

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Friday, 27th June, 2025

Special Sitting

*(Convened via Kenya Gazette Notice
No.8512 of 27th June, 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 the Speaker)

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

(The Quorum Bell was rung)

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

(The Quorum Bell was rung)

Hon. Members, we do have a quorum now. Therefore, we will start the business of the day.

Clerk, you may proceed to call the first Order.

COMMUNICATION FROM THE CHAIR

SPECIAL SITTING OF THE SENATE

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The Speaker (Hon. Kingi): Hon. Senators, I welcome you to this Special Sitting of the Senate. I regret to interrupt your recess, but this has been necessitated by urgent legislative business which requires to be dispensed with.

On the request of the Senate Majority Leader via Ref. Letter No. ACN/MLS/0(23) dated 26th June, 2025 and with the support of the requisite number of Senators, I appointed today, Friday, 27th June, 2025 as the day for the Special Sitting of the Senate.

The appointment was made vide Gazette Notice No.8512 dated 27th June, 2025. In the Gazette Notice, I indicated that the business to be transacted at the sitting shall be the consideration of—

(a) The Equalisation Fund Appropriation Bill, 2025 (Senate Bills No.7 of 2025).

(b) The County Allocation of Revenue Bill, 2025 (Senate Bills No.9 of 2025).

(c) The County Governments Additional Allocations (No.2) Bill, 2025 (Senate Bills No. 8 of 2025).

(d) Report of the Mediation Committee on the Division of Revenue Bill, 2025 (National Assembly Bills No.10 of 2025) and the agreed version of the Division of Revenue Bill 2025 (National Assembly Bills No.10 of 2025).

(e) Any other urgent business or messages received from the National Assembly or a County Assembly.

Hon. Senators, in accordance with Standing Order 33 (5) of the Senate Standing Orders, the business specified in this Notice shall be the only business before the Senate during the special sitting, following which the Senate shall stand adjourned until Tuesday, 8th July, 2025 at 2.30 p.m., pursuant to the Senate Calendar.

I thank you.

MESSAGES FROM THE NATIONAL ASSEMBLY

PASSAGE OF THE MEDIATED VERSION OF THE DIVISION OF REVENUE BILL (NATIONAL ASSEMBLY BILLS NO.10 OF 2025)

Hon. Senators, I wish to report to the Senate that pursuant to Standing Order No.46(3), I received the following Message from the Speaker of the National Assembly regarding the approval of the Mediated Version of the Division of Revenue Bill (National Assembly Bill No.10 of 2025). The Message, dated Friday, 20th June, 2025, was received in the Office of the Clerk of the Senate on Tuesday, 24th June, 2025, while the Senate was on recess.

Pursuant to Standing Order 46 (5), I now report the Message.

PURSUANT to the provisions of Standing Order No.41(1) and No.150(4)(b) of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly-

WHEREAS, on Tuesday, 3rd June, 2025, the National Assembly considered and rejected the Senate amendments to the Division of Revenue Bill (National Assembly Bills No.10 of 2025) thereby committing the Bill to a mediation committee in accordance with the provisions of Article 112 (2)(b) of the Constitution;

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WHEREAS, on Wednesday, 4th June, 2025 and Wednesday, 11th June, 2025, the National Assembly and the Senate respectively, appointed Members to a Mediation Committee to develop a mediated version of the said Bill;

AND WHEREAS, on Thursday, 19th June 2025, the National Assembly considered and approved the mediated version of the Division of Revenue Bill (National Assembly Bills No. 10 of 2025) in the form developed by the Mediation Committee;

NOW THEREFORE, in accordance with the provisions of Article 113(3) of the Constitution and Standing Order No.150(4)(b) of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate.

Hon. Senators, I will at the appropriate time during this sitting, call on the Vice-Chairperson of the Mediation Committee to table the report of the Mediation Committee which will thereafter be considered by the Senate in accordance with Standing Order No.167.

I thank you.

I have two more Messages to convey.

PASSAGE OF THE ENVIRONMENTAL MANAGEMENT AND COORDINATION
(AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO.66 OF 2023)

Hon. Senators, I wish to report to the Senate that pursuant to Standing Order No.46 (3), I received the following Message from the Speaker of the National Assembly regarding the passage by the National Assembly of the Environmental Management and Coordination (Amendment) Bill (National Assembly Bills No.66 of 2023).

The Message dated Thursday, 19th June, 2025, was received in the Office of the Clerk of the Senate on Tuesday, 24th June, 2025 while the Senate was on recess.

Pursuant to Standing Order No.46 (5), I now report the Message.

PURSUANT to the provisions of Standing Order No.41 (1) and No.142 of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly;

WHEREAS, the Environmental Management and Coordination (Amendment) Bill (National Assembly Bills No.66 of 2023) was published vide Kenya Gazette Supplement No.195 on 16th October, 2023 to amend Section 147 of the Environmental Management and Co-ordination Act. No.8 of 1999 to permit the Cabinet Secretary to make regulations to prohibit the planting of eucalyptus trees along rivers, lakes, seas and wetlands;

AND WHEREAS, the National Assembly considered the said Bill in terms of Article 109 (4) of the Constitution and passed it with amendments on Wednesday, 4th June, 2025 in the form attached hereto;

NOW THEREFORE, in accordance with the provisions of Article 110 (4) of the Constitution and Standing Orders No.41 and No.142 of the National Assembly Standing Orders, I hereby refer the Bill to the Senate for consideration.

Hon. Senators, the Message was received with a request by the Sponsor of the Bill in the National Assembly, Hon. Irene Mayaka, MP, that Sen. Crystal Asige, MP, co-sponsors and introduces the Bill in the Senate pursuant to Standing Order No.163 (2).

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Hon. Senators, Standing Order No.163 requires that a Bill which originates in the National Assembly be proceeded with by the Senate in the same manner as a Bill introduced in the Senate by way of First Reading in accordance with Standing Order No.144.

Accordingly, I direct that the Environmental Management and Coordination (Amendment) Bill (National Assembly Bills No.66 of 2023) be listed in the Order Paper for First Reading.

I thank you.

APPROVAL OF THE FOURTH BASIS FOR ALLOCATING SHARE OF
NATIONAL REVENUE AMONG COUNTIES FOR
FINANCIAL YEARS 2025/2026 TO 2029/2030

Hon. Senators, again, I wish to report to the Senate that pursuant to Standing Order No.46 (3) and (4), I have received the following Message from the Speaker of the National Assembly regarding the approval by the National Assembly of the Fourth Basis for Revenue Allocation among the County Governments (Fourth Generation Formula).

The Message, dated Tuesday, 24th June, 2025, was received in the Office of the Clerk of the Senate today, Friday, 27th June, 2025.

Pursuant to Standing Order 46 (4), I now report the Message.

PURSUANT to the provisions of Standing Order No.41(1) of the National Assembly Standing Orders, I hereby convey the following Message from the National Assembly-

WHEREAS, in accordance with the provisions of article 217(1) of the Constitution, the Senate determined and approved the Fourth Basis for the Annual Allocation of the Share of National Revenue Allocation to the County level of Government for the Financial Year 2025/2026 to Financial Year 2029/2030 on Thursday, 12th June, 2025 and thereafter referred the Resolution to the National Assembly for consideration in accordance with the provisions of Article 217(3) of the Constitution;

AND WHEREAS, pursuant to the provisions of Article 217(4) of the Constitution, on Tuesday, 24th June, 2025, the National Assembly considered and approved the Fourth Basis for Revenue Sharing among the County Governments in the form determined by the Senate and without amendments;

NOW THEREFORE, in accordance with the provisions of Article 217(4) of the Constitution and Standing Order No.41(1) of the National Assembly Standing Orders, I hereby convey the said decision of the National Assembly to the Senate.

Hon. Senators, the Fourth Basis for Revenue Allocation among the County Governments (Fourth Generation Formula) stands approved and pursuant to Article 217(7) of the Constitution, shall be applicable until a subsequent basis for revenue sharing is approved.

I thank you.

Next Order.

The Co-Chairperson, Mediation Committee, you may proceed.

PAPER LAID

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REPORT OF THE MEDIATION COMMITTEE ON THE DIVISION OF
REVENUE BILL (NATIONAL ASSEMBLY BILLS NO.10 OF 2025)

Sen. Ali Roba: Mr. Speaker, Sir, I beg to lay the following Paper on the Table of the Senate today, 27th June, 2025.

Report of the Mediation Committee on the Division of Revenue Bill (National Assembly Bills No.10 of 2025).

I beg to lay.

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

The Speaker (Hon. Kingi): Next Order.

NOTICE OF MOTION

ADOPTION OF REPORT OF THE MEDIATION COMMITTEE ON THE DIVISION
OF REVENUE BILL (NATIONAL ASSEMBLY BILLS NO.10 OF 2025)

Sen. Ali Roba: Mr. Speaker, Sir, I beg to give notice of the following Motion-

THAT, the Senate adopts the Report of the Mediation Committee on the Division of Revenue Bill (National Assembly Bills No.10 of 2025) laid on the table of the Senate on Friday, 27th June, 2025 and that pursuant to Article 113(2) of the Constitution and Standing Order No.167(3) of the Senate Standing Orders; approves the mediated version of the Bill.

The Speaker (Hon. Kingi): Next Order.

MOTION

ADOPTION OF REPORT OF THE MEDIATION
COMMITTEE ON THE DIVISION OF REVENUE BILL
(NATIONAL ASSEMBLY BILLS NO.10 OF 2025)

Sen. Ali Roba: Mr. Speaker, Sir, I beg to move-

THAT, the Senate adopts the Report of the Mediation Committee on the Division of Revenue Bill (National Assembly Bills No. 10 of 2025) laid on the table of the Senate on Friday, 27th June, 2025 and that pursuant to Article 113(2) of the Constitution and Standing Order No.167(3) of the Senate, approves the mediated version of the Bill.

Mr. Speaker, Sir, Article 218(1) provides that at least two months before the end of each financial year, there shall be introduced in Parliament a Division of Revenue Bill, which shall divide revenue raised by the national Government between the national and county levels of government.

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Pursuant to this constitutional provision, the Division of Revenue Bill, 2025 (National Assembly Bills No.10 of 2025) was published vide a Kenya Gazette Supplement No.38 of 12th March, 2025.

This Bill was introduced in the National Assembly, debated and passed without amendments on 9th April, 2025. Consequently, in accordance with Article 110(4) of the Constitution, the Bill was referred to the Senate for consideration.

The Bill provided the projected shareable revenue for the Financial Year 2025/26 at Kshs2.835 trillion. This revenue was proposed to be shared as follows-

- a) National Government - Kshs2.419 trillion.
- b) County Governments - Kshs405.01 billion.
- c) Equalization Fund - Kshs7.852 billion and arrears of Kshs2.736 billion.

Mr. Speaker Sir, the Bill was read a First Time in the Senate on Wednesday, 16th April, 2025, consequently debated and approved by Senate on Wednesday, 28th May, 2025, with the following key amendments to the Bill-

a) The projected total shareable revenue for the Financial Year 2025/2026 be revised to Kshs2.756 trillion as requested by the National Treasury.

b) The National Government be allocated Kshs2.2796 trillion.

c) The county governments be allocated Kshs465 billion.

d) The allocation to the Equalisation Fund be Kshs12.3 billion, comprising Kshs9.6 billion equivalent to the 0.5 per cent allocation to the Equalisation Fund and Kshs2.7 billion to be the money allocated to take care of the arrears which stand at almost Kshs49 billion.

e) The last audited and approved account revenues raised nationally be those of the Financial Year 2021/2022, amounting to Kshs1.9204 trillion, different from what the National Assembly approved because the National Assembly approved it at the last audited and approved accounts standing for 2020/2021. They have since passed 2021/2022 approved and audited accounts.

Mr. Speaker Sir, the amended version of the Bill was transmitted to the National Assembly for consideration. The National Assembly considered and rejected the Senate amendments on Tuesday, 3rd June, 2025. Consequently, pursuant to Article 112(2)(b) of the Constitution, the Bill was referred to Mediation Committee.

Pursuant to Article 113(1) of the Constitution, the Speakers of both Houses constituted the Mediation Committee comprising of nine Members from each House.

Mr. Speaker, Sir, the Committee was mandated to-

(a) Consider the Division of the Revenue Bill.

(b) Attempt to develop a version of the Bill that both Houses will be able to pass.

Mr. Speaker, Sir, I would like to report that the Committee held a total of four meetings to mediate on the Division of Revenue Bill. During these sessions, each side was focused on justifying why they have taken a certain position as per their proposal as passed by their respective House.

Mr. Speaker, Sir, the Committee made several observations indicated in the report that-

(a) On 15th April, 2025, the National Assembly approved the audited accounts of revenue for the Financial Year 2021/2022, thus the most recent audited and approved

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accounts of revenue amounts to Kshs1.9204 trillion rather than what was proposed in the Bill.

(b) The National Treasury submitted to Parliament revised projected shareable revenue for the Financial Year 2025/2026 from Kshs2.835 trillion downwards to Kshs2.75698 trillion to reflect current realities on revenue performance.

(c) Now that the last audited and approved accounts has changed and so will be the Equalisation Fund provision of 0.5 per cent which now had to be adjusted from Kshs7.85 billion to Kshs9.6 billion in line with the last audited and approved accounts amount of Kshs1.9204 trillion.

Mr. Speaker, Sir, the Bill had proposed allocation of the arrears to the Equalisation Fund. However, the Committee noted that this should not be provided for in the Division of Revenue Bill since the entitlement to this Fund had already been covered in the previous similar legislations that were passed by both Houses.

The Committee also noted that-

(a) The proposed allocation to the counties by the national Government as proposed by the National Assembly stood at Kshs405.1 billion, which was informed by the available resource envelope, given the limited fiscal space as shared by the Mediation Committee team from the National Assembly.

(b) The proposed allocation to the counties by the Senate stood at Kshs465 billion, which was informed by non-discretionary expenditures to be incurred arising from the national Government priority policies and programmes, including contributions to the housing levy, increased National Social Security Fund (NSSF) contributions, implementation of doctors Collective Bargaining Agreement (CBA) in line with the agreed return to work formula, counterpart funding for the Community Health Promoters (CHP) and County Aggregation and Industrial Parks (CAIPs).

Mr. Speaker, Sir, considering all the counter offers made during the negotiation, the Mediation Committee resolved that-

(a) The total shareable revenue for the Financial Year 2025/2026 be Kshs2.756,978 trillion in line with the submissions given by the National Treasury.

(b) The National Government Equitable share to stand at Kshs2.332,376 trillion.

(c) The County Equitable share to be agreed at Kshs415 billion.

Mr. Speaker, Sir, I know within our common forum, there has been discussions of better mediation capacity by different Senators other than the team that was sent there. I want to assure the Senate that we mediated until the Committee from the Senate realized that where we reached was like trying to milk a stone and we could not get a shilling more out of that mediation process.

We had to just agree for purposes of continuity for our county governments as well as making sure that the national Government processes also continue by way of passage of appropriation Bills which not only was critical for the national Government, but also for county governments.

The passage of the DORA will give way to the processing of CARA and subsequently will give way on the issue of disbursement schedule for our county governments, alongside other critical Bills like the County Additional Allocation Bill as well as the Equalisation Fund Appropriation Bill.

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Mr. Speaker, Sir, it was also agreed that-

(a) The most recent audited and approved accounts of revenue are those of the Financial Year 2021/2022, amounting to Kshs1.920 billion;

(b). The allocation to the Equalisation Fund for the Financial Year 2025/2026 to stand at Kshs9.602 billion.

Mr. Speaker, Sir, the mediated version of the Bill is shared as tabled. The Committee that was sent to mediate on behalf of the Senate and as representatives of the interests of the county governments have managed to improve the allocation to county governments in form of the shareable revenue from Kshs387.425 billion to Kshs415 billion which is an increase of nearly Kshs30 billion in a given financial year.

It is worthwhile to note that, that is the highest allocation over the last five-year period in terms of DORA increment. The Kshs415 billion we got also satisfies the condition we set in passing the fourth basis of shared revenue sharing formula, which was prefabricated on revenues of Kshs415 billion and above, then that affirmative action in the wisdom of the Senate of Kshs4.46 billion to be shared equally among 12 disadvantaged counties that are not able to run their development programmes based on the revenues they are receiving, which were listed.

In the wisdom of the Senate, Kshs3 billion was approved at Kshs405 billion shareable revenue to county governments. Should there be any improvement over and above Kshs415 billion and above, then in the wisdom of the Senate, a decision was made that that Kshs3 billion be improved to Kshs4.46 billion. I would like to immensely extend my appreciation to the Mediation Committee of the Senate, as well as our counterpart, the Mediation Committee of the National Assembly, who have walked this journey as we both executed our constitutional mandate on behalf of the entities we represented. I also extend my appreciation to your office as well as the office of the Clerk and our secretariat team that have diligently walked that journey with us.

I beg to move and request Hon. Sen. Bonnie Khalwale to second.

Sen. (Dr.) Khalwale: Mr. Speaker, Sir, I rise to second this very important Motion.

As I do so, having been a member of the Mediation Committee, I want to start by appreciating the Chairman of the Budget and Appropriation Committee in the National Assembly, Hon. Atandi. I had never worked with this Member of Parliament before in my life. He truly impressed me as a parliamentarian who has come of age. He understands the position of devolution in the current dispensation of the politics and the structure of leadership of the country. I say this because I sat in a similar committee when the predecessor of Atandi was in office and it was very clear that, that chair was not in tandem with the system of government called the bicameral system.

I also thank the Chairman of our Committee on Finance and Budget who has just moved the Motion and the Vice-Chairperson, the Senator of Migori County. This mediation was the most difficult I have ever sat in. We could not agree four times and we stood our ground. I am very proud that because of that industry, we were able to leapfrog from Kshs387.5 billion by Kshs28 billion to the current Kshs415 billion. It is a big achievement. Therefore, I proudly request colleagues in this House that we support this Report because we have achieved so much.

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I want to talk to the people of Elgeyo Marakwet, Embu, Isiolo, Kirinyaga, Laikipia, Lamu, Nyamira, Nyandarua, Samburu, Taita-Taveta, Tharaka Nithi and Vihiga counties. These are counties that have not had the opportunity to have access to sufficient funds to do meaningful development over the years. However, thanks to this enhancement of Kshs415 billion and further thanks to the decision of this House to now introduce in the fourth sharing basis formula, a factor which then we called the Affirmative Action Allocation of Kshs4.46 billion. Now each and every one of the counties that I have spoken about will enjoy an extra Kshs371,666,667.

I am so happy for them, but even more so with Vihiga County, my immediate neighbour who also happen to be my own brothers. Vihiga has truly suffered over the years. There are many projects which equally serve Kakamega and Vihiga at the same time, especially the road infrastructure. It is a shame that when you go on the Kakamega side, you see a tarmac road here and there that was started by the first-generation Governor, Hon. Wycliffe Oparanya.

It then becomes a shame that when you come from Bushangala Junction, you go down to Shibunama, you cross the bridge at River Lukose, climb to Eregi, the moment you reach Ichandumba, which is the boundary between Kakamega and Vihiga, that is the end of the road. The majority of the people using this road, which then becomes untarmacked once you are in Vihiga, are the people of Kakamega.

I appeal to the Senator, Governor and the MCAs of Vihiga, whereas this section of the road is in Vihiga County, it is a key road for us, the people of Kakamega, in entering into Vihiga County through the southern part of our county. I, therefore, appeal to Governor Ottichilo to give me a gift for the fight we put up with Sen. Osotsi in this House so that this fund could be realized. I beg the Governor of Vihiga to give me that gift by making sure that these first Kshs371 million will be spent part of on tarmacking the section of the road from Ichandumba all the way to Chavakali-Eregi Junction.

As I second this Motion, I want to use this opportunity to pass my condolences to the families and friends of the 15 young people who lost their lives two days ago through the unnecessary shootings that we witnessed. I hope that the Cabinet Secretary for Interior and National Administration will manage to come on top of things. I request him to find his calm. I have been following his pronouncements. He seems to have completely lost it. He must take charge and stop asking police to shoot people when they appear like they are entering a police station.

I second.

The Speaker (Hon. Kingi): Hon. Senators, I will now propose the question. Sen. Ali Roba, kindly take your seat.

(Question proposed)

The Floor is open for debate. Proceed, Sen. Mundigi.

Sen. Munyi Mundigi: Asante, Bw. Spika, kwa kunipa fursa hii kuchangia Hoja kuhusu pesa tulizopata kugawia kaunti 47. Naunga mkono mgao huo. Niko na furaha sana kwa sababu kaunti zote zitasheherekea na watafanya kazi vile inafaa. Kaunti nyingi zilikuwa na pesa duni lakini sasa tumepata mgao wa Shilingi bilioni 415. Mwaka jana

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kaunti zilipata Shilingi bilioni 375. Kamati ya Fedha na Bajeti imefanya kazi nzuri ili kaunti zipate Shilingi bilioni 28 zaidi. Hii inamaanisha miradi ya maji, barabara, elimu, kilimo na mambo mengine kule mashinani yatafaidika. Gavana wanataka kuwafanyia kazi wananchi inavyofa.

Bw. Spika, ningependa kushukuru Kamati ya *Mediation* kwa ile kazi wamefanya ili tupate hizi hela. Katika Kaunti ya Embu, tulikuwa na Shilingi bilioni 5.3. Pia niko na furaha kwa sababu kaunti 12 zitapata pesa zaidi ya kaunti zingine. Kuna wale walileta hoja ya kuongezea hizi kaunti pesa na walifanya vizuri, nikiwa mmoja wao. Kaunti ya Embu imekuwa na shida ya *pending bills* na *wage bill* lakini tutapata Shilingi milioni 600. Kwa hivyo, huu mwaka tunaoanza mwezi wa Julai, tutakua na Shilingi bilioni sita.

Bw. Spika, yangu ni kwa Kaunti ya Embu. Tunaomba Gavana Cecily Mutitu Mbarire kwamba hizi pesa zikija mashinani, apunguze madeni, ateleze miradi ya barabara, maji, kilimo na mambo mengine mengi ili asaidie watu wa Kaunti ya Embu. Pia najua kuna shida ya hela kutoka kwa zile pesa kaunti inakusanya. Ili mwananchi asilie tena na asilete shida, ninaomba Gavana asiongeze ushuru wa kaunti ili wale wamekuwa wakileta shida kama *business community* wafaidike.

Bw. Spika, kuna yale mambo yalifanyika juzi. Nasema pole kwa wale waliopata shida kwa sababu ya maandamano. Tunajua maandamano yanaruhusiwa kikatiba. Pia kwenda kuomboleza kunaruhusiwa kwa sababu kuna *democracy*. Mambo ya maajabu ni kwamba kuna yale yalifanyika Kaunti ya Embu. Ninasema pole kwa *business community*. Tuliona ofisi ya Kenya Revenue Authority (KRA), duka la Safaricom, ofisi za National Social Security Fund (NSSF) na National Bank ziliporwa. Pia Maathai Supermarket iliporwa.

Ningeomba ikiwa tutakuwa na maandamo siku nyingine kwa sababu ni mambo ya demokrasia, kusitokee mambo kama hayo. Saa zile tunaongezea pesa za kaunti, tunahuzunika sana tukiona watu wakienda maandamano kwa sababu ya haki yao, lakini kunaingia matapeli na wezi na wanaleta vitu ambavyo havifai. Kuna wale walifanya matendo hayo ya uwizi na uporaji wa mali ya wananchi.

Bw. Spika, tumeona watu wengi walikuwa wamechukua mikopo na wamepoteza mali yao. Pia kule Embu, vitu viliibiwa kama huku Nairobi. Siku ya Jumatano ilikuwa ya maandamano yanayofaa, lakini baadaye kuligeuka na kuleta shida katika nchi yetu ya Kenya. Watu wengine waliingilia hayo maneno ikawa ni kama wanataka kupindua hii Serikali ambayo inajaribu kulainisha mambo ya *economic recovery*.

Bw. Spika, nawashukuru sana Maseneta kwa ile kazi wanafanya kupigania ugutuzi, ingawa nilisikia Wabunge wengine walipokuwa wakijadili haya maneno, walipinga huu Mswada. Ningeomba magavana wote 47 wasituangushe. Tunawaunga mkono na wafanye kazi vile inavyofaa katika idara zote. Pia kuwe na *accountability*.

Bw. Spika, nikiwa Seneta wa Kaunti ya Embu, niko na furaha kwa sababu Kaunti ya Embu itapata mgao wa Shilingi bilioni sita, kutoka kwa Shilingi bilioni 5.300 kwa sababu tumeongezewa milioni mia sita. Ninataka watu wa Embu wajue kazi itaendelea vizuri na mambo yatakuwa sawa.

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

Sen. Mungatana, MGH: I thank you, Mr. Speaker, Sir, for giving me the opportunity to make my contribution. I also thank the Chairperson of this Committee

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from the Senate side, Sen. Ali Roba, for leading the team from the Senate, I included, into this negotiation and in a very efficacious manner. I would like to recognize the efforts and the aptitude that was put in from our colleagues in the National Assembly. I acknowledge the work that we put in in all those four meetings.

As a spectator when watching a football or basketball match, it is always easy to say the ball should have moved this side or they should have scored that goal. However, it is only the person playing inside there who knows what really happens. All the time the spectator who is outside believes that they would have done better or the player should have done better. The truth of the matter is that when you are inside there, that is when you know how difficult the matters are, how hard and how tired the players are. You need to be a basketball player to know that even LeBron James can ask for substitution. Even who we called King James in basketball would ask for substitution because he is the one who knew how it was inside there.

Mr. Speaker, Sir, when we went for the first meeting, the Senate was very adamant that we must be given the Kshs465 billion that we wanted. On the other hand, we had the National Assembly who had come with a figure of Kshs405.1 billion. We had extremely good arguments to say how we needed this money for this and the counties needed to do this or the other. All of us came from these counties that were fighting for this money.

Equally, the National Assembly was telling us of the need to balance what the counties required with the fiscal space that was available. We negotiated at lengthy and greed on Kshs410 billion that the National Assembly gave. We on the side of the Senate had come to a point where we said, at the very minimal, it is should be Kshs420 billion.

Mr. Speaker, Sir, there was a deadlock. The Senate is on this side and the National Assembly on the other side. We were trying to reach an understanding. At the end of it, after three meetings, we had to adjourn, discuss and talk as colleagues, visit each other and convince each other. We would like to tell our colleagues that those of us who were in there, were going up and down trying to find a way forward. When the figure was finally agreed on at Kshs415 billion, it did not come easy, like a drop of the rain. There was a lot of negotiation and backroom discussions.

Mr. Speaker, Sir, we were also aware that our counties needed this money like yesterday. In some of our counties, workers have gone without salaries for the last three months. We looked behind and said we will be able to achieve the goal of affirmative action at Kshs415 billion. We also wanted to achieve the goal of ensuring that no county got less than what they got before. This is what we saw. When the figure finally came up to Kshs415 billion, we felt that we do not need to drag this further. So, under the leadership of the Hon. Sen. Roba, we reached out to the other side under the leadership of Hon. Atandi, and the deal was done.

I would like to thank the Mediation Committee, which I was part of. I know what we went through. I also thank all the Members who participated, sacrificed their recess and sat there on our behalf. They have given us the results, which have ensured that the counties that we wanted to protect have received something in addition. The affirmative action that we agreed on in this House was to give additional allocation to those 12 counties.

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Mr. Speaker, Sir, I would like to appeal to all our colleagues that we support the decision that we have achieved so far. I do not need to belabour the point that we had in these four days of the Mediation Committee meeting achieved approximately Kshs28 billion increase. This is highest increment that we have received in many years that have passed. It has always been an increment of Kshs1 billion or Kshs2 billion. However, in this particular case, we have been able to achieve a good leap. So, I urge colleagues who are listening to me that this Committee did some good work. I want us to appreciate their work by supporting this Motion.

Mr. Speaker, Sir, I would have wished to sit down and leave it there. However, I would like to emphasize something. I want us to learn from the United States of America (USA). People tend to think that some of these departments cannot be abolished at the national level and yet it is possible and doable. Why can we not abolish the Ministry of Health at the national level? Clearly, this function has been devolved to the county level. Why are we still keeping money at the national level?

Mr. Speaker, Sir, when President Trump took over, like him or not, the man makes decisions. He abolished the Federal Department of Education. People were shocked what was happening, but he did it. People can make decisions at the state level on how the education system should function. Health in Kenya is devolved function. I keep coming back. Those billions that are still at the Ministry of Health should come down to the counties. Even as we approve this, we want this to sink to those people sitting at the headquarters in the Ministry of Health, that this mandate is a county mandate.

Mr. Speaker, Sir, many other functions have been devolved, yet the national Government is still holding onto them. I request the President to seriously think about abolishing them. Let him take bold steps and abolish some of these departments at the national level. For instance, the Ministry of Health function must go, so that the funds are released to the function. Today, we are celebrating Kshs415 billion as the equitable share going to county governments. However, if we abolished some of these ministries at the national level, we would be able to save more billions that would be released to county governments, so that our counties are able to function properly from the equitable share that they have received.

We were talking here, as a Senate, and said that some counties are merely employment bureaus because they are not able to function properly. Their development vote is negligible. This is because the national Government continues to hold onto functions that are supposed to be for the county governments.

As I urge my colleagues that we approve the mediated version of this Bill, we want to send a message to the national Government not to hold onto what is not theirs. It will cause them problems, all the time. For example, if you look at the payment of health workers who are working in our villages, the national Government pays a half, the other half is paid for by the county. How is that? How do you have two employers? How does it work that you are having one paying this amount and another paying the other? Why should the national Government hold onto that? Why can they not surrender that function properly to the county governments, so that somebody knows my little money comes from this employer?

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When you have functions like the industrial parks that are being created, you hear that the national Government will give Kshs250 million, and the county governments will give Kshs250 million. The moment you bring two entities to manage, there is a problem. Why not leave it all to the county governments to deal with those matters?

Mr. Speaker, Sir, even counties that were supposed to develop their headquarters were supposed to be assisted. The idea was initially very noble. Five counties did not have good county headquarters, so they were supposed to be assisted by the national Government. Just that line of saying that the national Government as well as the county governments contribute, the model has not worked. None of the five counties to date have been able to construct their headquarters because here there is a boss and so on.

This should not happen going forward. We should start by taking a bold step saying, we abolish the Ministry of Health at the national level. Let everything be devolved. Let the money come down. If they must stay there for coordination, let it be little money, absorbed under another department, so that we all know that these funds that used to reside in that Ministry at the national level has come down to the counties.

Mr. Speaker, Sir, I would like to urge colleagues who are listening to me that we debated all these matters that we put there. Do not imagine that the team that was there did not engage. We fully engaged. We would sit from midday all the way to 6.00 p.m. We fully engaged in all these arguments. Looking at the fiscal space and the way we managed to push up here, up there, down here, down there, the figure of Kshs415 billion should be supported.

I thank the National Assembly because they have already dealt with their bit. Let us deal with our bit, so that the funds can be released to our county governments and they continue functioning.

Mr. Speaker, Sir, with those many remarks, I beg to support the mediated version of the Bill. I thank you.

The Speaker (Hon. Kingi): Next is Sen. Joe Nyutu.

Sen. Joe Nyutu: Mr. Speaker, Sir, I also rise to support this particular report as submitted by the Co-Chair of the Mediation Committee. Like those who have spoken before me have said, we would have wanted to give our counties more than Kshs415 billion. However, we must appreciate that they will get Kshs415 billion from Kshs387 billion. That is an improvement of about Kshs30 billion. That must be appreciated.

Like the Co-Chair of the Mediation Committee said, we thought they were going to negotiate for more. However, we appreciate the fact that negotiation of any kind is a give and take matter. Therefore, I thank the Mediation Committee for the figure of Kshs415 billion, which they squeezed out of the budget. Once this House comes up with a disbursement schedule, the biggest question is whether the National Treasury will follow it.

We have been having challenges with the counties not because we have not allocated them amounts that can help in delivery of services there, but because of delayed disbursements. That is the next issue that this House should push for, so that disbursements are made according to the schedule that we will come up with. While still at that, we must also tell the 47 governors that the enhanced amounts must be used mostly for development and not on wage bills. This is because none of the counties

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abides by the 35 per cent requirement. They are required to maintain the wage bill at 35 per cent of their total resources.

(Loud consultations)

Mr. Speaker, Sir, I request that you ask the Senate Minority Whip and the Chairperson of the Mediation Committee to give us some peace so that we can prosecute our issues.

The disbursement schedule will be important. Secondly, governors must do more development rather than paying for wage bills and other unnecessary matters. They also need to look at pending bills and clear them, so that more money can be used for development. We must tell rogue governors who think that when these amounts are sent to them, they can spend the same for purposes other than those that serve the people of the counties that they are elected to serve in. A case in point is one governor. That is none other than the Governor of Nairobi City County who said in public that he was going to protect Nairobi.

We want to tell such a governor that these funds that we have worked so hard to negotiate for must be used for the good of the people in the counties and not for any criminal activities. Goons must not be financed from the amounts that we have negotiated for the counties.

Sen. Mandago: On a point of order, Mr. Speaker, Sir. I did not want to interrupt my good friend, the Senator for Murang'a County. However, under Standing Order No.105 on responsibility for statement of fact, could he provide evidence that the Governor used funds for Nairobi City County to pay goons? We have not even released the money; we are still debating on what will be shared among counties.

The Senator has made a statement, which is not factual. Could he provide evidence on the same? The Governor is within his right to protect properties of business people in Nairobi. We have witnessed the destruction that happens. Business people are losing their capital. Would it not be the responsibility of the Governor to ensure that there is a conducive business environment? The Governor should use the necessary resources and available means to make sure that businesses are protected because that is what creates employment.

The biggest problem we have in this country is unemployment. How do we destroy what we have in the pretext of---

The Speaker (Hon. Kingi): You have made your point of order.
Proceed, Sen. Nyutu.

Sen. Joe Nyutu: Mr. Speaker, Sir, I think the former Governor of Uasin Gishu County still suffers from a hangover of having been a governor. For that reason, he forgets that he is a Senator who is supposed to defend devolution and counties and not other governors.

The Speaker (Hon. Kingi): Sen. Nyutu, the point of order raised is that you have made an assertion to the effect that the Governor of Nairobi City County is using resources to pay goons. Do you have evidence to that effect and can you substantiate that

statement? If yes, proceed to substantiate. If you are unable, you may have to withdraw that statement.

Sen. Joe Nyutu: Thank you, Mr. Speaker, Sir, for the guidance. I did not say that he is paying goons. What I said is that he said that he was going to protect Nairobi against demonstrators. That is in the public domain. There is no other way of a governor protecting his or her county other than using goons because a governor does not have police officers under their command.

Mr. Speaker, Sir, I will not be wrong to assume that any governor who says that he is going to protect his county physically---

The Speaker (Hon. Kingi): Sen. Nyutu, let us make this short, so that you proceed with your wonderful intervention on this report. You have made an assertion and the HANSARD is there. You either substantiate or withdraw.

Sen. Joe Nyutu: Mr. Speaker, Sir, then I withdraw, so that I continue. I can see the Senator for Kakamega wants to inform me.

The Speaker (Hon. Kingi): Let us dispense with this point of order first.

Sen. Joe Nyutu: Mr. Speaker, Sir, I withdraw so that I continue.

I was advising governors in general and not just the Governor of Nairobi City County, to expend amounts in a way that helps their constituents, but not to show bravado and spending monies in matters that are not important for their people. They should also not overstep their mandate.

We must also ask the national Government, which in this particular mediated version of the Bill will retain over Kshs2.3 trillion to also expended it in the right way. It must be used in a way that is of benefit to the country.

We are disturbed to find those serving in the national Government carrying money in sacks every day as they go about programmes that are not known in law like empowerment programmes. We believe those amounts are spent from the allocation that is made. Therefore, we also call upon the national Government to spend the amounts allocated to them in a way that, for example, creates jobs for our youth and improves healthcare services. This is because they are retaining a lot of money at the national level, just like Sen. Mungatana submitted here.

We cannot divorce ourselves from what is happening in the country. We have had many losses of lives and destruction of property, especially the day before yesterday when there were protests. We should have a situation where public funds are spent to protect lives and property.

I call upon the national Government to invest more. If they need more police officers to maintain law and order, then such should be done, instead of failing in their duty and blaming particular people and profiling some communities for something of national importance. Let us have more police officers if that is what we need. Let us have more police officers, if that is what we need because the allocation has been made. Let us invest more in intelligence to avoid the things that we are seeing here.

In the last 72 hours, we have had very unfortunate happenings in our country. We condemn, in the strongest terms possible, any loss of life and destruction of property. We must call some of these things out because this is not the way to go. We call upon the Cabinet Secretary for Interior and National Administration to be more responsible. He

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appeared in this House the other day about a killing and we were all disturbed when we heard him give police officers an order to shoot and kill. He even referred to some authority above him. We do not have to be very smart to know what that authority is.

This is our country and if there is no peace in the counties, then all the monies that we are allocating to the counties will be in vain. The national Government must ensure that every person and business person is safe. They must not hide in the sand and blame somebody after things have been done. We have the National Intelligence Service (NIS) who should unfold plans to destroy life or property. We will not allow them to cry crocodile tears.

As I sit down, I want to say this. We live and exist in this country at nobody's pleasure. We are here because God placed us here and we have a right to be here. We may serve in the cabinet or in some appointed positions at the pleasure of the President, but we do not live in this country at his pleasure or that of anybody else. We live here because God placed us here. Let us build a good country for all of us.

Thank you, Mr. Speaker, Sir, I support this particular version.

Sen. Tabitha Mutinda: Thank you, Mr. Speaker, Sir. I want to extend my appreciation to my colleagues who we were with during the mediation process for the Division of Revenue led by my Hon. Chairperson together with Sen. (Dr.) Khalwale, Sen. Mungatana, Sen. Oketch Gicheru amongst others. Most of us who were in the Mediation Committee are also Members of the Committee on Finance and Budget. We had presented before this House a proposal that the counties be allocated Kshs465 billion.

On this journey, we had the proposal by the Commission on Revenue Allocation (CRA), which amounted to almost Kshs430 billion. During our proceedings at the Committee level, we met different stakeholders who had different proposals. The governors, through the Council of Governors (CoG), had a proposal of about Kshs536 billion.

We did not propose the Kshs465 billion out of the blues. We were guided by facts as far as the key issues were concerned, starting with the issue of the housing levy deductions, which amounted to a need of Kshs4.1 billion. We also had the issue that Sen. Mungatana has talked about, the issue of the County Aggregation and Industrial Parks (CAIPs), which amounted to about Kshs11.8 billion. CAIPs is a proposal that requires the intervention or teamwork between county governments and the national Government. The Senate, among other stakeholders, were not involved in the formulation of these proposals.

During the mediation process, we agreed to remove the Kshs11.8 billion budget for the CAIPs. As we speak, about 18 counties have partly benefited from the initial allocation. We said that the other counties can wait in order for us to prioritize this budget for the 18 counties that have commenced the CAIPs in order for them to focus on the completion. We agreed to remove the CAIPs project allocation of about Kshs12 billion.

We also had the issues of enhanced National Social Security Fund (NSSF) contributions, which amounted to about Kshs6 billion and the issue of Community Health Promoters (CHPs), which amounted to Kshs3.2 billion. Those two issues were not negotiable because the issue of CHPs is a 50-50 agreement between the national

Government and the county governments. Most of our young people, especially young women, work as CHPs. Therefore, they needed to be factored.

Annual wage increment is within the law. The other critical thing was the basic salary increment as per the doctors Collective Bargaining Agreement (CBA), which amounted to Kshs3.5 billion. We have seen through and through our health sector professionals demonstrating and surrendering their petitions before this House. Their petitions were highly on financial matters. That is why adding the figures that I have just talked about, we as a Committee representing the Senate, the 'upper' House moved in the mediation with the agreement that we could not go below Kshs420 billion.

As I said earlier, this mediation process was not an easy tackle. This is because our respectable colleagues from the National Assembly moved in and from the beginning, they stood at Kshs405 billion. We moved down from Kshs465 billion to almost Kshs430 billion, but they did move not an inch. How discouraging can that be when you have gone to the table to mediate and have a common goal for the common interest of our people? We walked in, we walked out. We came in, we came out. All the Senators spoke with one voice.

We had a condition before we embarked on our last meeting. We said that if the National Assembly was not going to move an inch higher, we would not embark on further mediation. In the last meeting, we left when the National Assembly had moved to Kshs410 billion and everything indicated that they were not willing to continue with the process. Therefore, the process was to end at Kshs410 billion. We also stood firm and said we will not embark on any further mediation if they will not move an inch. Through our firm decisions, we were able to conclude at Kshs415 billion.

Mr. Speaker, Sir, sometimes when I talk about these figures in terms of billions, I am not so happy. We talk about billions and we have increased Kshs28 billion to the county governments, but the thorny issue; the biggest animal in this country is the pending bills. We have increased these funds because of the issues that the governors have raised. This money does not go to the governors, by the way. It is for the devolved functions.

When our young people keep on hearing us talk about billions on this Floor, the other day I saw the people of Nairobi waking up as millionaires and sleeping in the evening as the poorest people; from a millionaire to the poorest person because their businesses were brought to zero.

When on this Floor we talk about the billions that we have given to each and every county, the lowest county is receiving Kshs3.8 billion, which is the great County of Lamu. Nairobi City County is receiving Kshs21.4 billion. However, our people economically are still having challenges because money is not rotating. The issue of pending bills should be sorted out. It has just been left to a few. I emphasize this because we want the governors to sort out the animal of pending bills. We cannot be on this Floor talking about these figures and there is a Kenyan somewhere who is just seeking to be paid their pending bill by the county government.

We have increased a whopping Kshs28 billion, as I said earlier, we need to see change, but change to whom. The education system that we have in this country has empowered our young people. It is a system whereby our young people today are very

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eloquent and very knowledgeable. They know what they want, they know what they need. The job opportunities might not be enough for everyone, but the businesses for our people can create opportunities. These businesses can keep thriving, if this issue of the pending bills is also sorted out. We cannot have a few being paid and the rest are suffering each and every day. How do we change this? How do we stop them from coming out? We have educated them. They are our people; they are our young people.

If you recall a few years ago - if my memory serves me right - we used to have so many strikes in the schools. Schools were being burnt some few years ago. Who was burning these schools then? Where is this generation that was burning those schools? Very educated out here; it needs to start with us as leaders. The issue of too much politicking, too much chest thumping will not help us. We need to offer leadership. At this point, it does not matter. We are all Kenyans. That is the common denominator.

We do not want to look back and start seeing ourselves like where Haiti is seeing itself today and countries like Sudan. This is our country. When we stand here and we are voting today for the allocation of the Kshs415 billion to these counties, Kenyans expect progress at the devolved level. It is high time that we showed unity.

When a soul is taken away; today it is me, tomorrow it is you and I do not think there is anything to celebrate. When parents are losing their children, it is not something to celebrate. When young women are being raped like we saw what happened, it is not the kind of nation we want. All that is needed is money to be put in its correct use.

Our mandate is for the county governments. As the Senate Standing Committee on Finance and Budget, we have tried our best. Governors, do not let us down. Achieve the goals of the devolved governments today. It is not about who has how many goons. That is not the country we want. I want to tell my colleague leaders, we are not the ones who are safe. We are continuing to create a gap between the politicians and the citizens. What you are seeing happening today, the whole blame is being heaped on the leadership, including us. It is high time we should know that at the end of the day, this is our country and these are our young people. They are growing, they have experienced and tested the waters. There needs to be financial and economic progress.

As a Senate, we have done our part. Let county governments do their part. The National Assembly oversees the Executive. Let them do their part. If everyone does their part, we will continue enjoying the fruits of the Constitution.

Mr. Speaker, Sir, through the formula, the Committee on Finance and Budget and the Chairperson, and I heard him table the same, this has enabled the 12 counties to benefit with the Kshs4.46 billion. Can we appreciate what has been given? Can the county governments appreciate? Can they increase their own-source revenue with the aim and target of ensuring that they reduce the pending bills? I believe through this, we will ensure that our people are sorted out economically.

With those remarks, I support.

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

Sen. Abass: Thank you, Mr. Speaker, Sir. I also want to join my colleagues to support the report for the Mediation Committee. This is very commendable work. However, having said that, it is a very unfortunate situation that every financial year have to go for mediation yet this is a constitutional right for all the counties and the people of

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Kenya. The unfortunate thing is that our colleagues in the National Assembly have taken these budget issues as part of their property and responsibility.

We know many of the Members who are in the committee on Budget and Appropriation in the National Assembly have a special budget mandate that they receive for their constituencies, which is illegal by itself.

Mr. Speaker, Sir, we are almost begging to be given money for the counties. The division is based on the audited accounts of the Financial Year 2021/2022. Four years down the line, we are still using the same old audited accounts, yet the Auditor General has done it up to 2024. We need to change this business of basing our equitable share on four years, three years' backwards, so that at least the counties can get their money.

I also commend the Members for giving affirmative action to the 12 counties that have been receiving less money. I can see Lamu, which is one of our most strategic counties in terms of tourism, is still getting Kshs3.8 billion. As much as we say that the county is small, it has a very important strategic position in this country's tourism sector. We need to have a baseline.

Despite each one getting Kshs371.6 million, Lamu is still receiving a very low budget. We will need to look, especially in the current budget, where the reality can be added for Lamu.

Counties are also receiving equalisation funds and additional funds from donors in terms of grants and loans. In my county, we are getting about Kshs10.5 billion. With whatever is coming from the donors and loans, it is going to be about Kshs12 billion.

This can make a wonderful development for the country. As the Chairperson of the Committee on Devolution and Intergovernmental Relations, I think the amount of money being used for recurrent expenditure is unbelievable. Less money goes to development in most of the counties. There are counties that are spending less than even 10 per cent for development. If this will continue, then we will not go far.

This Senate is struggling hard to get more money. Every day we were talking to the budget being increased, but whatever increase has been given, must be commensurate to development. All this money that has been increased now should go to development. Money is being used for recurrent expenditure. Even some of the budget for development is used for recurrent expenditure through supplementary budgets, which is prohibited.

I request the Committee on Finance and Budget to review the Public Finance Management (PFM) Act. This is because every day we are struggling to give money to counties, yet we cannot control it. It is a futile undertaking.

Audit reports coming from the counties are so worrying. Our committees of County Public Accounts (CPAC) and Public Investments (PIC) are every day in meetings, but of course, we have no authority to take action.

The other day the Senator for Isiolo was raising a lot of concerns and making noise, but we could not even stop the use of the money. I will request this House to review the PFM Act, so that at least we can have a way to control the use of funds because a lot of money has been wasted for other purposes. The governors have taken this money as part of their properties. This is tax-based money. We must come up with a system for proper checks and balances.

The Auditor General is giving the report, but we cannot take any action. This House should be able to have a way to say no money for County A or County B, because of how they have used their money, based on the audited report.

Mr. Speaker, Sir, the counties have also been given the Road Levy Maintenance Fund (RLMF) money, I think it about three point something billion. Counties are getting at least good money now, but that does not mean that they do not deserve more.

Own source resources are so minimal. There are no efforts being made by the counties. They are only relying on equitable share and that should not happen. Counties get to collect a lot of money that is being used without any accountability. In the next budgeting, own source revenue funds must be accounted for, so that this can be part of their budget.

The most unfortunate thing is we have a huge budget that is going to the national Government, still for devolved functions, especially the Ministries of Agriculture and Water. There are 18 parastatals whose functions have been devolved. Cabinet memos have already been done.

Some of them are supposed to be dissolved and others merged. However, up to now, action has not been taken. I am sure they will be receiving their budget instead of taking that money back to the counties. The national Government is still clinging on the same institutions for which Cabinet memos haven been given. Those budgets should be returned to the counties.

Mr. Speaker, Sir, one other thing that is hurting the economy of the people of the counties is pending bills. There should be no pending bills if money is being appropriated. The only time a county should have a benefit is maybe towards the end of the period before the elections.

Pending bills are increasing gradually, yet the money is already available. Counties are doing budgets, they have devolved funds and have recurrent funds. Money is always being used for development, and it is not paid at the right time. My own county today owes between Kshs5 billion to Kshs7 billion. I do not see why that much will be there by this time. I expect that money to be reduced gradually, but is increasing.

Many Kenyans have lost their money and cannot even invest for their children. Many have closed their business, because many pending bills are not being paid by the counties. This Senate must help the Kenyans who have lost their properties and money. They are at the mercy of the governors who do not even care for them. One county alone has 146 stalled projects; I do not understand how. Why do they want to do things haphazardly? If you cannot complete it, then you do not need to construct any infrastructure.

Mr. Speaker, Sir, as much as we appreciate that the counties must be given money, there a lot of unbelievable misuse of money, unplanned development and huge pending bills. This House must come up with actionable plans that can save Kenyans who are losing their money, properties, and are going hungry today because they cannot afford to take care of their families.

I support.

Sen. Olekina: Thank you, Mr. Speaker, Sir. When I walked in here, my first instincts were to oppose this mediated version of division of revenue between the

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national Government and the county governments, but in our culture, we normally say, 'do not fight me before you speak to me.'

Mr. Speaker, Sir, I took the liberty to engage with the Chairperson of the Committee on Finance and Budget of the Senate to be able to understand the reasoning behind them accepting to deviate from, number one, the Kshs465 billion that this Senate had passed. Number two, from the position that we had taken in the agreement between ODM Party and the others in terms of working together, which was to be able to send Kshs450 billion to our counties.

One of the things that the Chairperson shared with me is a reality that in most cases even the money which is allocated to the national Government; that money is never there. It is only good on paper, but in reality, that money is never there. What I can see from the mediated version is that the national Government will keep about Kshs2.3 trillion, while the county governments will take about Kshs415 billion. The reality is that in most cases, you will find that the money which is allocated to national Government, is only good on paper, but the reality is that it is followed by several supplementary budgets that are never met. This is the reason we have so many pending bills that are yet to be met.

If there is one person who is very happy today it is me. I am happy because of only one factor when it comes to the issue of budgeting for nation building. This is the only budget in the history of this Parliament that has not factored in money from the International Monetary Fund (IMF). I long for the time that we can build our own-source revenue and free ourselves from shackles of the Bretton Woods Institutions. I am among those people who do not subscribe to their thinking at all. I am happy that in this budget, the national Government has been able to go down by Kshs200 billion, which they were expecting to get from the IMF. I wish that IMF do not fund Kenya. It is about time that we learn how to live within our means.

The issue of supplementary budgets is another big monster that one day this country will only grow and develop when we do away with supplementary budgets. You can have paper money, Kshs2.3 trillion, but at the end of the financial year, you do not end up spending that money. You end up having pending bills that will end up killing some of the citizens of your country.

Let me applaud the Mediation Committee team from the Senate for taking bold steps. This is because I have been in this Senate now for about seven years and I can tell you that this is the single most increment of money that is allocated to county governments since I have been here; within a year.

I am wondering why am I not being given time. Thank you. I hope that was not intended; it was just a mistake.

Mr. Speaker, Sir, getting Kshs28 billion additional from Kshs387 billion to go to counties is commendable. For five years, we voted 13 times to agree on the basis of the third formula to share revenue between national Government and county governments, the only amount we were able to make sure it was there as a base was Kshs370 billion. The maximum that we were able to get was an additional Kshs17 billion within those five years to Kshs387 billion. Now we have moved from Kshs387 billion to Kshs415 billion. The difference between the money which is being sent to the county governments and the

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money which is only good on paper for the national Government is that it is a reality that Kshs415 billion shall be sent to county governments without undue delay and any deductions.

If you compare apples to apples and ask yourself what happens to the Kshs2.3 trillion that is being retained by the national Government, the answer is actually in Section 5 of the Division of Revenue Act. It says that when there is shortfall of any funds to be sent, of any revenue, it should be borne by the national Government. So, county governments are guaranteed that they will always get their Kshs415 billion.

Mr. Speaker, Sir, in the national government, you will find supplementary budget after supplementary budget. At the end of the financial year, a lot of projects will not have been done. Therefore, this is a win-win for the counties and these are things that we need to demystify to the citizens who contribute taxes to be able to raise this revenue. These are the facts that we need to demystify for the Gen Zs who are out there demanding for their rights. They are demanding for them to be counted. It is imperative that we now move these demands just from the national Government perspective to the county governments. It is imperative that we now try. This is why I keep on saying that the only time we will get it right as a nation is if we take that Kshs415 billion that we said we are going to send to the county governments; engage the Gen Zs in constructing our roads, hospitals and schools.

If you go to Narok County, it is littered with trillion shillings' worth of quarry stones that these Gen Zs can use to pave all the roads of Narok County. Similarly, if you go to Kajiado County - when I was growing up, there are floors which used to be made using terrazzo and then, at some point, all of us became slaves of importing tiles all of. I am sure as you sit there, your house is done with tiles, but did you know that Uganda and Tanzania import a lot of terrazzo from Kenya. I long for the day when we can say, let us put more taxes on the importations of tiles and all Government buildings to go to Kajiado County and harvest the terrazzo.

In the United States of America, when you enter the airport, you will find that the entire airport is made of terrazzo. If you go to the UK, you will find that it is made out of terrazzo. However, if you go to our airport in Kenya, it is made of tiles and they are all imported. So, the day we begin to realign our own existing resources, is the day we will end up having a brighter future - even for the younger generation.

*[The Speaker (Hon. Kingi) left the Chair]
The Deputy Speaker (Sen. Kathuri) in the Chair]*

Mr. Deputy Speaker, Sir, I observed that 90 per cent of the youth who were out on the streets the other day are jobless. They have graduated from high school. Their parents do not have money to take them to university. These are also youth who have graduated from the university. They have no jobs. However, if we could then look back and have a conversation within ourselves the way this Committee on Mediation on the division of revenue, found themselves with no other option, but to be realistic. They realized that money going to counties is save, but the money being retained by the national Government may not be reality---

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We must be realistic about the fact that all these resources we are raising locally; the Kshs28 billion we are now proposing to send to counties. When I was engaging with the Chairperson, he told me something that I truly saw as leadership. It got to a point where he said we are walking out of the mediation. This was because the National Assembly had declared that we could not move beyond Kshs409 billion. When they walked out, he said that we will not reconvene and that the minimum we wanted is Kshs420 billion. The first thing that came to mind was this: I remember sitting right here when the media was awash with reports that the then Governor of Mandera County was allegedly funding people to make it difficult to ensure that their county did not lose money.

When I sat down with him, he explained that we were fighting to make sure that no county had been left behind. He refused to go back to the mediation committee until the money was increased. He said that even if I am to go and reconvene this meeting, the least I can agree to is ensuring that small counties such as West Pokot, Elgeyo Marakwet as well as Vihiga County, which have been left behind, receive affirmative action.

He insisted that if they are not willing to increase the amount from the Kshs409 billion they were proposing, the only way he could sit there is by increasing the money. Remember, the Chairperson is not from Elgeyo Marakwet; he is from a different county. Luckily, it came down to Kshs415 billion, which took care of the Kshs4.46 billion allocated as affirmative action to smaller counties. That is leadership and that is what we need to fight for. That is the reality we need to be talking about.

As I stand here today, I am quite happy that the Senate, which is the House of union, these good, distinguished men and women who went there to sit down to discuss to defend the counties, ensured two things: One, that for a single year, the fund moved by Kshs28 billion. That supported all our county.

Mr. Deputy Speaker, Sir, as you can hear, my voice is not very good due to certain challenges. However, I had to come here today to support this because I know that the people of Narok County will be able to receive more money during this financial year. I know that the people of Elgeyo Marakwet, with my vote, will also receive more funding. The people of Embu, Tharaka-Nithi and those who come to Nairobi to seek a living will likewise benefit from increased revenue.

As I support this, I also want to make a few statements on how we move forward. It is imperative that we now become cognisant of the danger we face if we continue ignoring the plight of Gen Z. They are speaking a language that most of us do not understand, not because we are incapable of understanding, but because we choose not to. Many of us have already lined our pockets, live in manicured mansions and drive huge cars.

I am certain that there is not a single Senator here driving a car worth less than US\$70,000 or roughly Kshs10 million. That is a fact. It becomes difficult sometimes for us to truly understand the problems Gen Z are facing. They are not sure what tomorrow holds.

Yesterday, I read something that compelled me to respond. I almost wrote back, but I said to myself that I will drive down to Kajiado to Ildamat, to the home of the senior, distinguished gentleman, Mr. Atwoli. He had said it was time to move the animals

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from Nairobi National Park to the Maasai Mara, so that people could encroach into the National Park. When I heard that, I was livid. I said to myself, "Good Lord, what has come of this old man?" Is it that he does not see the danger caused by rural-urban migration, especially at a time when we in the Senate are fighting to allocate more funds to counties? It dawned on me that everyone is looking at Nairobi as the only place to run to.

It is about time we either seriously engage and amend the Constitution to further empower the Senate and by extension, the counties so that we stop the rural-urban migration. The national Government should seriously embark on a journey to develop new cities where people can settle and thrive. However, the thought of turning a national reserve; the Nairobi National Park, into a concrete jungle, is something that should not even be entertained.

As I conclude, let me once again appreciate the work of Sen. Ali Roba. I have known him for quite some time. I appreciate his diligence, agility and dedication to service. If I were to come here and fight to defeat this, it would benefit neither him nor me. The reality is that we have to understand the circumstances in which we live.

I appreciate the work that has been done in allocating the additional Kshs28 billion to counties. I am quite happy. I hope we can continue on this trajectory of ensuring that we do not factor in what comes from the Bretton Woods Institutions. The day we say goodbye to the International Monetary Fund (IMF) and the World Bank is the day we will begin to develop as a nation.

Our laws should be and shall be determined by our own circumstances, but not by external forces that influence our decision-making in this country. That is critical. If we are to develop legislation based on what other jurisdictions or governments think, we will never break free from these shackles.

I was perplexed today. I had spoken with three young men who applied for visas to go to the United Kingdom (UK). These applications were part of a government-funded programme. The Government of Kenya was paying to train these young people, so they could return and support this country. However, a decision was made in Pretoria that the money they had in their account is not sufficient to support them despite the fact that the national Government is funding.

They went further and said that they have seen certain transactions in their bank statement that they have not been able to explain. Therefore, foreign entities are taking on the role of the Auditor General of this country. It is ridiculous.

Mr. Deputy Speaker, Sir, as we divide our revenue, let us remain local. Let us encourage own source revenue. Let us empower county governments to develop other mechanisms for raising their own revenue.

Number two, when we come up with our foreign policy, it is time we remember that it should be a give-and-take. I had a conversation with the Principal Secretary for the Ministry of Foreign and Diaspora Affairs concerning the issue of young Kenyans being denied visas based on having small amounts like Kshs1,000 or 5,000 in their accounts. Maybe they earned it selling tomatoes or from a side hustle they could not clearly document, yet the visa application did not ask to explain how they made their living. It only asked how they plan to support their stay in the UK.

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We must learn to live within our means. That is number one. We must also be proud of our own work. Since I have seen the red light has gone on, let me conclude by saying: Sen. Ali Roba and your team, I salute you. I will fully support the mediated version of the Division of Revenue Bill (National Assembly Bills No.10 of 2025).

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

Sen. Seki: Mr. Deputy Speaker, Sir, let me also take this opportunity to contribute to this Motion on the equitable share to counties. I support this Motion and say that this is a great achievement. It is a great achievement to the Mediation Committee led by Hon. Sen. Ali Roba. I think the history of counties and the Senate to have increased over Kshs28 billion to counties. I really want to echo this and believe that this money that is going to counties will be used in a proper and prudent manner by governors.

This proposal, as indicated before, we have debated in this House where we requested Kshs465 million, CRA coming up with Kshs430 million, and; National Assembly and National Treasury coming in with Kshs405 million. Within the proposal negotiated amount, we believe that something must have been on the table and there must be some war between the two committees.

It is a time to know what is happening every other financial year. We budget every year, but what is the impact of every financial year? In a scenario where we have functions that have been devolved like health, agriculture, water, roads, trade and education--- Again we do not see monies coming from national Government trickling down to counties because I do not think there is money that is being used. In the Ministry of Health, for example, we have a huge amount that is allocated health in national Government, yet we are getting a very small percentage in the Health sector in counties. What about the rest of the monies that are left in national Government? Again, we find national Government leasing equipment to counties.

You go to agriculture, we do not see anything being done in counties by national Government, yet it seems like it is a function that is shared between counties and national Government. These are things that we really need to think about. You remember that there was a request or proposal by Kenya Kwanza administration that they would make a thousand dams every financial year. Where are these dams? Money going to counties will not be able to drill a thousand dams? Where is the money left in national Government? These are questions that we need to ask as much as we also send money to counties. We also want to know because these are functions that have been devolved fully. Over Kshs3 trillion retained by the national Government to allocate to each and every department and ministry.

Education is also another messed up Ministry. We allocate a lot of money, yet we do not see full scholarship to our students. We do not have free education as we call it. We have a lot of challenges that need to be discussed. We need to change our policies or the Constitution if need be because we find that we have a very big gap. As we look at the issues where governors need to be prudent to this money that we have sent to them today, the kind of pending bills that is realized in these counties, we do not know why it is coming.

Mr. Deputy Speaker, Sir, we do not know why there are additional pending bills every financial year and incomplete projects in our counties. We have a lot of problems in our country, yet we allocate money to counties and national Government as well.

The recurrent expenditure almost of every county is consumed completely such that there is no money left for development. It is used through salary. It is hardly for us to see a county that has allocated 35 per cent on recurrent vote. They are going to almost 50 per cent. This Senate has a lot of work to make sure that governors use the money that has been allocated to them in a proper way because many of our people do business in counties and now they find themselves in trouble.

Auctioneers going to each and every person who have turned to counties' homes to sell their properties with a lot of humiliation, stress coming to our business people and traders within our counties, yet we have a lot of problems again in the country. Using the same money that is allocated to national Government going to counties, allocating or even using that money in a wrong way. That is why we have people who can manage to finance chaos in the whole country. We do not believe it is individual money. This must be Government money either from counties or from national Government. It is because we are not using the money in a proper way.

I support this Motion by saying that the Committee of Hon. Ali Roba has done a fantastic job. I am proud that we are getting more than Kshs550 million. I would be really happy to see pending bills being paid, municipalities getting money and developments completed. It is the hope of this House that governors must use this money in a proper way.

Mr. Deputy Speaker, Sir, to get Kshs8.8 billion in Kajiado, we should see development, pending bills paid, municipalities getting money and completion of projections. This is probably the last year of our term because we only have one other financial year, but it will be a year for campaigns. However, if governors can sit down and properly manage this Financial Year 2025/2026, they will not leave counties in trouble.

This is an important year for development and it is an uninterrupted financial year. It is, therefore, important for governors to sit down with the executive and their county assemblies, to ensure that in this financial year when they have received more money, they use it within the proper means.

I support this Motion. I thank you, Mr. Deputy Speaker, Sir.

The Deputy Speaker (Sen. Kathuri): Thank you, Senator. Since there is no other Senator wishing to contribute, I call upon the Mover to reply.

Sen. Ali Roba: I thank you, Mr. Deputy Speaker, Sir. I beg to reply as I extend appreciation to the Senators who have contributed, considering DORA was extensively debated.

There were a lot of interactions between the Committee and Members of the Senate, and it is nothing new in terms of engagement other than bringing the information from what transpired in the mediation for the both Houses to arrive to a common figure, which will inform the vertical share of revenue between the national Government and county governments.

Even as the Senate tries to push as hard as possible for more money and looking at what is happening in our country, last year, there were demonstrations and a lot of destruction. We want the Government to make more money, so that we can push for money for the county governments. Last year demonstrations had genuine Gen Zs, but this year, they were packaged differently and into organized crime, in the name of Gen Zs. Sincerely speaking, this is a very painful thing.

Mr. Deputy Speaker, Sir, I sit in this Senate and in my entire flying career before I joined politics was in war-torn countries; Chad, South Sudan in Darfur, Somalia, Afghanistan, Congo and the Central African Republic. I have seen what anarchy can do to countries. It is a pity that some of our politicians have tried to agitate for anarchy in our country by way of sponsored hooligans in the name of Gen Zs, fighting for something they believe is right. This led to wanton destruction of properties.

That will go a long way in the reduction of the country's performance, and spoiling the country's image. The idea that if it is not us, no one else should run this country or if it is not us, the country should burn, is a very unfortunate position. The Senate is an awkward position to push for more money for counties, but the reality of the Government's performance on the fiscal space of collecting money to share vertically between the two levels of government is that the situation is getting from bad to worse.

The Committee did its best under the circumstances to try and push up to Kshs415 billion, which is Kshs28 billion additional, over and above the Kshs387.425 that was for last year. Mr. Deputy Speaker, Sir, you co-chaired and mediated to that level. Therefore, under the circumstances, the Kshs28 billion is reasonable if you consider that, that is the highest increment in a five-year period.

The last reasonable adjustment of county governments' shareable revenue happened in 2020/2021 when the Third Basis of revenue sharing was being discussed. At that time, it moved from Kshs316 billion to Kshs370 billion, which was about Kshs54 billion increase. Between 2021 to 2024/2025, the total marginally increased to Kshs370 billion to Kshs387.425 billion.

Mr. Deputy Speaker, Sir, moving from Kshs387.425 billion to Kshs415 billion, an increase of over Kshs28 billion, is a commendable job under the circumstances in the country and the environment we are in; where peace should have contributed to more collection of revenues. The perception in the country on how we are perceived and seen as a nation would have helped in attracting more foreign investment and helped us get more sound growth of our revenues.

As I reply, I would to also thank the Senate for their wisdom to agree with the Committee that the 12 smaller counties needed some affirmative action within the formulae. The Kshs415 billion guarantees the position the Senate approved for the 12 counties to get Kshs4.46 billion.

Mr. Deputy Speaker, Sir, I beg to reply and request, pursuant to Standing Order No. 66(3) of the Senate Standing Orders, that you defer the putting of the question to a later date.

I thank you.

The Deputy Speaker (Sen. Kathuri): Committee Chairman, I agree with you that we defer the putting of the question until the next Sitting.

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(Putting of the Question on the Motion deferred)

Next Order, Clerk.

BILL

First Reading

THE EQUALIZATION FUND APPROPRIATION BILL
(SENATE BILLS NO.7 OF 2025)

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

BILL

First Reading

THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO.2)
BILL (SENATE BILLS NO.8 OF 2025)

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

BILL

First Reading

THE COUNTY ALLOCATION OF REVENUE BILL
(SENATE BILLS NO.9 OF 2025)

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

ADJOURNMENT

The Deputy Speaker (Sen. Kathuri): Thank you, hon. Senators. Today was a Special Sitting and we have come to the end of our business this afternoon.

Hon. Senators, there being no other business in the Order Paper, the Senate stands adjourned until Tuesday, 8th July, 2025 at 2.30 p.m.

The Senate rose at 5.00 p.m.

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