

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Wednesday, 4th June, 2025

Morning Sitting

*The House met at the Senate Chamber,
Parliament Buildings, at 9.32 a.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, ring the Quorum Bell again for a further 10 minutes.

(The Quorum Bell was rung)

Hon. Senators, we do have quorum now.

Clerk, you may proceed to call the first Order, please.

QUESTIONS AND STATEMENTS

QUESTIONS

Hon. Senators, we have eight questions to be responded to by three Cabinet Secretaries. Four of those questions are directed to the Cabinet Secretary in charge of National Treasury and Economic Planning; two to the Cabinet Secretary in charge of

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Mining, Blue Economy and Maritime Affairs and two to the Cabinet Secretary Energy and Petroleum. Therefore, we need to agree on how we will manage time.

We will start with the Cabinet Secretary, National Treasury and Economic Planning who will take us to 11.30 a.m. responding to four questions. This means each question will be allocated 22 minutes. So, at the end of the 22 minutes, we will stop and move to the next. If we do not do so, we are going to overrun the runway.

From 11.30 a.m. to 12.15 p.m., we will interact with the Cabinet Secretary, Hon. Joho, who has two questions. He will be with us for 44 minutes. Thereafter, from 12.15 p.m. to 1.00 p.m., we will interact with the Cabinet Secretary in charge of Energy and Petroleum, giving him 44 minutes.

Hon. Senators, if 22 minutes lapse, it does not matter how heavy my dashboard is, we will have to move to the next Question to save on time.

Clerk, do we have the Cabinet Secretary for National Treasury and Economic Planning in the House?

*[The Cabinet Secretary for National Treasury and Economic Planning
(Hon. John Mbadi) was ushered into the Chamber]*

Thank you.

Hon. Cabinet Secretary, welcome back to the Senate. We have listed four questions that are directed to your Ministry. Therefore, I will proceed to invite the Senator for Kitui, the Hon. Enoch Wambua, to ask Question No. 034.

Clerk, please, do the timing.

Question No.034

STATUS OF PENSION DISBURSEMENTS TO FORMER MPs

Sen. Wambua: Thank you, Mr. Speaker, Sir. Given that we have 22 minutes for this one, I will spare the Cabinet Secretary a few things that I wanted to say. Let me just go straight to the Question.

Mr. Speaker, Sir, I beg to ask the Cabinet Secretary, National Treasury and Economic Planning, the following Question-

- (a) What is the current status of pension disbursements to former Members of Parliament who served between 1979 and 1992?
- (b) Has the National Treasury undertaken any review or adjustment of these Pension to ensure they remain fair and sustainable, considering the rising cost of living and inflation over the years?
- (c) What policy measures has the Government put in place to ensure Pension align with prevailing economic conditions?

I thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may proceed to respond, bearing in mind that we have received a copy of your response. Therefore, if you may, paraphrase where necessary to save on time.

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Proceed, Hon. Cabinet Secretary.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Thank you very much, Mr. Speaker, Sir.

In the interest of time, I will try my level best to paraphrase and summarise my response without losing content.

I rise to answer Question No.034 raised by Sen. Enoch Wambua, regarding pension disbursements to former MPs who served between 1979 and 1992. The current status is as follows-

(a) Former MPs who served between 1979 and 1992 and were eligible for pension benefits, have been receiving payments in line with the Parliamentary Pension Act, Cap 196, as revised in 2012.

This revision significantly enhanced their pension entitlements by adjusting the actuarial factor from 1/600th to 1/300th. Effectively, this doubled their pension benefits.

As a result, these former MPs received a revised pension lumpsum and an adjusted monthly pension following the implementation of Section 8.2 of the Cap 196, revised in 2012. However, there are also further efforts to review the Pension which have been guided by the recommendations of the Akiwumi Tribunal, which was appointed by the Parliamentary Service Commission (PSC) to review the terms and conditions of service for Members and staff of Parliament.

To implement these recommendations, several legislative attempts have been made to amend the Act to accommodate the Akiwumi recommendations which recommended at least a living pension of US\$1,000 per month.

There was the Parliamentary Pension Amendment of 2019, which lapsed in January 2019. Then there was another Parliamentary Pension (Amendment) Bill 2019, sponsored by Hon. John Mbadi, who was an MP then and this was rejected on 24th September, 2020, following Presidential Reservations. It was passed by Parliament, but rejected by the President.

Then, there is the Parliamentary Pension (Amendment) Bill by Hon. John Waluke. This is the Bill of 2023 to implement Kshs100,000 minimum pension. However, it faced opposition first from the National Treasury, which raised concerns about fiscal sustainability and, of course, the Salaries Remuneration Commission (SRC), which also deemed the proposal unconstitutional. The PSC recommended further consultations with stakeholders.

Those three reasons made the Bill not to see the light of day. In light of these concerns and Presidential reservations, the Parliamentary Departmental Committee on Finance and National Planning recommended the rejection of the Bill in its entirety, which was done.

On the review and adjustments to ensure fair and sustainable Pension as has been asked by the Hon. Member, I wish to report that the National Treasury has undertaken several measures to ensure Pension remain fair, sustainable and responsive to the rising cost of living.

These include implementation of the Pension Increase Act, CAP 190, which since 1st July, 2005, Pension have been reviewed every two years with an increment rate of three per cent to help pensioners cope with inflation and rising living costs.

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Number two is an actuarial valuation of the Public Service Pension Scheme. Regular Actuarial Assessments are conducted every four years to evaluate pension liabilities, funding levels and sustainability.

The other one is a Comprehensive Actuarial Review which is currently underway to ensure the long-term financial stability of the pension system.

(b) Legal Reforms to Strengthen the Pension Framework; the Government is implementing legal reforms to align public service Pension with our Constitution and recently formulated National Retirement Benefits Policy. These reforms seek to create a more equitable, transparent and robust pension system while ensuring fiscal sustainability.

(c) The Policy Measures to Align Pension with Economic Conditions. To protect pensioners from economic shocks and inflation, the Government has implemented the following key policy measures:

(1) Increased tax exemptions on pension contributions from Kshs240,000 per annum to Kshs360,000 per annum. What that simply means is that previously, before December 27th, when we passed the Tax Laws (Amendment) Bill, a pension up to Kshs20,000 per month or Kshs200,000 per annum was exempted from tax if you contributed to a pension scheme.

Now that has gone up to Kshs30,000 per month. This adjustment not only helps mitigate the effects of inflation but also increases employees' disposable income, reduces payee liabilities and promotes a stronger savings culture.

This is one of the provisions in the Tax Laws (Amendment) Bill which is now an Act of Parliament. That was very progressive, we encouraged Kenyans to support and fortunately, it was passed.

(2) Tax Exemption on Pension Benefits. The removal of taxes on pension benefits provides retirees with a higher post-retirement income, improving their financial well-being and ensuring a more comfortable retirement.

Mr. Speaker, Sir, I wish to report here for those who may not know that, from 27th December, 2024, anyone accessing his pension is now doing so without paying any tax. That is like saving 30 per cent of your entitlement. I think it has been very progressive. Those who have benefited from the same can attest to that.

These tax reforms create incentives for individuals to save more for retirement, strengthening financial security in old age and reducing dependency on Government support in later years.

(3) We are also strengthening post-retirement medical care. As you are aware, we are now providing tax exemption on post-retirement medical contributions. If you are contributing to a post-retirement medical scheme, you enjoy tax exemption.

(4) Establishment of post-retirement medical funds. The National Treasury, through Circular No. 9 of 2024, authorised pension schemes to set up dedicated post-retirement medical funds, ensuring that these have access to affordable and sustainable health care solutions.

I am sure you are aware that even Parliament is presently in the process of setting up this Fund to take care of the medical needs of retired MPs. This is to all public servants also.

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(5) Development of an end-to-end pension administration system. The Government is investing in a modernised pension administration system that leverages advanced technology to improve efficiency and scrutiny. We are also integrating block chain and biometric technology, which will enhance the security of pension management, ensure real-time tracking of pension disbursement and eliminate delays in pension processing.

Mr. Speaker, Sir, we are looking in terms of integration of the Integrated Financial Management Information System (IFMIS) for timely remittances. The aim here is to transfer retirees automatically from being employees earning a salary to retirees earning pension benefits without going through rigorous steps of processing your pension. It should be seamless such that when you retire, you should start getting your pension from one month to the next.

These reforms collectively strengthen retirement security, improve pension fund sustainability and enhance post-retirement quality of life.

Mr. Speaker, Sir, in conclusion, the National Treasury remains committed to ensuring that pension benefits for former MPs and all public service retirees are fair, sustainable and responsive to economic conditions. We will continue working with stakeholders to explore feasibility solutions that uphold fiscal responsibility while ensuring retirees receive their rightful entitlements.

I thank you.

The Speaker (Hon. Kingi): Sen. Wambua, you may ask your two supplementary questions. Hon. Senators, let us avoid speeches. In the interest of time, go straight to the question.

Sen. Wambua: Thank you, Mr. Speaker, Sir. Two quick ones; number one, I expected the Cabinet Secretary would give us actual amounts because that was my biggest interest. Since it is public money that is used to pay Pension, I thought he would tell us the amount of money that the lowest pensioner is earning and the amount that the highest pensioner is earning because that would inform his response to the benefits that they have gotten from tax exemption.

Lastly, seeing as it were that the Cabinet Secretary was himself pushing this agenda when he was a sitting MP, will he continue pushing this agenda or was he just playing politics?

I thank you.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, proceed.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, on actual amounts that these Members earn, I may not have the actual figure. However, I am told the lowest is in the region of about Kshs28,000 per month. It is fairly low that is why there was a recommendation from the Akiwumi Tribunal to push it up to a living pension of at least Kshs100,000 or US\$1,000 per month. I think it was put in US dollar terms.

Mr. Speaker, Sir, I repeat this; you can only be able to change it if you amend the law. This is because the law as it is now, you cannot change the actual amounts of what these former MPs earn.

In terms of the Cabinet Secretary pushing the agenda, yes, I pushed the agenda as a legislator who had the powers to legislate. However, I do not have that power now. That power is with MPs to push for legislative amendments. I can only propose to Parliament for an amendment. I think this is a matter that Parliament is well-seized of.

The Parliamentary Service Commission is in place and it is concerned with the welfare of both present and former Members. If there is supposed to be any adjustment on pension entitlement for former MPs, the right people to push for it would be the PSC and MPs.

Thank you.

The Speaker (Hon. Kingi): Senator for Meru County, Hon. Sen. Kathuri Murungi, proceed.

Hon. Cabinet Secretary, just note down those questions because I will be calling upon a number of Senators and then you will respond to them at a go.

Sen. Kathuri: Thank you, Hon. Speaker. The last time the Cabinet Secretary was in this House, I raised a question concerning former councilors. You can see that the issue about Pension, gratuity and honorarium is really recurring. So, you tasked three Committees of this House; that is, the Committee on Justice Legal Affairs and Human Rights Committee, Labour and Social Protection and Budget and Finance together with the National Treasury to sit down and come up with a legal framework to facilitate the payment of honorarium and pension to former councilors.

Mr. Speaker, Sir, the 60 days that you gave have lapsed. I was looking around and none of the Chairpersons of the three Committees is in the House. Since the Cabinet Secretary is here and he is also party to this issue, can he give a word on how far they have gone with that discussion on the legal framework? He had said that the legal framework is what is lacking for him to release the money to the former councilors.

Thank you.

Sen. (Dr.) Khalwale: Mr. Speaker, Sir, my question is on policy. There is a Member of Parliament from Bungoma County who served four terms. After serving the first two terms, it was interrupted and he started enjoying his pension. He then came back, served another two terms. Now, when he returned, he was unable to enjoy the pension of four terms.

Is it the policy of Government that such a MP should be denied the pension of four terms, so that he is being referred to the first two terms?

The Speaker (Hon. Kingi): The Senate Majority Leader, you may proceed.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, a quick question. I have on my phone messages from the people that sent me to this House. They are asking, when will the Cabinet Secretary stop this practice where, when public servants retire, they have to spend the next about three years chasing their pension file at Bima House? Many of them are retired teachers, doctors and public servants. I have seen from the response of the Cabinet Secretary that they are implementing an integrated block-chain and biometric technology. The only thing that is missing from the Cabinet Secretary's answer is when.

That is very important for the people who voted for me to come to this House to know that when they serve the public and eventually retire, they will receive their

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pension the month after because that is how the modern world should work. Therefore, that is my humble request to the Cabinet Secretary.

The Speaker (Hon. Kingi): Sen. Joe Nyutu, you may proceed.

Sen. Joe Nyutu: Thank you, Mr. Speaker, Sir. My question is not very different from what the Senate Majority Leader has asked. It particularly concerns teachers and police officers who are retired.

You will be told by the Teachers Service Commission (TSC), once you follow up, that the TSC has made all the necessary documentation and referred the same to the National Treasury. There are delays because there is a delayed disbursement by the National Treasury.

I would want the Cabinet Secretary to tell us what he is doing to prevent abuse of Article 223 because that is clearly where the problem with delayed disbursements is happening. Money is set aside for a particular purpose like this for sorting out pensioners under Article 223, then such monies are drawn and taken to other use. What is the Cabinet Secretary doing to see to it that there is no abuse of Article 223?

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

Sen. Miraj: Asante, Bw. Spika. Swali langu halitakuwa tofauti na lile la Kiongozi wa Wengi Bungeni. Tuko na tatizo sawia katika sekta ya posta. Wale waliyostaafu bado wanahangaika kutafuta marupurupu yao ya uzeeni. Tungependa Bw. Waziri atueleze kuna shida gani wakati watu wametumia ujana wao kuitumikia Serikali yetu na wanapofika uzeeni na kustaafu wanaanza tena kuhangaika kutafuta kiinua mgongo chao.

The Speaker (Hon. Kingi): Sen. Seki Lenku.

Sen. Seki: Thank you, Mr. Speaker, Sir. I think we also have the same sentiments on the issues of KCC staff, where we have a problem that Kshs300 million has been a problem for retirees who retired so many years ago. The Government has never paid these retirees their Kshs300 million. That case is with the National Treasury. Could the Cabinet Secretary shed light on that? Otherwise, they will die before their Kshs300 million is paid.

The Speaker (Hon. Kingi): Sen. Eddy Oketch.

Sen. Oketch Gicheru: Thank you, Mr. Speaker, Sir. Apart from people who do not get their pension, there are people who get their Pension, but it is stolen.

I would like to ask the Cabinet Secretary whether he is aware that this is a problem that is going on with pensioners, especially teachers. We have a number of cases where there is collusion with banks. Pensioners are defrauded of their money. If he is aware of these issues, what is the Central Bank of Kenya (CBK) in conjunction with the National Treasury doing to deal with them?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may respond. You have exactly six minutes to do so.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Thank you, Mr. Speaker, Sir. I do not know whether we will still address Question No.048, because it is like we are on the supplementary questions to it.

The Speaker (Hon. Kingi): You need not respond to those that you feel will be answered through your response to Question No.048 now.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, on the question of the team that was supposed to be put together to look at the issues of former councillors, this was supposed to be Parliament-driven. I do not think we have any communication to the effect of putting our team in the team. It is something that I can follow up with the committee chairpersons. This is because I do not think we have made much progress on this.

On the question that Sen. (Dr.) Boni Khalwale asked about the policy regarding an MP who serves for two terms, then they do not win re-election, they start enjoying their pension and then they are re-elected later, it is the way the law is crafted now that once you enjoy the pension, when you come back, either you choose to pay; to buy back the pension, you continue and then when you retire, the four terms will be counted cumulatively or you forego. However, there is an amendment to that effect that is being processed, so that we can allow former MPs who served for several terms to enjoy seamlessly the pension without that kind of a challenge.

The way the law is today, if you start enjoying the benefits of a pension, like myself today, if I come back again to Parliament, then I have to either buy back that period that I enjoyed the pension or forego it. That is the law as it is today.

Senate Majority Leader, I agree with you that there have been challenges in terms of when pensioners leave employment and get into pension, they wait for too long to get their pension. This is because of system challenges, but there are also other issues around delayed payment of pension.

Some of the challenges are with those agencies or those ministries where they are working. Processing of files becomes a challenge. The files are lost and members move from one office to the other.

We have even had reported corruption cases getting into the system. That is why we want to integrate the system; we want to automate the system. When you leave the system on manual, there is bound to be abuse. That is what the Ministry is taking steps to ensure it is dealt with.

The Senator for Murang'a County asked whether the abuse of Article 223 of the Constitution is the one that is denying pensioners money or the reallocation of the pension fund. I am not aware of any pension allocation that has ever been reallocated in any way. If there is any allocation that is always ring-fenced, it is the pension; it is the CFS going to the pension. That is correct.

Yes, there could be abuse of Article 223 of the Constitution, which we are trying to work on. Again, you will also agree with me that, that Article was not provided in the Constitution in vain.

The people of Kenya considered that there could be circumstances that would merit or warrant the provision of additional funds that were not appropriated by Parliament or the National Assembly, for that matter. So, if there are abuses, those abuses have to be dealt with. This is because it is within the powers of the Cabinet Secretary for the National Treasury and Economic Planning Finance.

On the issue of the Kenya Postal Corporation employees and KCC, the Retirement Benefits Authority (RBA) has already put staff receivers in place to work out on how to pay these creditors, which part of the creditors are former employees. The

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pension scheme faced challenges, especially the pension scheme for POSTA. There is already a process going on to make sure that is addressed.

Finally, on Senator Eddy's question on defrauding of pensioners by banks, this will be dealt with automatically through automation. Manual systems are open to abuse. We have also identified that some pensioners have been defrauded through collusion even between pension and bank staff. That is something we are addressing through automation.

The Speaker (Hon. Kingi): We will now move to Question No.035 by the Senator for Kirinyaga County, Hon. (Dr.) Murango. You may proceed to ask your question.

Question No.035

BREAKDOWN OF TAXES AND LEVIES IN
THE TEA SUPPLY CHAIN

Sen. (Dr.) Murango: Thank you, Mr. Speaker, Sir. I beg to ask the Cabinet Secretary for National Treasury and Economic Planning the following Question.

(a) Could the Cabinet Secretary provide a breakdown of all taxes and levies imposed throughout the entire tea-supply chain?

(b) What specific taxation measures is the Ministry planning to implement in the Financial Year 2025/2026 to eliminate double taxation and other unnecessary taxes that overburden farmers and stakeholders in the tea industry?

(c) Could the Cabinet Secretary outline the challenges faced in previous attempts to eliminate some of these excessive taxes and levies on tea and explain actions taken to address them?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may respond. I note that the response is fairly lengthy. In the interest of time, please, just try to paraphrase it because we already have hard copies. We will be following as you paraphrase.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Thank you, Mr. Speaker, Sir, I notice also that my response is fairly too long. I will not go through it in the traditional way.

Question No. 35 by Sen. Murango was on taxes and levies imposed throughout the entire tea supply chain. The first page is basically talking about the significance and importance of the tea subsector as one of the drivers of economic growth in this country.

We all know the contribution of tea to our economy. So, I have just explained that in line with the Bottom-Up Economic Transformation Agenda (BETA), if you like. In the Financial Year 2023/2024, the Government implemented a number of interventions specifically for the tea subsector, which included provision of processing equipment to tea cooperatives, establishment of a tea value addition hub and promotion of investment into the hub, export market development and export promotion and provision of fiscal incentives and establishment of our warehouses for value-added tea in key development markets.

Mr. Speaker, Sir, these are ongoing reforms. I have also indicated how much tea has been contributing to our economy. For export earnings, I have already also explained how much we are getting in terms of export earning contributed by tea subsector.

In the Financial Year 2025/2026, as outlined in our Budget Policy Statement (BPS) for 2025, the Government will be executing the following key interventions to further boost the tea subsector, and that is already enumerated: Value addition, market development and farmer support.

These are explanations about what the Government is doing on infrastructure, including putting up infrastructure, especially such as in Dongo Kundu and special economic zone and constructing research and development facilities for tea.

So, coming back to the question where I was asked to explain or provide a breakdown of all taxes and levies imposed throughout the entire tea supply chain, I respond as follows - tea subsector benefits from numerous tax incentives. In fact, that supports its growth and sustainability, making it a thriving subsector.

This subsector is one of the subsectors that is cushioned and enjoying incentives as opposed to getting to a sector that is subjected to additional taxes. I have just explained some of the exemptions or tax incentives, especially on Value Added Tax (VAT).

There is no VAT charged at the farming level for tea on inputs such as fertilizers. Agricultural services and farming tractors are exempt from VAT. I have also indicated that imported agricultural machinery used for land preparation are duty-free, but only attract VAT at 16 per cent.

Railway Development Levy is at 2 per cent while Import Declaration Fee (IDF) is at 2.5 per cent of the customs value. For tea processing, 100 per cent investment deduction by tea factories located outside the cities of Nairobi, Mombasa or Kisumu are also exempt.

I think we should now add Eldoret and Nakuru, although there is also thinking that we should remove this requirement at all of only cities, because cities are becoming many and again, we feel it is unfair to the cities.

Machinery used for tea processing is currently duty-free under East African Community (EAC), common tariff, external tariff. Income of an entity including tea processing factories are charged corporation tax at the rate of 30 per cent like any other factory.

Processed tea sold in the domestic market is objected to VAT at 16 percent. Transportation services on unprocessed tea are exempt from VAT. Unprocessed green tea is VAT exempt and locally purchased tea for value addition before exploitation is zero rated.

Marketing and distribution: Under marketing, tea brokerage services enjoy exemption from VAT. Locally purchased tea for value addition before exportation is zero rated.

Mr. Speaker, Sir, manufacturers of packaging materials locally for use by exporters of locally produced goods such as tea and horticultural products import raw materials duty-free under the EAC duty remission scheme---

Packaging materials of all goods, including for tea also attract 16 per cent like any other. Imported packaging materials attract excise duty at the 25 per cent of the excise value. However, I will give the latest information about that.

Various Government agencies charge fees or levies for services rendered to producers or manufacturers. In the Finance Bill of 2025, we have done two things-

(i) We are proposing to exempt packaging materials used for tea and coffee from VAT. This exemption will only apply when packaging materials are imported or locally purchased with a recommendation from the Cabinet Secretary responsible for Agriculture, Livestock and Fisheries given that the use of these materials is not exclusive to coffee and tea packaging. This measure aims to protect these crucial sectors while also safeguarding government revenue.

(ii) The second thing that we have done is under Custom Duty. On the custom side, Kenya was granted a stay of application of the EAC Common External Tariff on certain paper product to apply a higher duty rate of 25 to 35 to support domestic packaging materials. This negatively impacted exporters such as the tea industry.

To address this, Kenya did not request an extension of the stay of application of the EAC Common External Tariff on these paper products during this year's EAC pre-budget consultations which I led in Arusha.

Mr. Speaker, Sir, we have now gone back to the EAC Common External Tariff (CET) rates of 10 per cent like any other country in the East African region.

(b) Regarding specific taxation measures that the Ministry is planning to implement in the Financial Year 2025/2026 to eliminate double taxation and other necessary taxes that overburden farmers and stakeholders in the tea industry, I wish to respond as follows-

There is no double taxation in the tea subsector. As regards to specific tax measures for the coming financial year, we have already reviewed the submissions from the public. I think this answer should be amended to read that we have already considered.

I have just read some of the steps that we are taking to reduce taxation which would support the tea subsector. I have mentioned the various incentives. I do not want to repeat.

(c) On challenges faced in previous attempts to eliminate some of these taxes and levies on tea and the action taken to address them, I wish to respond as follows-

Mr. Speaker, Sir, while there may be challenges affecting the tea subsector the national Government continues to extend numerous incentives to the subsector as outlined above. From consultation with the regulations on the tea subsector, various actions by various Government entities are ongoing to address the burden of the fees of levies in the tea subsector. Some of these measures include enactment of The Tea Act 2020 which reduced the management fee payable by tea farm factories from 2.5 per cent to 1.5 per cent, that is saving tea farmers approximately 1 billion annually from management fee to Kenya Tea Development Authority. There is the ad valorem levy of one per cent of the customs value of exported teas which was scrapped in 2016.

The agricultural produce sales of 1per cent of green leaf was also scrapped in 2016, saving quite significant amount. Since July 2016, the Government replaced the

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levy with a Government grant to fund operations of the Tea Research Institute and the Tea Board of Kenya, which support the tea industry development programmes such as research in tea, trade promotion and market development, amongst others.

In conclusion, Kenya's tea industry remains a vital pillar of our economy, supporting millions of livelihoods and contributing significantly to national development. Through the BETA, the Government is committed to strengthening the tea value chain to ensure sustainable growth.

I thank you.

The Speaker (Hon. Kingi): Hon. Senator James (Dr.) Murango, you may ask your two supplementary questions.

Sen. (Dr.) Murango: Asante sana, Bw. Spika. Swali langu la kwanza lilikuwa – kwa takwimu, Waziri apeane zile ada na kodi zote ambazo zinalipwa na wakulima wa majani chai.

Nimeona kwamba amejibu na kusema vile Serikali inafanya. Haya yote wanayofanya ni sawa, lakini hakulijibu swali langu. Kulingana na nakala nilizonazo, mkulima wa majani chai, kutoka Serikali kuu mpaka zile za ugatuzi, analipa ada na kodi tofauti tofauti 42. Na nilipokuwa Mwenyekiti wa Kamati ya Kilimo, Mifugo na Uvuvi tulikuwa tumekaa chini na tukaelewana kwamba Serikali itajaribu kuzipunguza. Lakini kwa sababu ambazo sijaelewa, Bw. Waziri hakuziweka wazi.

Kwa hivyo, Bw. Spika, kwa swali hilo, sikuridhika na majibu ambayo Bw. Waziri amepeana. Hii ni kwa sababu nilikuwa ninatarajia kama ni taasisi ama halmashauri ya kuchukua kodi, inachukua kodi zaidi ya tano. Halmashauri ya NEMA na taasisi ya AFA zinachukua kodi. Ili tuweze kulijibu swali hili na kuendelea mbele, ninamwomba Bw. Waziri alijibu hili swali.

Swali langu la pili ni kwamba, katika Bunge la Kitaifa, kuna nakala ambazo Bw. Waziri alizipeleka pale mwaka huo ambazo zilikuwa zina kodi mpya ambazo zilikuwa zinafaa pia kutozwa wakulima wa kahawa. Hiyo sheria bado iko katika Bunge la Kitaifa. Niko na nakala hapa ambayo ilichapishwa katika Gazeti Rasmi la Serikali. Ningependa kumwuliza Bw. Waziri – kilimo cha msingi, kitatozwa ushuru mpaka lini? Katika nchi ambazo zinaendelea, kilimo cha msingi hakitozwi ushuru ili mkulima aweze kunufaika na kilimo chake.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may proceed to respond.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, I tried to put together some of the taxes and levies that are put or charged on tea right from the farming level. I put a paragraph.

The tea processing, I put a paragraph. Marketing and distribution also put a paragraph.

If the Hon. Member has any other levies that need not to be there, I think the best thing to do is to recommend for those levies to be removed. As far as I am concerned, I have enumerated what I am aware of are taxes and levies on tea. I think he has talked about some amendments that are in Parliament to put some charges on coffee. Maybe, Hon. Speaker, with your permission, he can explain again. He can come and repeat the question.

Sen. (Dr.) Murango: Bw. Spika, ukinipa nafasi, nitamwonyesha Bw. Waziri.

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The Speaker (Hon. Kingi): Hon. Cabinet Secretary, if you need time to acquaint yourself with that particular document, you may say so.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, I am trying to check because my understanding was that we were reducing those rates and so it is just demonstrated to me the rates that are on the first schedule and the second schedule. However, my understanding is that those rates were coming down. If they are going up, I may need to check and address that. I am almost certain that the rates were higher than what is being provided. So, what we are trying to do is to reduce the rates to make coffee more competitive.

The Speaker (Hon. Kingi): Sen. Edwin Sifuna.

Sen. Sifuna: Hon. Speaker, in line with the question by the Senator for Kirinyaga on measures to reduce double taxation, unnecessary taxes and overburdening of farmers and Kenyans in general, I would like the Cabinet Secretary to address one question.

Mr. Speaker, we have heard the Ministry, actually the Cabinet Secretary himself, taking credit that this year's Finance Bill has no new taxes. However, I know it is credit to the Gen Z who have struck the fear of God in this Government. They will not attempt to bring new taxes.

What are you doing about existing taxation, Cabinet Secretary, that you found, including the housing levy, the increase in pay and VAT on fuel that has seen the cost of taxes on a litre of petrol exceeding the cost of the product?

I thank you, Hon. Speaker.

The Speaker (Hon. Kingi): Sen. Mo Fire.

Sen. Gataya Mo Fire: Thank you, Hon. Speaker. Mine is a supplementary question to Cabinet Secretary. This country has witnessed for decades some grievous disparities in distribution of developments across the country. Talk of roads, water, industries and so forth.

So, as the Cabinet Secretary in charge of the National Treasury, is there any written policy that is supposed to guide you on how you are supposed to distribute the national development? I am asking this, on behalf of very many Kenyans. You find some areas have been neglected for decades while other areas are endowed with better roads, water and so forth. Is there any existing policy, for that matter, that a Kenyan can quote maybe from Tharaka or from North Eastern or from any other part of this country where there are no such kind of developments? What criteria do you use to determine where you are supposed to put up roads, water, and so forth?

Thank you, Hon. Speaker.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, if you are in a position to respond to that question, you may, because it is not related to the primary question.

You have the Floor, Senate Majority Leader.

The Senate Majority Leader (Sen. Cheruiyot): Mr. Speaker, Sir, I have a question to the Cabinet Secretary with regards to his response on page 6. Unfortunately, Cabinet Secretary, I will have to tell you that none of these items that you have listed was done to the tea farmers. This is a topic very close to my heart. Therefore, I know every single intervention that is done.

In the fiscal year that you are referring to, Financial Year 2023-2024, you have quoted in your response, there was provision of processing equipment to tea cooperatives. It is now in this financial year that there is an attempt to allocate Kshs3.5 billion to support aging tea factories. I am not even sure whether the National Assembly Committee on Finance and Budget will maintain it. So, I will have to refer to the records and the people in the Ministry whether any of this has been done. To the best of my knowledge, there is no tea cooperative that was supported with this.

With regards to establishment of this, what he is calling tea value addition hub, construction is yet to begin of the common user facility that the Government promised tea farmers in the country. Therefore, it will be important for the Cabinet Secretary to let us know when the construction of this common user facility will commence. There was a promise of a billion shillings to KTDA through its subsidiary KETEPa that this facility was to be set up in Kericho. I do not know to this date when that facility will be available. The same can be said about part (c) of the question, because it needs to be quantifiable. If the Cabinet Secretary had given us the specific figure of how much that export market development the Government committed to, we would appreciate, because it is one of the interventions that we seriously need.

Lastly, just a comment to the Cabinet Secretary because you know we are representatives of people. When there is an opportunity. I appreciate that transportation of tea to factories is Value Added Tax (VAT) exempted. I do not understand why in every Finance Bill, it is usually removed. Last year, it had to be removed. In this year's proposal, transportation of sugarcane to factories is subject to VAT. I do not know why the National Treasury wants to treat tea and sugarcane farmers separately, yet they are all citizens of this Republic. While I appreciate what is done for tea farmers, I would wish that the National Treasury does the same for sugarcane farmers.

I thank you.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you have three minutes to respond.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, I will try to be fast. Yes, it is true that we have not made major changes in taxes that would disadvantage the taxpayer or individual taxpayers in terms of reducing their disposable income. This was a commitment.

I know Sen. Sifuna is attributing it exclusively to Gen Z. This is partly true and partly not true. Sen. Sifuna knows my stand on taxes. Even before I joined the Cabinet or the Executive, I am one person who does not believe that higher taxes would lead to more revenue, or higher tax rates. That is my stand and I have spoken about it.

Maybe we share that idea with the Gen Z, so it cannot be exclusively the Gen Z's ideas. I believe the Government is also sold to the idea that now, where we have reached, we cannot go further to reduce disposable income.

On the housing levy, there is a discussion around seeing how to restructure it, because, again, it has serious benefits, in my view. Quite a number of projects are coming up, but at the same time, the individual employees, those with pay slips, have complaints, which you cannot ignore. A lot of restructuring is going on. I am sure that more pronouncements will come in due course.

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On the issue of Pay As You Earn (PAYE), this financial year, when we were preparing the Finance Bill, we even did some simulation on how to reduce the PAYE. What stopped us from implementing it in this Finance Bill - and I think we are going to consider it in the next Finance Bill alongside the reduction of Corporate Tax from 30 per cent to 28 per cent, we considered reducing to 28 per cent - was the failure by the Kenya Revenue Authority (KRA) to meet its revenue targets. We thought that as we carry along with the reforms at the KRA, we should not be doing too many things at the same time.

Let us see what the reforms at the KRA, in terms of automation and making it efficient, is yielding to us, then we can move to the next step of reducing the tax rates to increase disposable income. However, it is an idea that I support, Sen. Sifuna. That also goes to the heart of fuel levy or the road maintenance fuel levy.

On distribution of development across the country, yes, Senator, it is true that over the years since Independence, we have not been very fair and objective as a country in terms of distributing our budgetary allocations to regions. This is what has brought the tension that we have in the country where people believe that for you to get development, then your people should be the ones to be in power. Devolution was meant to cure this, but at the same time, it has not been fully cured. We are trying. It is not something that you are going to do in a day, to try as much as possible to be equitable in the distribution of resources.

This budget that we have produced has not fixed it, but addresses it to some extent. Take, for example, and I have given this example, since Independence, the children living along Tana River have been eaten by crocodiles as they cross River Tana going to school. One bridge costs just Kshs100 million yet you find many of us have tarmac roads up to our homes. It is not fair. Many of us have piped water in our houses, even in the rural areas yet those children in Tana River, for just Kshs100 million, have been eaten by crocodiles. We cannot live in such a country of inequitable resource distribution. Dadaab Constituency, for example, is going to see the first tarmac road.

The Speaker (Hon Kingi): You have 30 more seconds.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): I can go on and on, and you will see the first major road in northern Kenya being under construction since Independence all the way from Meru, Isiolo, going to Garissa, Wajir, all the way to Mandera. This is 740 kilometres being done by this Government to enhance equity.

I can answer the Majority Leader by saying that I am going to follow through some of these initiatives, including the support to tea cooperatives, common user facility and all that. We have put some allocation in the budget. I hope it will not be taken away by the National Assembly. I will make sure that the Exchequer is released to support the tea sector.

I thank you.

The Speaker (Hon. Kingi): We now move to question No. 048 by the Senator for Kisumu.

Sen. Tom Ojienda, you may proceed to ask your question.

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Thank you, Mr. Speaker---

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

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Sen. Kathuri: Hon. Speaker, I am very much aware that we are constrained by time, but some Members are asking questions not related to the subject matter. Some of us come from areas that grow the best tea in the world and I had a question to ask the CS. When we start digressing and we do not ask the prime questions, some of us will be lost. Can you give me the latitude just to ask one question?

The Speaker (Hon. Kingi): Hon. Senators, this is not for me to tell you. The Standing Orders are very clear. If you read Standing Order No.51(c), 7(a) and (b), it is very clear that you need to ask one question and that one question must be related to the primary question.

Now, if you take to the Floor and give us a speech, time does not stop running. For those who feel they have more questions to ask the CS on this particular subject, you can always post that question and we will invite the CS to come back. This should not be the end of responding to questions related to taxes on agricultural produce.

Sen. Tom Ojienda, proceed.

Question No. 048

MEASURES TO ADDRESS DELAYED PENSION
PROCESSING FOR RETIRED CIVIL SERVANTS

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Mr. Speaker, Sir, I beg to ask the Cabinet Secretary, National Treasury and Economic Planning the following Question.

(a) What immediate measures are being implemented by the Government to address the extensive delays in processing pension claims for retired civil servants of various levels? Could the Cabinet Secretary provide a timeline for full digitization of pension records and transition to an end-to-end Enterprise Resource Planning (ERP) system for a more streamlined process?

(b) How is the Ministry addressing the pervasive corruption and bribery within the Pension Department, including claims of pension payment to non-existent or ghost pensioners?

(c) What is being done to ensure that pension funds, which have persistently faced significant carryovers due to underfunding and liquidity challenges, are prioritized and allocated adequate funding in future budgets?

(d) Could the Cabinet Secretary explain any proposed regulatory reforms aimed at harmonizing outdated pension laws with contemporary digital financial management practices?

Mr. Speaker, Sir, these questions are borne out of the delays in payment to pensioners.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may proceed to respond. We have 15 minutes and they should be utilized by the Cabinet Secretary in responding to the question and also to be utilized by hon. Senators in asking supplementary questions.

Hon. Mbadi, your response is fairly lengthy. Please, paraphrase it to allow hon. Senators time to interact with your response.

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The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Thank you, Mr. Speaker, Sir. I will take three minutes to go through the response. I will not read it verbatim.

On measures being implemented to address delays in pension processing and the transition to a digitized pension system, there are a number of steps we are taking for comprehensive review which include-

(1) Timely submission of retirement notices: Employers are required to notify employees of retirement at least one year in advance and to submit pension claims to the Pension Department nine months before the official retirement age.

(2) Verification and documentation: Pension payments are contingent on complete and accurate documentation from retirees and employers and complete submission of disputes and litigation.

(3) Processing at the Pension Department: Once a complete pension claim is received, the department processes it within 90 days as stipulated in the National Treasury Citizens Service Delivery Charter.

Then we have exchequer releases, which is also another challenge. Payment of pension gratuities depends on the availability of funds, which is influenced by national revenue inflows. Therefore, to improve efficiency, these are the measures that we have taken-

(1) Deployment of pension officers to key Ministries, Departments and Agencies (MDAs): We have made sure that key MDAs, like the Teachers Service Commission (TSC) and others have pension officers. For example, the National Treasury has deployed 18 pension officers to the TSC to expedite the verification and submission of the pension claims.

(2) Strict enforcement of early submission policies: MDAs are mandated to submit pension claims nine months before an officer's retirement date.

(3) System enhancements and technical support: The Pension management information system is undergoing significant upgrades to reduce manual interventions, improve efficiency and also enhance data security.

(4) Review of the pension legal framework is also being undertaken to align with emerging needs and improve the sustainability and efficiency of pension payments.

(5) The Cabinet has approved the National Retirement Benefits Policy, which was approved on 3rd November, 2023. This Policy aims to harmonize retirement benefits, improve governance and enhance sector growth.

(6) Public awareness and sensitization is also ongoing with workshops being conducted and sensitization programmes on retirement.

(7) Recruitment of additional pension officers to enhance processing capacity. The Treasury recruited additional pension officers in 2021, followed by six deputy directors in 2024, with specialized expertise in pension administration.

(8) The re-engineering of the pension management information system: The Treasury has on-boarded a contractor to develop an enterprise resource planning solution, which fully digitizes pension and with that, online claims submission will be done, self-service portal, automated approvals and the integration with key Government databases is also being addressed.

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Mr. Speaker, Sir, on part (b) of the question, the system is expected to be fully rolled out by 1st July, 2025. As I stated earlier, this will help us to automatically transit those who are from the payroll to the pension payroll.

On addressing corruption and bribery in pension administration, we are doing the following-

(1) Strict pension verification procedures are being instituted. This will help us reduce errors, fraudulent submissions and unauthorized payments.

(2) Collaboration with financial institutions, like the case that Sen. Eddy Oketch spoke to earlier. We are working with commercial banks and financial institutions to monitor dormant pension accounts, flag suspicious activity and prevent unauthorized withdrawals.

(3) Open plan office layouts. The Pension Department has restructured its office setup to enhance transparency and accountability, reducing opportunities for unethical conduct.

(4) Decentralization of pension services through Huduma Centers for the retirees to access services without unnecessary bureaucracy or middlemen.

(5) Integration with the National Death Registry: The Treasury is integrating biometric verification with the National Civil Registry to detect deceased pensioners in real time and prevent continued payments to non-existent beneficiaries. Biometric pension verification and e-pension system has also been implemented. There is also collaboration with investigative agencies to deter cases of corruption.

Mr. Speaker, Sir, part (c) is on ensuring adequate budgetary allocation for pension payments. The National Treasury is committed to ensuring that pension obligations are fully funded and liquidity challenges are minimized. To achieve this-

(1) There is privatization of pension payments: Pension payments are treated as a first charge obligation in the national budget, ensuring they are allocated sufficient funds. Therefore, it is in the Consolidated Fund Service (CFS) as a first charge.

(2) Addressing carryovers and cash flow constraints: Outstanding pension obligations due to cash flow challenges are prioritized in the subsequent budget cycle. Like in the Financial Year 2023/2024, we carried forward Kshs23 billion as pension unpaid at the end of the financial year. That became the first charge and was paid in the Financial Year 2024/2025. However, that has also put a strain on our Financial Year 2024/2025 finances.

I am happy to report that as we speak, between 30th April and 21st May, 2025, it would interest you, Mr. Speaker, Sir, and hon. Members that within those three weeks, we paid a total of Kshs17.4 billion to pensioners. The only balance we have to pay is only Kshs16.9 billion. Compared to last year when we carried over Kshs23 billion, up to date and the year is not yet over, we have Kshs16.9 billion to pay. I also believe that we are going to do much better than last year, although, we should do 100 percent.

(3) Timely issuance of monthly pension: Again, that is one of the steps that we are taking.

(4) Regulatory framework for pension administration: The National Retirement Benefit Policy approved in November, 2023, together with the provisions of the Constitution provide the foundation for modernizing and aligning pension laws with

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contemporary economic and demographic realities. In line with this, the Government is implementing key regulatory reforms, which are as follows-

The legal reforms we have on the scope are the Task Force on Public Service Pension Legal Framework, formally appointed on 17th September, 2024 which is tasked with reviewing existing pension laws and identifying gaps that hinder effective service delivery. Then, there is legislative and regulatory amendments. The Task Force will propose comprehensive reforms to enhance efficiency.

We are also benchmarking with international standards. The review will incorporate lessons from countries with well-established pension systems to ensure a robust and globally competitive pension framework.

Secondly, re-engineering the Pension Management Information System. I have talked about this; eliminating paper-based processes, empowering pensioners with self-service capabilities, accelerating processing through automated approvals, enhancing security and accuracy through system integration.

Mr. Speaker, Sir, the key here is automation. If you automate Pension systems, as we have indicated, then you will solve a number of these issues. I have also said that from 1st July, we are onboarding the system and it will enhance efficiency.

The final one is the reforms to enhance financial sustainability; transition from defined benefits to defined contribution. To enhance sustainability, the defined benefits scheme cannot work. This is because the life expectancy is going up and with limited resources made available through budgetary provision, we cannot sustain this.

Therefore, the new system of Public Service Superannuation Scheme is going to help us a lot in addressing these pension challenges going forward because we are going to have the defined contribution system that is already rolled out. This has been done out of actuarial calculations and it is a better system.

Mr. Speaker, Sir, in conclusion, the National Treasury recognizes and values the contribution of retired civil servants and remains steadfast in its commitment of ensuring that their pension benefits are processed efficiently, transparently and without undue delays. The measures outlined above are transformational and will ensure that Kenya's Pension administration is modernized, digitized and aligned with the international best practices.

I submit.

The Speaker (Hon. Kingi): Hon. Ojienda, you may now ask your two supplementary questions.

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Mr. Speaker, Sir, I did not declare that the Cabinet Secretary, Sen. Sifuna and I are in the Broad-Based Government. However, I will still ask the follow-up questions.

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

Sen. (Prof.) Tom Odhiambo Ojienda, SC: It is true.

The Speaker (Hon. Kingi): What is your point of order, Sen. Sifuna?

Sen. Sifuna: Mr. Speaker, Sir, I get extremely irritated every time people come here and instead of addressing the matter at hand--- It is irrelevant! What sort of contribution is that yet, we have very limited time to engage with the Cabinet Secretary? Could you stop the Senator from engaging in sideshows?

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The Speaker (Hon. Kingi): Senator for Kisumu, the rule on relevance applies.

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Mr. Speaker, Sir, I will move to my supplementary questions.

The Speaker (Hon. Kingi): Stick to the matter at hand, please.

Sen. (Prof.) Tom Odhiambo Ojienda, SC: That is okay. Mr. Speaker, Sir, my supplementary question is on the point that the Cabinet Secretary has addressed concerning the Public Service Superannuation Scheme. Hon. Cabinet Secretary, could you tell us why there has been a delay in processing pension funds for police and retired Teachers Service Commission (TSC) officers under the Public Service Superannuation Scheme?

Secondly, when will that be paid because there is a patent and palpable delay however, we are still in the same system?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may respond.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Thank you, Mr. Speaker, Sir, and Sen. Ojienda.

It has come to our knowledge that there is a delay in processing of pension entitlements to various civil servants under the Public Service Superannuation Scheme. That has been occasioned by lack of policy guidelines, which we have processed and we are almost concluding. The moment that is done, pension will be processed more or less in two weeks. It is something we are acting on because we are alive to that challenge and we are addressing it.

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

Sen. Kinyua: Mr. Speaker, Sir, I just wanted to hear the comment of the Cabinet Secretary concerning a serious issue raised by the Auditor-General regarding the National Social Security Fund (NSSF).

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

Sen. Abass: Mr. Speaker, Sir, mine is a clarification from the Cabinet Secretary in relation to delays in processing of pension. In the past, we used to have registries where pensioners used to go and have access to their money. Now they are being told to go to banks. Some of them do not even have money to pay for bank rates. What measures have you put in place to ensure that senior citizens can access their money easily?

Secondly, why are there no pension offices in certain parts of the country? Instead of pensioners coming to Nairobi and having problems here, they can access their money in their regions.

Thirdly---

The Speaker (Hon. Kingi): Sen. Abass, under the Standing Orders, you are entitled to ask only one question. Hon. Cabinet Secretary, you may proceed to respond.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, on the question by Sen. Kinyua regarding NSSF, I guess it relates to the report by the Auditor-General regarding investments by the NSSF in some Government bonds and that has some challenges.

First, I wish to state that pension funds have some kind of independence in terms of managing pension investments because they recruit custodians and fund managers who

advise them on how and where to invest. If they commit mistakes in terms of investment, there is a process of dealing with that.

The Auditor-General flagged it out. I am aware that a parliamentary committee is on this matter. I will wait for the Public Investments Committee (PIC) of the National Assembly to conclude its work and make recommendations before action is taken, especially if there is any action regarding policy direction that the National Treasury needs to put in place to deter any future involvement. If there is any deliberate act, we have relevant departments and offices dealing with that.

On the issue of pension officers being deployed, we are trying to make the whole question of managing Pension to be automated. We are putting in place a self-service portal such that pensioners will not have to move anywhere. Even at the comfort of their homes, they will access almost all the services they need without going anywhere.

If they have a system of accessing their banks, they will just file documents and start withdrawing money using their mobile phones and that will make it easier. We have also put in place services at Huduma Centres to support that. That is what I would say on this.

Thank you, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Thank you. We shall now move to Question No.079 by Sen. Karen Nyamu.

Question No.079

MEDIUM-TERM STRATEGY TO REDUCE FISCAL
DEFICIT TO A SUSTAINABLE LEVEL

Sen. Chute: Mr. Speaker, Sir, on behalf of Sen. Karen Nyamu, I beg to ask the following Question.

(1) Could the Cabinet Secretary state the medium-term strategy to reduce the fiscal deficit from 4.9 per cent to a sustainable level?

(2) What measures is the Ministry undertaking to support counties noting that the 2025 Budget Policy Statement projects GDP growth at 5.3 per cent and stable inflation, yet county governments face a contracting fiscal space and rising costs?

(3) What interventions is the Ministry implementing to address the pending bills crisis in county governments, particularly in Nairobi City County, where pending bills have accumulated to approximately Kshs121 billion, and what mechanisms are being enforced to ensure timely settlement of supplier debts and prevent further accumulation?

(4) How does the National Treasury plan to manage increased domestic borrowing by the Government without crowding out private sector credit and stifling economic growth in light of constrained external financing and the lapse of the International Monetary Fund's (IMF) Extended Fund Facility (EFF) and Extended Credit Facility (ECF) program, signed in April, 2021?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you have 15 minutes within which to respond and also allow supplementary questions from hon. Senators. Kindly paraphrase because we already have your substantive response.

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Please, proceed.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, in responding to this Question, although this is an area that sometimes I am passionate about, I will not go overboard.

To effectively manage the prevailing fiscal deficit in Kenya, the Government through the National Treasury has adopted a multi-pronged approach with notable focus on both revenue generation and expenditure control. You can call it revenue generation and expenditure or fiscal consolidation. There are several steps or approaches to this-

- (1) Strengthening financial controls;
- (2) Diversifying borrowing sources;
- (3) Improving debt repayment planning; and,
- (4) Promoting efficient resource allocation.

Those are the steps that we are taking to ensure that we reduce the fiscal deficit to manage debt sustainability. I will give you an example. In the next financial year; 2025/2026, we plan to have a budget deficit of about 4.5 per cent and not 4.3 per cent as indicated in the document. We have revised it to 4.5 per cent compared to 4.9 per cent of this current financial year. Actually, it is going to be about 5.1 per cent in the next financial year. We are reducing the budget deficit.

The best way to address, enhance or ensure debt sustainability is to persistently and consistently reduce budget deficit year by year. I want to report that in the Financial Year 2020/2021, the budget deficit was 8.3 per cent. In the Financial Year 2021/2022, it came down to 6.2 per cent of the Gross Domestic Product (GDP). In the Financial Year 2022/2023, it came down to 5.6 per cent and we came down to 5.3 per cent in the Financial Year 2023/2024. We are not at 5.1 per cent, but we want to move to 4.5 per cent. Continuously and in the medium term, we will be at 2.7 per cent. The reduction of budget deficit will help us on debt sustainability.

It is important to note that this can only be realized through fiscal consolidation. Fiscal consolidation means that you enhance revenue collection. That is why we are working on automating the processes and procedures of the KRA. We want to make sure that we enhance efficiency and effectiveness of that institution. On the other side, we are also managing expenditure and prudent use of public funds.

Revenue is one area that has resulted to over budgeting over the years, which has given us high fiscal deficit. One step that we have taken is that we have revised the Financial Year 2025/2026 revenue estimates down from Kshs3,018,000,000,000 to Kshs2,757,000,000,000. For the first time, the National Treasury's estimate of ordinary revenue is below the estimate by the Parliamentary Budget Office (PBO). The National Treasury's estimates have always been higher. We are doing that to make sure that we are realistic on the revenue side.

I will now move to expenditure. Here, I will talk of the things that we are doing to ensure that we cut on expenditure. We reduced our expenditure based on the Budget Policy Statement (BPS) that was approved by Kshs120 billion for us to live within our means. We are taking steps to actualize fiscal sustainability.

The Government will sustain efforts to strengthen accountability, transparency and the revenue mobilization path by the Medium-Term Revenue Strategy. We are also

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strengthening expenditure control and improving efficiency and effectiveness in public spending. That is why on 7th April, 2025, I officiated the launch of the e-procurement system to maximize value for money and increase transparency in procurement. From 1st July, all Government procurement will be done through e-procurement platform and no one else will be given excuse.

Over 3,000 Ministries, Departments and Agencies (MDAs) will be on-boarded. The on-boarding is going on and we are training the suppliers and the contractors on the use of this system. We have also implemented zero-based budgeting approach for this financial year for the first time. We have also operationalized the assets and inventory management modules in our IFMIS for all MDAs.

In order not to crowd out the private sector and the provision of public services, the Government is scaling up the use of Public-Private Partnership (PPP) framework for commercially viable projects. A number of projects are lined up for PPP such as Rironi Mau Summit. We are also thinking, working and moving forward with the Standard-Gauge Railway (SGR) that will largely be on PPP. We also have the Galana-Kulalu Irrigation Project, and a number of projects under the energy sector, especially the energy transmission.

The Government is also piloting a new human resource management system, which will be rolled out to all national Government ministries and departments as well as all county governments in order to improve the management of the wage bill, including statutory payroll deductions. In view of the constrained fiscal environment, prioritization during resource allocation will be critical in ensuring low priority expenditure are dropped or deferred to give way to high priority service delivery programmes. MDAs are, therefore, required to re-evaluate all existing or planned activities, projects and programmes to be funded in the Financial Year of 2025/2026, and we did that.

Next is the strategies to be taken. Mr. Speaker, Sir, I can go on and on when it comes to how we are managing our debt because it is a very wide topic. Those are some of the salient features of what we are implementing.

The other issue was strategies used to manage county government funding constraints.

First, there is a reason for funding constraints. One is the low ordinary revenue collections over the years. It is important to note that over the period 2016/2017 to 2024/2025, actual ordinary revenue has always been below target, except for the Financial Year 2021/2022. Therefore, such shortfalls in actual ordinary revenue collections have led to constraints in county government funding. This is real. We budget, but the resources become a challenge when we do not meet the revenue targets.

Next is the need to finance mandatory expenditures under Article 203 of the Constitution. The Government has an inevitable need to finance mandatory expenditures under Article 203 of the Constitution. Such expenditures relate to national interest programmes such as security modernization and strategic interventions. This leads to fiscal deficit in financing other major national Government functions, which has always occasioned additional borrowing, which continues to distort our fiscal framework.

The national Government continues to solely bear shortfalls in revenue in any given financial year, as has always been demonstrated.

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There is also the high cost of public debt. This is largely due to a relatively stable, but still high exchange rate to the dollar, as well as high interest rates in the domestic markets. Public debt services in 2025/2026 will account for about 52 per cent of ordinary revenue, which is higher than the average of 41 per cent over the period from 2016/ 2017 to 2024/2025. So, we are going up in terms of percentage of our ordinary revenue that goes towards settling the public debt or servicing public debt.

What strategies is the Ministry taking to manage county government funding constraints? The national Government through National Treasury is managing funding constraints to county governments using a variety of strategies. By utilizing these strategies in a comprehensive and coordinated manner, the National Treasury has, therefore, been able to effectively manage funding for county governments and support efforts to deliver essential services and promote development despite the prevailing fiscal constraints due to expenditure pressures and public debt commitments as shown above.

The strategies enumerated below aim to ensure that county governments have the financial resources they need to fulfill their responsibilities and deliver services to Kenyan citizens. One is the conditional and unconditional allocations to counties. We have continued to give additional allocations to counties, which are earmarked for specific programmes or projects as defined by the national Government. They provide targeted funding for special policy goals or initiatives. These additional allocations can ensure that certain areas are prioritized and that funding is allocated in a way that aligns with the national priorities. However, the County Governments Additional Allocations Bill has always been passed by Parliament late towards the close of financial year, thereby denying counties additional funding for programmes under national priorities such as, County Aggregation Industrial Parks (CAIPs) and Community Health Promoters (CHPs).

Currently, we have a problem even absorbing this year's county additional allocations, because of how long it took between the two Houses to agree. So, promoting local revenue generation in the form of own-source revenue, again here the National Treasury has been empowering county governments to generate their own revenue through taxation and other means.

This is meant to increase the autonomy and fiscal sustainability of county governments to obviate the risks associated with over-reliance on equitable share to fund essential services. The National Treasury has finalized the development and piloting of own-source revenue forecasting tools for counties to help them expand their revenue base, thus allowing them to implement realistic charges, levies and fees geared towards raising more revenues. It is expected that this own-source revenue system generation will strengthen county governments' autonomy and promote fiscal sustainability.

Number three is promoting transparency and accountable financial management. The National Treasury is committed to ensuring that funding in counties is used effectively and efficiently, so that county governments are accountable for the use of public funds. The National Treasury, therefore, urges counties to adhere to the clear guidelines for the allocation and use of funds through promoting transparency by making financial information readily available to the public as is the norm at the National Treasury. I hope this House will help in realizing this.

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The other one is implementing strong monitoring and evaluation systems else and finally building partnerships with county governments. The National Treasury and Economic Planning has continued to foster collaboration between the national Government and county governments to improve service delivery and promote development. The Office of the Cabinet Secretary continues to engage in regular dialogue with the Council of Governors (CoG) through regular meetings and forums to discuss policy issues and share best practices. Some of these forums are even informal and we have a very good working relations with the CoG led by the Chairperson, who is also my professional colleague.

Further, the National Treasury continues to support collaborative project financing through joint projects between the national Government, Ministries, Departments and Agencies (MDAs) and county governments such as CAIPs and CHPs, among others.

In conclusion, Mr. Speaker, Sir, allow me to thank you once again for this opportunity to engage with you together with the honourable members.

Thank you.

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

Sen. Chute: Thank you, Mr. Speaker, Sir. I would like to know from the Cabinet Secretary what interventions the Ministry is implementing with regards to pending bills, where you will find one pending bill that has been passed by the county assembly and then the governor has his own list, this comes to Controller of Budget (CoB) and the governor's list will be paid when the one that has been passed by the county assembly is yet to be paid.

Secondly, is on the issue of diversion of funds. When a contractor or a supplier is supposed to be paid by the county government and the money is requisitioned for from CoB and at the end of the day that money goes to a different contractor, not the contractor or supplier who was requisitioned for. How will the Ministry deal with this matter?

Thank you.

The Speaker (Hon. Kingi): Hon. CS, please proceed.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): Thank you, Mr. Speaker, Sir. The two questions are linked together, and are very related, where you find that the requisition is made through the normal system, through the CoB and yet the payment is paid to another contractor or to pay another bill. This is a problem that is very pronounced in counties from what I gather and we are working on a tool or a system that will be used by both the national Government and the county governments to ensure that what has been approved is actually what is paid for. It will also ensure that bills are prioritized in terms of first in, first out because, again, there is a lot of favouritism and discretion by decision-makers at the counties and at the national government level. However, even as we do that, the CoB has capacity and tools to ensure that their approval is respected, so that they rein in county governments.

The Auditor-General can also be taking the approval from the CoB and use it to audit the actual expenditure. I also want to ask this august House, the Senate, that this is also an area where you can help. I know you have helped before, but I think you can help more by ensuring that it is not even micromanaged, by ensuring that what has been

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approved is what is actually paid. These cases are too much. They are reported, we live in this country and we hear about them. Nothing seems to be happening to stop this, which I call illegal diversion of funds. If the CoB has approved money to be spent in a particular manner, that is how it should be spent. It should not be spent in a different manner. At the National Treasury, we are working on a system that will ensure that payments are made in line with the approval. As that is being done, we can still use the current system and supervision to help deal with some of these challenges.

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

Sen. Osotsi: Thank you Mr. Speaker, Sir. Let me start by congratulating the CS for the good work he is doing at the National Treasury and Economic Planning. Indeed, you are the expert that we have been talking about.

I have two quick questions. One is that the CS has talked about constraints in disbursing monies to the counties. I would like to make reference to the Disbursement Schedule we passed last week to disburse money and additional allocation to the counties. Maybe you can elaborate to this House what constraints you are facing. I spoke to my governor yesterday and he told me that although we passed some monies, that money has not hit their account. Instead, there was a communication from the National Treasury about the further delay.

The Speaker (Hon. Kingi): Go straight to the question, Hon. Osotsi.

Sen. Osotsi: What are these constraints that the Ministry is facing, particularly in disbursing the money under additional allocation that we passed in the Disbursement Schedule last week?

Secondly---

The Speaker (Hon. Kingi): Hon. Osotsi, under Standing Order 51(c)(7)(b), you are entitled to ask only one supplementary question, which you have.

Hon. CS, proceed to respond.

The Cabinet Secretary for the National Treasury and Economic Planning (Hon. John Mbadi): The constraints generally would be on cash flow challenges, especially where the funding is from GoK, and more particularly where we fail to meet the revenue targets by the Kenya Revenue Authority (KRA). We have so many demands such that, at times, there are some months which are very bad, especially the months where we are repaying loans. We usually have challenges in the months of January, February, serious challenges in the month of May, and then July. Those are months where we repay the Chinese loan on the Standard Gauge Railway (SGR). Those are the same months, like January, where we pay capitation to schools, which is at times almost Kshs50 billion.

Remember, in every month, we pay Kshs80 billion in salaries. So, if you add Kshs80 billion and Kshs40 billion, that is already Kshs120 billion. If you add that to debt repayments of approximately Kshs60 billion, that already is over Kshs200 billion, yet revenue collection in a month is an average of approximately Kshs200 billion. Now, that poses a problem to funding counties and other development expenditures. However, I would tell you that we still work very hard to make sure that counties get priority in terms of funding.

When we have limited resources, sometimes we look at even the balances of counties and release some funds to some counties, which have low balances. For those that still have high balances, we tell them to wait. When they spend, we give them. As we speak, we have paid all the monies to all the counties up to the end of April, but we still have the months of May and June outstanding. Of course, we still have that constraint.

This year, particularly, has been a terrible year. Apart from the fact that we had that economic shutdown---

(Loud consultations)

I want hon. Members to listen to me on this.

Apart from the economic shutdown that we had for almost two or three months---

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you have one minute to make your submissions.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): Mr. Speaker, Sir, you could add me two minutes, so that they become three to enable me to explain this bit.

Mr. Speaker, Sir, the economic shutdown led to a slowdown in the economic growth in the country and we failed to meet our targets in terms of revenue collection. We also did not conclude the ninth review with the IMF, therefore, we lost USD\$765 million going to budgetary support.

As we speak, the World Bank's funding of BOP seems to be going to July because one of the things is that some of the legislations that were precedent to the release of these funds are delayed in the legislative process. The Conflict of Interest Bill was a key Bill for the World Bank to give us funding. When it was unlocked, there was no time to take our approval to the board. Now you see, we are going to June 30th with a Kshs97 billion hole that I did not prepare for as a Cabinet Secretary. These are challenges that inhibit our release of funds. Even when the National Assembly puts pressure on me on the National Government Constituencies Development Fund (NG - CDF), I do not even know what to do because the resources are constrained and we have to balance needs. Do you pay salaries or release money to the NG-CDF or release money to the counties? Do you pay salaries, or do you stop paying salaries? Those are questions that you have to ask yourself. You have debts to pay. You must pay those debts. If you default; the implications for our economy are dire.

As I conclude, remember the reason we have tried very hard to make sure that we meet our obligations. There were six countries that were mentioned in 2021 by the IMF as candidates for restructuring as candidates for default. Five have defaulted. It is only Kenya that has survived. Angola, Ethiopia, Ghana, Chad and Zambia have defaulted. Five economies out of six; only Kenya survived.

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, please, conclude.

The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi): I would want to urge and request this honourable House to support me, support the Government and support my Ministry, so that we do not fall to where our contemporaries have fallen. I am confident that we are not going to follow them. That is

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why sometimes you see some challenges, but we will outlive these challenges with your cooperation.

Thank you very much, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Thank you. Hon. Senators. I am afraid we may have to terminate our interrogation and interaction with the Cabinet Secretary at that.

Hon. Cabinet Secretary, thank you so much. You are now free to leave.

[The Cabinet Secretary for National Treasury and Economic Planning (Hon. John Mbadi) was ushered out of the Chamber]

Clerk, you may usher in the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs.

Hon. Senators, this morning, we lost 30 minutes waiting for quorum; thirty minutes that we would have otherwise utilised to interact with the Cabinet Secretary for National Treasury and Economic Planning. Therefore, I urge you, we need not ring the bell for us to get quorum. If we can purpose to be in the Chamber by 9:30 a.m., then we will have more time to interact with Cabinet Secretaries.

[The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho) was ushered into the Chamber]

Now. Clerk, do we have the Cabinet Secretary for Mining, Blue Economy, and Maritime Affairs in the Chamber?

Hon. Cabinet Secretary, welcome to the Senate. You are here today to respond to two questions.

(Loud consultations)

Order, hon. Senators. Please, let us take our seats.

We will start with Question No.031 by the Senator for Kisumu County, the Hon. Sen. (Prof.) Tom Ojienda.

Senator, you may now proceed to ask the Question.

Question No.031

REGULATORY FRAMEWORK ON SAFETY OF MINERS, PREVENTION OF CHILD LABOUR AND ENFORCEMENT MECHANISMS

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Thank you, Mr. Speaker, Sir. I beg to ask the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs.

I have also received responses to the questions and, therefore, I will ask the questions, but will save on time because the responses are satisfactory. The Cabinet Secretary does only need to spend too much time responding.

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(a) What regulatory framework exists for mining in Kenya, particularly regarding the safety of miners and prevention of child labour and could the Cabinet Secretary explain the attendant enforcement mechanisms?

(b) Has the Ministry conducted assessments or surveys to establish the extent of illegal gold mining operations in Kisumu County, and, if so, could the Cabinet Secretary disclose the findings and explain any efforts by the Ministry to regularise the illegal mining operations?

(c) What training or capacity-building programmes does the Ministry offer to small-scale miners in Kisumu County regarding modern, safe and sustainable mining practices, given the various fatalities already recorded?

(d) Could the Cabinet Secretary explain the steps taken by the Government to mitigate the negative environmental impact of gold mining operations in Kisumu County?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you may proceed to respond. You need not read your response verbatim. You may like to paraphrase in the interest of time.

Proceed, Hon. Cabinet Secretary.

The Cabinet Secretary for Mining, Blue Economy & Maritime Affairs (Hon. Hassan Ali Joho): Thank you, Mr. Speaker, Sir. As indicated by the honorable Senator that we have furnished with the relevant responses, I assure the House that indeed we are on course in training and capacity building of our artisanal miners and adhering to the regulatory framework and, of course, Mining Act, 2016.

The Senator had asked on the preparation of the artisanal miners, capacity and licensing processes. We have now formed cooperatives and undertaken capacity building. We are in line with our regulatory framework to ensure they adhere to the regulations.

I am happy that the Member is satisfied with our responses, but generally, assure the House that we are on course in capacity building, in creating safety nets and ensuring restoration or rehabilitation of our mining, whatever activities that happen in all areas in our country.

We have also deployed county mining officers to ensure they work hand in hand with counties and communities, so that we can adhere fully to the requirements of the law. In other words, we have not only decriminalized the artisanal activities, but also created processes of ensuring they adhere to the rule of law and are also supported accordingly. We are working with other partners such as the National Environment Management Authority (NEMA), Ministry of Environment and Forestry and the Ministry of Cooperatives & Micro, Small & Medium Enterprises Development.

Mr. Speaker, Sir, I submit.

The Speaker (Hon. Kingi): Sen. Tom Ojienda, you may ask your two supplementary questions.

Sen. (Prof.) Tom Odhiambo Ojienda, SC: Mr. Speaker, I have no supplementary question to the Cabinet Secretary. I am satisfied with the response.

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

(Sen. (Prof) Tom Ojienda consulted with Sen. Wambua)

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Sen. Ojienda, allow your colleague to ask a question, if you are satisfied.

Hon. Cabinet Secretary, you may take your seat and then note all the questions because I am going to allow a number of the Senators to raise questions. Thereafter, you will respond to them at ago.

Sen. Wambua: Mr. Speaker, Sir, the way Sen. Ojienda is pointing at me, I am not sure I am safe. I want protection from you.

The Speaker (Hon. Kingi): Sen. Ojienda, I have noted you. Kindly resume your ordinary seat. Just proceed and do it quietly, please.

Sen. Wambua: Thank you, Mr. Speaker, Sir, for your protection. My question flows from question (b) on illegal mining activities, Cabinet Secretary, are you aware of the illegal extraction of copper in Kitui County, especially the area around Kitui West, called Mithikwani? If he does not have the specifics about it, I am willing to take it up with him in due course.

Sen. Mungatana, MGH: Asante, Bw. Spika. Kwanza, ninakupongeza kwa kazi unayofanya. Tunashukuru.

Kuna hatua ulichukua sehemu ya Tana River na ukasimamisha uchimbaji wa madini ya gypsum. Tulitarajia kwamba utafuatiliza, uweke mikakati ili wale wananchi wanaofaidika kwa uchumi huo wa uchimbaji wa gypsum, wawekezaji na serikali ya kaunti wapate haki yao.

Baada ya hatua ile ambayo sote tuliipongeza, Serikali ya Kitaifa kutoka kwa ofisi yako mmenyamaza. Sisi na watu wa Tana River tungependa kujua kunaendeleaje na mipangilio ni namna gani? Pale pia palikuwa kitega-uchumi na watu, hali ndizo hizi, wanataka kuishi.

Sen. Olekina: Mr. Speaker, Sir, my question to the Cabinet Secretary relates to mining royalties. Recently, we had additional allocation of revenue and some counties were allocated royalties. I did not see any money being allocated to Narok County for additional allocation of revenue in terms of royalties, yet the county has the majority of gold mining activities in the country.

Does the Ministry of National Treasury and Economic Planning consult you to be able to give a list of the counties and how much has been collected in terms of royalties from the 47 counties, so that they make a decision on which counties to give money, or it does not?

Sen. Boy: Asante sana, Bw. Spika. Ningependa kumwuliza Waziri kuhusu uvuvi ambapo sehemu ya Vanga na Shimoni, wavuvi wananyanyaswa sana na maafisa wa Kenya Wildlife Service (KWS).

The Speaker (Hon. Kingi): Sen. Boy, your supplementary question must flow from the primary question. You may want to wait until the Waziri responds to the second question that is related to fisheries.

Sen. Sifuna: Mr. Speaker, Sir, yesterday we had the opportunity to sit with the Governor for Kwale at the County Public Accounts Committee (CPAC).

The question I wanted has been asked by Sen. Olekina, that, in fact, the Governor for Kwale confirmed that they have never received royalties from this Government. So maybe when he answers that question, he will answer us as well.

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Sen. Okenyuri: Thank you, Mr. Speaker, Sir. I would also wish to know from the Cabinet Secretary, in line with what Prof. Tom Ojienda mentioned on capacity building.

We have a soapstone mining activity which is more traditional, but I feel like the Ministry is not giving it much attention, like the other mining that happens in other counties. I would wish to know what other special consideration is being given to the soapstone carvers and miners in that region because that is an area, which as a country, we can explore.

Sen. Abdul Haji: Thank you, Mr. Speaker, Sir. The Cabinet Secretary had responded to the question by Sen. (Prof.) Ojienda regarding environmental impact of miners. In his answer, he elaborated that miners are required to come up with a management plan of the environment.

Could the Cabinet Secretary elucidate further in terms of how the Ministry has taken action against miners who leave their environment in a very bad shape after they have conducted their business? Could the Minister tell us in detail measures the Ministry is putting in place to ensure that the environmental impact left by the miners is adequately addressed?

The Speaker (Hon. Kingi): Hon. Cabinet Secretary, you have three minutes to respond.

The Cabinet Secretary for Ministry of Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho): Mr. Speaker, Sir, if you will allow me, I would like to start with the last question by Sen. Haji. I think it is an important one.

One of the reasons we have had to stop some mining operations such as the one for gypsum is because of how the mining activities had been conducted earlier. The gypsum one, it is in the manner where the mining activities had been conducted earlier. Lands have been turned to barren land and abandoned quarries. It is interesting because the pastoralist communities such as those in Garissa and Tana River and others suffer lots of losses because of losing livestock that fall into the pits. That is one of the reasons we have cancelled operations. What we are doing is to enforce.

Initially, the Ministry did not have an enforcement unit. We had a police unit, an AP unit, but now we have the DCI Unit that pursues those culprits that did that and were taking them through necessary action. So, I want to assure you, Senator, that there is some cause we are following.

Sen. Okenyuri, you asked about soapstone. We treat all miners the same. Artisanal miners, a decision that was made is across all minerals. There is no specific treatment for a specific mineral. So, I just want to assure you that we have considered all minerals and practices by artisanal, and all of them have been put in cooperatives and capacity build them, so that they can aggregate and access market easily. So, even licensing, we use the same procedures and protocols to ensure everybody gets licensed.

Mr. Sifuna asked me about the royalties. I share your concerns, Senator, and I am already now negotiating with the respective committee of the National Assembly to undertake some reforms. This is to ensure that when royalties are paid, they are disbursed to the rightful places on time, so that communities do not have to depend on the treasury.

Obviously, I will be consulting and seeking your support to be able to amend the law, so that if someone pays royalty, 70 per cent goes to the national Government, 20 per cent should go to counties, and 20 per cent should go to communities and CDAC. One per cent gross should directly go to the community. So, this is a matter that requires reform in our law. I am already in discussion with the relevant Committee in the National Assembly, and looking forward to engaging you, the Senate.

Sen. Olekina, I am not so sure whether you are right by saying Narok may be the biggest gold producer. We really do not have the data, but that said and done, you still deserve to be paid royalties on time. Senator, I took the decision of terminating some of the licenses because of failure to comply with royalties payment.

I am glad that you worked with us in Narok and supported us, and now we are in the process of identifying good and reliable companies that will take the liabilities of the periods of companies, pay the communities, fulfill the obligations, and be able to get a fresh license. So, I also identify with your sentiments, and this is something that we are doing.

Sen. Makau, my brother, on Kitui mining, particularly on copper. Kitui is endowed with lots of resources and copper is one of the most important and critical minerals around the world today. When we came in, we found that there was a lot of export of copper ore. We took a decision as a Ministry, stopped the export of copper ore, and as we speak, there is not a single tonnage of copper that is exported.

Therefore, we are slowly managing extraction of our copper. What we are doing as a Ministry today is to consider the entire value chain. That means that if we have copper deposits in the country, we should be able to move it to copper concentrate and copper cathode to be able to achieve job creation and wealth creation.

So, Senator, I assure you, the ones that had been mining earlier, we are pursuing them through our DCI unit. The ones that are doing today, we have now deployed districts mining officers to ensure there are no illegal activities. We are also working with the NGAOs in the districts, so that we can tame these illegal mining activities.

The Senator for Tana River, my brother, *umeniuliza mambo ya gypsum, it is the same problem*. Swali lilikuwa tu lile la uchimbaji mbaya wa madini. Kampuni nyingi ambazo *zili-reaply*, haziwezi *kuqualify* kwa sababu waliwacha the mines ambazo walikuwa nazo awali kwa hali ambayo haistahili. So, *for Tana River, tumepeana leseni kama nne hivi za gypsum baada ya ushauriano na the local leadership*; Mjumbe, MCAs na *by extension, the county*. So, kuna *operations* ambazo zimeanza – *about four companies*. Nataka kuwahakikishia ya kwamba shida ya *mining* ilikuwa – na hiyo pia inahusisha Garissa – watu walikuwa wanachimba gypsum kutumia *a mining permit*. Kwa *mining permit*, huzungumzi na jamii. *You do not need community consent to get a mining permit*. Sasa *tumegraduate* hiyo iwe *a mining license whereas communities* ni lazima wahusishwe.

So, I want to assure you, Sen. Mungatana, that we are on course in ensuring people adhere to the rule of law and participation of the community.

I submit, Mr. Speaker, Sir.

The Speaker (Hon. Kingi): Thank you, Hon. CS. We will now move to Question No.047 by the Sen. Miraj Abdullahi. You may proceed to ask your question.

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Question No.047

MAFUNZO YA UVUVI WA KISASA NA UTUMIZI WA FEDHA ZA MRADI
WA WANAWAKE WANAOSHIRIKI UCHUMI WA BAHARINI

Sen. Miraj: Asante, Bw. Spika, nami niulize swali langu.

(a) Je, Wizara imeweka mikakati ipi kuhakikisha ya kwamba wavuvi nchini Kenya wamepata mafunzo ya kisasa ile kuongeza mapato yao?

(b) Je, Waziri anaweza kutoa maelezo kuhusiana na utumizi wa Shilingi 1 bilioni zilizotolewa na idara ya masuala ya kimataifa ya Serikali ya Canada, Global Affairs Canada, kufadhili mradi wa wanawake wanaoshiriki katika biashara za baharini, maarufu kama Investing in the Women in the Blue Economy in Kenya (IWBEK) project in Kenya na kuweka wazi majina ya kampuni na vikundi vilivyofaidika, kaunti wanazotoka, waliofaidi, fedha walizopokea na ni lini walipokea fedha hizo?

(c) Je, Waziri anaweza kueleza ni hatua gani zinazochukuliwa na chuo cha bandari, Maritime Academy na Mamlaka ya Usimamizi wa Bandari, kuhakikisha kuwa vyeti vya mafunzo vinavyokabidhiwa na chuo hicho, vinapata utambulizi kamili wa kimataifa.

Asante.

The Speaker (Hon. Kingi): Hon. CS, you may respond. Now, hon. Senators, we have 15 minutes to give to this Question. Therefore, hon. CS, just like you did for the first question, paraphrase your response, so that we allow as many Senators as we can to ask some supplementary questions.

The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho): Asante, Bw. Spika. Wizara kupitia idara ya jimbo la Uchumi wa Blu na Uvuvi imeshiriki kikamilifu kutoa mafunzo kwa wafanyikazi wa Samaki katika uvuvi wa Bahari kuu kwa ajili ya kuzalisha ajira.

Vile vile, Wizara imetoa uwezo wa kuwapatia bidhaa za uvuvi kama maboti na ujenzi wa bandari ndogo za uvuvi na bidhaa nyinginezo zinazostahili kuboresha biashara ya uvuvi katika maeneo ya jimbo la Pwani na katika maeneo ya Lake Victoria na Turkana.

Swali la pili ni kuhusu pesa za *ku-empower* akina mama kupitia shirika la NGO kutoka nchi ya Canada. Ripoti ambayo niko nayo ni kwamba shirika hili lilitumwa likatafuta pesa kutoka Serikali ya Canada ama wafadhili takriban Shilingi 1 bilioni. Baada ya kutafuta hizo pesa, walianza kupeana *grants* ama msaada kwa vikundi vya akina mama vilivyomo katika jimbo la Lake Victoria na Pwani. Habari ambayo Wizara iko nayo ni kwamba walifanya *vetting* wakatambua *beneficiaries* na wakapeana mpaka sasa takriban Kshs403 milioni kwa vikundi tofauti tofauti, vikiwemo vikundi vya Mombasa, Kwale, Kilifi, Lamu, Busia, Siaya, Kisumu, Homa Bay na Migori.

Ningependa kuwaambia kwamba NGO inavyofanya kazi, hawahusishi sana vyombo vya Serikali. So, hatujaweza kupata the *detailed expenditure* ama vile zile pesa zimetumika kikamilifu.

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Hatujaweza kupata *details* kuonyesha vile zile pesa zilitumika kikamilifu kwa wanawake ambao walisaidiwa na msaada huu. Lakini, naalika Seneti *to engage with the NGO directly to open up more*. Kwa sasa, walitupatia habari tulizonazo kwamba wametumia pesa kiasi hik na vikundi kiasi hii vya Mombasa, Lake Victoria, Kilifi na kwengineo.

Swali la tatu ni kuhusu Bandari Maritime Academy, vile inavyofanya mafunzo na *recognition issues*. Bandari Maritime Academy imekuwa *whitelisted* na IMO, *which is a good step forward*. Nchi yetu inahitaji *kunegotiate* na nchi zingine *for recognition of our certificates of competencies*.

Tumesha-*negotiate* na nchi nyingi. Kwa sasa, *tunesign* na nchi nne. Hivi juzi nilikuwa Denmark kushirikiana na *my counterpart* kule *kusign*. *Tunanegotiate* nao, EU and the Americas *so that we sign a Memorandum of Understanding* katika *recognition* ya *our learning institutions*. Cha muhimu ni kwamba *we are whitelisted by IMO*. *So, we are in a positive space*.

I submit

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

Sen. Miraj: Bw. Spika, kwanza niruhusu nimpongeze Waziri wetu kwa kuona kwamba vyeti vyetu sasa vinatambulika na mataifa manne ikiwemo Korea. Juzi, tumeona katika Facebook page yao kwamba wameweza kusign pamoja na Italy. Lakini, swali hili nimeuliza kwa mara ya pili. Niliuliza awamu ya Mvurya aliyekuwa Waziri katika Wizara hii hii na nimeliuliza tena. Sababu ya kuuliza swali hii tena ni kwamba jamii zetu za pwani hazitononoki jumla ya kuwa tunaona kwamba---

The Speaker (Hon. Kingi): Sen. Miraj, what is your question?

Sen. Miraj: Swali langu ni, jamii za Pwani ambazo zinategemea uchumi samawati ikiwemo uvuvi na fedha ambazo zinashirikiana na bahari, tunaona kwamba hundi zinapeanwa mara nyingi na hata Rais anapokuja Pwani, tunaona miradi nyingi anazosimamia ni miradi ya uchumi samawati. Lakini kila wakati tunapouliza fedha zile zinawafikia kina nani, hatupati majibu.

Leo, Waziri amesema wazi ya kwamba hawana ufahamu ni akina nani wamekuwa wakipokea pesa hizi. Je, tutawaambia nini Wapwani kuhusiana na zile hundi za fedha ambazo tunaona zinaendelea kupeanwa na hatujui wanaozipokea ni akina nani?

Pili, kwenye upande wa uvuvi, ningependa kumwuliza Waziri, ndugu zetu wanapopata ajali katika maji, wanapozama wakiwa kazini wanavua, kuna mikakati gani kuona kwamba wanapata chombo kama *helicopter*, ili wakati ajali zile zinatokea, wanaweza kukimbia na kuwapa huduma ya kwanza haraka?

Asante, Bw. Spika.

The Speaker (Hon. Kingi): Waziri unaweza kujibu. Ningependa kukujulisha kwamba ukiamua kujibu swali kwa kimombo, lazima uendelee kwa kimombo, ukiamua kujibu swali kwa Kiswahili, utaendelea na Kiswahili. Usichanganye lugha hizo mbili wakati unajibu.

Endelea Waziri.

The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho): Asante kwa ujuzi. Nilikuwa najua ni vile maneno mengine yako na changamoto.

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Miradi iko tofauti ya uwazi wa Serikali na vyombo visivyokuwa vya Serikali. Hii Shilingi 1 billioni ambayo umesema ni pesa ambayo imepitia NGO, wamepata rasilmali kupitia Serikali na ufadhili wa Canada. Imekuwa changamoto kwetu kuwauliza hii NGO itupatie hesabu na uwazi kwa sababu wako na tabia na mienendo zao.

Lakini zile za Serikali, niko tayari kueleza kinaga ubaga kwamba tumepeana takriban Shilingi 3.2 billioni kwa vikundi tofauti vya akina mama na vijana, kunua maboti. Tumenunua maboti takriban 129, tumejenga bahari za uvuvi chache, tisa hivi. Wakati huu tunajenga katika Lake Victoria, tumejenga zingine tano katika jimbo la Pwani, zingine bado zinaendelea, zingine *tumeadvertise* juzi na kadhalika.

Kuhusu jambo la ajali, ningependa kusema kwamba wale watu ambao unawaita watu wako ni watu wetu sisi wote. Kwa sasa hivi, ukienda Lamu, Mombasa, Kilifi na Kwale, utakuta tumewapatia boti la kuokoa watu la uwepesi, lenye mwendo wa kasi, la kisasa. Lakini, ninakubaliana na wewe kwamba katika mipango za siku za usoni, tunataka kueleza katika teknolojia mpya ya kutumia *drones* na *helicopter*. Hiyo iko katika mipango kabambe ambayo tumeweka. Tukitathmini kwa kina, utakuta kwamba hiyo ndiyo njia mwafaka ya kufuata.

I submit.

The Speaker (Hon. Kingi): Sen. Shakila Abdalla, please, proceed.

Sen. Shakila Abdalla: Asante, Bw. Spika. Kwanza, ningependa kumpongeza Waziri kwa kazi nzuri anayofanya. Swali langu ni kuhusiana na mambo ya uvuvi haramu. Kuna uvuvi haramu unaoendelea kwenye bahari zetu na unaharibu mazingira. Sijui Wizara iko na mipango gani ya kuzuia uvuvi haramu unaoendelea.

Nikitoa mfano kama Lamu, kuna wavuvi wanaotoka sehemu za Pemba wanaokuja kuvua kwa magesi na *machine* na wanaharibu kabisa zile *habitat* za nyumba za uvuvi, hususan uvuvi wa *lobster*, kamba na kadhalika. Waziri, tunataka kujua kuna mpango gani ambao umeeke wa kuzuia uvuvi haramu na kuhakikisha watu wanafanya *patrol* katika bahari kushika wale wanaofanya uvuvi haramu.

Asante.

The Speaker (Hon. Kingi): Sen. Joe Nyutu, please proceed.

Sen. Joe Nyutu: Bw. Spika, niruhusu nitumie Kiswahili kwa sababu kimenoga leo. Swali langu ni, je, kwa sababu ufugaji wa samaki ni kitega-uchumi kizuri, Wizara imeweka mikakati gani kuona kwamba ufugaji wa samaki na uvuvi haufanyiki tu mahali tulipo na maziwa ama bahari na kwamba tuko na wafugaji samaki pia katika maeneo ya huku bara labda kwa kutengeneza mabwawa ya kufuga samaki, ili kwamba pia wanabara wawe watu wanaofuga na kula samaki?

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

Sen. Boy: Bw. Spika, kwanza ningependa kumjulisha Waziri hivi juzi kule Migori kuhusu mambo ya uvuvi na soko mpya zilizojengwa. Kule sehemu za Kwale, Vanga, Shimoni, Mkwiro ni visiwa ambavo kuna wavuvi wanavua kule na vyombo vyao vya kuvua ni vya zamani sana. Ningependa kujua kuna mikakati gani ya kusaidia wale wavuvi waweze kupata vyombo vya kisasa, maneti na zingine kama vile wenzetu walivyopewa sehemu ya Migori.

Swali la pili ni kuhusu---

The Speaker (Hon. Kingi): Hon. Senator, under Standing Order No.51 (7)(b), you are entitled to ask only one supplementary question.

Sen. Murango, please proceed.

Sen. (Dr) Murango: Bw. Spika, kulingana na nakala ambayo tumepewa na Waziri, kuangalia zile kaunti ambazo zilifaidika na ule mgao ambao ulikuwa umepewa, hata kama ilikuwa ni fedha ya mashati kutoka Canada, kuna baadhi ya maziwa makubwa na mojawapo ni lile Ziwa la Turkana ambao pia wako na matatizo yao na wangependa kufaidika. Kwa kuwa hawakuwa katika orodha ambayo tuko nayo siku ya leo, ni mipango gani uliyo nayo kuhakikisha kwamba wale wenyeji wa Kaunti ya Turkana na Marsabit ambao ndio wenyeji wa Ziwa Turkana wanafaidika pamoja na maziwa mengine 23 ambayo tunayo hapa Kenya?

Asante.

The Speaker (Hon. Kingi): Sen. Oketch Gicheru, please proceed in the language that you are comfortable with. We are short of time.

Sen. Oketch Gicheru: Mr. Speaker, Sir, I am not sure about Sen. Nyutu.

The Speaker (Hon. Kingi): Just proceed to ask the question, hon. Senator.

Sen. Oketch Gicheru: Thank you, Mr. Speaker, Sir. I thank the Cabinet Secretary for the good work he did last week in the counties with the blue economy of Nyanza. I know this question was addressed in journalistic and rally conversations, but I would also like to ask whether there is a budget under strategy to make sure that there is proper equipment. On the issue Sen. Miraj has asked, with regard to the accidents we are seeing in the lakes and the ocean, fishermen do not have proper equipment to take care of themselves.

It is not just proper to assist them when they have capsized, but we should prevent.

The Speaker (Hon. Kingi): The question has been registered.

Proceed, Sen. Chute.

Sen. Chute: Asante, Bw. Spika. Watu wamepongeza Bw. Waziri sana lakini niko na shida kwa sababu Waziri ameongea mambo yanayohusu mahali kwingine. Ziwa la Turkana limesahaulika. Tuko na rasilimali kule Marsabit kama ile dhahabu inayotoka Moyale. Pia, tuko na Ziwa la Turkana na tunapeleka samaki kule Congo. Bw. Waziri atatusaidia aje kuhusu hilo ziwa ili watu wetu wapate usaidizi wa kutoa samaki kwa njia ya haraka?

Watu wa Moyale wanalilia wako na *gold deposits* huko, lakini kuna kampuni imetoka hapa, ikachukua ardhi ya watu ya Moyale. Atachukua hatua gani kuhakikisha leseni ya hiyo kampuni imetolewa ili waende kwingine kutafuta dhahabu?

The Speaker (Hon. Kingi): Sen. Tabitha Mutinda.

Sen. Tabitha Mutinda: Asante, Bw. Spika. Ningependa kumpongeza Waziri wetu. Tumeona akichapa kazi na swali langu ni rahisi.

Ningetaka kujua dhamana ya madini katika kaunti za mashariki, haswa kule nilikotoka na pia mipangilio ambayo Wizara ya Madini inayo ili kuwezesha yale madini yako kwa hizi kaunti kunoga na kupanuka.

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

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Sen. Murgor: Asante, Bw. Spika. Ningependa kuuliza Bw. Waziri kuhusu uchimbaji wa migodi ya dhahabu kule West Pokot na kama anajua uharibifu unaoendelea. Mashimo yanachimbwa kila mahali bila watu kujali na kuyafunika.

Pili, wanapeleka mchanga---

The Speaker (Hon. Kingi): Sen. Murgor, your question has been registered. Do not add another one. You are not entitled to that.

Hon. Cabinet Secretary, proceed to respond. You will note that these questions are related and you can respond under two minutes in order for us to conclude.

The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho): Bw. Spika, maswali yaliyoulizwa ni maswali ya muhimu sana katika hali ya kulinda rasilimali ya taifa. Kwa ujumla, nafasi ya rasilimali isipotumika, inaweza kuharibika. Ndio maana tumeweka mikakati kabambe. Kwa mfano, katika Kaunti ya Lamu, tunapanga mipango ya kutengeneza maboti ya kwenda masafa marefu na yakirudi, tuwe na bandari hususan ya samaki ili tuwasaidie kwa utengezaji wa samaki na kuhifadhi.

Swali lingine nimeulizwa ni kwa nini tunaangalia maeneo yako na maziwa au bahari. Tunafaa kuelewa kwamba hata saa hii, ile *centre of excellence* tuko nayo iko Sagana, Nyeri na inatumikwa kwa uzalishaji wa samaki na utafiti na mafunzo ya samaki.

Ningependa kuwapea mshtuko kiasi ya kwamba, hata hii Nairobi, samaki wengi wanaokuja katika soko hili ni wale wamefugwa maeneo hayana maziwa au bahari. Habari nzuri zaidi ni kwamba, siku nyingine nitawaalika maeneo ya Kakamega niwaonyeshe kina mama wanafuga samaki, wakipeleka katika kiwanda, wanatengenezwa na wanakuja huku.

Bw. Spika, rasilimali ya uchumi samawati ni kubwa sana na hutajawai kuipa kipaumbele ambayo inastahili. Lakini, saa hii tuko na mikakati ya kueleweka. Ya kwanza ni kuwapea wavuvi na jamii zinazoishi maeneo hayo uweza na pia, kufunza jamii ambazo zinaishi maeneo tofauti, mbinu na namna za kupata faida kutoka hayo maeneo.

Hayo ni yale maswali ya Kiswahi. Swali lingine ni lile la Seneta Eddy.

Sen. Eddie had asked a question on budget on strategy as well as equipping in the Lake Victoria area and matters rescuing and searching. Our Ministry has a budget and we have a contractor on site. We are building the first state-of-the-art search and rescue centre in Kisumu. We will equip it with equipment that will fit in with the demands of the moment.

I have had conversations with critical players in the industry. The number of the fisher-folk we lose every year is shocking and unbelievable. We cannot deploy the same strategy and achieve different results. Sen. Oketch is right on developing a strategy that will work today. Air rescue is critical. I had already directed, and the President is in concurrence with our plan, that we must deploy air rescue in Lake Victoria and the coastal region of our Indian Ocean.

Mr. Speaker, Sir, we have a responsibility of ensuring that we secure our valuable resources as a country like the blue economy and minerals. For long, we have had illegal activities in all areas like Pokot, Turkana, Migori – which is worse, Kwale, Taita-Taveta and Tharaka-Nithi; where we are blessed with critical and future minerals. However, we

are on a mission to follow them, pursue and not to just arrest them, but to also pursue their accounts and confiscate their illegal gains and make them public property.

We have completed our aerial geophysical survey and we know our currency as a country. We know which minerals we have and where they are. What the Ministry is doing today is a narration on our ground tothing. The asset in terms of value, viability and whether it makes sense for a larger investment.

Mr. Speaker, Sir, I assure the House that we have a plan and we are sticking to it as well as executing it. Where we need to reform our laws, I will come back here to consult with my relevant committees, like with my Chairman, Sen. Oketch, the wonderful young Senator from Migori. He is a man I know well and we work well together. We will work to ensure that at the Senate and the committee level, we will engage to reform in order the current demands, going into the future.

I thank you.

The Speaker (Hon. Kingi): Thank you, hon. Cabinet Secretary. Hon. Senators, we will terminate our interaction with the Cabinet Secretary at that. Hon. Cabinet Secretary, you may leave at your own pleasure.

The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs (Hon. Hassan Ali Joho): Thank you, Mr. Speaker, Sir.

*[The Cabinet Secretary for Mining, Blue Economy and Maritime Affairs
(Hon. Hassan Ali Joho) was ushered out of the Chamber]*

The Speaker (Hon. Kingi): We will now move to Question No.001.
Clerk, kindly usher in the hon. Cabinet Secretary.

*[The Cabinet Secretary for Energy and Petroleum (Hon. Opiyo
Wandayi) was ushered into the Chamber]*

Clerk, could you confirm that the Cabinet Secretary for Energy and Petroleum is present? Thank you.

We will now proceed to Question No.001 by the Senator for Marsabit County, Sen. Mohamed Chute.

Hon. Senator, you may proceed to ask the Question.

Question No.001

LACK OF ELECTRICITY CONNECTION IN VARIOUS PARTS OF MARSABIT COUNTY

Sen. Chute: Mr. Speaker, Sir, I beg to ask the following the Cabinet Secretary for Energy and Petroleum the following Question.

(1) Could the Cabinet Secretary explain why Tari Adhi, Dub Gindole, Dogogicha, Isacko Umuro, Old Gabra Scheme, Sales Wario, Konso Banchale and

other villages in Marsabit County remain without electricity connection, despite the installation of electricity transformers in the said villages?

(2) What steps has Government taken to operationalize all the electricity transformers installed across Marsabit County?

(3) Could the Cabinet Secretary also indicate the level of access to electricity in Dub Goba, Gar Qarsa, Wario Duba, Manyatta Konso, Karantina, Kofia Mbaya, Parkishon, Lakartinya and Nasikawe villages in Marsabit County, and explain what the Government is doing to achieve full electricity coverage in those villages?

(4) What is the status of the requests for installation of electricity transformers and extension of electricity connection in Ilpus, Kituruni and Kubi Bagasa villages in Marsabit County?

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

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

The Temporary Speaker (Sen. Abdul Haji): Welcome, Cabinet Secretary. Please, proceed to answer.

The Cabinet Secretary for Energy and Petroleum (Hon. Opiyo Wandayi): Thank you, Mr. Temporary Speaker, Sir, for your indulgence. I was supposed to be here first thing in the morning, but we agreed with my colleague, Cabinet Secretary John Mbadi, to swap the times because he had some other engagement elsewhere.

Mr. Temporary Speaker, Sir, before I go to the specific questions raised by Sen. Mohamed Chute, let me make some general statement. Marsabit is among the counties, especially in the Northern Corridor and parts of the coast region, that have for a long time suffered historical marginalisation.

Marsabit among other counties in that region have been left behind by the successive administrations since our Independence and that has made them not to compete effectively with the rest of the country, especially on matters electrification. That is why this administration, under President William Ruto, has taken deliberate steps to ensure that affirmative action is applied to bring parity to achieve equity in so far as development is concerned generally, but specifically to ensure that matters electrification are dealt with in an equitable manner.

Mr. Temporary Speaker, Sir, this administration has adopted a multi-pronged approach, specifically for Marsabit County. We will ensure that Marsabit County is connected to the national grid for the first time since Independence. You may ask how we will do that.

We will start by constructing a 45-kilometre transmission line from Lake Turkana Wind Power (LTWP) Project in Loiyangalani Town; a project that has delayed inordinately. We want to commit that come December this year, it shall be complete and we shall commission it. That will enable Loiyangalani Town and its environs to enjoy quality, affordable and reliable power from the national grid for the first time.

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Mr. Temporary Speaker, Sir, it is not conceivable that power can flow from LTWP in Loiyangalani, all the way to Suswa in Narok by passing the entire stretch of Marsabit land. That is what we want to correct under this administration.

Secondly, we will unlock an important transmission line project that runs from LTWP in Loiyangalani, all the way to Marsabit and equally from Isiolo to Marsabit. By doing so, we shall make it possible for power from the national grid to extend to most parts of Marsabit County.

That project which is being financed by Exim Bank of India is at the tail end of conceptualization. What has delayed it a bit is just the matter of scoping, which had to happen. We are more than convinced because as I speak, Exim Bank of India is going through the paperwork. We hope that before end of this year, we shall do groundbreaking. That is another commitment I want to make to not only Sen. Mohamed Chute and the people of Marsabit County, but also the people of the great Republic of Kenya.

Mr. Speaker, Sir, Marsabit County, which comprises four constituencies; Saku, Moyale, North Horr, and Laisamis, has one of the most interesting disparities in terms of access to electricity, if I may call it so. Saku, the smallest of the constituencies, has a high access of about 60 something per cent. The extreme end of the county; North Horr and Laisamis, have 1.2 per cent and 1.8 per cent access rate. That is serious, massive disparity and this administration has made deliberate plans to address it, through the efforts we have put in place.

Mr. Speaker, Sir, Marsabit County has been deliberately placed among the 14 counties benefiting from the Kenya Off-Grid Solar Access Project (K-OSAP). Marsabit County is benefiting from about Kshs1 billion worthy of those projects. That is about ten mini-grids covering the width and breadth of the county. We also have some six or so boreholes.

I have spoken to my good friend, Sen. Chute. I told him that I will engage him further together with other leaders from the county, offline, over and above this formal presentation to ensure that we fast track these projects. That is a commitment that I am making before this Honourable House.

I do not want to actually belabour the points, because I have already submitted the answers. I will proceed to state the reasons why those areas that have been listed remain without electricity connection despite the installation of electricity transformers in the said villages.

The Rural Electrification and Renewable Energy Corporation (REREC), which is our implementing agency, has mapped out and undertaken preliminary works; that is, survey and design, of a number of the areas for implementation in the current financial year. The others have also been mapped for consideration in the next financial year subject to budgetary provisions. Details of the actual status of the areas are shown in Table 1 of my response. I do not want to belabour that.

Mr. Speaker, Sir, I will respond to part (b) of the question, which is on the steps the Government is taking to operationalize all the electricity transformers installed across Marsabit County, I wish to inform the House that a total of eight schemes are in different stages of metering in the county. Upon completion, approximately 800 customers will be

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on-boarded, and all the associated transformers will be commissioned in order to realize the benefits anticipated by the Government of Kenya.

In addition, some parts of Marsabit County have witnessed insecurity cases, which have caused movement of people, hence leaving the already installed transformers fairly idle. The Government is engaging various stakeholders to foster peace and restore normalcy.

Part (c) of the question is about access levels of electricity to those areas mentioned in that question, and what the Government is doing to achieve full electricity coverage in those villages. Again, in line with what I have said in my opening remarks, the status of electrification and electricity access in the above villages is as shown in Table 2 of my response. The identification, scoping, and electrification of un-electrified areas is an on-going activity until universal electricity access is achieved. We do not want a situation where we talk about universal access by 2028 or 2030, yet many parts of the country, especially from northern Kenya, are left far behind. That is what we want to correct.

Part (d) is on the status of the request for installation of electricity transformers in those three villages. The status of electrification in the above villages is as shown in Table 3 of my report. That is as far as the first question is concerned.

The Temporary Speaker (Sen. Abdul Haji): Thank you very much, Cabinet Secretary.

Sen. Chute, would you prefer to ask your second question, then ask the supplementary questions thereafter?

Question No.068

LACK OF IMPLEMENTATION OF THE LAST MILE CONNECTIVITY
PROGRAMME IN MARSABIT COUNTY

Sen. Chute: Thank you, Mr. Temporary Speaker, Sir. Let me ask my second Question, then I will ask my supplementary questions thereafter.

Mr. Temporary Speaker, Sir, I beg to ask the Cabinet Secretary for Energy and Petroleum the following Question.

(1) Why has the Last Mile Connectivity programme not been implemented in the entire Marsabit County, despite similar programmes being successfully rolled out in most parts of this country?

(2) What steps has the Government taken to ensure Loyangalani, Kargi, Korr, Forole and all other areas in Marsabit County without electricity are connected?

(3) Could the Cabinet Secretary provide details on funds allocated for Last Mile Connectivity projects so far in Marsabit County, the contractors involved, and the project timeline for their completion?

Thank you, Mr. Temporary Speaker, Sir.

The Cabinet Secretary for Energy and Petroleum (Hon. Opiyo Wandayi): Thank you very much, Mr. Temporary Speaker, Sir. Allow me to make a clarification before

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I respond. I did mention about the transmission line project from Loyangalani to Marsabit and Isiolo-Marsabit. It is being financed by the Export-Import Bank of China and not India. The company which is contracted is the China Water and Engineering Company.

(a) The first limb of the question is on why the Last Mile Connectivity programme has not been implemented in the entire county, despite similar programmes being successfully rolled out in most parts of the country. This is an issue I talked about at length in my opening remarks, but let me say this. Since the inception of Last Mile Connectivity projects, the Government of Kenya has implemented a total of 29 projects worth some Kshs30.1 million and connected 1,466 customers to the grid in Marsabit County. The details of the connected customers across the various constituencies is as shown in Table 5 of my response and Annexure 1 which is attached provides the breakdown of on-going projects in the county.

(b) The next question is on the steps the Government is taking to ensure Loyangalani, Kargi, Korr, Forole and all other areas in Marsabit County without electricity are connected. Again, the status of electrification in the above villages is as shown in Table 4 on Page 7 of my response.

Part (c) of the question is asking for the details of the funds allocated for the Last Mile Connectivity projects so far in Marsabit County, the contractors involved, and the projected timelines for their completion. Over and above the completed schemes, the Government of Kenya has allocated some Kshs4.5 million for Last Mile Connectivity via grid solution as per the Table on Page 7. The target completion date is the First Quarter of the Financial Year 2025/2026.

The Government of Kenya has further allocated Kshs2.0579 billion, approximately USD158.3 million, for connectivity via off-grid solution as per the Table on Page 8. The sites are currently being handed over to the various contractors, and the target completion date is the end of Financial Year 2025/2026. The Annexures 2 and 6 provide a breakdown of all projects funded in Marsabit County at various stages of implementation.

Mr. Temporary Speaker, Sir, I submit.

The Temporary Speaker (Hon. Abdul haji): Thank you, Cabinet Secretary.

Sen. Chute, do you have more supplementary questions?

Sen. Chute: Mr. Temporary Speaker, Sir, I am really impressed by the Cabinet Secretary (CS). I do not have any further supplementary questions. I will follow up whatever questions I am going to have. I will be having a meeting with him, maybe on Tuesday.

Thank you, *Bwana* CS. I really appreciate what you have done. You have done a very good job.

The Temporary Speaker (Hon. Abdul haji): Thank you, Senator. Sen. Eddie Oketch, please, proceed.

Sen. Oketch Gicheru: Mr. Temporary Speaker, Sir, I would like to steal 30 seconds from Sen. Chute to say that today it was the experts who are coming into the House. In all instances, experts have answered their Questions well to the extent that there are no supplementary questions.

That said, I would like to find out from the CS for Energy and Petroleum on the last Mile Connectivity Project, if there is a proper strategy that integrates the prioritization of projects with areas that are facing serious insecurity and their remote areas that need a bit of lighting. For instance, villages and homes which face insecurity, particularly in Migori County. There is no electricity in Gwitembe in Kuria, Apida in Migori Town, Maberu in Suna East, Wangira Bosa, Kokelo in Central Kanyamkago, Rongo and Awendo. These places have serious insecurity cases. I wish that the CS could tell us how he will prioritize those areas in terms of giving them electricity so that they can improve security.

I thank you.

The Temporary Speaker (Hon. Abdul haji): Sen. James Kamau Murango, please proceed.

Sen. (Dr.) Murango: Asante, Bw. Spika wa Muda. Swali langu kwa Waziri ni moja tu. Katika eneo la Gichugu katika Kaunti ya Kirinyaga, kuna nguzo zilizowekwa miaka mitatu au minne za stima ambayo haijawahi kukamilishwa, kwa mfano, Gitemani, na maeneo mengine katika Kaunti ya Kirinyaga.

Ningependa kujua kama Waziri ana mipango ambayo imenakiliwa ya kuhakikisha kwamba stima zinafika kwa wale ambao wanahitaji katika maeneo bunge yote, na kama iko, tunafaa tufuatililie wapi? Kwa mfano, mimi, Seneta wa Kaunti ya Kirinyaga, nililipia *transformer* miaka tatu iliyopita. Maafisa wanaofaa kupigiwa simu na kuchukua ili tuweze kufuatilia hawachukui simu zetu. Je, ikiwa mimi nahangaika kupata stima, mwananchi wa kawaida atawezaje kupata stima?

The Temporary Speaker (Hon. Abdul haji): Sen. Senior Counsel Omogeni, please, proceed.

Sen. Omogeni: Thank you, *Waziri*. I would like to ride on the Question by Sen. Chute and ask a supplementary question to *Waziri*.

I begin by thanking you. Last time you came to Nyamira County, you visited two constituencies, West Mogirango and Kitutu. I would like to know whether the CS has plans to come and finalize the connectivity for Borabu Constituency and the request that was made for an upgrade of Phase 1 to Phase 3 of Tinderet region, so that business people are able to have connectivity to their machines that would help to spur the growth of the economy. Could the CS kindly tell us what plans he has for that particular constituency and that upgrade to Phase 3?

Thank you.

The Temporary Speaker (Hon. Abdul haji): Thank you, Senator.

Sen. Joe Nyutu, please proceed.

Sen. Joe Nyutu: Thank you, Mr. Temporary Speaker, Sir. Before I put my question to the Hon. CS, it is important, because we are in an honourable House, that we separate things that we say in political rallies, from what we say here. I say that because Sen. Eddy Oketch talked about experts.

As far as I know, Hon. Opiyo Wandayi is a trained lawyer. He is not an expert in matters energy. So, it is important that we say he is doing a good job without calling him an expert, because we are misleading. There are students here---

The Temporary Speaker (Hon. Abdul haji): Senator, I gave you an opportunity to ask a supplementary question.

Sen. Joe Nyutu: Let me ask my question. I was just setting the ground. By the way, I am very impressed by the way---

(Loud consultations)

Mr. Temporary Speaker, Sir, can I be heard in silence?

The Temporary Speaker (Hon. Abdul haji): Sen. Eddy, what is your point of order?

Sen. Oketch Gicheru: Mr. Temporary Speaker, Sir, I am rising under Standing Order 105, in reference to misrepresentation of facts. Unless Sen. Joe Nyutu has a law degree that the CS for Energy and Petroleum got without my knowledge, I would want him to go and learn about his CSs, to understand their background, why we call them experts, and their experiences coming into the position that they are in.

I do not want us to go under Standing Order 101, where you discuss the persona of the CS in terms of his qualification, but I can assure Joe Nyutu that expertise does not come only by education, but also by experience and contribution in other dockets that the CS has served in. Cabinet Secretary Wandayi is an expert in energy in terms of being able to ensure that all communities get energy supply.

The Temporary Speaker (Hon. Abdul haji): Thank you.

Sen. Joe Nyutu, please, restrain yourself to asking your supplementary question.

Sen. Joe Nyutu: Thank you, Mr. Temporary Speaker, Sir. However, I have a right of reply. Sen. Eddy, I hold a degree---

The Temporary Speaker (Hon. Abdul haji): Sen. Joe Nyutu---

Sen. Joe Nyutu: Let me ask my question. However, it is important that you do not take a teacher to an operation room and call him an expert when he is not a medic.

I am impressed by the work that CS Opiyo Wandayi is doing. That is not in doubt. The only problem I had was misleading students.

We all support the good programme that the CS has put, especially in Marsabit County and the larger North Eastern region. There are regions in this country that are thought to be advantaged. However, in those regions, there are people who are not connected to power. What are the plans by the Ministry to see to it that even as we do affirmative action in the regions that have been disadvantaged, we also connect power to those in the regions wrongly thought to be connected? What is the plan? The plan must be for all Kenyans, not just for some regions.

Thank you.

The Temporary Speaker (Hon. Abdul Haji): Sen. Hezena.

Sen. Lemaletian: Thank you, Mr. Temporary Speaker, Sir. I appreciate *Waziri* for the good work that he is doing. I like that you have really focused on the North. However, you have focused just one county and forgetting that the North has almost 10 counties.

In Samburu County, you know that we have had serious cases of insecurity, and we appreciate the current administration for giving us a tarmack road from Maralal to

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Baragoi. However, I would like to know, are there plans put in place by your Ministry to ensure that we have electricity connectivity within Samburu North, to make sure that we open up the region for trade and make Samburu County, an area worthy of being pursued by investors, and also to restore education and security in the region?

The Temporary Speaker (Sen. Abdul Haji): Thank you, Sen. Hezena. Senator, for your information, the question posed by Sen. Chute was regards to Marsabit County. So the Cabinet Secretary was not ignoring any other region in the country. He was addressing the question put by Sen. Mohammed Chute.

(Sen. Lemaletian spoke off record)

It is okay, Sen. Hezena. I was just informing you.
Thank you.

Sen. Mariam Omar: Thank you, Mr. Temporary Speaker, Sir, for giving me this opportunity. I thank *Waziri* for the work that he is doing. The plan he has demonstrated in the House for Marsabit County has made Sen. Chute to have no supplementary questions.

What is the plan because the Ministry has heard the cry from Mandera County many times? Is it in the current budget for Mandera County to be connected to the national grid?

The Temporary Speaker (Sen. Abdul Haji): Sen. Beatrice Akinyi, you may proceed.

Sen. Ogola: Thank you, Mr. Temporary Speaker, Sir. I want to congratulate the Cabinet Secretary, whom we call in our region and in other regions that have worked with him as an intellectual. Indeed, Sen. Joe Nyutu, he is and that is why our side of the coalition donated him to the Government to do that kind of work.

Just last week, when we had the Madaraka Day Celebration in Homa Bay County, the Cabinet Secretary did very commendable work. He launched the last-mile connectivity of the county in my constituency of Ndhiwa.

Hon. Cabinet Secretary, can I get an assurance from you that all those facilities we launched at Ochon in Ndhiwa on the day that the President was there, will be taken care of in terms of last-mile connectivity?

I am saying this, “Mr. Cabinet Secretary”, because Homa Bay County has had the highest number of faulty transformers in this Republic, which goes down to Ndhiwa as a subcounty. So, can we get an assurance from you as the constituents of Ndhiwa that all that the projects you launched at Ochon, that is, the transformer issues and last-mile connectivity challenges will be tackled, so that we are not just used as a launching pad and no services are given?

The Temporary Speaker (Sen. Abdul Haji): Thank you, Sen. Beatrice Ogola. To correct you, it is not “Mr. Cabinet Secretary” but “Hon. Cabinet Secretary,” and in your case, it should be “Hon. expert Cabinet Secretary.”

Thank you.

Sen. Mungatana, you may ask the last question.

Sen. Mungatana, MGH: Thank you, Mr. Temporary Speaker, Sir. There was a time we were engaging as Senators in our committee with Members of the Chamber of

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Commerce. I asked them: “Why is it that you do not encourage your people to come and put up industries in Tana River County? We have a lot of land. We can give you certain facilitation from the county government, so that you can erect industries.” The answer was very simple. There is no power to support industrialisation in Tana River County.

So, I ask the Cabinet Secretary as I congratulate him on considering Marsabit County and the plans they have, what other plans does he have for this northern coast area beyond Malindi, because the line we have can only be for the domestic consumption? It cannot support any form of industry.

I wanted to hear from him what he can do, so that our people in Tana River County can also have the opportunity to get industries that will come there and create jobs for our people.

The Temporary Speaker (Sen. Abdul Haji): Thank you, Senator.

Hon. Cabinet Secretary, you may proceed to respond.

The Cabinet Secretary for Energy and Petroleum (Hon. Opiyo Wandayi): Thank you, Mr. Temporary Speaker, Sir. I will go straight to the questions. First is the question by Sen. Eddy Oketch. Let me say, this covers both Sen. Eddy Oketch and Sen. Kamau’s questions.

First and foremost, we have a plan for every part of this country as a Ministry and as Government, where every county, constituency and ward is factored in.

Secondly, in implementing our plan for electrification countrywide, we have adopted a strategy to engage very closely with the elected leadership. There is no prioritization we do without consulting the local leadership, especially Members of Parliament (MPs) both the National Assembly and the Senate.

Many times, you have seen me hosting delegations of MPs from various counties. That is part of the consultative process that then arrives at prioritization. I am very conversant with the insecurity prone areas of Migori County. We are definitely dealing with them in consultations with local leadership led by Sen. Eddy Oketch.

Similar, the issue of Gichugu in Kirinyaga county, it is unfortunate perhaps that there are poles that have lying idle for some time and that there is payment for transformers, which is yet to materialize. I will be taking that up with the relevant agencies in my Ministry. I encourage Sen. Nyutu not to shy away. Just come forward and visit me in the office. I will deal with that matter conclusively.

Hon. Omogeni, it is true that I made a visit to parts of Nyamira County a couple of months ago and that I left out Borabu on account of time constraints. I have plans not only to go back to Borabu Constituency, but to the neighboring Kisii County as well and cover all the constituencies in the fullness of time. It will be as way of acquainting myself with matters on the ground, but also dealing with the issues that arise from there.

Hon. Nyutu, I have responded to your concern in my part that all parts of this country have been taken care of. No single region, county, constituency or ward shall be left out in the grand plan of the President Ruto led administration in so far as matters energy and electrification are concerned.

We are aware that there are a number of areas which have been left behind for a long time. As we apply affirmative action, we shall not ignore those that are perceived to be advantaged. We shall apply equity. Every part of the county shall feel involved.

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Hon. Hezena, as I mentioned in my opening statement, Marsabit is part of the wider Northern Kenya region and parts of upper coastal region that have been disadvantaged for a long time.

Mr. Temporary Speaker, Sir, if you may recall, not many months ago, His Excellency the President presided over the contract signing for the---- That is going to take up to about Kshs12 billion funded by the World Bank. Samburu County is benefitting from that project in addition to other plans that we have for not only Samburu, but all others in that region and the rest of the country.

That plan for Samburu County involves all constituencies.

The Temporary Speaker (Sen. Abdul Haji): Cabinet Secretary, I will interrupt you briefly. Hon. Senators, we shall extend the sitting for a further not more than 15 minutes, so that the Cabinet Secretary can conclude responding to the questions.

The Cabinet Secretary for Energy and Petroleum (Hon. Wandayi): Mr. Temporary Speaker, Sir, I was saying that when it comes to Samburu County, we are not only just talking about Samburu North, we are also talking about Samburu East and Samburu West constituencies.

Sen. Mariam, similarly, Mandera County is in our plan, and we have had very, very many engagements with leaders of Mandera County. We have had challenges, of course, in towns such as Elwak and many other places, on account of outages of power arising from malfunctioning of our gadgets, our generators.

We have got a long-term plan to eventually incorporate Mandera County into the national grid. I must have mentioned earlier, Hon. Temporary Speaker, that for Marsabit, for instance, parts of Moyale Town are served from Ethiopia. Actually, we serve Moyale Town entirely from Ethiopia, and there is no harm doing that. There is nothing wrong with that because we are actually encouraging what we are calling East African power pooling.

That power can flow across the boundaries. Those who need it can import it; those who have excess can export it, and so on and so forth, to make it affordable and cost-effective. There are discussions at an advanced stage between ourselves and the Government of Ethiopia to see how far you can extend their power to other parts of that corridor, apart from Moyale, not forgetting, of course, the fact that we also import that power to Suswa, about 200 megawatts.

Hon. Beatrice Ogola, you know what we launched, what indeed the President flagged off in Kologi, the Kanyamwa place; is it Kanyamwa? In the Kologi area of Ndhiwa Constituency, was the last mile connectivity project for the entire Homa Bay County; a project which is funded by the European Union, AIB, and so on and so forth. That project is covering almost the entire county, apart from those other counties that are famously referred to as off-grid, which, as I have said, are being dealt with through mini-grid solutions.

That Kshs2.1 billion project for Homa Bay County is not going to stop, because there is adequate funding for it, and we have committed to have it completed by November this year. Ndhiwa is definitely part of Homa Bay County and it will benefit. That is the place where we did the launch.

Hon. Temporary Speaker, I want to go to the last question by hon. Mungatana. I am very happy that Tana River County is now receiving the necessary attention. My good friend, Sen. Mungatana, has been at the forefront, championing for the cause of Tana River County, and indeed the rest of that region. Those efforts are now yielding fruits. I am sure you are aware, hon. Temporary Speaker, that if I leave out the issue of the transmission projects that we are doing, Tana River County is going to benefit from about Kshs240 million worthy of mini-grids under the COSAP program. Some four mini-grids will have to be done in Tana River County, and the money is there. They will be completed. It will go towards addressing access to power by the people of Tana River County as we embark on other projects.

Hon. Temporary Speaker, allow me to end there and thank you very much for listening to me.

The Temporary Speaker (Sen. Abdul Haji): Thank you very much, Cabinet Secretary for appearing to answer questions. At this juncture, we are going to end our session. I would just like to wish you all the best in your heavy duties in connecting this country to electricity. We pray for you, Cabinet Secretary.

[The Cabinet Secretary for Energy and Petroleum (Hon. Opiyo Wandayi) was ushered out of the Chamber]

ADJOURNMENT

The Temporary Speaker (Sen. Abdul Haji): Hon. Senators, it is now 1.04 p.m., and having concluded the business for which I extended the sitting pursuant to Standing Order No.34(2)(a), the Senate stands adjourned until later today, Wednesday 4th June, 2025, at 2.30 p.m.

The Senate rose at 1.04 p.m.