



REPUBLIC OF KENYA

THE SENATE

TWELFTH PARLIAMENT – FOURTH SESSION

VOTES AND PROCEEDINGS

SPECIAL SITTING

MONDAY, JULY 13, 2020 AT 2.30 P.M.

1. The Senate assembled at thirty minutes past Two O'clock.
2. The proceedings were opened with Prayer said by the Deputy Speaker.
3. **COMMUNICATION FROM THE CHAIR ON CONVENING OF THE SPECIAL SITTING OF THE SENATE .**

The Deputy Speaker conveyed the following communication from the Chair-

“Honourable Senators,

Welcome to this Special Sitting of the Senate.

On the request of the Senate Majority Leader via letter Ref. No. SEN/SML/CORR dated 9th July, 2020, and with the support of the requisite number of Senators, I appointed today, Monday, 13th July, 2020 as a day for a Special Sitting of the Senate vide Gazette Notice No. 4851, dated 10th July, 2020.

In the Gazette Notice, I indicated that the business to be transacted at this special sitting shall be the consideration of the third basis for allocating among the county governments, the share of national revenue that is annually allocated to the county level of government. Pursuant to Standing Order 30(4), I notified the Speaker of the National Assembly of this Special Sitting, vide letter Ref. No. SSN/SNA/6/VOL.1, dated 10th July, 2020, as the business to be transacted at the Special Sitting will require the action of the National Assembly.

In accordance with Standing Order 30 (5), the business specified in the Gazette Notice shall be the only business before the Senate during the special

sitting, following which the Senate shall stand adjourned until Tuesday, 14th July, 2020, at 2:30 p.m., in accordance with the Senate Calendar.

Honorable Senators,

Article 217 of the Constitution provides that-

- (1) *Once every five years, the Senate shall, by resolution, determine the basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government.*
- (2) *In determining the basis of revenue sharing under clause (1), the Senate shall—*
 - (a) *take the criteria in Article 203(1) into account;*
 - (b) *request and consider recommendations from the Commission on Revenue Allocation;*
 - (c) *consult the county governors, the Cabinet Secretary responsible for finance and any organisation of county governments; and*
 - (d) *invite the public, including professional bodies, to make submissions to it on the matter.*

Honorable Senators will recall that Paragraph 16 of the Sixth Schedule to the Constitution provides that the first and second determination of the basis for allocation of revenue among the counties would be made at three-year intervals, rather than five years.

You will also recall that the first basis was approved on 27th November, 2012, and was used to share revenue among county governments for Financial Years 2013/2014; 2014/2015; 2015/2016; and 2016/17. The second basis for revenue sharing among county governments was adopted by Parliament on 21st June 2016, and was geared towards provision of adequate financing to counties, correction of economic disparities and minimization of the development gap and stimulation of economic optimization and incentive to counties to generate revenue. This revenue sharing basis was used to share revenue for Financial Years 2017/18, 2018/19, and 2019/20.

Honorable Senators,

As you are aware, Article 215 of the Constitution establishes the Commission on Revenue Allocation (CRA), whose mandate includes making recommendations concerning the basis for the equitable sharing of revenue raised by the national government, between the national and county governments and among the county governments. The Commission submitted to the Senate its recommendation for the third basis for revenue allocation among the county governments, which was Tabled in the Senate

on 30th April, 2019. This recommendation was committed to the Standing Committee on Finance and Budget for consideration.

Following consideration of the recommendation of the Commission on Revenue Allocation, and after receiving submissions pursuant to Article 217(2) of the Constitution from the County Governors, the Cabinet Secretary responsible for Finance, other organizations of county governments, and the public including professional bodies, the Chairperson of the Standing Committee on Finance and Budget will shortly Table a report on its findings and recommendations to the Senate on the proposed Third Basis for Revenue Allocation Among the County Governments.

After Tabling of the Report by the Chairperson of the Standing Committee, a Notice of Motion, for the Senate to consider the Standing Committee report and approve the Third Basis for Revenue Allocation Among the County Governments, will be given. I will thereafter suspend the Sitting for thirty minutes to allow Honourable Senators some time to read the report.

Honourable Senators,

Debate on the Motion at Order No. 4 in today's Order Paper shall be considered and disposed-off in accordance with *inter-alia*, Standing Orders 61, 62, 63, and 64. As I indicated in my letter of 10th July, 2020, I have received notification from several Senators that they intend to move amendments to the Motion. These amendments could not be published in the Order Paper before the report was tabled and Notice of Motion given. Therefore, a Supplementary Order Paper, capturing all proposed amendments to the Motion will be circulated once the Senate reconvenes after the short suspension.

I hope we are all on the same page on this matter.

I thank you.”

4. **PAPER LAID**

The following paper was laid on the Table of the Senate-

The Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation among the County Governments.

(Chairperson, Standing Committee on Finance and Budget)

5. **NOTICE OF MOTION – APPROVAL OF THE THIRD BASIS FOR REVENUE ALLOCATION AMONG THE COUNTY GOVERNMENTS**

THAT, the Senate adopts the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation Among the County Governments, laid on the Table of the Senate on Monday, 13th July, 2020, and that pursuant to Article 217 of the Constitution, approves the proposed Third Basis for Revenue Allocation Among the County Governments as contained in the Report.

(Chairperson, Standing Committee on Finance and Budget)

6. **SUSPENSION OF THE SENATE**

The Deputy Speaker suspended the Senate at Forty-five minutes past two O'clock to enable Senators peruse the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation Among the County Governments and directed that the Senate resumes at Fifty minutes past three O'clock.

7. **SENATE RESUMED** - at Fifty minutes past three O'clock.

8. **MOTION – ADJOURNMENT OF THE SENATE PURSUANT TO STANDING ORDER 32.**

Motion made and questioned proposed;

THAT, the Senate do now adjourn to allow senators internalize the contents of the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation among the County Governments and the proposed amendments thereto;

(The Senate Minority Leader)

Debate arising;

And there being no other Senator wishing to contribute;

The Mover replied;

Before the Question was put and pursuant to Standing Order 79, the Deputy Speaker informed the Senate that the Motion does not affect counties.

Question put and agreed to.

RESOLVED ACCORDINGLY-

THAT, the Senate do now adjourn to internalize the contents of the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation among the County Governments and the proposed amendments thereto;

And there being no other business, the Deputy Speaker adjourned the Senate at thirty minutes past four O'clock, without Question put, pursuant to the Standing Orders.

9. **SENATE ROSE** - at thirty minutes past four O'clock.

MEMORANDUM

*The Speaker will take the Chair on
Tuesday, July 14, 2020 at 2:30 p.m.*

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