend public functions in the company of the President and when Sen. Maanzo is granted the opportunity to speak in Makueni, he will ask for a particular road or water project to be completed and this or the other since this informs the understanding of the ordinary citizen of whether to vote for an administration or not depending on our electricity, roads and water programmes. These are the three most critical sought-for things.

This continues to pile on to our budget, and year after year, you will see the pressure of any administration like the present one that wants to have a second term in office to choose the easier option, which is to be politically-correct, continue funding some of these programmes despite the fact that we may not afford them because that is what the ordinary citizen understands. This conversation that we are having in this House, unfortunately, is an elite conversation to which the ordinary citizen and the ordinary voter have very little connection.

Madam Temporary Speaker, having to face an election subsequently troubles many administrations. I see that struggle even in the present administration. The fact that the Government knows that it cannot possibly look down on its citizens and say, "I know you have asked for this particular programme or this particular road, but given our financial situation, you will have to give me two or three years." No Member of Parliament, Cabinet Secretary, President or Deputy President can have the courage to say that to the ordinary citizen yet, if we are to rescue ourselves from this kind of difficulty, we must reach that level of honesty among ourselves as leaders and as a citizen.

Unfortunately, because of the political realities of the day, we find ourselves in a difficult space. On Section G of this particular report, the Committee has set a fiscal deficit target at 4.6 per cent of the Gross Domestic Product for the Financial Year

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2025/2026, 3.8 per cent 2026/2027, 3.5 per cent 2027/2028, in line with a fiscal consolidation path. Sen. Tabitha Mutinda, this is what I was talking about. This percentage must work out to 55 per cent, but this may not work out to 55 per cent by 2030. What is a guarantee? I know this because I have been a member of the Finance and Budget Committee. The 3.5 per cent we are talking about if you check our reports for around 2020; these were the figures that we were talking about then. They are aspirational. There is no discipline to live through them. There is no guarantee that the National Treasury will stick to these recommendations unless we make them law. That is a challenge that I am giving this Committee.

What have we learned over the years? If we continue to do these reports, we will be happy to say that these are projected percentages. The only way this will become a reality is the day that we put it into law. Then, after we have closed all the paths for borrowing beyond certain levels, we will come and have an adult conversation in this House and ask ourselves difficult questions, including our colleagues in the National Assembly who keep on growing their National Government Constituency Development Fund (NG-CDF) allocations. They will be faced straight in the eye and be informed that they have to choose whether to fund your institutions where their constituents go or grow your NG-CDF allocation.

So long as we leave it as an aspirational figure, we are not going to slay this debt situation. Therefore, if there is a duty that we are being called to in this current session of Parliament, just the same way the Ninth and the Tenth Parliaments were urged to fight and ensure that Kenya gets a new Constitution. The call of this House from the people of the Republic of Kenya today, Sen. Maanzo, is more than anything that they want to hear your voice regarding this issue of debt. We must be clear and we must not go out of old paths that are tried and tested and whose results you already know.

We must be willing to bite the bullet and chart new territories that are difficult, but are the only paths that can put this country back to economic recovery. Otherwise, Sen. Maanzo, if we continue the route that we continue to take today, it will be recorded, and it will never be recorded that you sat on the minority side. It is likely that you are a leader in Kenya at that particular point; a powerful Senator and Member of Parliament, when we watch our country sink deeper and further into debt and do nothing about it.

This conversation cannot only be sustained through a review or a report by our Finance and Budget Committee on the 2025 Medium-Term Debt Management Strategy, which is a proposal from the National Treasury. Sen. Maanzo, you must ask yourself, how can you expect to find a solution from the people who put us into trouble in the first place? Are we not being foolish as Parliament? We have a whole research unit in the name of the Parliamentary Budget Office, made up of competent people who I have worked with. They are intelligent young men and women who at the height of the protest here in June when we passed that Motion as a House - it is unfortunate because we have not followed through with many of the recommendations.

Sen. Tabitha Mutinda, you know that one of the recommendations of that particular Motion was to have a conversation on debt guided by the Parliamentary Budget Office, not the National Treasury. So we tell the National Treasury, "It is clear you have demonstrated to the people of Kenya that you are not able to show prudence in financial

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management because we find ourselves in this situation because you, people, cannot override interest. Therefore, this is a prescribed solution."

When you are designing a solution for any problem, you design it knowing or bearing in mind the kind of people that are going to implement it. The National Treasury has demonstrated that the National Assembly may carry the biggest blame when we eventually find ourselves in a situation where we are defaulting on our debt because they cannot be the ones to lead the country. It is only the Senate here, in partnership with the Parliamentary Budget Office, that is able to sit down and consolidate, crunch the numbers and define a fiscal consolidation path, complete with numbers. We pass it as we do the PFM amendment. We should go all the way to 2030, and then define the path for them. Now, you work backwards and illustrate the amount of money available.

How do we manage our economy? Unfortunately, we first list the things that we want, then ask ourselves where we will find the money. I do not know anybody else who does that kind of budgeting. I thought the common norm is to first look at what you have, then look at what you afford.

I really hope that the Committee on Finance and Budget will lead us into the realisation of that proposal that we passed here in the month of June, 2024, immediately after the invasion of Parliament because we gave a commitment to the country. We cannot get to another June without the committee sitting together with Parliamentary Budget Office to lead the country out of this messy situation as opposed to just ordinary reactions to the proposal.

It is very clear in my mind, even as the Senate Majority Leader, that the answer to this debt situation can never come from the National Treasury. It has to come from Parliament. It cannot come from both Houses of Parliament. I dare say, much as you need whatever solution you will have prescribed to pass through both Houses, the Senate must lead the way because we are less conflicted.

Many times, people look at the Senate and say that we do not manage any resources. They imagine that it is a bad thing. I actually think that was the intended design of our Constitution. The fact that you are not emotionally invested in any way to budgeted figures makes you a neutral arbiter in the determination of prioritisation of needs. However, so long as you take it to a House like the National Assembly, where Members look into what has gone into the State Department, for reasons that Sen. Maanzo knows better than us, because he used to be in that House - you will never achieve this fiscal consolidation. I hope that Sen. Tabitha Mutinda and members of the PBO have heard my sentiments. I know you are keen and listening to follow through conversations such as this because the Senate must lead the way.

I am certain that it is only the Senate of the Republic of Kenya that can lead the country on a proper fiscal consolidation path that is written in law, so that everybody else can be asked to follow through. That is the only way that we shall redeem our country from the debt strain that we find ourselves in.

With those many remarks, I beg to support and urge colleagues to take time and read this Report and propose something better than just a report to be voted for, to go gather dust at the National Treasury.

I thank you.

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The Temporary Speaker (Sen. Veronica Maina): Thank you, Sen. Cheruiyot, for that very hearted submission on the debt situation in Kenya. Sen. Maanzo proceed.

Sen. Maanzo: Thank you, Madam Temporary Speaker, for giving me an opportunity to comment on this very important Report and also thank the Committee for making an attempt to look for solutions for this big problem of debt management in the country.

I also thank the Senate Majority Leader for giving a way forward, which is more detailed than what the Committee had proposed. You truly have been in the House for many years. If you rely on the National Treasury, you will never get a solution. In fact, we are supposed to be overseeing the National Treasury, but the technocrats there have been mis-advising the Government most of the time yet they do not take any political responsibility. They are not accountable to the people as such. So, we end up finding ourselves with a very big problem.

I have looked at the recommendations and found one which is very moving. We should even begin practicing it. It talks about, inclusion of other forms of debt instruments in the future such as Islamic bonds called Sukuk; given bonds to attract ethical and climate-conscious funding. We have been going to the West. The practice with the Islamic financial dealing is that, it is not haram. It does not exploit and has minimum profits.

Unfortunately, in order to finance our budget, we still have to borrow. We should start borrowing from friendly nations, which are not going to gain high profits. We can also renegotiate some of the loans because the charges are too high. Some of the countries and organisations which have been funding us are very exploitative to our economies. If we do this, we will do much better.

Most importantly, when we get borrowed money, we should utilise it correctly to generate economic activities in the country. We borrowed money from the African Development Bank to develop Thwake Dam. The Government has its own share of contribution just like the bank. However, we delay, and waste time on these contracted projects yet we have contractors on the ground. The government does not perform nor does it make its request in good time. When we delay, the project becomes more expensive and the charges accrue.

Therefore, we need to look for friendly funding, as it has been suggested by the Committee, and at the same time utilise the money well. We cannot borrow money, put it in our budget and it ends up being donated in roadside declarations. The President's advisors should always have the Budget Policy Statement with them, so that when the President or any other person makes promises, they bear in mind what has been budgeted for.

If you make promises on projects which are not budgeted for that year, which are not in the Committee of Supply, or which were abandoned a long time ago, you will you reorganise the budget process of the country. This means we are going to get into bigger problems because of politics. Kenyans in every region, want developments.

Every region needs roads. There are some important roads in places in Makueni County like the Emali-Ukia Road which passes through rich fruit-growing areas. For ease of movement of the fruits to the international markets those roads must be done.

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Construction of proper roads makes it cheaper for the country in terms of buying and replacing spare parts, because they are not hard on cars.

There are roads in this country especially in Eastern and Northern Kenya where even if you go with new tyres, you are likely to lose all in one journey. We need access to the people there, but tyres are being damaged by bad roads. Economically, it becomes very difficult for the people and the nation. We have to work hard as a nation.

I agree with Sen. Cheruiyot that this is the House to give solutions. The National Assembly used to pretend it was the only one to handle the issue of debt borrowing. There was push and pull for a long time, until we ended up getting legal advice on it that, in fact, debt management and associated issues, have to be managed by both the National Assembly and the Senate, hence this Report.

I am sure Sen. Cheruiyot will remember, that some years ago the National Assembly used to insist to handle the Budget Policy Statement alone. They would not want it to come to the Senate where we have a voice of reason. We need to utilise more of our experts. I am happy they consulted quite a number of experts and Non-Governmental Organizations (NGOs), Budget Hub, ICPAK, and other professional bodies which think independently of the House and the National Treasury, when dealing with debt management. These people will give us input, so that we are able to do proper public participation on this particular matter, and then take all the good ideas on board.

We have Kenyans who have worked for the World Bank and international funding organizations like the African Development Bank (ADB). We have Kenyans who live abroad and have gone through very good experiences. We have templates which we can copy, from countries which have succeeded in debt management. Most importantly we have been borrowing the money---

The Temporary Speaker (Sen. Veronica Maina): Thank you Senator. When we resume, you will have a balance of 13 minutes.

ADJOURNMENT

The Temporary Speaker (Sen. Veronica Maina): Hon. Senators, it is now 6.30 p.m., time to adjourn the Senate. The Senate, therefore, stands adjourned until tomorrow, Wednesday, 19th March, 2025 at 9.30 a.m.

The Senate rose at 6.30 p.m.