



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

26th February 2026

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THE HANSARD

Thursday, 26th February 2026

The House met at 2.30 p.m.

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

PRAYERS

QUORUM

Hon. Speaker: Serjeants-at-Arms, ring the Quorum Bell.

(The Quorum Bell was rung)

Hon. Members we now have quorum to transact business. Clerks-at-the-Table, call the Orders. Deputy Whip of the Majority Party.

PAPERS

Hon. Naomi Waqo (Marsabit County, UDA): I beg to lay the following Papers on the Table of the House:

1. Reports of the Auditor-General and financial statements for the year ended 30th June 2025 and the certificates therein in respect of the following Technical and Vocational Education and Training Colleges—

(a) Emgwen	(m) Kipsoen
(b) Loima	(n) Kandara
(c) Kiminini	(o) Eldama Ravine
(d) Riamo	(p) Chepsirei
(e) Mwatate	(q) Mwala
(f) Kigumo	(r) Uriri
(g) Mwea	(s) Nyando
(h) Emsos	(t) Riragia
(i) Gilgil	(u) Mathira
(j) Naivasha	(v) Ndaragwa
(k) North Rift	(w) Kitutu Masaba
(l) Lungalunga	
2. Reports of the Auditor-General and financial statements for the year ended 30th June 2025 and the certificates therein in respect of the following—
 - (a) Makutano Vocational and Training Centre
 - (b) AIC Kithuru Vocational and Training Centre
 - (c) Murangá Technical Training Institute
 - (d) Narok West Technical Training Institute
 - (e) Koshin Technical Training Institute
 - (f) Siala Technical Training Institute
 - (g) Aldai Technical Training Institute

- (h) Gitwebe Technical Training Institute
- (i) Bandari Maritime Academy
- (j) Maseno University
- (k) Kenya Fish Marketing Authority
- (l) Kenya Maritime Authority
- (m) Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
- (n) Kenya Institute of Primate Research
- (o) Kenya National Public Health Institute
- (p) Public Officers Medical Scheme
- (q) Kenya Coast National Polytechnic
- (r) State Department of Lands and Physical Planning
- (s) State Department of Shipping and Maritime Affairs
- (t) Second Kenya Devolution Support Programme (KDSP II)
(Grant/Credit No. IDA-7447-KE) – Taita Taveta County
Government
- (u) Coast Water Works Development Agency
- (v) Chama cha Kazi Party
- (w) Kenya Petroleum Refineries Limited

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

Hon. Speaker: The Chairperson of the Departmental Committee on Transport and Infrastructure, Hon. Komingo.

Hon. Kibet Komingo (Bureti, UDA): On behalf of the Chairperson of the Departmental Committee on Transport and Infrastructure who is currently attending a meeting of the Budget and Appropriations Committee, I beg to lay the following Paper on the Table of the House:

Report of the Departmental Committee on Transport and Infrastructure on its consideration of the Public Transport (Motorcycle Regulation) Bill (Senate Bill No. 38 of 2023).

Thank you, Hon. Speaker.

Hon. Speaker: Chairperson, Public Investments Committee on Governance and Education, stay that Order. Leader of the delegation to Midrand, Hon. Rahab Mukami. Give Rahab the microphone. That is the cost of coming late.

Hon. Rahab Mukami (Nyeri County, UDA): Sorry, Hon. Speaker.

Hon. Speaker: Go ahead.

Hon. Rahab Mukami (Nyeri County, UDA): Hon. Speaker, I beg to lay the following Paper on the Table:

Report of the Kenya delegation to the sitting of the permanent committees and related meetings of the Pan-African Parliament held in Midrand, South Africa, from 17th September to 5th October 2025.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Next Order.

NOTICE OF MOTION

Hon. Speaker: Chairperson, Select Committee on Implementation, Hon. Wanjala.

(Hon. Irene Mayaka stood up in her place)

Hon. Mayaka, are you standing up for that?

(Hon. Irene Mayaka spoke off the record)

You know when the Speaker calls out and you immediately stand up, the impression you create is that that is what you are standing up for. Member for Nyeri County, Hon. Rahab.

NOTING OF REPORT OF KENYA DELEGATION
TO PAN-AFRICAN PARLIAMENT

Hon. Rahab Mukami (Nyeri County, UDA): Thank you, Hon. Speaker. I beg to give notice of the following Motion:

THAT, this House notes the Report of the Kenya delegation to the sitting of permanent committees and related meetings of the Pan-African Parliament held in Midrand, South Africa from 17th September to 5th October 2025, laid on the Table of the House on Thursday, 26th February 2026.

Hon. Speaker: Do you have another one on the Mandatory Guidance and Counselling Programme in primary and secondary schools? Are you ready with it?

Hon. Rahab Mukami (Nyeri County, UDA): No, Hon. Speaker. I cannot see it here.

Hon. Speaker: Well, are you expected to see it? It is your Motion.

Hon. Rahab Mukami (Nyeri County, UDA): Sorry, Hon. Speaker. I just came from the Parliamentarians Savings and Credit Co-operative Society Limited (PACOSO) meeting, where I am one of the directors. That is why I got late. I apologise, Hon. Speaker.

Hon. Speaker: Okay. Clerk, schedule that for Tuesday. Chairperson, Public Investments Committee on Governance and Education. Absent. Before we go to the next Order, Hon. Members, allow me to acknowledge, in the Speaker's Gallery, Damacrest School from Kikuyu Constituency in Kiambu. I believe that is the constituency of the Leader of the Majority Party, who is not here. On behalf of the House and on my own behalf, I welcome the students, their teachers and those accompanying them to the House of Parliament.

I also wish to acknowledge the presence of a delegation of 17 Mau Mau veterans from Meru County, who are seated in the Public Gallery.

(Applause)

This delegation appeared today before the Public Petitions Committee on the matter of Petition No. 11 of 2025 regarding compensation and allocation of land to Mau Mau veterans, presented on their behalf by Hon. Rahim Dawood, CBS, MP. On my behalf and that of the House, we welcome the veterans to the House. Hon. Rahim has requested to be given one minute to gloat in the invitation.

Hon. Rahim Dawood (North Imenti, Independent): Thank you, Hon. Speaker. It is great for them to come here to Parliament. This is their first time. They have presented their case to the Public Petitions Committee. They are very happy with the Committee, hoping to get a favourable reply. At the end of the day, they did not go to court, but they came to the National Assembly which will give them justice, which is required. They have waited from 1963 to date. So, they believe this Parliament will give them justice. I welcome them again.

Hon. Speaker: Hon. Murugara, there you are.

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Speaker. Allow me also to thank the Mau Mau veterans from Meru County who have paid a courtesy visit to the House, so that they can know exactly how their plight is going to be addressed by this House.

I wish to assure them that the Petition is in the safe hands of the Public Petitions Committee, chaired by Hon. Karemba, who has taken it up very well. I am sure very soon they will have their outcome. Tharaka neighbours Meru in Tharaka Nithi and, therefore, those are actually my brothers and sisters. I am happy to tell them, *karibu sana*. Thank you very much.

Hon. Speaker: Thank you. Clerk, go back to Order No.5. Hon. Wamboka, Chairperson, Public Investments Committee.

PAPERS

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Speaker, I beg to lay the following Papers on the Table:

Reports of the Public Investments Committee on Governance and Education on its examination of:

- (a) Audited Financial Statements of the State corporations, Western Region, for the Financial Years of 2018/2019, 2019/2020 and 2020/2021.
- (b) Audited Financial Statements of various State corporations for the Financial Years 2018/2019, 2019/2020 and 2020/2021.
- (c) Audited Financial Statements of the State corporations, Rift Valley, for the Financial Years 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024.
- (d) Audited Financial Statements of Egerton University for the Financial Years 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023 and 2023/2024.

Hon. Speaker: At Order No.6, Hon. Wamboka *tena*.

NOTICES OF MOTIONS

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Speaker, I beg to give notices of the following Motions:

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF STATE CORPORATIONS IN WESTERN REGION

THAT, this House adopts the Report of the Public Investments Committee on Governance and Education on its examination of the audited Financial Statements of various State corporations in the Western Region for the Financial Years 2018/2019, 2019/2020 and 2020/2021 laid on the Table of the House on Thursday, 26th February 2026.

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF STATE CORPORATIONS IN RIFT VALLEY

THAT, this House adopts the Report of the Public Investments Committee on Governance and Education on its examination of the audited Financial Statements of various State corporations in Rift Valley for the Financial Years

2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023 and 2023/2024, laid on the Table of the House on Thursday, 26th February 2026.

ADOPTION OF REPORT ON AUDITED
ACCOUNTS OF EGERTON UNIVERSITY

THAT, this House adopts the Report of the Public Investments Committee on Governance and Education on its examination of the audited Financial Statements of Egerton University for the Financial Year 2018/2019 to 2023/2024 laid on the Table of the House on Thursday, 26th February 2026.

Hon. Speaker: Next.

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF
VARIOUS STATE CORPORATIONS

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Speaker, I beg to give notice of the following Motion:

THAT, this House adopts the Seventh Report of the Public Investments Committee on Governance and Education on its examination of the audited Financial Statements of the following State Corporations for the Financial Years 2018/2019, 2019/2020 and 2020/2021—

1. The Kenya Law Reform Commission.
2. The Kenya Copyright Board.
3. National Cohesion and Integration Commission.
4. The Business Registration Service.
5. Nairobi Centre for International Arbitration.
6. Kenya Accreditation Service.
7. The National Transport and Safety Authority.

Hon. Speaker: Thank you. Next Order.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

Hon. Speaker: Hon. Joseph Tonui, Member for Kuresoi South.

KUPPET BRANCH ELECTIONS

Hon. Joseph Tonui (Kuresoi South, UDA): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Education regarding the Nakuru Branch elections of the Kenya Union of Post-Primary Education Teachers (KUPPET) that were held on 7th February 2026.

The Nakuru KUPPET Branch Elections have been widely contested by members of the Union on grounds that they did not meet the constitutional and statutory thresholds of credibility, transparency and fairness, as contemplated under the Labour Relations Act (Cap. 233) and KUPPET Constitution. It is alleged that approximately 1,600 registered teachers drawn from a distinct region within Nakuru County were excluded from the official voters' register used during the elections. The omission of names of 1,600 teachers from the branch

voters' register disenfranchised eligible members and denied them their right to participate in the election of their branch officials. The affected teachers have raised concerns on the integrity of the Union's electoral process, arguing that the unjustifiable omission from the list of voters undermined the legitimacy of the election outcome.

Hon. Speaker, it is against this background that I seek a Statement from the Chairperson of the Departmental Committee on Education on the following:

1. The circumstances under which a whole region within Nakuru County was omitted from the voters' register during the KUPPET Nakuru Branch Elections held on 7th February 2026.
2. The measures taken to investigate the alleged irregularities, particularly the exclusion of over 1,600 members and to determine the validity of the election outcome, including the nullification of the elections so as to allow 1,600 members excluded from voting to exercise their rights.
3. The steps taken to safeguard members' rights, ensure inclusivity and non-discrimination of any region or community and guarantee equitable representation in the electoral process, in accordance with KUPPET Constitution and applicable laws.

I thank you, Hon. Speaker.

Hon. Speaker: Chairperson of the Departmental Committee on Education. Hon. Omboko Milemba, do you want to joyride?

Hon. Omboko Milemba (Emuhaya, ANC): I thank you, Hon. Speaker. Let me thank Hon. Tonui for raising that matter. Indeed, it is before us, as a Union, and before a court in Nairobi and two cases in Nakuru. Above all, there are many teachers who are on agency fee which is usually charged at 2 per cent for those who have not fully joined the Union but are part of the Collective Bargaining Agreement (CBA) benefits.

More importantly, it is what Hon. Tonui has said. Over 1,600 teachers were not in the voters' register. The total number of teachers countrywide is 26,000. We shall ask the Teachers Service Commission (TSC) to expedite so that all of them join the Union because we no longer use the forms. We depend on the computerised system where the teacher and TSC log in to be accepted. We look forward to have the entire 26,000 teachers, who are on agent fee, join the Union.

I thank Hon. Tonui and all the Members of Parliament who supported the teachers who were seeking electoral positions in KUPPET and other unions countrywide.

Hon. Speaker: Chairperson of the Departmental Committee on Education. Is there any Member from that Committee?

Hon. Phylis Bartoo (Moiben, UDA): Yes.

Hon. Speaker: Hon. Bartoo and Hon. Mwale, bring a response when we resume after recess, in three weeks' time. Hon. Irene Mayaka.

INCREASE IN PRICES OF HYGIENE PRODUCTS

Hon. Irene Mayaka (Nominated, ODM): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Environment, Forestry and Mining regarding the potential increase in prices of essential hygiene products following the gazettment of the Sustainable Waste Management (Extended Producer Responsibility) (Amendment) (No. 2) Regulations, 2025.

The Ministry of Environment, Climate Change and Forestry recently gazetted the Sustainable Waste Management (Extended Producer Responsibility) (Amendment) (No. 2)

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Regulations published as Legal Notice No. 62 of 2025. They impose obligations on producers and importers to take responsibility for the environmental impacts of the products and packaging they introduce into the Kenyan market. While the intention is environmental sustainability and waste reduction, there are concerns raised that these additional compliance costs will lead to an increase of up to 20 per cent in the retail prices of essential hygiene products such as diapers, sanitary towels and detergents. The costs associated with compliance may be transferred to consumers. These products are basic necessities that directly affect welfare, public health and human dignity. An increase in their prices will disproportionately burden low-income households and exacerbate challenges such as period poverty and access to proper childcare, as well as sanitation.

Hon. Speaker, it is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Environment, Forestry and Mining on the following:

1. A report on the findings of the Regulatory Impact Assessment that was conducted prior to the gazettment of the Sustainable Waste Management (Extended Producer Responsibility) (Amendment) (No. 2) Regulations, 2025.
2. Measures put in place by the Ministry of Environment, Climate Change and Forestry, in consultation with relevant agencies, to cushion consumers from adverse price increases.
3. Strategies by the Ministry to ensure that essential hygiene products remain accessible, affordable and of acceptable quality standards.

I thank you, Hon. Speaker.

Hon. Speaker: Chairperson of the Departmental Committee on Environment, Forestry and Mining. Hon. Mwale, are you a Member of this Committee?

Hon. Nicholas Mwale (Butere, ODM): No, Hon. Speaker. I am holding brief for the Chairperson.

Hon. Speaker: Inform him to bring a response the first week after recess.

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

Hon. Speaker: The next Statement is by the Member for Rabai. He has sent a written request to Hon. Speaker for the Statement to be deferred to Wednesday next week. It is so ordered.

(Request for Statement deferred)

Hon. Machua Waithaka, Member for Kiambu.

ERRONEOUS CLASSIFICATION OF PARCELS OF LAND

Hon. John Waithaka (Kiambu, UDA): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Lands regarding erroneous classification of two parcels of land belonging to Mr Stephen Chege as illegal alienated Government land.

On 17th July 2017, the National Land Commission, vide *Kenya Gazette* Vol. CXIX No. 97, listed several parcels of land as illegal alienated Government land and ordered that their titles be revoked. Among them were two parcels of land in Kiambu County: Land with House Block 2/80 and land with House Block 2/81, belonging to Mr Stephen Chege of identification card No. 0xxxx05 which he legally acquired in 2006 and 2007 respectively.

Since then, he has consistently remitted required land rates to Kiambu County Government without any dispute or challenge over the legitimacy of his ownership, which evidences rightful ownership. The arbitrary revocation of his title deeds by NLC amounts to

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deprivation of property by the Government, which violates the provisions of Article 40 of the Constitution. Despite numerous appeals to NLC to rectify this error, no corrective action has been taken. This situation raises concerns regarding fairness and reliability of land administration processes in the country.

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

1. The reasons for the cancellation of title deeds No. Block 2/80 and No. Block 2/81 in Kiambu County belonging to Mr. Stephen Chege vide Gazette Notice No.6864 of 17th July 2017, despite his lawful acquisition and payment of land rates to the Government;
2. Report on the status of revocation of the erroneous Gazette Notice to restore the land ownership rights to Mr. Stephen Chege; and,
3. The specific implementation timelines when the National Land Commission will resolve the error, including re-issuance of valid title deeds to Mr. Stephen Chege.

Hon. Speaker: Thank you, Hon. Machua. Chairperson for the Departmental Committee on Lands?

*(Hon. Nicholas Mwale
spoke off the record)*

Hon. Tindi Mwale, are you sure you have been instructed by every chairperson to hold their brief? Are you a Member of the Departmental Committee on Lands? You are out of order. Any chairman who wants another one to hold brief must write to the Speaker. Equity does not help volunteers. Hon. Otiende Amollo can advise you on that, freely.

Yes, Hon. Lelmengit. Are you a Member of the Committee?

Josses Lelmengit (Emgwen, UDA): Hon. Speaker, I am a Member of the Committee on Lands, and I have the report from the Chairperson because he was presenting the BPS Report.

Hon. Speaker: Hon. Tindi Mwale, this is now legit. He is a Member of the Committee.

Josses Lelmengit (Emgwen, UDA): He is going to get feedback in two weeks. I know we have a recess in two weeks.

Hon. Speaker: The first week after recess.

Josses Lelmengit (Emgwen, UDA): Okay. Thank you.

Hon. Speaker: Yes. Hon. Zainab?

GENERAL STATEMENT

ETHNIC PROFILING OF
HON. ZAHEER JHANDA

Hon. Fatuma Mohammed (Migori County, Independent): Hon. Speaker, pursuant to the provisions of Standing Order 43, I rise to make a General Statement regarding the unfortunate ethnic profiling of Hon. Zaheer Jhanda, by the impeached Deputy President.

Hon. Speaker, in the strongest terms possible, I condemn the reckless, divisive and unconstitutional remarks made by the former and impeached Deputy President, Rigathi Gachagua, on Monday, 23rd February 2026, during the United Opposition rally at Gusii Stadium, Kisii County, where he subjected the Member for Nyaribari Chache, Hon. Zaheer Jhanda, to ethnic profiling and public vilification. Such conduct is not only nefarious and legally indefensible, but also politically dangerous and it has no place whatsoever in a constitutional democracy founded on equality, dignity, and the rule of law.

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Ethnic profiling is not free speech, but a toxic abuse of influence. It revives the darkest chapters of our history, normalises prejudice and places innocent citizens at risk by reducing them to stereotypes rather than recognising them as rights-bearing Kenyans. For the record of this House, no leader is entitled to incite suspicion, hostility or fear against any community or individual.

Article 27 of our Constitution guarantees equality before the law and freedom from discrimination. Any attempt to weaponise ethnicity for political relevance is an affront to constitutionalism and an insult to the intelligence and cohesion of the Kenyan people. This House must reaffirm that ethnic baiting will be confronted, condemned and isolated, regardless of who utters it.

Hon. Speaker, I, therefore, call upon this House to rally behind and support one of our own, and to publicly censure the conduct of the impeached Deputy President, to reassert zero tolerance for ethnic incitement and to remind all political actors that our unity is not a bargaining chip. Our diversity is our strength and no individual, least of all one who has been impeached, will be allowed to fracture it for personal or political gain.

Hon. Speaker, I am more concerned because I am also a minority where I come from. For that reason, I believe that in the next rally, I will be one of the targeted Members of Parliament that the impeached Deputy President...

Hon. Speaker: You have finished presenting your Statement. You do not debate your Statement.

(Hon. Millie Odhiambo-Mabona spoke off the record)

Hon. Rahim has got the first opportunity. You will be the next.

Hon. Rahim Dawood (North Imenti, Independent): Nashukuru, Bwana Spika, na naunga mkono vile dada yangu, Mhe. Fatuma, amesema. Nimechaguliwa mara nne nikiwa *councillor*; pia nimechaguliwa mara tatu kama Mjumbe. Kwani watu wangu hawakujua rangi yangu ama nilivyo waliponichagua? Kwa hivyo, mtu kusema nisichaguliwe kwa sababu niko na rangi tofauti ama kabila tofauti, anatuweka vibaya sana. Mwaka uliopita, akiwa hapo kwetu Gakoromone, alisema watu wasiende kunywa chai hapo kwa sababu huyo mkubwa aliuziwa hoteli na Rahim, ambaye ni Mhindi.

Huyu mtu hastahili kuwa kiongozi wala kuitwa kiongozi. Kuitwa kiongozi ni aibu. Kama anaweza kusema kwamba mtu asichaguliwe akiwa na haki, kwani nchi yetu iko na vikwazo? Nikitaka kusimama mahali popote, nakubaliwa. Vile vile, Rais Obama alichaguliwa kule Amerika; Sunak alikuwa *Prime Minister* kule Uingereza. Vile vile, *Prime Minister* wa Grenada alikuwa Mhindi. Meya wa New York pia ni Mhindi aliyetoka Kenya na Uganda. Sasa tunaweza kusema Wahindi wasichaguliwe? Kwani wananchi wanaotuchagua hawajui kabila au rangi yetu, ama kama mtu ni Mwislamu au Mkristo?

Katika eneo langu, asilimia 96 ya wakazi ni Wakristo. Mimi ni Mwislamu, lakini nimechaguliwa na Wakristo. Sasa kesho atasema kwamba hata Mwislamu asichaguliwe mahali popote, aende *north eastern* au *Coast*? Mambo kama haya hayafai katika nchi yetu. Tumeenda mbele na haya mambo yanafaa kukashifiwa kabisa. Mtu huyu anatafuta uongozi wa Kenya akiwa nani? Tunalalamika sana hapo.

Hon. Speaker: Hon. Millie Odhiambo.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker. I want to join hands with Hon. Fatuma and Hon. Dawood as well as other Members in expressing outrage and concern when people use race, ethnicity, religion or gender to exclude or demean others. It is against the law of Kenya and especially when it is ethnic or racial. It goes against the National Cohesion and Integration Act. I call upon the Commission to take immediate

action and summon the former Deputy President to respond to that issue because we can disagree politically, but in disagreeing politically, it does not mean that we must discriminate against other people.

There is a lot of political temperature rising in the country right now. Minorities are the ones that get to suffer in this instance. Only yesterday, a gentleman in Siaya called Makamu said things that even in my mental state I cannot repeat in this House, over Hon. Catherine Omanyo. And he is supposed to be on the same side of Hon. Catherine Omanyo.

When we normalise terrible things said about other people, then it means we can use your gender, tribe or race against you. We will not allow. As a Suba, I am a minority. I am half Suba and half Luo. My father is a Suba, so I am a minority. I will not allow anyone to start misusing minority communities.

As a woman, we will not allow you to sexualise women and use sex as a tool against women. So, I want to urge my party the Orange Democratic Movement (ODM) to please stop using Makamu to demean and bring women down. Whether you agree with a woman or not, you cannot sexualise women. We will not allow such things.

(Applause)

Hon. (Dr) Otiende Amollo (Rarieda, ODM): Thank you, Hon. Speaker. I want to associate very strongly with those sentiments. There is freedom of expression in this country, but the Constitution is clear that that freedom does not allow you to profile people racially, ethnically or sexually.

This particular gentleman, started from an ethnic profiling perspective. One of the reasons we debated in this House and impeached him was because of ethnic profiling. Now he has gone to the level of racial profiling. We are a country that is tolerant of all races and ethnicities. We are proud that as a country, Hon. Rahim is serving several terms all the way from Meru. We are happy that Hon. Shakeel Shabbir is serving several terms all the way from Kisumu. There is absolutely nothing wrong with anyone being elected anywhere.

We should not and cannot allow people, in the name of campaigning, to bring in ethnic, racial or sexual profiling. I want to say that it is completely worrying. Every day that I listen to people in rallies or funerals, the level of toxic utterances are increasing. If we go with this trajectory, we might not even get to the elections. The violence is increasing as well as violent language and the National Cohesion and Integration Commission is completely quiet. I want to urge that the NCIC, whose commissioners we approve here, to spring to action. They should even have people prosecuted of those things. We must help this country by making sure that we tone down in terms of racial profiling, actual violence, intolerance and toxic statements.

Hon. Speaker: Hon. Murugara.

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Speaker. To say the least, what was stated in Kisii by the impeached Deputy President is extremely despicable and that which we must frown against as a House and as a country.

Today, every leader is called upon to speak about the unity of the country, bring together the different communities and ethnicities into one country so that we speak in one voice. But it appears that there is a political dispensation that is geared towards dividing the country along tribal or ethnic lines. That dispensation includes the impeached former Deputy President.

Recently, it is good to tell this House, that there was debate in the media when one of them from Meru County singled out a minority community called the Tharaka, which is a sub-community of the larger Meru Community because the Meru Community is made up of different sub-ethnic communities. They said that they are not Merus purely because he felt he had been disadvantaged or he was not happy with where the leadership had come from.

I give notice to him because at one time I remember this House saved him from the hands of Hon. Wamboka when he had done atrocities to the people by doing things that we should not have condoned, but purely because of political inclination, the man was saved. Now, he goes around trying to divide the country into political lines, saying the Tharaka are not Meru.

I give him notice and I will be bringing a censure motion against him and I have called upon the NCIC to also indict him together with the impeached Deputy President, so that they appear before that Commission to explain their utterances.

Let us frown against such kind of language, ethnic balkanisation and ill speech which bring hatred, division and discontent in our country. I agree with Hon. Zainab who has brought that particular Motion and we should move towards discussing that and Hon. Linturi, who is the person I am making reference to.

Hon. Speaker: Hon. Shakeel Shabbir.

Hon. Shakeel Shabbir (Kisumu East, Independent): Thank you, Hon. Speaker. I do not know what logic the former Deputy President, *Riggy G*, has. When we say that he is a tribalist, we have not only seen that he is a tribalist, but he is also a racist par excellence.

Hon. Speaker, by colour I am an Asian. He calls me *Mhindi*. But by blood and everything else, I am Luo. About 200,000 people voted for me in Kisumu East for four times and they are asking me to go for five terms and I will contest.

(Applause)

I want *Riggy G* to come and campaign against me. I challenge him to come to Kisumu East and campaign against me. We cannot accept to be disrespected. The people of Kisumu East cannot be disrespected. Because they voted for me, they cannot be disrespected. He is thinking that they have no word of their own or that they are idiots.

He is using very many names to dishonour them. I will not allow them to be dishonoured. I have the honor and they have given me the great respect now for two terms as the mayor and four terms as a Member of Parliament.

There has been no leader, even former late presidents Moi and Kibaki, President Uhuru, and President Ruto, who has ever questioned my origin and that of my brother who is here. We are here as Kenyans first. I am here standing for the Luo Community not the Indian Community.

I want *Riggy G* to come and apologise to my brother, Hon. Jhanda, who I have known for a long time. If the Kisii have voted for him and *Riggy G* does not like it, then tough luck! *Arudi uko kwake, atafute Mhindi mwingine aende kutukana*. For me, I am putting it today on record that the only thing that defines me as a *Mhindi* is my colour. Everything else about me, is Luo. I am born Luo. I will die Luo. My funeral procession will be Luo.

(Applause)

(A Member spoke off the record)

My wife is also an African lady and she is your niece, Hon. Speaker. She is a Bukusu.

(Laughter)

Hon. Speaker: Yes.

Hon. Shakeel Shabbir (Kisumu East, Independent): It is not only Riggy G who uses such names. There are also other people who are now breaking the ODM party that are using names like that. In my life, I have never heard any president and Baba question the colour of my skin. I am first Kenyan and last Kenyan. I have said that severally. I will die with you in Kenya. I will be with you until my final rites are written. So, Riggy G is out of order. He is a racist and he will get what will come to him from that point of view. I ask the Luos to vote against him.

Hon. Speaker: Thank you. I can confirm that this Member of Parliament is married to my niece and he had quadruplets with her.

(Laughter)

Hon. Ng'elechei.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Thank you so much, Hon. Speaker for giving me this opportunity. I also want to condemn in the strongest terms possible, the sentiments of the former Deputy President while he was in Kisii. He is proving to us that we did a very noble thing of impeaching him in this House. I want to congratulate every Member who participated in his impeachment. If a Motion is brought again to impeach him – I do not know how – we will impeach him again.

The former Deputy President has been going around inciting people against other ethnic groupings. A week ago, when he was hosted by a Kalenjin radio station, he incited listeners against Members of this House. He said that the electorate elected Members of Parliament who do not know anything and they do not represent them in any way. He went ahead to say that the President is antagonising the Kalenjin Community yet their leaders elected to this House are not talking about development in the Rift Valley. When he spoke on the Rironi-Nakuru-Mau Summit Road project, he told the people of the Rift Valley that nothing is ongoing. I want to confirm to this House that all the projects that the President promised the people of the Rift Valley are ongoing. He has no moral authority to speak on our behalf. When he was the sitting Deputy President, all he could speak about was shares. He used to antagonise many people because of shares.

I still remember the day the Member for Mavoko went to see the former Deputy President over the issue of squatters in Mavoko and he asked the Member to give him some piece of land to resettle the squatters. He told the Member that he never voted for the President, therefore, he should go and look for Mr. Kalonzo Musyoka to allocate him land to settle the squatters. The Member of Parliament wondered because Kalonzo Musyoka was not an elected Member of Parliament. At times I look at Kalonzo Musyoka walking around with the former Deputy President and I pity him. Just the other day, the former Deputy President told the Kambas that they do not have shares in the Government. This time they are working together.

Lastly, I want to confirm that I am a very close friend to Zaheer Jhanda. I know his ID number. Zaheer Jhanda is a Kenyan. I can confirm that. Hon. Speaker knows that because he too is our friend.

Hon. Members: How close?

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): It does not matter how close we are. Hon. Zaheer Jhanda is a Kenyan. He is the Member of Parliament for Nyaribari Chache in Kisii County. He is not an Indian. Indians who are in Kenya are also Kenyans. They are either Kenyans by naturalisation or by birth. Everybody has a right to live in Kenya. So, I want to support Mhe. Fatuma. The former Deputy President is a very useless guy. If there is a way he can be stopped from inciting people... We have a commission, the NCIC that is toothless. It should be disbanded. If it cannot handle one person, how can it justify that it is working for the country?

Hon. Speaker: Thank you. Hon. Maungu. Give Maungu the microphone. There is a microphone next to you.

Hon. Dick Oyugi (Luanda, DAP-K): Thank you, Hon. Speaker for the opportunity. I rise to join my colleagues in condemning the unfortunate words that came from somebody who calls himself a leader. Not long ago, this House impeached this very person. One of the reasons I participated in his impeachment is that he made me appear to be a non-shareholder of this country. When this gentleman was serving as the Deputy President, he was decorated with a very good badge of the Elder of the Order of the Golden Heart (EGH). A person who talks like he does cannot continue bearing the title of EGH in this country. That title was given to him as a Deputy President. It is high time that title was revoked because he does not bear any semblance of honour that goes with that title. I come from western Kenya and we have very many communities that live in that area. We should speak of unity, love and cohesion. Somebody cannot speak for this country by isolating people. My good sister here has talked about Hon. Zaheer Jhanda being discriminated. That is very wrong. Zaheer Jhanda was elected by people who knew him and who had confidence in him. Therefore, I stand together with my colleagues to condemn those words. The former Deputy President should be ashamed and anyone who supports him should equally be ashamed.

Hon. Speaker: Hon. Ichung'wah.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Ahsante, Mhe. Spika. Kwanza naomba unipe nafasi niwakaribishe wanafunzi wa shule ya Damacrest ya kutoka kule kwetu Kikuyu. Hii ni mojawapo ya shule za kibinafsi ambazo hufanya vyema katika mitihani ya kitaifa. Ina wanafunzi wenye nidhamu ya hali ya juu. Ukiwaangalia waliko keti, utatambua kuwa sio tu safi bali pia ni wenye nidhamu. Ninawapongeza na kuwakaribisha katika Bunge la Taifa.

Pili, niruhusu nijiunge na Mbunge wa Migori, Mhe. Fatuma kukashifu matamshi ya kikabila na yenye ubaguzi wa kirangi. Nataka kujiunga na Wabunge wote walio kashifu hayo matamshi dhidi ya mmoja wetu, Mhe. Zaheer Jhanda. Mhe. Shabir amesema yeye ako na asili ya Bara Hindi lakini ni mjaluo aliyeoa mbukusu. Watoto wake ni wabukusu na wajaluo nusu. Labda pia wana asili ya kihindi kidogo. Lakini namjua vizuri, Mhe. Zaheer. Huwa ananena lugha ya Kikisii kikamilifu. Ni lugha ambayo yule mkabila na mbaguzi wa rangi aliyemtusi Kisii hawezi kuinena. Huyu mtu alianza na ubaguzi wa kikabila, akaenda kwa ubaguzi wa eneo anakotoka mtu na sasa ameenda kwa ubaguzi wa rangi. Huyu mkabila ni adui wa Wakenya wote. Mimi humskiza Mhe. Rais akisema hao watu popote waendapo huwa hawana sera, ajenda na mpango wowote. Wakenya wanakubaliana na Rais kuwa hawana hata akili. Huyu mtu amedhihirisha kuwa kweli hana akili ya kuwaunganisha wakenya. Akili yake ni ya kuleta ukabila, ubaguzi wa rangi na mgawanyiko miongoni mwa Wakenya. Nataka nikuombe, Mhe. Spika, uamuru kutoka kwa kiti chako kama Spika wetu kuwa Tume ya Kitaifa ya Uwiano na Utangamano (NCIC) ichukue majukumu yake ya kikatiba na kuhakikisha kuwa mtu kama huyu anayechochea uhasama nchini Kenya anachukuliwa hatua za sheria. Najua hilo ndilo analotaka. Anataka apewe *summons* na Tume hii ya Uwiano na Utangamano au aitwe kurekodi *statement* ili aanze kulialia kuwa sasa anafukuzwa.

Ninakubaliana na Mhe. Otiende Amollo aliyesema kuwa ukiangalia ghasia zinazowafuata kila waendapo, ni ishara dhahiri ya kuwa wao wenyewe wanajipangia fujo. Juzi

nilimuona mwingine akisema, “Zima hiyo kitu kama bangi”. Sijawahi vuta bangi kwa hivyo siyajui hayo matamshi ya bangi. Kuna kiongozi aliyesimama kwenye jukwaa na kusema kuwa gesi ya machozi izimwe hata kabla ilipuke. Hiyo inamaanisha kuwa alijua gesi hiyo ilikuwa wapi katika ule mkutano. Wanajua ilikuwa wapi. Wanajua ni nani anayeilipua. Wachochezi kama hao wa ghasia...

Hon. Caroli Omondi (Suba South, ODM): This is not a political rally.

Hon. Speaker: Order, Hon. Caroli.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Mhe. Spika, nikinge kutokana na matamshi machafu ya Mhe. Caroli Omondi. Kama amejiunga na wakabila, asifikirie anaweza kunitisha. Mimi siwezi kutishiwa na wakabila. Siwezi kutishiwa na watu walio na midomo mirefu mirefu ya uchochezi na uhasama kati ya Wakenya.

(Applause)

Ni lazima tuilinde nchi yetu dhidi ya uhasama na wachochezi wa ukabila ambao hawana mpango wowote. Waende wauzie Wakenya mipango yao ya kazi. Wauze sera zao badala ya kuuza ukabila, uhasama, na ubaguzi wa kirangi. Watoto hawa unaowaona Bungeni leo hii wamekusanyika kama Wakenya kutoka kona zote ya Jamhuri yetu. Wamejumuishwa na mashule yetu. Wale walio na asili ya Kijaluo, Kikikuyu, au Bara Hindi wote ni Wakenya. Tujiheshimu kama viongozi tukiwa ndani na nje ya Bunge, sio kupayuka payuka ovyo ovyo.

Ahsante, Mhe. Spika.

Hon. Speaker: Hon. Mathenge.

Hon. Duncan Mathenge (Nyeri Town, UDA): Thank you, Hon. Speaker. I take exception to the words that were directed towards...

*(Hon. Caroli Omondi
spoke off the record)*

Hon. Speaker: Hon. Caroli Omondi, ordinarily, you are a very decent man. Maintain that posture. Hon. Mathenge is on the Floor.

Hon. Duncan Mathenge (Nyeri Town, UDA): Thank you, Hon. Speaker. You can see the transformation in our colleague, Hon. Caroli Omondi, within a very short while.

(Laughter)

Our colleague, Hon. Caroli Omondi, is one of the people that I admire most, and he knows it. Therefore, it is important that we agree on the boundaries. Certain things cannot continue to happen in this country. The words directed at Hon. Jhanda were despicable, uncouth and should not have come out of the mouth of a leader in this country, or one who aspires towards positions of leadership in future. We cannot normalise insults, provocation and incitement, and assume that our country will hold together.

The National Cohesion and Integration Commission (Amendment) Bill, 2022 is before this House and Members have an opportunity to align it with the Constitution. Remember that this Act came into effect in 2008 as a response to the post-election violence. We must draw a line based on the lessons that we learned at that time and the rights that we are guaranteed under our Constitution.

Second, this Commission must be better resourced. Now that we are considering the Budget Policy Statement (BPS) 2026, we should ensure that we sufficiently resource the National Cohesion and Integration Commission.

Hon. Speaker: Hon. Passaris. I want to bring this matter to an end.

Hon. Fatuma Jehow (Wajir County, ODM): On a point of order, Hon. Speaker

Hon. Speaker: What is your point of order?

Hon. Fatuma Jehow (Wajir County, ODM): Hon. Speaker, I do not understand what Hon. Caroli's problem is. As other Members were contributing, he was throwing his hands around and saying that that party *imejaa* idiots. Who are the idiots? He is so bitter. I do not understand what is wrong with him. I am worried because he is my tribesman. He is going to die of depression. Leave that cursed camp.

Hon. Speaker: Order! Take your seat. To the extent that I did not hear what he said, I encourage you to just leave the matter. Give Hon. Passaris the microphone. There is one next to you.

Hon. Esther Passaris (Nairobi City County, ODM): Thank you, Hon. Speaker, for giving me this opportunity. I thank Hon. Fatuma Zainab Mohammed for bringing this important Statement under Standing Order 43. I rise not only to condemn the ethnic profiling directed at Hon. Zaheer Jhanda, but to also condemn the growing culture of discrimination in our politics, whether rooted in ethnicity, heritage, or gender. Reducing Kenyans to their tribe is unconstitutional. Reducing any woman leader to her age, beauty, or degrading sexual insinuation is equally unconstitutional. Both violate Article 27 of our Constitution, which guarantees equality before the law and freedom from discrimination.

I was recently referred to as a Greek. There is nothing wrong with acknowledging that I am a Kenyan of Greek heritage. I am proud of my heritage, just as I am proud of being Kenyan. What is wrong is the use of heritage as a political slur. What is wrong is suggesting that identity diminishes one's legitimacy as a Kenyan leader. Kenyan identity is not defined by surname, complexion, ancestry, or gender. It is defined by citizenship, service, and fidelity to our Constitution.

When leaders resort to ethnic baiting, they fracture the national cohesion. When leaders resort to sexist insults and public humiliation, as was recently directed to me by Hon. Babu Owino, they degrade this House and undermine the dignity of women in leadership. The remarks made by the former Deputy President Rigathi Gachagua against Hon. Zaheer Jhanda must be condemned. Equally, the demeaning sexualised attacks directed against me must be condemned for they are discriminatory and unworthy of parliamentary leadership.

We cannot defend equality while tolerating ethnic profiling and normalising misogyny. We cannot also claim to build one Kenya while questioning the legitimacy of Kenyans based on heritage. This House must be clear and firm. Ethnicity, heritage and gender will not be weaponised. Our diversity is our strength, our Constitution is our shield, and our politics must rise above all prejudice.

Kenyans need to understand that the Asian Community is our country's 44th tribe. I am always referred to as a *Mhindi*. Being black does not define you as a Kenyan. One is defined as a Kenyan because of your identity associated with our Constitution, whether by birth, naturalisation, or marriage. As long as you are a Kenyan with an identity card, a birth certificate, or a passport acknowledged by the State, it does not matter what your colour, religion or sex is. What matters is that you are Kenyan. We are one Kenya, one people.

Hon. Speaker: We can end there. The outrageous remarks captured by all media houses were very unfortunate. I want to remind leaders in this country that we have a history. Parklands Constituency, as it was then known, elected a distinguished lawyer called Satish Gautama, who served in this House. Westlands Constituency elected Amin Walji. I served with him in this House. Langata Constituency elected Philip Leakey. He served in this House. He was even in the Cabinet. For anybody or any leader to start profiling Kenyans on either tribal or ethnic lines is, indeed, unfortunate.

I want to encourage all of us here to be the defenders of Kenyans. Our Constitution says our diversity is our strength, and it must be so at all times. Whoever is looking for leadership should do so in a distinguished and respectful manner. This is the country we must have. I also listened to those outbursts. What even annoyed Kenyans more was the cynical laughter that accompanied the profiling of Hon. Zaheer Jhanda. And to quote the former Deputy President, he said, “*Nyinyi Wakisii nitawacheka kwa kuchagua Mhindi*”, and he proceeded to laugh in a very disgusting manner. Let us not go that route.

Hon. Ichung’wah, you are the leader of Government business in this House. If the Committee in charge of the National Cohesion and Integration Commission (NCIC) is not working, disband it and establish a new commission. The former Senator Muthama, and five other Members were locked up in Pangani Police Station for a full week for just saying something against the former President Uhuru. We used to visit them every day with the late Prime Minister.

(Applause)

A Commission spending public resources with a duty to superintend over the protection of our diversity as our strength... Hon. Ichung’wah, as the leader of Government business in this House, I urge you to take up the matter and report back on what you want to do with NCIC. The NCIC, as currently constituted, is not serving the purpose for which the Constitution defined it. Let us leave this matter here.

The former Deputy President should, indeed, be ashamed of himself for saying such things. If you want to lead this country, you should be aware that the Indian Community in this country is our 44th tribe. The Makonde became our tribe recently, not to forget the Shonas, the Pembas and all others. We must champion this. We know that Obama has ancestry here, yet he became the President of America. Rishi Sunak's parentage is from Kitale, and he became the Prime Minister of the United Kingdom (UK). Additionally, the leader of the Scottish Party is an Indian born in Arusha, and many others. We can count on and on. There is a Somali girl who is a Congresswoman in the USA. Also, there is a girl from central Kenya who was a Senator in Australia, and many more.

Hon. Member: Even the Mayor of New York.

Hon. Speaker: Yes, the Mayor of New York was born in Uganda and expelled with his parents by Idi Amin into Kenya. Today, he is the Mayor of New York, the biggest city in the world. Many other examples exist.

We are very proud of our diaspora and our associations. What will Hon. Jack Wamboka say of Shakeel Shabbir, who is married to a woman from our village? And like I said, and he reminded me as he walked out, he is the first and only Member of Parliament to have ever had quadruplets.

(Laughter)

Please, Kenyans and leaders in this House, do not spare any energy or opportunity to condemn this kind of behaviour from any leader, regardless of who they are, where they are, what they do and where they do it.

Thank you. Hon. Tongoyo, are you on the same?

Hon. Gabriel Tongoyo (Narok West, UDA): Nothing much, Hon. Speaker.

Hon. Speaker: You are the Chairman of the Police.

Hon. Gabriel Tongoyo (Narok West, UDA): I know you know you had directed the Leader of the Majority to look into the issue of the commissioners of the NCIC. I want to inform you that the current commissioners' term has lapsed. The new commissioners are due for vetting and will be brought to this House. It is incumbent upon this House to thoroughly vet them, even if it means looking at them with a microscope to ensure that they live up to their task.

The Commission, indeed, spend Kenyans' money for literally nothing; they take almost Ksh800 million every year.

Hon. Speaker: Yes. Hon. Ichung'wah, *umeskia hiyo?* Next, let us have the Leader of the Majority Party's Thursday Statement.

STATEMENT

BUSINESS FOR THE WEEK OF 2ND TO 6TH MARCH 2026

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order 44(2)(A), I rise to give this Statement on behalf of the House Business Committee, which met on Tuesday, 24th February 2026, to prioritise business for consideration during the week.

As Members are aware, the House is today scheduled to consider the Motion on the 2026 Medium-Term Debt Management Strategy (MTDS), which has critical timelines and implications on the Budget Policy Statement (BPS). In this regard, I urge all of us to be present in the House this afternoon to actively participate in the consideration of this critical business.

Additionally, I wish to remind the House that following the extension of the timeline for consideration of the BPS and the MTDS granted last week, we ought to conclude with the two documents before the end of next week. As such, once the report of the Budget and Appropriations Committee on BPS is tabled, it will be prioritised for debate in the course of next week.

With regards to business scheduled for Tuesday next week, the House is expected to consider the Miscellaneous Fees and Levies (Amendment) Bill, 2025 and the National Infrastructure Fund Bill, 2026 at Second Reading.

Additionally, debate will be undertaken on the following Motions, some of which are listed on today's Order Paper, should they not be concluded in the course of today:

1. Consideration of Session of Paper No.3 of 2025 on the Partial Divestiture in Safaricom PLC by the Government of Kenya.
2. Report on the Audited Accounts for the Judiciary Mortgage Scheme Fund for the Financial Years 2011/2012-2021/2022.
3. Consideration of Session of Paper No.6 of 2024 on the National Aviation Policy.
4. Report on the Audited Accounts for the Commodities Fund for the Financial Years 2018/2019 to 2021/2022.

5. Ukaguzi kwa asasi zisizo huru kikamilifu za jumuiya ya Afrika Mashariki na ushoroba wa kati katika Jamhuri ya Muungano ya Tanzania.

In accordance with the provisions of Standing Order 42A (5) and (6), on the appearance of cabinet secretaries on Wednesday afternoons, we had designated to have the Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs on Wednesday, 4th March 2026 to update on the status of the report of the Inter-Agency Technical Committee on the review of the designated hardship areas and payment of hardship allowance in the public Sector. However, this will have to be pushed to the other week to allow us to conclude on the BPS, the MTDS and other priority Government business lined up for next week. Therefore, we will push the appearance of the Prime Cabinet Secretary to Wednesday, 11th March.

In conclusion, the House Business Committee will reconvene again on Tuesday, 3rd March 2026, to schedule business for the rest of that week. I now wish to lay this Statement on the Table of the House.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order.

MOTIONS

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF THE NG-CDF BOARD FOR FYS 2016/2017 TO 2021/2022

THAT, this House adopts the Seventh Report of the Decentralised Funds Accounts Committee on its consideration of the audited accounts of the National Government Constituencies Development Fund Board for the Financial Years 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022, laid on the Table of the House on Tuesday, 2nd December 2025.

*(Moved by Hon. Gideon Mulyungi
on 25.2.2026 – Afternoon Sitting)*

*(Debate concluded on
25.2.2026 – Afternoon Sitting)*

(Several Members entered the Chamber)

Hon. Members on your feet, take your seats.

(Question put and agreed to)

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF NGAAF FOR FYS 2016/2017 TO 2021/2022

THAT, this House adopts the Eighth Report of the Decentralised Funds Accounts Committee on its consideration of the audited accounts of the National Government Affirmative Action Fund for the Financial Years 2016/2017,

2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022, laid on the Table of the House on Tuesday, 2nd December 2025.

*(Moved by Hon. Gideon Mulyungi
on 25.2.2026 – Afternoon Sitting)*

*(Debate concluded on
25.2.2026 – Afternoon Sitting)*

(Several Members entered the Chamber)

Hon. Speaker: Members on your feet, please, take your seats.

(Question put and agreed to)

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF
NG-CDF FOR CONSTITUENCIES IN NAKURU COUNTY

THAT, this House adopts the Ninth Report of the Decentralised Funds Accounts Committee on its consideration of the audited accounts of the National Government Constituencies Development Fund for Constituencies in Nakuru County for the Financial Years 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022, laid on the Table of the House on Tuesday, 2nd December 2025.

*(Moved by Hon. Gideon Mulyungi
on 25.2.2026 – Afternoon Sitting)*

*(Debate concluded on
25.2.2026 – Afternoon Sitting)*

(Several Members walked into the chamber)

Hon. Speaker: Members on their feet, please, take your seats.

(Question put and agreed to)

BILL

First Reading

THE POWER OF MERCY BILL
(National Assembly Bill No.56 of 2025)

*(The Bill was read a First Time and
referred to the relevant Committee)*

MOTION**APPROVAL OF THE 2026 DEBT
MANAGEMENT STRATEGY**

Hon. Speaker: Hon. Shurie, the Chairperson of the Debts and Privatisation Committee.

Hon. Abdi Shurie (Balambala, JP): Thank you, Hon. Speaker. I beg to move the following Motion:

THAT, this House adopts the Report of the Public Debt and Privatisation Committee on its consideration of the Medium-Term Debt Management Strategy for the Financial Years 2026/2027 to 2028/2029, laid on the Table of the House on Wednesday, 25th February 2026 and pursuant to the provisions of Section 15(4) of the Public Finance Management Act, 2012 and Standings Order 232A (7) and (8)—

- (a) approves the Medium-Term Debt Management Strategy for the Financial Years 2026/2027 to 2028/2029; and,
- (b) makes the Policy and Financial Resolutions contained in the Schedule to the Order Paper.

SCHEDULE**POLICY AND FINANCIAL RESOLUTIONS RELATING TO
THE 2026 MEDIUM-TERM DEBT MANAGEMENT STRATEGY****A. POLICY RESOLUTIONS**

1. THAT, all securitisation and commitment of public money be subjected to transparent disclosure and parliamentary oversight, including publication of the fiscal implications of these commitments to future debt sustainability.
2. THAT, to strengthen productive capacity, accelerate growth, and expand future debt repayment capacity, the National Treasury increases the development expenditure above the statutory minimum of 30 per cent of all expenditures as set out in Section 15 of the Public Finance Management (PFM) Act, CAP. 412 over the medium-term.
3. THAT, given the declining Central Bank Rate (CBR), the National Treasury should ensure that planned domestic borrowing remains appropriately sized and carefully timed so that Government demand for funds does not unduly crowd out credit to the private sector.
4. THAT, the National Treasury provides a risk-mitigation plan for election-cycle another unavoidable spending pressures, including safeguards to prevent obvious shocks to the fiscal framework over the medium-term, supplementary budgets and in-year reallocations from undermining the Medium-Term Debt Strategy (MTDS) consolidation path.
5. THAT, future MTDS incorporates explicit sensitivity analysis and contingency measures for climate-related and growth downside risks, including mechanisms to protect priority spending while maintaining adherence to fiscal targets.
6. THAT, the National Treasury outlines expenditure rationalisation measures required to accelerate convergence toward the 55 per cent statutory debt anchor (PV terms) under Section 50 of the PFM Act, within 6 months.
7. THAT, the National Treasury ensures that Public Private Partnerships (PPPs), securitisation and other alternative financing mechanisms are fully integrated into

fiscal risk reporting and stress testing, to ensure the total fiscal exposure is transparently captured.

8. THAT, in view of the anticipated reliance on commercial borrowing over the medium-term, the National Treasury institutes robust reporting mechanisms on the utilisation of commercial loans to enhance traceability and accountability, particularly where such proceeds are applied to general budget support.
9. THAT, the National Treasury and relevant institutions sustain structural reforms aimed at raising potential growth and competitiveness, including reforms that strengthen productivity, support exports, and enhance the investment climate, in line with the objective of improving long-term debt sustainability.

B. FINANCIAL RESOLUTIONS

1. THAT, the fiscal deficit target for the medium-term is approved and set at 5.3 per cent of GDP for FY 2026/27; 3.6 per cent of GDP for FY 2027/28, and 3.3 per cent of GDP for FY 2028/29, in line with the fiscal consolidation path; and,
2. THAT, the country's borrowing strategy is approved at 22 per cent for net external borrowing and 78 per cent for net domestic borrowing as contained in the 2026 Medium-Term Debt Management Strategy.

Hon. Speaker, the Report marks the fourth MDTS to be considered and approved by this House. This consideration reflects the continued institutional progress made since the establishment of the Public Debt and Privatisation Committee at the commencement of the 13th Parliament. It also demonstrates, under your leadership, the commitment of this august House to strengthen oversight over Kenya's public debt and to promote its prudent and sustainable management.

As I begin, allow me to express my sincere appreciation to the Members of the Public Debt and Privatisation Committee for their dedication and diligence in reviewing the Strategy and preparing this Report for consideration by the House. I also wish to thank the stakeholders who appeared before the Committee and submitted valuable views, as well as, the Committee Secretariat for their technical and administrative support extended throughout the process.

The Medium-Term Debt Management Strategy (MDTS) for the Financial Years 2026/2027 to 2028/2029 is a key policy instrument for guiding Government borrowing and managing public debt in accordance with the Constitution and the Public Finance Management Framework. It sets out the National Treasury's proposed approach to financing Government operations and obligations over the medium-term while seeking to minimise the cost of borrowing and contained associated risks.

Hon. Speaker, the Strategy is anchored on the macroeconomic assumptions contained in the 2026 Budget Policy Statement (BPS). Over the medium-term, the framework assumes average real GDP growth of 5.3 per cent, inflation anchored at 5 per cent, a plus 2.25 percentage points, an improvement in revenue effort to 16.9 per cent of the GDP, and strengthening of the primary balance from 4 per cent to 1.6 per cent of the GDP, among other assumptions. Based on this framework, the proposed borrowing mix intended to minimise financing costs while containing debt risks as follows:

1. Domestic borrowing will provide 82 per cent of gross financing, taking advantage of the depth of the local market and the relative predictability of the domestic funding.
2. External borrowing will provide 18 per cent of gross financing in order to diversify the funding base while managing exchange rate and external rollover risks.

Accordingly, domestic borrowing, primarily through Treasury Bonds, continues to constitute the principal source of deficit financing over the medium-term. The Committee

observed that while the approach may reduce exposure to foreign exchange risks, domestic borrowing must be carefully calibrated, both in scales and timing, to avoid excessive absorption of market liquidity and undue crowding out of credit to the private sector. On the external side, the MTDS projects a financing mix comprising 10 per cent concessional loans, 2 per cent semi-concessional loans and 6 per cent commercial borrowing.

This framework forms the basis upon which the fiscal deficit over the medium-term is expected to be financed for the Financial Year 2026/2027, and the deficit is projected at approximately Ksh1.116 trillion, which is broadly comparable to the Ksh1.14 trillion projected for the Financial Year 2025/2026. Although the deficit is expected to decline gradually over the medium-term to about Ksh833.7 billion, it will nonetheless remain substantial, averaging about Ksh928.9 billion by Financial Year 2028/2029. On this basis, cumulative addition of the public debt stock is projected at approximately Ksh2.8 trillion over the medium-term, with a larger share expected to be sourced from the domestic market.

It is for this reason that the House must place particular emphasis on the sustainability of the public debt management and on the trajectory of the debt stock itself. In this regard, the Committee wishes to draw the attention of the House to three critical pillars that would likely determine the success of this Debt Strategy.

First is revenue. The Committee observed that the MTDS is being implemented within a challenging macro-fiscal environment. Although revenues are projected to grow in nominal terms, they are expected to average only about 17 per cent of the GDP over the medium-term, which remains below the 20 per cent threshold often considered necessary for sustainability, support development, spending, and strengthened fiscal resilience. The Committee is of the view that at a time when expenditure pressures are already severe, policy should avoid creating additional fiscal inflexibility on the revenue side.

To illustrate this point, the Committee noted that Appropriation-In-Aid, which are projected to contribute an average of about 10 per cent of the total revenues, are largely already earmarked to specific expenditures, thereby limiting their effectiveness in reducing the overall financial gap. In effect, they may not materially reduce borrowing needs and may instead increase the level of gross financing required.

The Committee further observed that the growing use of revenue-tying arrangements, including securitisation of income streams, may weaken budget flexibility by pre-committing future revenues. This could increase future demand for budget support borrowing as a larger share of ordinary revenues become unavailable for general financing purposes.

The second one is expenditure. The Committee noted that expenditures are projected to average around 22 per cent of Gross Domestic Product (GDP) over the medium-term. Recurrent spending driven in part by debt servicing obligations continue to consume a substantial share of the budget. This leaves limited room for productive expenditure; particularly development spending, which remains constrained. Kenya has for several years remained at around five per cent of GDP growth path yet the national development aspiration is to progress towards 10 per cent growth under the Vision 2030. That ambition cannot be achieved without stronger investments in productive sectors of the economy.

In the Committee's view, development expenditure should not merely be to meet the statutory threshold of 30 per cent of total expenditure, but should progressively rise towards levels that are more meaningful, support infrastructure, industrialisation, competitiveness and long-term growth. This is important because development expenditure is not only central to economic transformation, but also to building the country's future debt servicing and repayment capacity.

The third one is on fiscal consolidation and debt sustainability. With interest payments alone accounting for 41 per cent of ordinary revenue, the Committee observed that debt service obligations continue to tighten fiscal space. This makes it imperative for the Government to

pursue credible fiscal consolidation, stronger revenue mobilisation, tighter expenditure control and sustained economic growth. From a debt sustainability standpoint, success will ultimately depend on whether the country adheres to its fiscal adjustment path and move meaningfully towards the statutory debt anchor of 55 per cent of GDP in present value terms by 2028.

Notwithstanding these concerns, the Committee is encouraged that the Medium-Term Debt Management Strategy (MTDS) proposes deliberate measures to improve the composition of the debt portfolio and manage debt risk over the medium-term. In particular, the Strategy emphasises smoothing the maturity profile, increasing the share of fixed rate debt and maintaining prudent exposure to foreign currency liabilities that is directionally sound. The Committee, however, emphasises that the success of the Strategy will depend not merely on the design of the financing mix, but on disciplined implementation, consistency with other fiscal policy documents and enhanced transparency in the use of the borrowed resources.

Arising from its review of the strategy and its consultations with stakeholders, the Committee makes the following policy recommendations for consideration by the House:

1. That, all securitisation and commitment of public money be subjected to transparent disclosure and parliamentary oversight, including publication of the fiscal implications of these commitments to future debt sustainability.
2. That, to strengthen productive capacity, accelerate growth and expand future debt repayment capacity, the National Treasury increases the development expenditure above the statutory minimum of 30 per cent of all expenditures as set out in Section 15 of the Public Finance Management (PFM) Act (Cap. 412) over the medium-term.
3. That, given the declining Central Bank rate, the National Treasury ensures that planned domestic borrowing remains appropriately sized and carefully timed so that Government demands for funds does not unduly crowd out credit to the private sector.
4. That, future MTDS incorporates explicit sensitivity analysis and contingency measures for climate-related and growth downside risks, including mechanism to protect priority spending while maintaining adherence to fiscal targets.
5. That, the National Treasury outlines expenditure rationalisation measures required to accelerate convergence towards the 55 per cent statutory debt anchor, present value terms under Section 50 of the PFM Act, within six months.
6. That, the National Treasury ensures that Public-Private Partnership (PPP), securitization and other alternative financing mechanisms are fully integrated into fiscal risk reporting and stress testing to ensure that the total fiscal exposure is transparently captured.
7. That, in view of the anticipated reliance on commercial borrowing over the medium-term, the National Treasury institutes robust reporting mechanism on the utilisation of commercial loans to enhance traceability and accountability, particularly where such proceeds are applied to general budget support.
8. That, the National Treasury and relevant institutions sustain structural reforms aimed at raising potential growth and competitiveness, including reforms that strengthen productivity, support exports and enhance the investment climate in line with the objective of improving long-term debt sustainability.

The Committee also makes the following financial recommendations:

1. That, the fiscal deficit target for the medium-term is approved and set at 5.3 per cent of GDP for the Financial Year 2026/2027, 3.6 per cent of GDP for the Financial Year 2027/2028, and 3.3 per cent of GDP for the Financial Year 2028/2029 in line with the fiscal consolidation path.

2. That, the country's borrowing strategy is approved at 22 per cent for the net external borrowing and 78 per cent for net domestic borrowing as contained in the 2026 Medium-Term Debt Management Strategy.

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

*[The Temporary Speaker
(Hon. Farah Maalim) in the Chair]*

Hon. Temporary Speaker, the Committee remains optimistic that with sustained commitment to reform and close adherence to the fiscal responsibility principles enshrined in the Constitution, Kenya can progressively rebuild fiscal space, strengthen confidence in public debt management, and place the debt trajectory on a firmer and more sustainable path. The Committee, therefore, presents this Report to the House, with recommendations intended to strengthen the credibility, transparency and effectiveness of the MTDS while safeguarding macroeconomic stability and supporting inclusive growth.

With those remarks, I beg to move and request Hon. Irene Mrembo, who is the Vice-Chair of the Committee, to second.

The Temporary Speaker (Hon. Farah Maalim): Proceed, Hon. Irene.

Hon. Irene Njoki (Bahati, JP): Thank you, Hon. Temporary Speaker. I rise to second the Report of the Public Debt and Privatisation Committee on the Medium-Term Debt Management Strategy for the Financial Years 2026/2027 to 2028/2029.

In seconding this Report, allow me to briefly underscore the key considerations that informed the Committee's review. First, on the macroeconomic and growth outlook, the Strategy is anchored on assumptions of an average real GDP growth of 5.3 per cent over the medium-term supported by continued activity in agriculture, construction, industry and services. However, the Committee observed that this growth path remains modest relative to Kenya's long-term development ambitions, and may not be sufficiently transformative to materially improve debt-carrying capacity. In particular, the economy has remained at around five per cent growth range for some time, while the structural aspirations under Vision 2030 is a target of 10 per cent. To move the country towards a newly industrialising middle-income economy supported by higher and more broad-based growth, the Committee's view is that the Strategy should now be supported by stronger structural reforms aimed at improving productivity, competitiveness, exports and private sector activity. This will help Kenya to gradually raise its growth potential and strengthen its debt-carrying capacity over time.

Second, on fiscal policy, the Committee observed that the Strategy is being implemented in a constrained, but manageable physical environment. Revenues are projected to improve over the medium-term although they are still expected to average about 17 per cent of GDP. While expenditures remain elevated at 21.5 per cent of GDP, this means that the fiscal deficit will remain a key feature on the medium-term framework, and borrowing will continue to play an important role in financing Government operations. Even so, the Committee is encouraged that the framework provides an opportunity for the National Treasury to deepen fiscal consolidation efforts through stronger revenue mobilisation, expenditure rationalisation, and better alignment to borrowing to productive priorities.

Third, on the Debt Strategy, the Committee appreciates that the Medium-Term Debt Management Strategy (MTDMS) provides a deliberate and structured approach to managing the cost and risk of public net portfolio. The proposed financing mix under domestic borrowing will account for 82 per cent of gross financing and 78 per cent of net financing while external

borrowing will account for 18 per cent and 22 per cent, respectively. That reflects an effort to respond to prevailing market realities while reducing exposure to external shocks.

The Committee considers this approach understandable within the present financing environment. However, it proposes that implementation of the Strategy be accompanied by continued efforts to deepen the domestic debt market, broaden the investor base, and carefully calibrate foreign levels to preserve macroeconomic stability.

The last one is on the main risk of the debt outlook. The Committee observed that the medium-term debt path remains exposed to refinancing pressures, elevated debt service obligations, continued reliance on domestic borrowing and the growing role of commercial external borrowing.

There are also broader fiscal risks associated with contingent liabilities, public-private partnership (PPP), securitisation, and other alternative financing mechanisms. However, the Committee takes the view that these risks can be managed better through improved fiscal reporting, stronger fiscal risk disclosures, more active liability management and closer integration of all public liabilities into the fiscal framework. In that regard, the Report before the House proposes practical recommendations intended to strengthen transparency, accountability and long-term debt sustainability.

Hon. Temporary Speaker, the Committee is convinced that, notwithstanding the challenges currently facing the debt environment, the proposed MTDMS provides a credible framework for strengthening public debt management over the medium-term. I concur with the Chairperson and the Committee that what the country requires is disciplined policy implementation, greater efficiency in utilisation of public resources and stronger fiscal consolidation anchored on supporting growth and industrialisation. Through these measures, Kenya can progressively reduce debt vulnerabilities and place the public debt trajectory on a firmer and more sustainable path.

For those reasons and in support of the recommendations contained in the Report, I beg to second.

(Question proposed)

The Temporary Speaker (Hon. Farah Maalim): Hon. Wilberforce Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Temporary Speaker. Let me also stand here to support the Report by the Public Debt and Privatisation Committee on the MTDMS for Financial Years 2026/2027 to 2028/2029. The Strategy provides that domestic borrowing will account for 82 per cent and external borrowing will account for 18 per cent. According to the Report, the intention of this debt mix is to minimise exposure to exchange rates, external rollover risks and to leverage local market debt and enhance the productivity of the funding. The Report presented to us here clearly indicates and confirms matters we have been talking about at public forums.

The first and important thing is that, according to the Central Bank of Kenya, the national debt has grown from approximately Ksh9 trillion in 2022 to approximately Ksh12.25 trillion by the end of 2025. That is about Ksh3.5 trillion increase in three years. We are in simple terms saying that the country has been borrowing on average Ksh1.1 trillion each financial year. This, again, brings us back to the obvious questions we ask. The current regime campaigned on the promise that they would not borrow. That, borrowing by the previous

regime was bad. The current President was part of that regime and he said it was a bad economic policy yet they have continued to borrow unabated.

Odious debt is the second issue that comes out very clearly and many people have talked about it. Out of the Ksh3.5 trillion borrowed from 2022 to 2025 that a memorandum presented by various Members picked out, we are unable to clearly indicate how that money has been used.

The Report brings out the dire strait or structural situation that this economy finds itself in. We have been told all over the press and at political rallies, on top of car roofs and on podiums; that the economy is stable and doing well. In their own admission, the continued underdevelopment or the continued reduction on Development Vote from below the 30 per cent provided from the PFM Act is restricting the growth of this economy. Actually, it is restricting the growth of locally generated revenue. Then they keep on telling us, “We are doing well.” We are not doing well. At this point, we are, again, being told that any change will put Kenya at a peril of debt default because we are almost at the choking point. The change may be a local change or shock, or an external shock. Why we are borrowing money and what we are doing with it cannot be seen.

Third is what we have talked about securitisation and whatever arrangement we have. It is true, important, and the Committee must be alive to it. This is debt. We are choking the ability of this country to borrow any further because we are committing revenue that does not exist. We are prospecting and proposing yet that revenue is not with us now. That revenue alone is constricting.

Hon. Temporary Speaker, truth be told. The PFM Act provides for 55 per cent debt to GDP. We are now almost at 68 per cent. In its own admission, the Committee says that we will not be in a position to meet that status by 2028. Are we truly telling Kenyans the truth or we are just lying to them to make them happy?

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Hon. Tindi Mwale. Okay, Hon. Omboko Milemba.

Hon. Omboko Milemba (Emuhaya, ANC): I am yet to get there.

The Temporary Speaker (Hon. Farah Maalim): You are yet to get where?

Hon. Omboko Milemba (Emuhaya, ANC): I am yet to get to my seat. My notes are on the other side of the Chamber.

(Laughter)

The Hon. Speaker (Hon. Farah Maalim): Hon. Kwenya Thuku.

Hon. Kwenya Thuku (Kinangop, JP): Thank you, Hon. Temporary Speaker, for giving me an opportunity to give my comments on the Medium-Term Debt Management Strategy for the Financial Years 2026/2027 to 2028/2029 as presented by the National Treasury and our Report therein. I am a Member of the Public Debt and Privatisation Committee.

From the foregoing, I support our Report. Debt is becoming quite a thorny topic in the country. Politics aside, we need to look at where we are as a country and what we need to do going forward. In 2023, we amended the Public Finance Management (PFM) Act. The amendment was on Section 50, which states that by 2028, we must be at 55 per cent plus or minus 5 per cent in terms of debt to GDP in present value. Progressively, I have been monitoring to see where we are. I am so passionate about debt management, being a topic that has refused to die from our media and from the mouth of every Kenyan who cares to observe how the economy is performing.

As we were engaging the National Treasury, we asked for projections to see whether by 2028 we will be where we envisaged when we amended Section 50 of the PFM Act to make sure that we are at 55 per cent plus or minus 5 per cent debt to GDP in present value. It has been said here that the National Treasury stated that the best they can do by 2029, not even by 2028 as projected, will be at 62 per cent. Therefore, if we are not going to relook at our law, then it means they are going to breach because they will not hit the 60 per cent and below as was envisaged when we amended Section 50 of the PFM Act.

Something else that should worry us so that we look at what we are doing to make sure that the fears we have are valid, is the issue of the amount of interest that we pay every financial year from our revenues. You can imagine, out of our revenues, 41 per cent goes to the repayment of interest only without mentioning the principal amount. That is quite worrying. Something must be done if we are a serious country that desires to reduce the debt burden.

The next thing I looked at when I was interrogating the MTDS that was presented to us by the National Treasury is the borrowing mix. Previously, we approved MTDSs, as the National Assembly, but at the end the financial year, we realised that there was no fidelity to those resolutions. We passed a borrowing mix of 55 per cent and 45 per cent domestic and external borrowing, respectively. We have not witnessed the implementation of any borrowing mix that we have approved here so far. We may give an allowance, give and take, of about 5 per cent or thereabout, but the variance is quite worrying. We have been presented with a debt mix of 78 to 22 per cent so that we get 100 per cent.

That is to say that if we are going to borrow domestically or locally, for every Ksh100 that we borrow, Ksh68 is going to come from the domestic market. That is to say that we are going to mop up all the money that is within our republic. We have to borrow that money and compete with the private sector. I got worried and asked the National Treasury what they are going to do to make sure that the bank interest rates do not shoot if at all our market is going to be demand and supply-controlled. They said that the Government, through enforcement of CBR, will make sure that bank interest rates are within reach. That is for us to see, but this is something to worry us as a country. We must not do things and assume that it will be business as usual.

The Temporary Speaker (Hon. Farah Maalim): Give him an additional minute.

Hon. Kwenya Thuku (Kinangop, JP): Thank you, Hon. Temporary Speaker, for the magnanimity. We must be alive to the fact that...

Hon. Ndindi Nyoro (Kiharu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): What is out of order, Hon. Ndindi Nyoro?

Hon. Ndindi Nyoro (Kiharu, UDA): I have been listening to my brother, Hon. Kwenya. There are statements he has made that need to be substantiated. The National Treasury appeared before the Committee and purportedly said that one of the debt management tools would be lowering the CBR rate. The CBK fiscal policy monitoring committee should act independently from the National Treasury.

The Temporary Speaker (Hon. Farah Maalim): Order! Are you talking from a point of knowledge or practice? If it is practice, we are not qualified for that. If you are saying that he is misleading the House, then that point was not discussed.

Hon. Ndindi Nyoro (Kiharu, UDA): That matter is too weighty. It needs to be substantiated.

The Temporary Speaker (Hon. Farah Maalim): Order. Do you have information as to what exactly has transpired within that framework of discussion? If you do not have information, but you are saying that Hon. Kwenya is misleading the House, then you can give your point of argument at the appropriate time. You are looking at the practice and not the actual incidence.

Proceed, Hon. Kwenya.

Hon. Kwenya Thuku (Kinangop, JP): Thank you, Hon. Temporary Speaker, for ruling my brother out of order. I do not have to respond to him.

Fairly speaking, it is the mandate of the CBK to make sure that banks do not act at will, charging interest rates as they wish. There is a minimum rate that is set by the CBK and that is what I am talking about. Even with the kind of borrowing that has been happening in the country, it is interesting that the interest rates have remained low. If that is sustained, then borrowing domestically is okay because that interest will, again, go to the pockets of Kenyans as opposed to paying interest that goes out of the country to benefit the institutions we borrow from.

With those remarks, I support the Report.

The Temporary Speaker (Hon. Farah Maalim): Hon. Omboko Milemba.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Temporary Speaker. I thought we were speaking for 10 minutes, but I realise the time is much shorter. Thank you for giving me an opportunity to speak on debate on the Report on the Medium-Term Debt Management Strategy as moved by the Chairman of the Public Debt and Privatisation Committee.

Talking of debt in this country, it is a topic that is very sensitive. It is a concern to every person. Previously, that was not the case. I want to thank the House for introducing the Public Debt and Privatisation Committee, which is helping us to oversee everything related to public debt and interacting with the Debt Management Strategy in the medium-term. Kenyans are very concerned about debt. In the period up to the end of the reign of President Jomo Kenyatta, nobody got concerned about debt. Indeed, debt was welcome at that particular time. We would also get grants, which are currently not forthcoming. If we were to go into history to see where President Jomo Kenyatta left the public debt, we realise that it was very minimal. President Moi took over from Jomo Kenyatta and left us with a fairly low level of public debt. The figures are all over the public domain. It was between Ksh3 billion and Ksh4 billion.

The late President Mwai Kibaki, the economist, handled the public debt very well. It never spiralled to high levels. In fact, it is during the reign of retired President Uhuru Kenyatta that the public debt spiralled to double digit. You can look up that fact through Google. I have done this several times. The public debt then grew steadily. At some point, the amount tripled. That is how we arrived at the current situation.

By the time His Excellency President William Ruto assumed office, the public debt was already at what could be considered “a manageable situation.” That is where we are, and it is important that Kenyans appreciate these facts. It is equally important that this Committee continues with its work. There are several points that deserve to be highlighted. I believe the Committee has done a commendable work.

My first issue of concern is on the amount of money we plan to spend, and budget for, on development. It appears that we only strive to maintain the minimum threshold of 30 per cent of the budget. I appreciate that the budget faces many constraints arising from competing national priorities, many of which are not necessarily development oriented. However, if this economy is to grow beyond 6 per cent, the modest figures we record and celebrate each year, then we must invest more. As Parliament, we must ensure that the minimum threshold of 30 per cent is surpassed so that we allocate more resources to development. The Committee has made an important and encouraging observation regarding revenues from Appropriations-in-Aid and the funds being directed towards securitisation and related arrangements. It is also true that concessional borrowing is declining, and it is increasingly becoming difficult for countries, including Kenya, to access such financing. As a result, we have turned to commercial

borrowing, which is equally becoming difficult to access. Each year, we are forced to roll over loans from one period to another, which is most likely what the National Treasury is currently doing.

If the Committee is advising that funds obtained through PPPs and securitisation arrangements are effectively loans, then this House must exercise firm oversight over how they are contracted, the terms attached to them, and how the funds are being utilised. That was an important contribution by the Committee.

The Temporary Speaker (Hon. Farah Maalim): Give him half a minute more to finish.

Hon. Omboko Milemba (Emuhaya, ANC): All these funds will ultimately add to the total public debt stock and affect the general running of the country. There is much more to be said about this matter. A technical subject like economics and public finance would benefit from longer speaking time. It would have been preferable to allocate about ten minutes to each speaker so that Members can present their views adequately.

I support.

The Temporary Speaker (Hon. Farah Maalim): Hon. Beatrice Elachi.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Temporary Speaker. I rise to support the Report as we reflect on whether, as a country, we can agree with what the Committee is saying while examining our broader macroeconomic context and asking ourselves whether we are moving in the right direction. If we do not tighten our global liquidity position, we will continue to face the challenges we are discussing.

When we started borrowing, we agreed that the borrowing was intended to support major projects in the country. The challenge has been that, although we undertook these large projects, which were not started by regime of the current President, we must accept that by the time we sought various external resources, something had already gone wrong. It cannot be that at this stage we continue to blame His Excellency the President to resolve the problem. Instead, we should be asking ourselves what we have achieved from the Eurobond and other infrastructure bonds that have contributed to the debt we are now in. What can we point to, as a country, and say this is what we did? Has the debt supported national development? We may say that we have roads and other infrastructure, but we must still examine our global liquidity position. Those who issued Eurobond at the time earned significant interest, but the country has been left with considerable challenges.

My second concern is exchange rate volatility. Borrowing is undertaken at a particular exchange rate, often at a high rate. In some cases, the resources may not even have been utilised. The funds may not have been fully drawn yet the time for repayment arrives. So, the debt servicing time comes even before the debt has been effectively used. How do we support the Government to address debts that are approaching maturity even though the funds have not been fully utilised? I hope the National Treasury, as indicated in the Report, is working to address this issue. It should consider whether some of these debts can be restructured or cancelled, and whether we can shift towards lower and more manageable obligations that we are able to repay and service.

My third concern is on the domestic versus external debt ratio. We must reconsider whether the current balance is appropriate, and whether we should continue relying on external borrowing or place greater emphasis on domestic borrowing. We need to determine which option is more viable for the country and for the citizens, who ultimately bear the burden of repayment. Looking at our present situation, one of the key risk indicators is the debt servicing to revenue ratio. We depend on revenue to service debt yet the ratio remains unfavourable.

Kenyans are making great efforts to generate revenue, but it is evident that we are struggling to meet all our debt obligations.

We must ask ourselves how to continue implementing large infrastructure projects while making use of emerging infrastructure funds and other financing mechanisms. Will these help us reduce the debt burden? As we approach the Financial Years 2026/2027 and 2027/2028, we shall soon be reminded of the remaining Eurobond obligations that must be paid. As a country, even as we address these matters, we must reflect on the lessons of the past.

I beg to support.

The Temporary Speaker (Hon. Farah Maalim): Next is the Member for Nairobi City County, Hon. Esther Passaris.

Hon. Esther Passaris (Nairobi City County, ODM): Thank you, Hon. Temporary Speaker, for giving me this opportunity. I rise to support the Motion on adoption of the Report of the Public Debt and Privatisation Committee on the Medium-Term Debt Management Strategy for the Financial Years 2026/2027, 2027/2028 and 2028/2029. I commend the Committee for its thorough examination of the Strategy and for the clear policy and financial resolutions contained in the Schedule.

The debt in itself is not the enemy, indiscipline in debt acquisition is. The Report outlines a fiscal consolidation path reducing the deficit from 5.3 to 3.3 per cent of GDP over the medium-term and proposes a borrowing mix of 22 per cent external and 78 per cent domestic borrowing and external borrowing, respectively, which signals seriousness and discipline. However, as we adopt this Report, we must be clear. We must reduce the deficit, but not at the expense of growth. We must balance our books without shrinking our economy. If we tighten fiscal policy without protecting development expenditure, which the Committee correctly emphasises, we risk slowing the very growth that will help us repay this debt. I strongly support the recommendation that development spending must remain above the statutory minimum threshold because the only sustainable debt strategy is growth.

This Report rightly calls for transparency in securitisation, public private partnerships and alternative financing mechanisms. That is critical. If it creates fiscal risks, Parliament must see it. Hidden liabilities undermine public trust. Debt is intergenerational. It is about whether our children will inherit opportunity or obligation. When we look at the President's focus on infrastructure, power stations, dams, affordable housing, sporting facilities, schools, hospitals and smart agriculture, we see borrowing directed towards productive assets.

Hon. Temporary Speaker, housing deserves careful reflection. The Housing Levy was introduced as a structural funding mechanism for affordable housing. That reform was bold and necessary. However, demand for housing far exceeds the Levy's capacity. As we implement this Debt Management Strategy, can we optimise existing mechanisms, such as the Housing Levy, before increasing borrowing? Can we strengthen Public-Private Partnerships (PPPs) and private capital participation to reduce pressure on public debt? If we can inject more into housing delivery without increasing debt exposure, then we will enhance fiscal prudence while accelerating social impact. Housing is not only about houses, but also a stimulus. It creates jobs and strengthens Small and Medium-sized Enterprises (SMEs). It also builds household assets and expands our tax base.

If debt builds power stations, it drives manufacturing. If it builds dams, it strengthens food security. If it builds houses, it creates jobs and dignity. If it builds schools and hospitals, it strengthens human capital. This is what strategic borrowing is all about. Therefore, let us adopt this Report with clarity, borrow for productivity rather than consumption, disclose all

fiscal risks, and optimise internal financing before increasing debt. If we do that, our children will not only inherit obligation, but also opportunity.

I support the Report, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Hon. Raso Dido.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Temporary Speaker. I rise to support the Committee's Report. As for debt, cut your cloth according to your size. We all know, in this House, that debt is necessary for countries to grow, even at the individual level. You sometimes have to borrow to make ends meet.

I expected the Committee to lay out the positive macroeconomic indicators to give us a picture of the future. What is the future? How does the Kenyan economy look? We are not safe from the vagaries of international financial systems and problems that occur many miles in Europe and the United States of America (USA). They affect us because our economy is not insulated from the rest of the world. The 17 per cent revenue, if, indeed, it is true to what they have presented, has been there for quite some time. For us to grow this economy, that revenue must rise to 17, 18, 20 or 22 per cent, so that we can comfortably say that we have enough money for development. We can pay all the workers or finance the ongoing projects. In the absence of that liquidity, we will be struggling.

Hon. Temporary Speaker, for us to meet the Debt Management Strategy outlined by the Committee, this economy must grow every day. We cannot run away to say that, as Hon. Oundo has said, we are borrowing too much. We cannot do that if we are not borrowing for recurrent expenditure. If we are borrowing for development, then it means we are borrowing to do the right things. That is the right thing to do in economics.

The expenditure is at 52 per cent, and there is a debate over recurrent versus development expenditure. Hon. Passaris asked about other alternative funding mechanisms. Do we have enough foreign direct investment (FDI)? Is the Kenyan economy robust and lucrative enough to attract FDI? These are some of the things we must look at.

Debt servicing is at 41 per cent. If we are borrowing to pay off debt, then it means we are not moving. However, if we are borrowing, paying our debts, developing and then we have enough liquidity in the marketplace, then that is progress in economics. One important thing the Committee has told us about is PPPs. That is where the world is moving to. You allow the private sector to undertake development, build roads, install toll stations, put up buildings, and lease offices, rather than the Government doing so. This helps them avoid borrowing money to do those things. There is also the sale of non-performing entities, as has been done with the Kenya Petroleum Refineries Limited.

The Temporary Speaker (Hon. Farah Maalim): Give him an additional one minute.

Hon. Ali Raso (Saku, UDA): Thank you, Hon. Temporary Speaker. That is capital lying idle. We will hear, maybe in a few weeks, how much the taxpayer has collected from that. It will save this country, taxpayers, and all of us, a lot of money compared to borrowing. What are the incentives in the economy?

Finally, the Committee has talked about the Central Bank of Kenya and the National Treasury. Please, do not leave it to them. We will be asking you questions, but not them because you represent Kenyans.

With those few remarks, thank you, Hon. Temporary Speaker. I beg to support the Motion.

The Temporary Speaker (Hon. Farah Maalim): Hon. Basil Robert, followed by Hon. Ndindi.

Hon. Robert Basil (Yatta, WDM): Thank you, Hon. Temporary Speaker. I rise to join Hon. Members who support the Report on Medium-term Debt Management Strategy from the Public Debt and Privatisation Committee.

At the outset, borrowing is not the problem. If you look at Japan's debt-to-Gross Domestic Product (GDP) ratio, it ranges from 230 per cent to 250 per cent. If you look at a country like the USA, the debt-to-GDP ratio stands at 120 per cent. In Kenya, our debt-to-GDP ratio ranges from 68 per cent to 70 per cent. How do we use the money we borrow? That is the one-million-dollar question. Remember, we are talking of borrowing wisely and spending prudently. That is where we fall short of the progressive nations. Instead of investing in high-impact projects like roads, energy, and manufacturing, we are placing less emphasis on them. That is why, as a House planning for this country, both now and for future generations, we need to reverse how we spend our money. If we borrow money, let us invest it in areas that will regenerate and generate revenue to drive the economy.

If you look at the amount of money we are borrowing, there are consequences, including increased debt. This causes a burden in servicing that debt. That is one of the serious consequences we are facing as a country. Most of the poor bear the greatest burden of servicing the debt. That is why, as a House that plans for this country, we need to plan wisely. If you look at our currency, the depreciating Kenyan shilling has consequences for the cost of repaying external debt. If we do not plan well, the cost of living will continue to increase, with detrimental consequences across all facets of the economy. So, in principle, we need to focus on the proper use of the money we borrow.

Again, we need to look at better options to raise local resources. We talk of strengthened domestic revenue mobilisation. We must seal the leakages in tax collection through the Kenya Revenue Authority (KRA). We need to negotiate longer grace periods for debt repayment and lower interest rates on the funds we borrow. We also need to cut wastage and duplication of resources. Remember, those are some of the areas where our country is losing money. That is where we differ from progressive nations, which have higher debt-to-GDP ratios than Kenya and are doing better than we are.

We need to reallocate our funds to the high-impact sectors I mentioned. We talk of energy and agriculture, which used to be the backbone of the economy, as well as roads and water. Through that, we will be able to support debt repayment.

We also need to promote public-private partnerships (PPPs), as seen in the Asian Tigers: Taiwan, Hong Kong, Singapore, and South Korea. You find PPPs there, particularly in road infrastructure, toll stations, among others. Finally, we need to privatise loss-making parastatals so that we do not continue incurring burdens by investing where there are no returns.

The Temporary Speaker (Hon. Farah Maalim): Summarise in one minute.

Hon. Robert Basil (Yatta, WDM): I will summarise by saying that we need to realign our investments to ensure economic returns, so that we do not continue pumping money into areas with no return. With those few remarks, I support the Report. We must consider all this to move our country and our economy forward and make them better than they are today.

The Temporary Speaker (Hon. Farah Maalim): Hon. Ndindi.

Hon. Ndindi Nyoro (Kiharu, UDA): Thank you very much, Hon. Temporary Speaker, for this chance to contribute to this very important Motion. At the outset, I want to dispel the argument that we often hear that other countries, such as Japan and the United States of America (USA), have higher debt-to-GDP ratios. That argument is misplaced because, when we talk about debt, we mean gross debt. However, some countries are both lenders and borrowers. For example, when you argue that Japan has an over 200 per cent debt-to-GDP ratio, the consideration must be that Japan is a major lender to the USA economy. When you net off all that, the arithmetic changes.

Secondly, in some years between 2010 and 2020, Japan's 10-year bond yield fell into negative territory; it was borrowing at below zero. That discounts the idea that we can compare heterogeneous economies when making a point. Going to the issue at hand, I commend the Committee and its recommendations. I have listened to the Chairman outline the recommendations, and I wish the Government was listening to some of the recommendations made by this House, because a lot could have been arrested.

To paint a picture of where we are: President Mwai Kibaki took over when our national public debt was around Ksh600 billion. By the time he left office, it was around Ksh1.7 trillion and 1.8 trillion, meaning that during his 10-year tenure, the country borrowed a net of about Ksh1.2 trillion, with visible economic development. President Uhuru Kenyatta, together with his Deputy President, who is now the President, took the debt from about Ksh1.7 trillion to around Ksh8.7 trillion in 10 years. Now, this administration, in three years and a few months, has seen the debt grow from Ksh8.7 trillion to over Ksh12.5 trillion, meaning we are borrowing over Ksh1.2 trillion per annum on the regular book, excluding loans outside the main book. This means Kenya is currently borrowing over Ksh4 billion every single day. By the close of today, Thursday, Kenya will have borrowed approximately Ksh4 billion.

This money is not part of what we visibly see as growth. Everything happening in the road sector is not part of this loan; it is another odious loan instrument called securitisation. Everything related to stadium construction is not part of the Ksh4 billion we are borrowing daily. It is another debt facility, including projects such as Talanta Bond. What is happening at Bomas of Kenya is not part of the Ksh4 billion. It is an odious debt where we have given up our Tourism Fund.

The current debt levels in Kenya are alarming. I can say, facing the cameras, that we are on a dangerous path and are now a Ponzi Scheme. To prove this point, I would challenge the National Treasury to go even two months without raising money domestically, and we would not be able to pay salaries. This Report has betrayed many of the narratives we hear in political gatherings, where we are told by people in suits and ties that the economy has stabilised. But this Report has laid bare the reality: Kenya is in the red when it comes to debt.

The second issue is the debt management strategy, which proposes borrowing 78 per cent domestically and 22 per cent externally. This crowds out money that should go to the private sector. Kenyans need to know why we are borrowing so heavily domestically rather than externally. We are running away from accountability and responsibility. The International Monetary Fund (IMF) lends to Kenya at around 3 per cent on concessional terms. Why would you, in a sane mind, leave money at 3 per cent interest and instead borrow at double-digit rates domestically? How does that happen, logically?

(The microphone went off)

The Temporary Speaker (Hon. Farah Maalim): Add him a minute. Japan is borrowing from itself. That is why its debt is at 240-something. Where does it borrow from?

Hon. Ndingi Nyoro (Kiharu, UDA): If you can add three minutes, I will clarify that.

The Temporary Speaker (Hon. Farah Maalim): I will give you more time. The reason Japan's Government debt is not as dangerous as ours is that it is not borrowing from outside. It is doing domestic borrowing. At the same time, you find fault with domestic borrowing here because you say external borrowing would have been cheaper. But even for Japan, how would it be? For my academic interest.

Hon. Ndindi Nyoro (Kiharu, UDA): Let me start here. Japan's GDP has not grown in real terms for the last 30 years. That counters the argument that reliance on debt is too heavy. Japan's GDP has remained around US\$4.9 trillion in real terms since 1994.

Secondly, when we talk about the debt-to-GDP ratio, what is reported is gross debt. It does not account for the fact that you have borrowed, but you have also lent. Japan's case is this: When we report the debt-to-GDP ratio at over 200 per cent, it has not accounted for the fact that Japan is the number one lender to the United States of America. Japan is also a lender to Kenya. That is not discounted. When you discount that, the debt-to-GDP ratio reduces drastically. That is the point.

The other issue is domestic and foreign borrowing. Japanese debt relies primarily on domestic sources for resource mobilisation. But look at the cost. Japan can afford to borrow domestically at 0.5 per cent and lend to another country at 3 per cent. They will be in business because the money coming in is cheaper than the money going out. Therefore, comparing Kenya with Japan and the United States of America when making a political point is totally out of place. Can I go to my one minute?

The Temporary Speaker (Hon. Farah Maalim): Except that you are saying the USA borrows heavily from Japan., yet the USA's debt-to-GDP ratio is over 100 per cent. Over 100 per cent of its GDP. I am trying to connect the dots. On the one hand, Japan borrows domestically and lends externally, including to the USA. So, they should be in a predicament like ours, or worse, since they have a debt-to-Gross Domestic Product ratio of over 120 per cent. Maybe educate us on that.

Hon. Ndindi Nyoro (Kiharu, UDA): I am saying it very respectfully, I will need an hour to deal with that alone. Let me start here: When you are dealing with a country...

The Temporary Speaker (Hon. Farah Maalim): You have one minute for the benefit, because I really wanted you to clarify that in one minute.

Hon. Ndindi Nyoro (Kiharu, UDA): Is it for this one alone or the whole?

The Temporary Speaker (Hon. Farah Maalim): Just one minute.

Hon. Ndindi Nyoro (Kiharu, UDA): The point I was making on the domestic borrowing is that we come here and tell Kenyans that we are borrowing domestically. But we are borrowing at 78 per cent domestically on one account, while leaving 3 per cent interest rate money to bring it to 10 per cent. It is for one reason. We do not want accountability that comes with external money.

External money requires you to do several things. One, you purport to form an Infrastructure Fund. This, in Kenya, should be an illegal borrowing Fund because you are forming it to leverage more and to borrow more. External lenders will tell you that we give you cheaper money, but account for this as part of the national debt. Since the Government does not want accountability, it borrows domestically. External lenders, such as the International Monetary Fund (IMF), the World Bank, and other multilaterals, will require securitisation, and the Talanta Board must be part of the national debt. Then what do we do domestically? We float bonds. Who are the buyers? The number one buyer is the National Social Security Fund (NSSF). Number two is the Superannuation Fund.

Therefore, part of this money is the Government borrowing its own funds, which are meant for workers. Since phone calls can be made, the NSSF can, albeit not optimally, channel resources there. We should know that the tendency we are on cannot perpetuate forever. We will soon be like Senegal and later like Ghana. I hope decision-makers realise that the stability of our economy is more important.

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

The Temporary Speaker (Hon. Farah Maalim): What is your point of order?

Hon. Robert Basil (Yatta, WDM): Thank you, Hon. Temporary Speaker. Hon. Ndindi is my good friend, but I wanted to tell him that the point we are driving is the prudent use of

the money we borrow. If you talk about Japan, the money they borrow is from local sources. You should compare a country like Morocco. Morocco's debt-to-GDP ratio is 70 per cent, the same as Kenya's, but Morocco is doing far better than Kenya.

Hon. Members: They have exports and oil.

Hon. Robert Basil (Yatta, WDM): Not export alone. We need to be honest with ourselves so that we do not just criticise everything, but offer positive criticism.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): What is your point of order, Hon. (Dr) Wilberforce Oundo?

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): With reference to the young...

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Wilberforce. You cannot have a point of order on a point of order. Hon. Onchoke.

Hon. Charles Onchoke (Bonchari, UPA): Thank you for the opportunity to contribute to this Motion.

*(Hon. (Dr) Ojiambo Oundo
spoke off the record)*

The Temporary Speaker (Hon. Farah Maalim): I will make a ruling on the point of order, not you. Proceed.

Hon. Charles Onchoke (Bonchari, UPA): I wish to commend the Committee for developing this Strategy, but I would like to make the following observations. I am not confident that the total public debt is accurate. I am not sure that pending bills, which we hear year in, year out, being interrogated, are included in the public debt, which they ought to be. The same applies to implicit debts and pensions. We need to start by conducting a very accurate assessment of our debt position.

We are talking about an 18 per cent mix of domestic and external borrowing. This means there will be crowding out of the private sector. Banks are going to sit comfortably because they are sure of getting their risk-free 13 to 14 per cent. They will not be innovative in seeking additional products that can generate more revenue, particularly targeting small businesses. What do small businesses do when they are crowded out of the formal financial system? They turn to micro and digital lenders. These lenders are interesting players in the market. Many of them are not regulated. Their lending terms are unfair and unconscionable. The interest rates range between 30 per cent and 200 per cent.

What happens is that small businesses seeking bridge finance are required to provide collateral, such as a motor vehicle logbook. The evaluation is poorly done, maybe at 50 per cent of market value. Most of these loans are in default. These small businesses have their collateral seized and auctioned, causing distress, business failure and raising the cost of doing business in the country.

We need a borrowing mix that encourages the private sector to access the local market, enabling them to thrive and produce competitive goods and services in the region. Equally, we need to improve the country's credit rating to attract concessional international borrowing. We know we have been struggling as a country to improve our rating. We need to do better. We need to reduce debt service costs and improve revenue collection as measures to ensure borrowing is sustainable, our debt is sustainable, and the private sector is not crowded out.

The Temporary Speaker (Hon. Farah Maalim): Hon. Caroli Omondi.

Hon. Caroli Omondi (Suba South, ODM): Thank you, Hon. Temporary Speaker. I rise to acknowledge the boldness of this Report and the good work done.

If you look at the analysis and recommendations, it is a very bold Report. For example, Paragraph 25, in terms of solvency and debt sustainability analysis, clearly states that the

debt-to-GDP ratio is projected to be about 65 per cent, which is above the 55 per cent plus 5 statutory ceiling set under Section 50 of the Public Finance Management Act, Cap 412. It further states that the targets set, even by 2028, are unlikely to be met. This is very frank, and the country is being given the true picture of our debt situation. Paragraph 26, liquidity perspective: Debt service to revenue, as well as debt service to export ratios, are expected to breach the limits over the medium-term horizon. What is clearly stated is that Kenya's current debt situation is close to the level one would call debt distress. Whichever parameter one considers, whether risk of external debt distress or overall risk of debt distress, all indicators show that the levels are very high. This Report, therefore, provides a true and accurate picture of our situation.

What Kenyans probably need to remember is how we got here. In 2014, Kenya was reclassified from a low-income to a lower-middle-income economy. The reason given for this, commonly referred to as rebasing, was that Kenya would then have the capacity to borrow from international financial markets. What was not properly explained to Kenyans was the consequence of that reclassification. We would lose access to certain interest-free loans and grants, such as those described by Hon. Ndindi, including support from the World Bank and other Bretton Woods institutions.

The net effect has been that we have begun borrowing from more expensive commercial markets. For example, with the Eurobond, we were unable to repay the first issuance. We refinanced it and borrowed more, and we are now in the familiar cycle seen in many African countries of continually refinancing and recycling Eurobond debt.

Concessional loans, such as those obtained from the IMF, the World Bank, and other multilaterals, as Hon. Ndindi correctly stated, average about 3 per cent interest plus service charges and related costs. Commercial loans, however, range between 8 and 12 per cent. As a result of this rebasing and reclassification from a low-income to a lower-middle-income economy, our debt-to-GDP ratio rose from 36 per cent in 2011 to 68 per cent in 2025. In 2021, we entered into an IMF programme to address our debt vulnerabilities.

We, therefore, need a serious conversation on this issue. Even funds borrowed from commercial markets to finance infrastructure did not yield the expected economic output, either in overall economic performance or in improved export performance. The question we must ask ourselves is whether we should continue insisting that we are a lower-middle-income economy, or accept classification as a low-income economy to regain access to cheaper financing.

There are other issues to consider when discussing Kenya's debt problems. One is overpricing and corruption in projects. Another is securitisation. If one looks at the Talanta Stadium Project, our Committee's analysis of the financing mechanism amounts to Ksh6 billion in excess payments. About the Bomas of Kenya Project, there is no transparency on how it is being financed, and there appears to be excessive expenditure. We were informed by the Auditor-General as recently as last week that State House spent Ksh2.7 billion above its budget. Unless we address corruption, improve efficiency, and eliminate waste, nothing will change in our debt management.

Finally, as a way forward, I propose that we amend the Central Bank of Kenya Act to allow subscription to Government bonds electronically and in small denominations, similar to how we use the M-Pesa platform to buy shares. We should democratise ownership of Government borrowing.

The Temporary Speaker (Hon. Farah Maalim): Hon. Wandeto.

Hon. Geoffrey Wandeto (Tetu, UDA): Thank you, Hon. Temporary Speaker, for the opportunity.

The Temporary Speaker (Hon. Farah Maalim): This discussion is very academic and clearly so, but also very interesting. The United States only borrows about 3 per cent of its total debt. I want Hon. Ndindi Nyoro to hear this. The US only borrows 3 per cent of its total debt, which stands at US\$36 trillion from external sources, and only about US\$1.2 trillion from Japan. Over 80 per cent of the United States Government borrowing is domestic. I mention this to consider whether there is a parallel for us. Whether borrowing domestically or externally, there are examples of success in both cases. Anyway, continue, Hon. Wandeto.

Hon. Geoffrey Wandeto (Tetu, UDA): Thank you, Hon. Temporary Speaker, for the interesting discourse brought to the House. I rise to support this Medium-Term Debt Strategy, and the people of Balambala should be proud of their Member of Parliament. They sent a capable representative to this House.

Many of the issues I intended to raise have already been mentioned, so I will briefly highlight them and propose one or two amendments to this Report as it proceeds to the next stage. One concern arising from the Report is the proposal to peg domestic borrowing at about 82 per cent. The SME sector is the largest driver of job creation and economic growth in this country.

Anything that undermines access to credit for small businesses and households will have a detrimental effect. This proposal risks perpetuating the high levels of profitability seen in banks. Even poorly managed banks record profits because, in effect, they rely on Government securities. All that is required is to participate in the Friday auction of the Central Bank Paper, bid, and make profits, because there is already a guaranteed customer, the Government.

The second issue is the securitisation of revenues. This must properly be classified as debt. Although it is a relatively new financing model being advocated in this country, all future securitised revenues must be recognised as public debt.

The other issue is pending bills. In my view, although I may not have precise statistics, pending bills may be the third-largest source of Government financing after taxes and borrowing. They effectively amount to SME financing in the name of public expenditure. We must develop a policy under which any outstanding bill that has been pending for more than 180 days, or such period as may be determined, is officially classified as public debt.

Public-Private Partnerships (PPPs) have become very common in this country. It seems that that is the route the Kenya Kwanza Government is advocating for but almost all those PPPs carry a contingent liability. For example, if the Nairobi Expressway does not meet its revenue targets, or if something goes wrong, Kenyans have to pay for the contingent liability. That also needs to be classified alongside other public debt. We have been told that with regard to the upcoming National Infrastructure Fund, every shilling will attract an additional Ksh10 of debt. Therefore, that also needs to be properly classified as public debt.

The elephant in the room with regard to public debt has always been value for money. The Ethics and Anti-Corruption Commission (EACC) estimates that we lose about Ksh608 billion per year to corruption. Other estimates show that Ksh3 out of every Ksh10 collected by the Government is lost in one way or another to corruption. How do we progressively ensure that we get value for money for all the taxes we collect and the policies we make?

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): The Leader of the Majority Party has a point of order. You must have sunk in your seat because I did not see you.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I did not catch your eye then. I did not want to interrupt my good friend, Hon. Wandeto.

The Temporary Speaker (Hon. Farah Maalim): What is your point of order?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Wandeto is anticipating debate and misleading the country and the House. Unfortunately, I also heard Hon. Ndindi Nyoro doing the same regarding the National Infrastructure Fund. Since they were not here at 2.30 p.m., I want to inform them that the National Infrastructure Fund is scheduled for debate in the House next week, so we cannot debate it at this time. I have heard both of them say that the National Infrastructure Fund is part of an undisclosed debt, which is not true. They should hold their horses and wait for the National Infrastructure Fund Bill next week. They should avail themselves to debate on it. Stop anticipating debate, which is against our Standing Orders.

The Temporary Speaker (Hon. Farah Maalim): Proceed, Hon. Wandeto.

Hon. Geoffrey Wandeto (Tetu, UDA): Hon. Temporary Speaker, they say the guilty are afraid. As I conclude...

*(Hon. Kimani Ichung'wah
spoke off the record)*

The Temporary Speaker (Hon. Farah Maalim): What did he say?

Hon. Kimani Ichung'wah (Kikuyu, UDA): He said that the guilty are afraid.

The Temporary Speaker (Hon. Farah Maalim): What is he guilty of?

Hon. Geoffrey Wandeto (Tetu, UDA): Hon. Temporary Speaker, I did not refer to anything. That is just part of my submission, which I will substantiate. I have not talked about anybody.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I rose on a point of order on the issue of anticipation of debate. In response, Hon. Wandeto said that the guilty are afraid.

The Temporary Speaker (Hon. Farah Maalim): Guilty of what?

Hon. Kimani Ichung'wah (Kikuyu, UDA): I hope he is not insinuating that...

*(Hon. Wanjiku Muhia and Hon. (Dr) Ojiambo
Oundo spoke off the record)*

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, please, protect me from this heckling.

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Muhia and Hon. Oundo.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I can engage with Hon. Oundo and Hon. Wandeto because their debates have substance, but the Member for Kipipiri cannot engage me on any substance. She does not have the intellect to engage me on anything.

Hon. Wandeto had raised the issue of anticipation of debate. Therefore, I need your protection from the statement that the guilty are afraid. He must withdraw that statement and state whether he was right to anticipate debate on the issue that I raised.

Hon. Geoffrey Wandeto (Tetu, UDA): Hon. Temporary Speaker, I am well guided by the Leader of the Majority Party that we should not debate the National Infrastructure Fund.

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Wandeto. Withdraw and apologise to the House.

Hon. Geoffrey Wandeto (Tetu, UDA): Hon. Temporary Speaker, I withdraw and apologise, but it is not clear what I am withdrawing and apologising for. I did not say who is

guilty, neither did I say who is afraid, so the Leader of the Majority Party is filling in his own blanks.

As I conclude, one of the things that I have previously asked for in this House is a public debt register. If you were to walk to the Treasury Building and independently ask the Cabinet Secretary, the Principal Secretary, the Director of Budget or the Director of Debt what the Government of Kenya debt is, I can bet my money that you will get four different answers. Public debt should be captured in a register, which should be opened to public scrutiny.

Lastly, I do not know and I can be guided by Hon. Shurie on our policy on re-evaluation of debt, especially when we have exchange rate movements. That needs to be well captured in the Debt Management Strategy.

With those few remarks, I submit despite the interruptions.

The Temporary Speaker (Hon. Farah Maalim): Hon. (Dr) Mutunga.

Hon. (Dr) John Mutunga Kanyuithia (Tigania West, UDA): Thank you, Hon. Temporary Speaker, for giving me the opportunity to contribute to the Report on the Medium-Term Debt Management Strategy. This Strategy is necessary because it guides the public on borrowing and debt management. It will also help us to manage liabilities, costs and risks, so that we do not get into debt without contextualising what it is that we are borrowing.

I have looked at the Strategy and it highlights many issues. As a legal requirement, it highlights the Government's commitment to maintain public debt at sustainable levels. If we did not want to sustain the debt, we would not have a strategy. We have the Strategy because we want to sustain, pay and balance out our debt.

The Strategy will also enable us to mitigate risks associated with exchange rates. The Strategy will make it possible for us to structure our debt and consider the debt market analysis. We will know where we can get better rates, or whether we should go for external or domestic debt. Each has implications. With external debt, we can negotiate long-term borrowing or concessional loans. We can also negotiate the grace period before we start repayment. Borrowing internally enables us to sustain our economy and offload Treasury Bonds. It also enables us to inform the Government of the opportunities for borrowing and the diversity of possibilities. It also enables us to advise on the reforms that need to be made, so that we can enhance cost reduction and mitigate the risks that arise as a result of debt.

Several Members have alluded to the amount of our public debt. As at the end of June 2025, our debt stood at Ksh11.814 trillion, which is 67.8 per cent of the Gross Domestic Product (GDP). We should manage the debt through a strategy, so that we do not keep increasing it and borrowing carelessly. Analysis of the Kenyan situation shows that we can borrow. There is usually a lot of fear, hue and cry as we borrow, which possibly bars others from borrowing. However, macroeconomic indicators clearly show that the economy is stable and that we can properly manage our debt. Based on the figures in the Budget Policy Statement, we can guarantee that the economy will grow at around 5.3 per cent. We are also clear that if the agricultural sector continues producing or productivity is sustained and if we have a resilient service sector, the economy will grow.

The Bottom-Up Economic Transformation Agenda (BETA) is a major project in this country. It is a major undertaking and investment, which is injecting resources into the economy. It is creating employment opportunities for our people. It is also opening up frontiers for different parts of this country to develop and also offering various opportunities. Central Bank of Kenya (CBK) rates have gone down from 13 per cent to around 9.9 per cent. Therefore, it means the cost of credit is low and it enables people to access credit. That assurance itself improves the borrowing capacity of the people.

*[The Temporary Deputy Speaker
(Hon. Farah Maalim) left the Chair]*

*[The Temporary Deputy Speaker
(Hon. Omboko Milemba) in the Chair]*

Looking at what the proportion targets and the Strategy, 82 per cent is from the domestic sector. This helps us realise that our economy is growing, becoming resilient, and can also sustain some of these issues. The Strategy is okay because it enables us to structure out development in the midst of many possible shocks. It also helps us to manage payment of the debt in the event we have socioeconomic shocks across the world.

With those few remarks, I support the adoption of the Committee Report.

The Temporary Speaker (Hon. Omboko Milemba): Leader of the Majority Party.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Thank you. I rise to support this Report and the Motion by the Public Debt and Privatisation Committee. Allow me to take this opportunity to commend Hon. Shurie and all Members of the Committee for the great work they have put in.

If you go through the resolutions of the Committee, what many of us attempted was to speak to the gallery and not restrict themselves to what is before the House. I know many attempted to speak to the gallery because they think it will excite those out there. When elected to this House, you are charged with the responsibility to oversight Government, legislate and represent the people. Not to mislead them. That is why I rose on points of order when people started misleading the country into believing that the National Infrastructure Fund is another Fund for borrowing. It is not. Those who sit in the Public Debt and Privatisation Committee will tell you it is not.

The other lie I have listened to is that securitisation is another form of borrowing. Far from it. It is not another form of borrowing. All that you do in securitisation is converting your non-liquid or non-tradable assets into tradable securities. That does not constitute borrowing. That is exactly why, when you securitise, you move the assets you are doing out of your balance sheet. That is why the securitisation process you have done with your roads is not part and parcel of the balance sheet of the Government of Kenya. That is why the Public Debt and Privatisation Committee will not be reporting to you on such issues as part of the borrowing of our country. They are not part of your balance sheet. Even for you, if something is not on your balance sheet as an individual, it is neither an asset nor a liability. It cannot be part of your borrowing. Your borrowing will be part and parcel of your liabilities on your balance sheet.

Allow me to restrict myself to the real issues the Committee has raised, that we should be addressing as a House. The Committee has done very well. If you read their recommendations, part of what they are telling you to do is to ensure that PPPs, securitisation and other alternative financing mechanisms are integrated into our fiscal risk reporting and stress testing fully.

All we need to do as a nation is to ensure that all our PPP projects and all the forms of financing we get into do not, in any way and in the future, overburden our country or become a risk to our economy. When you create special-purpose vehicles outside mainstream systems, you must also stress test them as the Committee is telling us. That is the responsibility of the Public Debt and Privatisation Committee. This House must carry it out very well.

The other good recommendation that I saw is the call on the National Treasury to do risk mitigation plans around election cycles. Our country faces risks around the electoral processes during every electoral cycle. This is the right time. I must commend Hon. Shurie and the Committee for sensitising the National Treasury and all of us that we must have risk mitigation plans associated with the interruptions that will come during electioneering times and our electoral cycle.

The other recommendation that the Committee has called on this House to make revolves around our expenditure rationalisation. A Member has said that we make recommendations that the National Treasury does not follow through. This House works through committees. The Budget and Appropriations Committee and Public Debt and Privatisation Committee must help us to ensure there is proper rationalisation of expenditure. As we run towards the elections, there are requirements that will come in for the Independent Electoral and Boundaries Commission (IEBC) and other security-related issues. If we do not plan ahead of time, there will be a risk to our costs or expenditure rationalisation plans.

The Temporary Speaker (Hon. Omboko Milemba): I will add you three minutes because you are the former Chairman of the Budget and Appropriations Committee.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Yes. Even when I was removed as the Chairman of the Budget and Appropriations Committee, I stood firm to ensure that I supported the regime then in ensuring that we did the right thing. When things were not done in the right way, I called them out. When they were done in the right way, I had the fortitude, courage and boldness to say they were good for the country. We must grow beyond petty politics. At times, we allow petty politics, anger, desire for revenge and settling scores to override common sense. We even allow intellectual conmanship and deceit to take centre stage and mislead the country by speaking very good English or very bad English coloured in heavy words.

We tell this country the cost of President Kibaki's budget and how much he borrowed. His regime operated under the old Constitution before 2010. They did not have Ksh400 billion, almost Ksh500 billion, that we are obligated to send to the county governments by the 2010 Constitution. The heavy budgetary requirements that President Uhuru Kenyatta's regime and this regime beyond 2013 were confronted with were not there during President Mwai Kibaki's tenure.

We cannot say that there were no issues when President Mwai Kibaki took over Government in 2003 from the Kenya African National Union (KANU) regime in 2002. They were there. Let us say the truth. We have a very heavy governance system in this country. I say this because I was in this House in 2013 when the former Chairperson of the Budget and Appropriations Committee, Hon. (Rev) Mutava Musyimi, formed the huge Budget and Appropriations Committee that incorporated the Departmental Committee on Finance and National Planning and Public Debt and Privatisation Committee. It had 51 Members. This House, through the Budget and Appropriations Committee, audited the implementation of the Constitution. Those records are here, for those who care to read. Do not pontificate telling us things have changed and President Mwai Kibaki's debt level. Be honest. Tell Kenyans that the circumstances then are not the same under 2010 Constitution.

Lastly, borrowing is not a sin. Hon. Kwenya and Hon. Basil asked whether our borrowing is sustainable. Are we borrowing money which we can afford to pay? Is domestic borrowing evil? No, it is not. We need to make sure that it is well balanced. That is what the

Committee has said. There must be a clear balance in our domestic borrowing, so that it does not affect our Central Bank rate negatively and cloud out the private sector from domestic borrowing. That is why we need the alternative financing mechanisms and securitisation. Let us not demonise securitisation. If we do not go for alternative modes of financing, it means we go back and borrow.

Hon. Temporary Speaker, are International Monetary Fund and the World Bank loans cheaper? Yes, they are. Can we access them as quickly as we want to finance our obligations? No, we cannot. That is the truth. Those of us who serve in the Budget and Appropriations Committee and Departmental Committee on Finance and National Planning know this as a fact. We come, pontificate here and speak to the gallery. Let us be leaders and not politic. Cheap politics end up in premium tears at the end of the day. I tell those who are using these processes for cheap politics that it will end up in premium tears.

I support the recommendations of this Committee, especially in being able to increase how much we allocate in development expenditure. Part of it is what will come through securitisation. Otherwise, we run the risk of taxing Kenyans more or borrowing more. That balance is what we need through alternative forms of financing. As long as it is done responsibly, as the Public Debt and Privatisation Committee is asking us to do, we are good. We should balance how we borrow domestically and externally, and whether it is commercial or concessional loans.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Wanjiku Muhia.

Hon. Wanjiku Muhia (Kipipiri, UDA): Thank you, Hon. Temporary Speaker. The Committee has done a good job in its Report and all recommendations. They look okay. However, debt and its management are matters of concern to every Kenyan. No one should have feelings when we discuss them. Furthermore, there is no prescription in this House that you should not speak to the gallery. You speak in this House, within its walls. Whether you speak to the gallery or not, every Member speaks what is in their mind.

Debt management in this country is wanting. If the levels are 55 per cent, and we are already speaking at 70 plus, clearly, something is not right. I am happy because I have seen the amendment proposed in the Public Finance Management (PFM) Act. Debts are accruing or increasing day in, day out, to an extent that the unborn children are supposed to pay it in this country. Why? This is because of corruption, unclear budgets, integrity issues, transparency in the budget and accountability in the governance.

We see empowerments every day in State House and our counties. Where do these budgets come from? The unnecessary spending in this country makes this debt continue increasing day in, day out. When the Government thinks of taxes, what about tax evasion? Are the big boys paying taxes or only the small boys pay them? This is one area that makes the balance sheet not to balance so that we go on asking for money from international lenders.

Can the Government focus on production, mainly innovation and technology, which can enhance employability? It can also focus on manufacturing which enhances export. These are the areas that 100 Government political advisors in the State House should advise the Government. How do we attract the investors in this country? When the youths demonstrate and they are charged with terrorism, what does the Government tell the investors who want to come and invest in our country? All these issues, including the mismanagement, corruption, massive looting should be discussed in this House. We should not compare ourselves with countries like United States of America (USA) and Japan in production. We know how much it is in USA compared to Kenya.

Housing is an avenue that should be left to investors. When the Government competes with them and constructs houses, that money can be used to enhance a certain area like exploration of gas, minerals or oil in Turkana and other areas. I am very happy to see one

recommendation on amendment of the Public Finance Management (PFM) Act, but I want to ask the Committee to be more candid and aggressive in this amendment.

What is in my mind? When we give the Government an open cheque and say so long as we are not going beyond 55 per cent, we are still okay, we leave a loophole. Maybe what this House and the Committee should legislate is transparency. Why are we borrowing such amounts of money and for what projects? We need full disclosure as a House. We approve a certain amount of money that will be borrowed knowing too well that the money is going to be spent in a certain area to the last penny.

Matters of interest rate are also important. These are issues that the experts should guide the Government on. At times we may borrow when the exchange rate is at Ksh100...

(The microphone went off)

The Temporary Speaker (Hon. Omboko Milemba): Add the Member half a second, please.

Hon. Wanjiku Muhia (Kipipiri, UDA): Make it half a minute.

The Temporary Speaker (Hon. Omboko Milemba): That cannot work. Take one minute.

Hon. Wanjiku Muhia (Kipipiri, UDA): Thank you, Hon. Temporary Speaker. We have seen the exchange rate skyrocket at times. Maybe we borrowed at an exchange rate of Ksh80 and when we are paying back, the exchange rate is at Ksh130. These are matters the experts who advise the Government or the National Treasury should be discussing when they are borrowing, so that they agree on the exchange rates.

With that, I thank you, Hon. Temporary Speaker. I speak of corruption, massive looting and unnecessary empowerment programmes and ask the Government to focus on production.

The Temporary Speaker (Hon. Omboko Milemba): Very well. Leader of the Minority Party, Hon. Junet Mohamed, proceed.

Hon. Junet Mohamed (Suna East, ODM): Hon. Temporary Speaker, I rise to support the Report of the Committee on the consideration of the 2026 Debt Management Strategy. Debt has been a big problem in this country for many years. But what I am shocked about is that people always remember the current debts. They do not remember where these debts have come from and how they started.

I was just listening to the former Chairman of the Budget and Appropriations Committee shouting hoarse here on the Floor that the debt is not sustainable. Much of these debts were incurred when he was the Chairperson of the Budget and Appropriations Committee. He is the one who approved them in this House. I listened to him on my way to Parliament complaining. First, you do not come with lecture notes to Parliament. When you are studying somewhere or doing a Masters in some economic class, do not come with your notes to the House. You come with your brain here. You cannot carry notes. Standing Orders prohibit people from reading from notes. You go and meet your lecturer who gives you some small notes like the old *Mwakenya* style, then you come and use them here in the House. You come here with your brain because this is a House of people who should reason with their brains.

The other day he was telling us that the Kenya Pipeline Company IPO will not be bought. I now hear that it has been oversubscribed. He was saying that the Safaricom shares were overpriced and today he again says they were under-priced. Which is which? That kind

of confusion is not good for the economy of this country. When you are a toddler in economic matters, stick to your lane. Do not become an intellectual and economic powerhouse after you have been sacked as the Chairperson of the Budget and Appropriations Committee. You stick to your lane. If you are a man who is handling a National-Government Constituencies Development Fund (NG-CDF) committee money, just stick to that lane. Other things are bigger than you.

I am not trying to defend this regime, but when this Government came into power, the economy was in a very bad situation. Inflation was very high and we were almost at the brink of debt distress or even defaulting. Inflation was almost double-digit. We did not even have enough fuel to fuel our cars in this country. Today, inflation is at its lowest. The economy is growing and heading to 5 per cent growth. Let us not lie to Kenyans when you do not want to say the truth. If the truth does not suit your political agenda, do not lie to Kenyans.

I want to say that I represent a constituency which saw a tarmac road just the other day. This country has been borrowing for the last 60 years to develop certain regions. All of us are paying those debts as Kenyans. We are paying taxes to service those debts. You know *huu ni mwaka wa kuongea ukweli*. This is the year of the truth. It is the year of the Lord, 2026. This country has been borrowing for the last 60 years to develop tarmac roads and to give water and health care to certain regions of this country.

(Applause)

This is the time to get equitable distribution of resources so that every Kenyan can feel he is a Kenyan. For the last five years as the ODM party, we have been demanding an audit of our debt. We know that our debt has not been used equitably. We have been told that this country has borrowed for the last 10 years Ksh1 trillion and yet I have not seen any development in my constituency. It is now that I am seeing roads, dams, health care facilities being built and affordable housing being done. The other day, 1,500 housing units were advertised in my constituency and that was the first time since Independence that that happened. The last group that worked in my constituency were colonialists. I have never seen any other development after the colonialists left. The building that the County Commissioner is using was built by the last colonial regime. After colonialists left, we have been waiting for the Government. With the broad-based Government, we are seeing things opening up.

Kenya has been incurring debt. The new prophets in town, *hawa manabii wa uongo*, must stop what they are saying. They must allow every Kenyan to enjoy debt. If we are going to borrow, all of us must enjoy that debt. We cannot borrow for a certain group to enjoy then we pay the debt together. Have you not seen that?

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of information, Hon. Temporary Speaker.

Hon. Junet Mohamed (Suna East, ODM): The Leader of the Majority Party can inform me. He is a chartered accountant and senior accountant.

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Junet! It is not your prerogative to determine that. The Leader of the Majority Party, proceed to inform Hon. Junet.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, you know I have been to both Suna East and Suna West. What Hon. Junet is saying is, indeed, true. I want to inform Hon. Junet that courtesy of the alternative financing models, Suna West, Suna East and many parts in Migori County – he can attest to that – are now seeing new markets and affordable houses being built. In fact, I saw a clip yesterday where somebody was saying that now even the Luos can wave from the balcony.

(Laughter)

It was one of those guys who patronise *Bunge la Mwananchi*. More importantly, what Hon. Junet is saying is that it is not criminal to borrow. You know there are people who have been pontificating here as if this is the first time we are borrowing. What happened in the last regime is that our public debt was not managed. That is why if you listen to the Cabinet Secretary, John Mbadi, he will tell you that – and I have heard even the President say that – out of six African economies that were earmarked or were bound to default on their public debt, Kenya was the only country that never defaulted. This is a fact that can be verified from the reports of the World Bank and the IMF. All the other five African economies defaulted. That was possible because there was a deliberate management of public debt. Public debt management is what we should be speaking to here and not the pontification we have heard from people who are just trying to make cheap political capital by pushing their village narratives.

I must thank Hon. Junet. He has reminded us that there are so many parts of this country that have been secluded from development. When money was borrowed, it went to only develop certain parts of the country and yet everybody paid it back. I want to inform Hon. Junet that I know the dualling of the national highways will go through Migori to Isebania, so that we can connect our economy to Tanzania and other economies in East Africa.

The Temporary Speaker (Hon. Omboko Milemba): Very well. Proceed to conclude. You have been informed.

Hon. Junet Mohamed (Suna East, ODM): I have just learnt that when politicians lose their positions, either chairman of a committee or any other leadership position, they become motivational speakers.

(Laughter)

They attend conferences and advise on investing one's money in stock exchange instead of housing. These are motivational speakers. This country requires serious men and women like the people handling our economy today. People like Hon. John Mbadi. Those are the people who can take us far, not motivational speakers.

Lastly, as the Leader of the Majority Party has said, borrowing is not the issue. The issue is how you manage your debt. As an individual, when you borrow money and do not manage your debt, you will be auctioned. Thus, we must give credit to this Government. That is the truth. We must appreciate the fact that this Government found bad governance and it has managed it. It managed to pay the Eurobond. It managed to pay all the Chinese debts that were due and currently, this country is not under debt.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Junet, you have done very well. Add him one minute, he is a leader. Just one minute. You have the microphone.

Hon. Junet Mohamed (Suna East, ODM): Hon. Temporary Speaker, you remember after the General Elections, there was Eurobond to be paid. Who borrowed the Eurobond? Who put Kenya in the debt of the Eurobond? People who are destroying my party, Orange Democratic Movement (ODM), are the people who borrowed the Eurobond. They are now using that money to destroy my party.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Eric Muchangi. Do not get worried Members. You will speak to this. I can see you.

Hon. Muchangi Karemba (Runyenjes, UDA): Thank you, Hon. Temporary Speaker, for allowing me the opportunity to support the Report by this Committee. It is a good Report. My attention is drawn to two areas in the recommendations. One is the issue of the National Treasury and Economic Planning scaling up development expenditure above the minimum 30 per cent. One big problem we have in our country is that we borrow finances from all the sources, but not all our resources are utilised prudently. The same Public Finance Management Act (PFMA), 2012, requires that not above 35 per cent of our resources are spent towards wages and salaries. Our counties' budget, which are the units where we have our public resources utilised and spent, have wage bills above 50 per cent. That tells you we borrow our resources and much of it is spent to pay wages and salaries. I am not sure how sustainable this is because we borrow as a country in the hope that most of our resources will be used to develop our country but much of it is not utilised in the best way.

At the centre of this debt management Strategy should be the fight against corruption. We should apply whatever means to have our institutions account for the resources. It cannot be said that this country does not have resources. We have a lot of resources at our disposal. Some of it borrowed and some of it generated from our own country. However, a lot of it is wasted through unnecessary spending, renovations and acquisitions that are not a priority for this country. Hence, as we look into how to manage our debt as a country, we must pay a lot of attention to how we manage corruption in this country because it is a serious impediment to our growth as a country.

Hon. Temporary Speaker, I support.

The Temporary Speaker (Hon. Omboko Milemba): Let us have Hon. Tindi Mwale. He has been here for some time.

Hon. Nicholas Mwale (Butere, ODM): Thank you, Hon. Temporary Speaker. I rise to support the Committee's Report on the Medium-Term Debt Management Strategy. From the experience we gained from the Public Accounts Committee, we have always seen the Auditor-General question why we have interest rates on undrawn loans. The issue comes about since when we are making the budget, we have two components, the Government of Kenya (GoK) component and the donor-funded component. Many State departments, especially the National Treasury, go ahead and commit to loans, but they do not use the loans as per the time factor.

I support the Committee on the proposal that we need to amend the Public Finance Management Act, 2012. This way, whenever we engage any donor to loan us, we can use the loan accordingly and also negotiate in a way that the Government pulls more on its side than the donor's side.

I agree with what the Leader of the Minority Party has just said. The last regime used to borrow commercial debt to pay Government employees. I thank the Committee led by Hon. Shurie for proposing that we manage our borrowing and when we borrow, we only do that for development not for paying recurrent income expenditure.

I rise to support the Report.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Wamuchomba, followed by Hon. Mukunji.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Thank you, Hon. Temporary Speaker. Allow me to put my words into consideration of the Medium-Term Debt Management Strategy debate. I was honoured to serve in the Departmental Committee on Transport and Infrastructure and the Committee on Communication, Information and Innovation in the previous Parliament. I sat and listened to several Members of Parliament who came to the Committee to plead with the Cabinet Secretary during budget allocations so that their constituencies could be considered for tarmacking.

Allow me to mention one of my colleagues who may not be in the House now, but I want to use his constituency as an example of how serious and dangerous it can be when a country takes a debt, but is not able to manage. Before I speak about that constituency, allow me to laud the current President of the Republic of Kenya, His Excellency William Samoei Ruto. It is not very common for me to say what I am going to say. We doubted and did not believe in him. When he spoke about managing debts, we thought it was just a narrative. When he promised to ensure we access fertiliser, we thought it was just another story. Today, a bag of fertiliser costs Ksh2,500, a drop from Ksh7,500, even with inflation factored in. I know this since I come from an agricultural constituency.

Even if you do not like somebody or have bad feelings towards them, when they do something good, it is just right for us leaders to speak the truth. That was not a miracle; it happened because somebody managed our situation. He came in when we were struggling to pay our debts and managed the financial crises that were therein. He even stabilised the basic commodities that enable star production in our villages.

Back to what I was saying, in my previous role as a Vice-Chairlady of the Departmental Committee on Transport and Infrastructure, when we were debating which constituency would receive what, Hon. Danson Mwashako Mwakuwona, the current Member for Wundanyi Constituency, appeared before the Committee in the last Parliament and pleaded with both the Committee and the then Minister to be granted at least one kilometre of tarmac. I come from Githunguri Constituency, and I do not have even a kilometre of tarmac in my area; I am not speaking about 20 kilometres. I have far more than that, and I sit in this House just like any other Member who has not experienced a single kilometre of tarmac.

As we discuss our people and our voters, we must remember that we share one fabric called Kenya. While we speak about certain regions enjoying tarmacked roads, housing, and airports, we must consider those from the corners of Kenya who have never experienced even a kilometre of tarmac. This change will not come about through narratives, theories, or proposals. It will only happen through sound financial management, including addressing our debts. Let us allow the President of the day to manage the situation. As a House, we must support and advise him so that, as I receive 1,000 or 2,180 units of affordable housing in Githunguri, all other constituencies in this country receive their fair share.

Debts do not come with a rubber stamp indicating who received how many kilometres of tarmac. They are often referred to as a Kenyan debt, not a regional debt. Therefore, as we manage our debt, we must ensure that every corner of this country benefit from our crisis and our gains. Those campaigning at funerals and weddings, lamenting how poorly we are performing as a Government, must also tell us what they did when they held power. I am not here to attack anyone, but I must state it as it is. You cannot tell us that we will not benefit from recovering assets and liquidating our holdings to assist our people in overcoming the financial crisis, without presenting an alternative solution.

As I listen to others speak, I want to hear solutions and see tangible projects. I urge that we engage in a debate on this matter, providing advice to the President and the Executive on various avenues to manage our debt crisis without blaming a select few.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mukunji.

Hon. Gitonga Mukunji (Manyatta, UDA): Thank you, Hon. Temporary Speaker. I also wish to add my voice to the Report of the MTDS.

First, I disagree with the Leader of the Majority Party, even though he has left. When the Leader of the Majority Party misleads the nation by stating that securitisation is not borrowing...

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Mukunji. Enjoy your chance to debate this. Do not speak to the Leader of the Majority Party. Proceed.

Hon. Gitonga Mukunji (Manyatta, UDA): Thank you. Securitisation is borrowing; it simply involves borrowing against revenue that is intended for future generations of this nation. I want this House to take the issue of debt seriously because we are present here today, but in five years, a new generation will have emerged. We have Gen Zs who need employment. The sustainability of our borrowing must be a topic of discussion.

The Fuel Levy, Housing Levy and our dividends are resources that Kenyans receive every year. These resources should be utilised wisely, as we head towards the future. Yes, we might need all roads to be built, but we must not strangle the future of our nation by borrowing excessively, thus making it difficult for the nation to function properly in the years to come. We are talking about resources here. The biggest question is the issue of how the money that has been received, either through debt or through revenue, is used in this country. We can talk here and forget that every day there is always a query from the Auditor-General, there is always a newspaper article on lost funds, a ballooned renovation like that of State House, or a ballooned construction of a certain stadium. These are the things that are eating into our taxes and making us borrow even more.

As we prepare to read our budget of Ksh4.6 trillion this year, we must consider that our collection previously has been around Ksh2.6 trillion. This tells you that we are getting money from debts to fit the fiscal deficit. It is good to say that this House has signed off the management of debts of this country to some experts' analysis, without that analysis being brought here for approval. I feel that as the Committee has recommended...

Hon. Gathoni Wamuchomba (Githunguri, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Yes. Let me hear a point of order from Hon. Wamuchomba.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Hon. Temporary Speaker, is it in order for the Member for Runyenjes, Hon. Mukunji, to refer to some agencies or some private companies that have been signed off to manage our debts, without tabling documents to that effect? He is out of order.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mukunji, I also heard you. You need to substantiate.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, first, I am not the Member for Runyenjes, so I will not answer Hon. Wamuchomba. I will just continue with my contribution.

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Mukunji. Relax. This is a House of debate. I will give you more time. I am just asking you to substantiate what you said about this House signing off to agencies. Substantiate that.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, I will just substantiate by explaining the law that we passed in this House. We passed a law and said that we will anchor our debts to the GDP. Experts must analyse and know very well that the GDP of our nation, without even the scrutiny of this House, is this much, after which, we are able to borrow more. Hon. Wamuchomba, experts are the ones supposed to do that. That is how we have got to serious levels of borrowing, to an extent that we are not able to know how much debt this country has at any single time.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mukunji, you do not have the capacity to do that. I am a teacher of economics. I can see you have completely swayed from the debt ratio to GDP. That does not relate to the question that you raised and you have been asked. Therefore, quickly withdraw and proceed with your debate.

Hon. Gitonga Mukunji (Manyatta, UDA): Withdraw what, Hon. Temporary Speaker? I am giving my comments of the Report that is on the Floor.

(Loud consultations)

When I say it is experts that analyse the GDP of our nation, am I wrong? That is actually something...

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Mukunji. You are unable to substantiate. When you are unable to substantiate and you do not have facts, you quickly withdraw and proceed with your debate. It will not make you weak in any way. We are also helping you to get used to debating. Give him the microphone. Withdraw your statement and proceed.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, why should I withdraw something that can be substantiated? All I said is that financial experts analyse the GDP, not this House. I stand with that.

The Temporary Speaker (Hon. Omboko Milemba): So, you were misquoted.

Hon. Gitonga Mukunji (Manyatta, UDA): I was misquoted by Hon. Wamuchomba.

The Temporary Speaker (Hon. Omboko Milemba): Proceed.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, I just want to say that...

Hon. Gathoni Wamuchomba (Githunguri, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Yes, Hon. Wamuchomba.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Hon. Temporary Speaker, Hon. Mukunji is out of order. This is a House of records. We must have records to support any debate, especially an allegation of what was done by this House. He is claiming that this House passed on the power to manage debts. How did we pass it? Which documents did we sign? Where is the document? He must substantiate and table the document. Otherwise, he must withdraw his statement.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mukunji, this is a House of records. Once you are captured clearly and you are unable to substantiate your statement, you must withdraw it and proceed with your debate. Could you do that and proceed with the debate?

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, unless you want me to bring back a law that we passed in this House for Hon. Wamuchomba to read, I do not even have to argue on this. We amended the law to ensure that we anchor our debt to the GDP of the nation. That is obvious. It does not require any explanation whatsoever. All we need to know is that by doing that...

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Mukunji. You are out of order. It is not your business to argue with the Speaker on matters of records of the House and such undertakings. Debate should be very easy. When you are given an opportunity to contribute, you speak on something and explain it when you are asked. However, when you are unable to do so, you honourably withdraw your statement and proceed. That is all we are asking of you. I want you to grow as a Member in the next session. I am sure that some of us will not come back as we shall be doing other things. Get used to the House rules.

Could you withdraw your statement or forfeit your chance? I may decide on how to deal with you later because you want to argue with the Speaker on the facts.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, as long as I believe that what I have said is correct, I do not need to withdraw anything. That is just the law. These are Bills that we pass in this House. It was among the first Bills that we passed. It is not even something that we should argue about. When we pass a law, it is followed. Since then, we have not sat in this House to increase our debt ceiling. It is normally looked at by experts and then we are told how much we can borrow or how to reduce our debt. It is not something that we should argue about.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Mukunji, you are unable to withdraw your statement. You do not want to follow the rules of the House. Therefore, I advise that you withdraw your statement, but if you do not want to, you will forfeit your chance.

Hon. Gitonga Mukunji (Manyatta, UDA): Hon. Temporary Speaker, I will not withdraw my statement because I believe that what I have stated is in the public domain. We can talk until tomorrow, but the fact of the matter is that we changed the law and anchored the debt levels to the GDP ratio. That is obvious.

The Temporary Speaker (Hon. Omboko Milemba): This is a House of rules and order. Hon. Rindikiri will now speak on the matter.

Hon. Mugambi Rindikiri (Buuri, UDA): Thank you, Hon. Temporary Speaker. The problem that we have is populism and having substantive debates on a very important matter like the one that is in front of us. I am of the view that the document that has been presented by the Departmental Committee on Finance and National Planning contains the key aspect of a policy and specifically, the Debt Management Policy. One of the greater problems that we have witnessed a long time ago in this country is borrowing to finance recurrent activities which are not for production.

I want to pick from where Hon. Wamuchomba started. We have seen a Government that is focusing on production as opposed to financing activities that do not have long term effect on this economy. We have seen a serious improvement in the debt management in the sense that the public is being involved. We have seen a lot of transparency in as far as borrowing is concerned. We have seen a reduction of external borrowing and an increase in domestic borrowing which is very key. Instead of paying our debt in dollars, money is being borrowed domestically and it is cheaper. We have seen the policy moving towards addressing long-term borrowing at cheaper rates as opposed to some of the debts that we have within a short period of repayment.

When we sit here as a Parliament, it is so that we can see what a proper Debt Management Policy is; not to try and bring politicking so that we can be seen out there by our constituents that we are speaking. We are here because debt is a very serious issue in this country. I want to congratulate the President because the debts that were taken by the first, second, third and fourth governments have started being repaid by the current Government. The President has been in front reshuffling, restructuring and implementing productive programmes with the money that is borrowed.

We cannot come here, trivialise and bring politics. This Government is serious on matters agriculture and how I wish majority of the money that has been borrowed by all these governments was being put in agriculture. We will not be talking about scarcity of food in this country. If we put a lot of money that was borrowed in sectors like water, we will not be talking about the effect of drought.

I stand to support this policy because it is simple and clear; that the Government is focused to deliver, and anything that is going to assist this Government to deliver must be supported. I support this policy because it is addressing the cost, length of maturity, cheapness of the loans and others.

The Temporary Speaker (Hon. Omboko Milemba): Thank you. Very well. Hon. Members, the time for this particular debate is already exhausted. I want to call upon the Mover to reply.

Hon. Owen Baya (Kilifi North, UDA): Thank you, Hon. Temporary Speaker. I would like to take this opportunity to reply on behalf of the Chairman, Hon. Abdi Shurie, and the Departmental Committee on Finance and National Planning. I can see the Member for

Magarini want a bite of my time, but I think the Standing Orders allows him to talk to me. I have already started debate on this. One, in reply, I support this Report. It is quite an elaborate Report and I thank the Committee and everybody that has contributed.

*(Hon. Gathoni Wamuchomba
spoke off the record)*

The Temporary Speaker (Hon. Omboko Milemba): Yes, Hon. Wamuchomba.

Hon. Gathoni Wamuchomba (Githunguri, UDA): I just wanted to ask whether it is in order for him to donate a minute to the Member who has been waiting. Guide whether he can.

The Temporary Speaker (Hon. Omboko Milemba): Indeed, he should have had that chance. Somewhat, he was not informed so he went ahead. At the stage where he is, let him proceed.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Okay. Thank you, Hon. Temporary Speaker.

Hon. Owen Baya (Kilifi North, UDA): I would have loved to do that, but I am also a teetotaller to rules. I thank the Committee for the good job they have done. The recommendations here are weighty and good. The nine recommendations made by the Committee on how to manage debt are significant when followed. They will put debt on the right trajectory. I also reiterate that this is the first time I am seeing debt being managed in this country. We have been here many years and debt has been taken by many governments.

Just like the analogy Hon. Wamuchomba used on the Member of Wundanyi when he said that he would like to have at least one kilometre of road, I report to you that my relatives come from that side. I can tell you there is more than one kilometre of tarmac in Wundanyi Constituency. That is what debt management is about. Debt management is about using debt to develop the country in all places. That is what managing debt is to me.

It is not the things we hear here from people who bring their professors' lecture notes to this Assembly. I mean the pseudo-economists who come here to lecture us. They are still saying the things they have been saying from 2022. They say them in radio stations, lecture rooms, tea parties, birthday parties and even in weddings. If you check *The Hansard*, it is just the same thoughts. I am afraid that somebody probably went and crammed lecture notes then comes and regurgitate them in Parliament. The person goes to the next place and says the same thing.

We had the IPO for the Kenya Pipeline Company. Somehow, whatever they used to predict here has not happened. Actually, it has been over-subscribed heavily. Without anticipating debate, I am afraid that it will go the same way when the issue of Safaricom shares comes to this House. They will say, "You know, it is cheaper" then change to say, "You know, it has been undervalued". They will then say, "You know, it is very expensive".

We want to tell the guys that are bitter because they have lost a position in this Parliament to take time and grow. It does not mean you have the experience to give lectures and talk to people about economics because you graduated with a Master's Degree yesterday. You are still a neophyte in economics. Take time to study, read and talk to people who have been in the practice to understand instead of coming here to expose your ignorance on economics.

I want to say a few things. I have seen securitisation work for us in my constituency. I have seen roads that would otherwise not have been completed. I remember the former

President, Hon. Uhuru Kenyatta, came here and sang a song called *Safari ya Bamba ni Machero* to us. He promised that the road would be built and completed within the 12th Parliament. They came and started the road. That road never took off until he finished his term. Now I want to tell him from this podium that President William Ruto has completed the road through my constituency with his securitisation money. It is complete and going to Ganze. We will not sing *Safari Bamba ni Machero*. We will talk about *safari ya Bamba ni rero* just because some guy with some mind said, “Why do we not try this to raise funds and move the country forward?” For me, that is debt management. It is good debt management when you properly use the funds that you have borrowed. The road from Gede to Kakuyuni is on the verge of completion. Many other roads across the country are also progressing. I visited Hon. Millie Odhiambo-Mabona constituency in Rusinga, and I saw roads...

Hon. Harrison Kombe (Magarini, ODM): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Order. What is your point of order, Hon. Kombe?

Hon. Harrison Kombe (Magarini, ODM): Thank you, Hon. Temporary Speaker. I have a lot of respect for my uncle...

The Temporary Speaker (Hon. Omboko Milemba): Who is your uncle, Hon. Kombe? You know we do not have uncles in this House.

Hon. Harrison Kombe (Magarini, ODM): Thank you, Hon. Temporary Speaker. Anyway, I have a lot of respect for the Deputy Leader of the Majority Party, Hon. Owen Baya, who happens to be my uncle back at home.

The Temporary Speaker (Hon. Omboko Milemba): Very well.

Hon. Harrison Kombe (Magarini, ODM): The road that His Excellency the former President spoke about was from Mariakani to Bamba, and it was completed during his tenure. The one the Deputy Leader of the Majority Party is referring to is from Kilifi to Bamba. Therefore, I do not think he is in order to tell this House that His Excellency the former President never completed what he promised the House or the nation.

The Temporary Speaker (Hon. Omboko Milemba): Very well, I think you are informing him, but let us hear his response.

Hon. Owen Baya (Kilifi North, UDA): Hon. Temporary Speaker, I want to go on record in this House and state that the former President Uhuru Kenyatta did not build the road from Kilifi to Bamba to Ganze. He built the road from Mariakani to Bamba. The famous “*Safari ya Bamba ni machero*” road begins from Kilifi to Bamba, and that is a fact that cannot be disputed. It was not built during his tenure; it has been built now. I am not disputing what the Member is saying; I am simply stating facts. I would request the Member of Parliament for Magarini to listen carefully so that I may clarify the matter properly. He has said I am his uncle back home; I might bless him.

The Temporary Speaker (Hon. Omboko Milemba): Proceed with your reply. You may share a cup of tea to clarify which road it was.

Hon. Owen Baya (Kilifi North, UDA): Some of the recommendations that have come from this House are very good. One of the key things we must do is manage debt effectively. In the 12th Parliament, we did not have a dedicated committee on debt. Now we have a committee that specifically looks at debt management.

We now have a Debt Management Strategy that is presented before the budget. That is an important development because it introduces checks and balances on how debt is accrued,

borrowed and utilised. The guidelines provided by this Committee are important as we move towards the budget.

Previously, we did not have such a structure. Decisions on how much to borrow could be made elsewhere without structured parliamentary oversight. Now, this Committee sets borrowing ceilings before the budget is approved. That is one of the key aspects of proper debt management. Therefore, I believe we are on the right trajectory in terms of debt management, debt reduction and making better use of funds.

Interestingly, we have alternative ways of raising funds without directly incurring conventional debt. Securitisation, for example, is one such method. It enables us to raise funds for projects off the main budgetary book. What is wrong with undertaking projects off the book if it does not strain the budget? We are raising funds, building roads and moving the country forward without overburdening the ex-chequer.

The funds used for development projects in this country may even exceed the 30 per cent allocation in the development budget. We have seen progress in housing, roads, Talanta City and the re-development of the Bomas of Kenya. We have also seen projects such as the Mau-Rironi Road and the *Mau Mau* Road being undertaken. If we were to confine ourselves strictly to the budget, we would not have accomplished much.

Hon. Temporary Speaker, I thank God for this Government which thinks outside the box without incurring or increasing debt. We are moving forward as a country. I also thank and congratulate the Committee for this good document. I request the National Treasury to study this Report carefully. As we move forward, it will enable us to manage our debt well, use our resources well and develop every part of this country.

In conclusion, pursuant to the provisions of Standing Order 53(3), I request that the putting of the Question be deferred to another date.

The Temporary Speaker (Hon. Omboko Milemba): Proceed to reply.

Hon. Owen Baya (Kilifi North, UDA): Hon. Temporary Speaker, I beg to reply.

The Temporary Speaker (Hon. Omboko Milemba): As you have requested, the putting of the Question shall be deferred to the next Sitting.

Next Order.

(Putting the question deferred)

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF
THE NATIONAL GOVERNMENT FOR FY 2022/2023

THAT, this House adopts the Report of the Public Accounts Committee on its Examination of the Report of the Auditor-General on the financial statements for the National Government Ministries, Departments and Agencies for the Financial Year 2022/2023, laid on the Table of the House on Thursday, 19th February 2026.

*(Moved by Hon. Nicholas
Mwale on 24.2.2026)*

*(Resumption of debate interrupted
on 25.2.2026 – Afternoon Sitting)*

The Temporary Speaker (Hon. Omboko Milemba): This is a resumption of debate. Who was on the Floor?

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

There being no Member on the Floor and no further interest in the Motion, I call upon the Mover to reply. Hon. Tindi Mwale.

Hon. Nicholas Mwale (Butere, ODM): Thank you, Hon. Temporary Speaker. I rise to reply. On behalf of the Public Accounts Committee (PAC), I wish to respond to the issues raised. I thank the Members who contributed to this Motion. I will also comment on the issues raised by the Members during the debate on the Committee's Report of the Auditor General's Report for the Financial Year 2022/2023.

Allow me to first convey my sincere appreciation to Hon. Speaker's Office. I also convey special appreciation to the Office of the Clerk of the National Assembly. I also convey special appreciation to the Members for their robust debate and insightful contributions to this important Report. The PAC highlighted certain recommendations. I am very glad because Members of this House raised the same ones.

I assure this House that the Committee did a very good job in this Report which will streamline accountability, use of public funds and transparency in management of public funds. We always have challenges with procurement systems. We have the Public Procurement and Asset Disposal Act. The Auditor-General has raised pertinent issues about its violation in procurement practice within Government's State departments.

This Report has outlined measures and recommended reprimand and surcharge for officers who do not adhere to procurement laws. When I was moving the Motion, I raised issues on lack of an internal audit function. This Report has further outlined that many State departments lack this function, and where it exists, it is very weak. Therefore, the recommendation is very clear that those State departments that do not adhere to the law of having an internal audit function will face the law, and State officers will be surcharged for failure to establish it.

We have been debating the Management of Debt Strategy 2026. This Report has outlined the issue of interest on unutilised loans. The Committee has recommended that the National Treasury should commit only to debts or loans that it is able to utilise satisfactorily. In many cases, the National Treasury commits to loans; the loans begin accruing interest, but the Government is slow to implement the projects meant to absorb those funds. The Committee has, therefore, made recommendations on this matter.

In the interest of time, I would have outlined many other recommendations, but I wish to assure the House that the Public Accounts Committee is committed to ensuring that its oversight role, in conjunction with the Office of the Auditor-General, is achieved to the highest standards, and that the House will find strong recommendations in this Report.

In relation to the revenue allocation formula, this Report provides guidance on the figure to be used for revenue allocation. I wish to read Paragraph 27 of the Report, so that it is captured on the Floor of the House. It states that during the 2022/2023 Financial Year, total revenue recorded under various revenue statements as received by the national Government amounted to Ksh2,166,911,930,466, representing an increase of Ksh138,675,090,516, or about 7 per cent, compared to the actual collections of Ksh2,028,236,839,950 realised in the 2021/2022 Financial Year, as tabulated in the Report. A table is attached for reference.

The Report further states that the total revenue of Ksh2,166,911,930,466 for the 2022/2023 Financial Year comprised Ksh2,050,114,740,913 as shareable revenue; Ksh45,990,954,879 as receipts from Government investments and public enterprises; and Ksh70,802,234,674 relating to development revenue.

In the 2022/2023 Financial Year, the total shareable revenue of Ksh2,050,114,740,913 increased by seven per cent compared to the shareable revenue of Ksh1,920,434,885,078 in the 2021/2022 Financial Year. The Committee, therefore, recommends that the total national collected shareable revenue amount of Ksh2,050,114,740,913 should form the basis for the sharing of revenue between the national and county governments, as contemplated under Article 203 of the Constitution.

Hon. Temporary Speaker, in this Report, you will find that we went further to talk about duplication of projects. Some projects are simultaneously being funded by the national Government and county governments. We have provided measures for the National Treasury to ensure that only one level of government funds a particular project.

In the interest of time, I beg to reply.

The Temporary Speaker (Hon. Omboko Milemba): Very well, Hon. Tindi. I defer putting of the Question to the next Sitting.

(Putting the question deferred)

Next Order.

ADOPTION OF REPORT ON AUDITED ACCOUNTS
OF THE JUDICIARY MORTGAGE SCHEME FUND
FOR FYS 2011/2012 TO 2021/2022

THAT, this House adopts the Report of the Special Funds Accounts Committee on its consideration of the audited accounts for the Judiciary Mortgage Scheme Fund for the Financial Years 2011/2012 to 2021/2022, laid on the Table of the House on Tuesday, 5th August 2025.

The Temporary Speaker (Hon. Omboko Milemba): Very well. I think the Chairperson of the Special Funds Accounts Committee had sought permission. Deputy Leader of the Majority Party, are you aware of this?

Hon. Owen Baya (Kilifi North, UDA): Yes.

The Temporary Speaker (Hon. Omboko Milemba): I, therefore, defer this to the next sitting.

(Motion deferred)

APPROVAL OF THE NATIONAL
AVIATION POLICY

THAT, this House adopts the Report of the Departmental Committee on Transport and Infrastructure on its consideration of Sessional Paper No.6 of 2024 on the National Aviation Policy, laid on the Table of the House on Thursday, 19th February 2026 and approves Sessional Paper No. 6 of 2024 on the National Aviation Policy.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, the Chairperson of the Departmental Committee on Transport and Infrastructure equally sought permission to be away.

(Motion deferred)

Next Order.

ADOPTION OF REPORT ON AUDITED ACCOUNTS OF
COMMODITIES FUND FOR FYS 2018/2019 TO 2021/2022

THAT, this House adopts the Fifth Report of the Special Funds Accounts Committee on its consideration of the Report of the audited Financial Statements for the Commodities Fund for the Financial Years 2018/2019, 2019/2020, 2020/2021 and 2021/2022, laid on the Table of the House on Thursday, 7th December 2023.

The Temporary Speaker (Hon. Omboko Milemba): This Order also concerns the Chairperson of the Special Funds Accounts Committee, who is not in the House. I have already spoken to that.

(Motion deferred)

Next Order.

UKAGUZI WA ASASI ZA JUMUIYA
YA AFRIKA MASHARIKI

KWAMBA, Bunge la Taifa liridhie Ripoti ya Kamati ya Utangamano wa Kikanda kuhusu ziara ya ukaguzi kwa Taasisi zisizo huru kikamilifu za Jumuia ya Afrika Mashariki na ushoroba wa kati katika Jamhuri ya muungano ya Tanzania, iliyowasilishwa kwenye Meza ya Bunge Jumatano, tarehe tisa Aprili 2025.

The Temporary Speaker (Hon. Omboko Milemba): Mwenyekiti wa Kamati ya Utangamano wa Kikanda pia amepewa fursa ya kutokuwa hapa kwa sababu ya shughuli nyingine ya Serikali.

(Motion deferred)

ADJOURNMENT

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, you may be upstanding. The time being 6.53 p.m., this House stands adjourned until Tuesday, 3rd March 2026 at 2.30 p.m.

(The House rose at 6.53 p.m.)

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