(No.017)

Sixth Session Afternoon Sitting (168)



#### **REPUBLIC OF KENYA**

### TWELFTH PARLIAMENT – SIXTH SESSION

### THE NATIONAL ASSEMBLY

#### **VOTES AND PROCEEDINGS**

#### THURSDAY, FEBRUARY 24, 2022

- 1. The House assembled at thirty minutes past Two O'clock
- **2.** The Proceedings were opened with Prayer
- **3. Presiding** the Hon. Deputy Speaker.

#### 4. COMMUNICATION FROM THE CHAIR

The Deputy Speaker issued the following Communication -

#### "On recognition of students and staff of 'Still I Rise' Organization

**Honourable Members,** I wish to introduce to you a group of twenty (20) students and five (5) members of staff of the 'Still I Rise' Organization seated at the Speaker's Gallery. This is an independent international organization formed to offer education and protection to the vulnerable children through creation of opportunities and promotion of their development.

**Honourable Members,** the organization opens high-quality international schools in nations that have become the destination or long-term transit spaces for immigrants, of which Kenya is one such country. The organization targets the most destitute by awarding them internationally recognized diplomas upon graduation. The group is currently on a study visit to the National Assembly.

**Honourable Members**, on my own behalf and that of the National Assembly, I welcome them to Parliament and wish them a fruitful visit. **I thank you.**"

#### 5. PAPERS LAID

The following Papers were laid on the Table -

- (i) Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30<sup>th</sup> June, 2021 and the certificates therein:
  - a) Roads Annuity;

- b) African Union and Other International Organization Subscription Fund;
- c) State Department for Shipping and Maritime;
- d) Kenya Roads Board; and
- e) Commission on Revenue Allocation.
- (ii) Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30<sup>th</sup> June, 2020 and the certificates therein:
  - a) Kenya Urban Roads Authority;
  - b) National Construction Authority;
  - c) Engineers Board of Kenya;
  - d) National Housing Corporation;
  - e) KWS-Kenya Roads Board Project;
  - f) Nairobi Metropolitan Area Transport Authority;
  - g) Kenya Railways Corporation;
  - h) Kenya Forest Service;
  - i) Kenya Civil Aviation Authority;
  - j) Kenya Institute for Public Policy Research;
  - k) Micro and Small Enterprises Authority;
  - 1) Northern Water Works Development Agency;
  - m) National Environment Management Authority;
  - n) Kenya Wildlife Service;
  - o) Kenya Investment Authority;
  - p) Bandari Maritime Academy;
  - q) Kenya Bureau of Standards;
  - r) Tourism Fund;
  - s) Tourism Promotion Fund;
  - t) Kenya Industrial Estates Limited;
  - u) Taita Taveta University;
  - v) Rongo University;
  - w) Kisii University;
  - x) University of Kabianga;
  - y) Laikipia University;
  - z) Maseno University;
  - aa) Kenya Utalii College;
  - bb) Kenya Industrial Research and Development Institute;
  - cc) Gatanga Technical and Vocational Training;
  - dd) Kipkabus Technical and Vocational College;
  - ee) Moiben Technical and Vocational College;
  - ff) Coast Institute of Technology;
  - gg) Koshin Technical Training Institute;
  - hh) Kenya Industrial Property Institute;
  - ii) Tinderet Technical and Vocational College;
  - ii) Mathiova Technical and Vocational College;
  - kk) Siala Technical Training Institute;
  - 11) Kisii National Polytechnic;
  - mm) Tayeta Technical and Vocational College:
    - nn) Karumo Technical Training Institute;
    - oo) Tetu Technical and Vocational College;

- pp) Emsos Technical and Vocational College;
- qq) Michuki Technical Training Institute;
- rr) Rift Valley Technical Training Institute;
- ss) Mukurweini Technical Training Institute;
- tt) Godoma Technical Training Institute;
- uu) Muraga Technical Training Institute;
- vv) Mukiria Technical Training Institute;
- ww) Sabatia Technical and Vocational College; and
- xx) Nachu Technical and Vocational College.
- (iii) The Report of the Auditor-General and Financial Statement in respect of Rongai Constituency for the year ended 30th June, 2020 and the certificate therein.
- (iv) The Report of the Auditor-General and Financial Statement in respect of the following Institutions for the year ended 30<sup>th</sup> June, 2019 and the certificate therein
  - a) Northern Water Works Development Agency (formerly Northern Water Services Board);
  - b) Lake Victoria North Water Works Development Agency; and
  - c) Tourism Fund.
- (v) Report of the Select Committee on Implementation on its consideration of the Implementation Status of the Report of the Departmental Committee on Finance and National Planning on the Optimization of Revenue in Grain Handling Services at the Port of Mombasa.

(Chairperson, Select Committee on Implementation)

- (vi) Reports of the Constitutional Implementation Oversight Committee on its consideration of
  - a) The Elections (Amendment) Bill (National Assembly Bill No. 41 of 2021); and
  - b) The Election Campaign Financing (Amendment) Bill (National Assembly Bill No. 37 of 2021).

(Chairperson, Constitutional Implementation Oversight Committee)

#### 6. NOTICES OF MOTION

The following Notices of Motion were given -

- (i) By the Chairperson of the Select Committee on Members' Services & Facilities
  - a) **THAT**, this House **adopts** the Report of the Select Committee on Members' Services and Facilities on Establishment of a Parliamentary Health Services Unit *laid on the Table of the House on Wednesday*, August 11, 2021.
  - b) **THAT**, this House **adopts** the Report of the Select Committee on Members' Services and Facilities on a study visit to the Legislative Assembly of Alberta, Canada from October 14-18, 2019, *laid on the Table of the House on Tuesday, December 11, 2020.*

(ii) By the Chairperson of the Select Committee on Implementation -

**THAT**, this House **adopts** the Report of the Select Committee on Implementation on its consideration of the Implementation Status of the Report of the Departmental Committee on Finance and National Planning on the Optimization of Revenue in Grain Handling Services at the Port of Mombasa, *laid on the Table of the House on Thursday*, *February 24*, 2022.

# 7. NOTICE OF MOTION - ADJOURNMENT OF THE HOUSE TO DISCUSS A DEFINITE MATTER OF URGENT NATIONAL IMPORTANCE REGARDING THE RISING FOOD PRICES IN THE COUNTRY

Pursuant to Standing Order 33, the Nominated Member (Hon. David Sankon) sought leave to move the adjournment of the House for purposes of discussing a definite matter of urgent national importance regarding the rising food prices in the country;

And there being not less than twenty other Members rising in their places in support of the adjournment Motion;

Thereupon the Deputy Speaker directed that the matter be canvassed on Tuesday, March 01, 2022.

#### 8. QUESTIONS

- (a) The following Questions were asked -
  - (i) **Question No.044/2022** by the Member for Kathiani (Hon. Robert Mbui), regarding the registration of members of the public as members of various political parties without their knowledge and consent;

(To be replied to by the Registrar of Political Parties before the Departmental Committee on Justice & Legal Affairs)

(ii) **Question No.054/2022** by the Member for Meru County (Hon. Bishop Kawira Mwangaza), regarding the measures that the Ministry of Education has put in place to ensure that construction of infrastructure in public learning institutions across the country is adequately supervised by experts to ensure it is of quality standards and that the safety of learners is not compromised.

(To be replied to by the Cabinet Secretary for Education before the Departmental Education & Research)

(iii) **Question No.058/2022** by the Member for Endebess (Hon. (Dr.) Robert Pukose), regarding the delivery and distribution of 300 bags of rice, part of relief food dispatched *vide* letter *Ref No: MDP/SDSP/9/11Vol.1 (37)*, dated *11<sup>th</sup> May 2020* addressed to the Deputy County Commissioner, Endebess and copied to the area Member of Parliament for Endebess Constituency, to the intended beneficiaries.

(To be replied to by the Cabinet Secretary for Public Service, Gender, Senior Citizens Affairs & Special Programmes before the Departmental Administration & National Security)

- (iv) **Question No.057/2022** by the Member for Gilgil (Hon. Martha Wangari), regarding the the status of investigations into the disappearance of *Mr. Boniface Njuguna Ndung'u* of ID No. 20125197, a businessman and resident of Gilgil Constituency who was kidnapped in *Churo area*, Baringo County on 31st August 2021 while sourcing for chicken for his business as reported in *Gilgil* Police Station on 17th September 2021 *vide* OB No. 21/17/9/2021.
- (To be replied to by the Cabinet Secretary for Interior & Coordination of National Government before the Departmental Administration & National Security)
- (b) The following Questions were <u>deferred</u> -
  - (i) **Question No.055/2022** by the Member for Mathioya (Hon. Peter Kihara) to the Cabinet Secretary for Agriculture, Livestock & Fisheries on the reason for the lack of supply instructions to *M/s Macnut Farm Products* located in *Kairi* area, Mathioya Constituency which was awarded *Tender No. MOALF I/SDCD/REG/03/2018-2019*) on 24th May 2019 for the supply of coconut and grafted cashewnuts seedlings to five Counties, *namely; Taita Taveta, Kwale, Kilifi, Lamu and Tharaka Nithi* and issued with five (5) local purchase orders (LPOs) on 23rd June 2019 worth twenty-seven (27) million shillings out of a total of nine LPOs worth forty-four (44) million shillings under the tender.
  - (ii) **Question No.056/2022** by the Member for Nakuru Town East (Hon. David Gikaria) to the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development & Public Works regarding the restriction issued by the Kenya National Highways Authority (KeNHA) to public service vehicles (PSVs) against using the bus stop commonly referred to as *Gateiguru stop* located near the *Nakuru Town Footbridge* along the *Nakuru Nairobi Highway* despite it being a recognized stop.

#### 9. STATEMENT PURSUANT TO STANDING ORDER 44(2)(a)

Pursuant to the provisions of Standing Order 44(2)(a), the Leader of the Majority Party issued a Statement regarding the Business of the House for the week commencing Tuesday, March 01, 2021.

#### 10. REQUEST FOR STATEMENT PURSUANT TO STANDING ORDER 44(2)(c)

Pursuant to the provisions of Standing Order 44(2) (c), the Member for Kwale, Hon. Zuleikha Hassan, requested for a statement from the Chairperson of the Departmental Committee on Defence & Foreign Relations repatriation of Kenyans caught up in Russia's invasion of Ukraine.

11. MOTION - REPORT OF THE COMMITTEE OF THE WHOLE HOUSE ON ITS CONSIDERATION OF THE COPYRIGHT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 44 OF 2021)

Motion made and question proposed –

**THAT**, this House do agree with the Report of the Committee of the whole House on its consideration of the Copyright (Amendment) Bill (National Assembly Bill No. 44 of 2021).

(Chairperson, Departmental Committee on Finance & National Planning)

Debate on the Motion having been conclude on Wednesday, February 23, 2022 (Afternoon);

Question put and agreed to.

Motion made and question proposed -

**THAT**, the Copyright (Amendment) Bill (National Assembly Bill No. 44 of 2021) be now read a Third time.

(Chairperson, Departmental Committee on Finance & National Planning)

Question put and agreed to.

Bill read a Third time and passed.

# 12. THE UNIVERSITIES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 35 OF 2021)

Motion made and question proposed -

**THAT**, the Universities (Amendment) Bill (National Assembly Bill No. 35 of 2021) be now read a Second time.

(Leader of the Majority Party)

Debate on the Motion having been conclude on Thursday, February 17, 2022 (Afternoon);

Question put and agreed to.

Bill read a Second Time and referred to a Committee of the whole House tomorrow.

#### 13. COMMITTEE OF THE WHOLE HOUSE

Consideration of the **President's Reservations** to the Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020)

<u>Clause 2</u> - <u>President's Recommendation proposed to Clause 2</u>

**THAT**, the Bill be amended in clause 2-

- (a) by deleting paragraph (b);
- (b) in paragraph (c) by deleting subsection (3) and substituting therefor the following new sub-section-

- (3) A person who contravenes this section shall be liable on conviction-
  - (a) in the case of a natural person, to a fine not exceeding one million shillings or to imprisonment for a term not exceeding three years or to both; or
  - (b) in any other case, to a fine not exceeding one million shillings.

(Leader of the Majority Party)

Question on President's Recommendation to Clause 2 proposed;

Debate arising;

Question put and agreed to;

President's Recommendation to Clause 2 - <u>agreed to</u>;

Motion made and Question proposed -

**THAT**, this House do agree with the Report of the Committee of the Whole House on its consideration of the President's Reservations to the Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020).

(*The Leader of the Majority Party*)

Question put and agreed to

### 14. GUIDE ON THE CONSIDERATION OF CERTAIN SPECIFIED BUSINESS OF THE DAY

The Deputy Speaker issued the following Guide in relation to the consideration of Motions under Order No. 11 & 12 –

"On the consideration of proposed amendments to the Report of the Budget & Appropriations Committee on the 2022/2023 Budget Policy Statement (BPS) and the Medium-Term Debt Strategy

**Honourable Members,** I wish to guide the House that I have received notices of proposed amendments from various Members as published in today's Order Paper. The proposed amendments are by the Member for Kikuyu, The Hon. Kimani Ichung'wah, Nominated Member, The Hon. Wilson Sossion, The Member for Kilifi North, The Hon. Owen Baya and the Member for Garissa Township, The Hon. Aden Duale.

**Honourable Members,** as you will have noticed, the proposed amendments as published in the Order Paper are preceded by a **disclaimer** to the effect that they are subject to the Speaker's decision on application of Article 114 of the Constitution. It is this decision which I wish to now convey to the House. To start with **Honourable Members,** Article 114(2) of the Constitution states as follows with respect to Money-Motions, and I quote –

"114. (2) If, in the opinion of the Speaker of the National Assembly, a motion makes provision for a matter listed in the definition of "a money Bill", the Assembly may proceed only in accordance with the

recommendation of the relevant Committee of the Assembly after taking into account the views of the Cabinet Secretary responsible for finance.

- (3) In this Constitution, "a money Bill" means a Bill, other than a Bill specified in Article 218, that contains provisions dealing with—
  - (a) taxes;
  - (b) the imposition of charges on a public fund or the variation or repeal of any of those charges;
  - (c) the appropriation, receipt, custody, investment or issue of public money:
  - (d) the raising or guaranteeing of any loan or its repayment; or
  - (e) matters incidental to any of those matters."

On the other hand **Honourable Members**, the processing of the annual Budget Policy Statement (BPS) is provided for in section 25 of the Public Finance Management Act, 2012. The BPS sets out the broad strategic priorities and policy goals that will guide the national government and county governments in preparing their budgets both for the following financial year and over the medium term and includes, inter alia –

- (a) an assessment of the current state of the economy and the financial outlook over the medium term, including macro-economic forecasts;
- (b) the financial outlook with respect to Government revenues, expenditures and borrowing for the next financial year and over the medium term;
- (c) the proposed expenditure limits for the national government, including those of Parliament and the Judiciary and indicative transfers to county governments;
- (d) the fiscal responsibility principles and financial objectives over the medium term including limits on total annual debt;
- (e) the fiscal risk statement.

Before I render my determination, **Honourable Members**, it is noteworthy that there are two main purposes of the annual BPS that I would wish to restate. **Firstly**, the BPS informs basis for the **vertical** distribution of national revenue between the national and county level of governments, which get actualized in the annual Division of Revenue Act. The decision of the House on the BPS therefore determines the content of the Division of Revenue Bill, whose publication follows the resolution of the House on the BPS.

**Secondly**, the Budget Policy Statement sets the limits for the distribution of the share of the national revenue to be allocated to each of the three arms of the national government and within the upper limit of distribution amongst the programmes of the national government. Therefore, for all intents and purposes, the resolution of the House on the BPS constitutes a 'Money Motion'.

**Honourable Members**, Section 25(7) of Public Finance Management Act, 2012 requires Parliament to approve the BPS, with or without amendments. Therefore, the law contemplates amendments being made to the BPS by the House. However, **Honourable Members**, we must make a distinction between amendments being proposed to the BPS as it was submitted to the House by

Cabinet Secretary for the National Treasury, and amendments being proposed by Members to the amendments of the Budget & Appropriations Committee on the BPS and the financial and policy resolutions as proposed by the Committee. As you will notice, the financial and policy resolutions proposed to this House by the Committee are normally extracted from the Committee's Report and published in the Order Paper for ease of reference by all Members.

**Honourable Members**, The first amendment by the Member for Kikuyu basically seeks to alter the budget ceilings by reducing National Government's portion of the shareable revenue and allocating the difference to the County Governments and the Judiciary, by each getting an additional allocation of 125B and 12 Billion, respectively. This also relates to the proposed amendment under paragraph 79 of the Report of the Budget & Appropriations Committee, where the Member for Kikuyu proposes to increase the County Governments' Equitable Share from Kshs. 370 billion to Kshs. 495 billion representing 35% of the last audited and approved revenues being Kshs. 1.413 trillion. Notably, the House is aware that the Senate passed the 2022/2023 BPS with a similar resolution. For this reason, Honourable Members, I will allow this amendment to be considered by the House for a decision as it relates to the vertical division of the national revenue. I have allowed this proposal conscious of the fact that the limits on the portions of shareable revenue between the two levels of Government will have an implication to the Division of Revenue Bill, which of course will also be considered by the Senate. Therefore, with the Senate having made its decision by capping it at 35%, it would only be fair for me to allow this amendment for the House to also make its decision on the matter, one way or the other. I will also proffer the same treatment to the proposal to increase the limit to the Judiciary's budget ceiling from the amount of Kshs. 18.885 billion to Kshs. 30.885 billion.

**Honourable Members,** The proposed amendment under paragraph XXA relating to recommendation 75 of the Report on the BPS, seeks to reallocate Ksh. 50 billion to support credit finance for Micro, Small and Medium Enterprises (MSMEs) adversely affected by the COVID-19 Pandemic. However, since we are not at the stage of approving the 2022/2023 Estimates, I will disallow this amendment with the hope the Budget & Appropriations Committee will consider the proposal at the time of considering the Estimates.

**Honourable Members,** The proposed amendment under paragraph *XXB* relating to recommendation 75 of the Report on the BPS is a **policy proposal** for the rolling out of a mapping exercise of exportable goods and services from all constituencies in the country. I will therefore allow this amendment. If approved by the House, the Government will consider the proposal in line with its existing broad priorities. This will also apply to the proposals on operationalization of the Judiciary Fund, the designation of the Inspector-General of Police as an Accounting Officer for the National Police Service, and the proposed additional allocation of resources to facilitate upward review of remuneration for police officers.

**Honourable Members,** The proposed amendment by the Hon. Wilson Sossion seeks to provide for the funding of the Teachers Professional Development Programme under section 35 of the Teachers Service Commission Act, 2009. This

being a policy proposition to the Government, I will allow it to be considered by the House.

Honourable Members, The Member for Kilifi North, the Hon. Owen Baya has also proposed various amendments to the Motion. The proposals relate to the allocation of resources to the State Department for Crops Development and Agricultural Research to provide for subsidies on fertilizer so as to reduce the price of purchasing fertilizer. To the extent that the proposal is not asking for any additional resources, but rather asking the Cabinet Secretary for National Treasury to consider reallocating and availing resources to actualize the proposal, I will allow the House to debate and make a decision in one way or the other. However, I will disallow the Member's other two proposed amendments relating to the revival of the cashew-nuts and mangoes sub-sector in Kilifi County and resettlement of squatters, as they are better canvassed at the level of Estimates. The purpose of the BPS is really not to allocate and determine the details of funding but rather to set out the broad strategic priorities and policy goals that will guide the national government and county governments in preparing their budgets.

Finally, **Honourable Members**, the Member for Garissa Township, the Hon. Aden Duale has also proposed amendments seeking to alter the budget ceilings for the National Government's portion of the shareable revenue by reducing and reallocating the Kshs. 12 billion difference to the Judiciary. You will notice that the effect of this proposed amendment is similar to that being proposed by Member for Kikuyu. In this regard, I will therefore allow the consideration of the two, of course in line with our procedures on the processing of amendments of a similar nature.

The Hon. Duale has also proposed the reinstatement of the livestock-off take programme and drought mitigation measures by allocating Kshs.1.5 billion and Ksh.2 billion to the programmes respectively. Noting that this is a specific programme-based allocation, I will disallow this amendment as it will be best placed at the stage of consideration of the Estimates.

Honourable Members, On the Motion on the Medium-Term Debt Management Strategy under Order No. 12, the Member for Kikuyu is proposing insertion of a new paragraph (ba) to the effect that the House notes that the approval of the 2022/23 BPS and the Medium-Term Debt Management Strategy is not to be construed to be an approval for the raising of the national debt limit as currently stipulated in law. It is observed that the Member is asking the House to make a further recommendation whose implication is to affirm that the approval of the BPS and the Medium-Term Debt Management Strategy is not an approval of an increase of the National Debt Limit. It will be noted that, in its recommendation to the House, the Committee is also asking the House to cause the National Treasury to align the projected 2022/2023 expenditure to be within the headroom allowed by the limit set by the House on 9th October 2019. To this extent, I am inclined to allow this amendment as it is an emphasis of the Resolution of the House of 9th October 2019.

**Honourable Members** Before I conclude, I wish to respond to the Point of Order raised by the Hon. Kimani Ichung'wah relating to this matter during the afternoon sitting of Tuesday, February 22, 2022. The essence the Point of Order was threefold, being-

- (i) Whether the House can amend the BPS?
- (ii) Whether the House can amend the report of BAC on the BPS?
- (iii) And whether amendments proposed are subject to Article 114 of the Constitution?

**Honourable Members**, These are fairly straightforward matters for which I have guided the House before. On whether the BPS can be amended, the answer, as I have stated above, lies in section 25(7) of the PFM Act, 2012 which contemplates an approval of the BPS, with or without amendment. As to whether the House can amend the report of the BAC, I wish to note that the Motion for the adoption of the report is a Motion like any other and may be amended in the usual manner as provided for in our Standing Orders. Lastly, as to whether amendments relating to the BPS are subject to Article 114 of the Constitution, the answer is in the affirmative whenever the amendments relate to matters provided under Article 114(3) of the Constitution.

In conclusion therefore, the Motions will now proceed as I have directed noting the determinations herein. The House is accordingly guided. **I thank you.**"

## 15. MOTION - REPORT ON THE BUDGET POLICY STATEMENT FOR THE FY 2022/2023

Motion made and question proposed -

**THAT**, this House **adopts** the Report of the Budget and Appropriations Committee on the Budget Policy Statement for the financial year 2022/2023, laid on the Table of the House on Tuesday, February 15, 2022, and pursuant to the provisions of section 25(7) of the Public Finance Management Act, 2012 and Standing Order 232(9) and (10)-

- (a) **approves** the Budget Policy Statement (BPS) for the financial year 2022/2023;
- (b) makes the following financial resolutions with respect to the BPS -
  - (i) approves the capping of the **fiscal deficit** at Ksh. 400 billion or 3.0% of GDP, whichever is lower;
  - (ii) approves **the National Government's** Budget ceiling for the year 2022/23 at Ksh. 1,629.011 trillion-Of which-
    - Executive billion
       Of which: Office of the Auditor General Ksh. 1,559.910

       Parliament Ksh. 6.378 billion
       Ksh. 50.220 billion
       Ksh. 1,8885 billion
  - (iii) **resolves that,** the budget ceilings of the Ministries, Departments and Agencies (MDAs) be rationalized to be within the deficit as approved herein, and further that necessary measures be put in place to collect additional revenue;

- (iv) **approves** the County Governments' Equitable Share at Ksh. 370 billion;
- (v) **approves** the Equalization Fund at Ksh. 7.068 billion;
- (vi) **approves** the Conditional Grants at Ksh. 37 billion, to be distributed in accordance with Annex 4 of the Report of the Budget and Appropriations Committee;
- (C) makes the **policy resolutions** contained in the First Schedule to the Order Paper (Policy Resolutions relating to the Budget Policy Statement for the financial year 2022/23);
- (d) **orders** that the resolutions form the basis for the preparation of the 2022/2023 budget; and,
- (e) **resolves** that the Budget Policy Statement for the financial year 2022/2023 forms the basis for the introduction of the Division of Revenue Bill, 2022.

(Chairperson, Budget & Appropriations Committee)

Debate arising;

#### Amendment proposed -

**THAT,** the Motion be amended by-

- a) deletion of paragraph (b)(i) and (ii) and substitution thereof with the following-
  - (i) approves the National Government's Budget ceiling for the year 2022/2023 at Ksh. 2,075.011 billion-

Of which:

1. Executive Ksh. 2,005.910 billion

Of which: Office of the Auditor General Ksh. 6.378 billion

2. Parliament Ksh. 50.217 billion

3. Judiciary Ksh. 18.885 billion

- **b)** insertion of the following words immediately after paragraph (c)-"Subject to deletion of "paragraph 78" appearing on page 25 of the Report and substituting thereof with the following new paragraph –
  - **78.** The Committee is concerned that the BPS had proposed an overall deficit of Ksh.846 billion which has a potential to breach the approved debt ceiling of Ksh. 9 trillion. The Committee therefore urges the National Treasury to amend the debt ceiling to enable them implement the budget as proposed, rationalize expenditure or implement revenue enhancing measures.
- **c) THAT**, the consequential amendments be effected in the Report thereof.

(Leader of the Majority Party)

Debate arising;

Question of the amendment put and agreed to.

#### <u>Further amendment proposed</u> –

**THAT**, the Motion be amended by-

d) insertion of the following words immediately after paragraph (b)(vi)-

#### "Subject to -

- 1) deletion of the amount "Kshs. 1,629.01 billion" appearing in paragraph 79(ii) on page 25 of the Report and substituting therefor the amount "Kshs. 1,492.01 billion";
- 2) deletion of the amount "Kshs. 18.885 billion" appearing in paragraph 79(iii) on page 25 of the Report and substituting therefor the amount "Kshs. 30.885 billion". This should be financed by reallocations from the operations and maintenance vote heads of the Executive Office of the President, Ministry of Interior and Coordination of National Government and the National Treasury; and
- 3) deletion of the amount "Kshs. 370 billion" appearing in paragraph 79(v) on page 26 of the Report and substituting therefor the amount "Kshs. 495 billion" representing 35% of the last audited and approved revenues worth Kshs. 1.413 trillion. This will be financed by reallocations from the Ministries, Departments and Agencies undertaking devolved functions."
- e) insertion of the following words immediately after paragraph (c)-

"Subject to insertion of the following new recommendations immediately after recommendation "xx" appearing on page 25 of the Report –

xxi. That, Kshs. 50 billion be provided under the Ministry of Industrialization, Trade and Enterprise Development to support credit finance for Micro, Small and Medium Enterprises (MSMEs) adversely affected by the COVID-19 Pandemic. This will be financed by reallocations from the recurrent expenditures of the following votes: 1) Office of the President, 2) Ministry of Interior and Coordination of National Government and 3) Ministry of Defence;

xxii. That, under the Ministry of Industrialization, Trade and Enterprise Development in conjunction with the Ministry for Agriculture, roll out a mapping exercise of all goods and services produced with export potential from all the 290 Constituencies, and report to the National Assembly by 30<sup>th</sup> of April 2022;

xxiii. That, before the beginning of the 2022/2023 financial year, the Cabinet Secretary for the National Treasury designates the Inspector-General of Police as an Accounting Officer for the National Police Service in accordance with the provisions of section 67 of the Public Finance Management

Act, 2012. This will provide the necessary financial autonomy and ensure independence and effective policing services especially for the Directorate of Criminal Investigations (DCI) in the fight against corruption and maintenance of security across the country;

xxiv. That, before the beginning of the next financial year 2022/23, the Judiciary Fund should be operationalized in line with Article 173 of the Constitution to ensure the independence of the Judiciary;

xxv. That, before the finalization of the financial year 2022/23 budget, additional resources of Kshs.12 Billion be allocated to the Judiciary to facilitate the hiring of judicial personnel, construction of courts in counties and sub-counties and for the full establishment of tribunals; and

xxvi. That, before the finalization of the financial year 2022/23 budget, additional resources be provided to facilitate upward review of remuneration for police officers."

**f) THAT**, the consequential amendments be effected in the Report thereof.

(Hon. Kimani Ichung'wa, MP)

Amendment dropped.

Further amendment proposed -

**THAT**, the Motion be amended by-

(i) insertion of the following words immediately after paragraph (c)"Subject to insertion of the following new recommendations immediately after recommendation "xx" appearing on page 25 of the Report –

xxi.

That, adequate resources be provided under the State Department for Crops Development and Agricultural Research to provide for subsidies on fertilizer so as to reduce the price of purchasing fertilizer from the current Kshs. 6,000 to Kshs. 2,500. This should be financed by reallocations within the State Department budget;

(ii) **THAT**, the consequential amendments be effected in the Report thereof.

(Hon. Owen Baya, MP)

Debate arising;

Question put and negatived.

Further amendment proposed -

**THAT,** the Motion be amended by inserting following words immediately after paragraph (c) –

(i) "Subject to insertion of the following new recommendation "xxi" immediately after recommendation "xx" appearing on page 25 of the Report-

xxi. That, the Government fully finances the Teachers Professional Development Program, under Section 35 of the Teachers Service Commission Act, 2009. These expenses will be met through the reallocation of the resources allocated under the Teachers Service Commission. Furthermore, all other training programs initiated by the Teachers Service Commission should be financed by the commission in line with international Human Resource practice."

(ii) **THAT**, the consequential amendments be effected in the Report thereof.

(Hon. Wilson Sossion, MP)

Debate arising;

Question put and negatived.

Further amendment proposed -

**THAT,** the Motion be amended by-

(i) insertion of the following words immediately after paragraph (c)-

"Subject to insertion of the following new recommendations immediately after recommendation "xx" appearing on page 25 of the Report –

- xxi. Provide for an additional Ksh.2 billion to cater for drought mitigation programme in the budget for the FY 2022/2023;
- xxii. Provide for an additional Ksh.1.5 billion to cater for livestock off-take programme in the budget for the FY 2022/2023;
- xxiii. Make provision for an additional Ksh. 12 billion in the FY 2022/2023 and policy directive for the operationalization of the Judiciary Fund in line with the Constitution to offer the Judiciary financial independence, autonomy, and adequate funding to perform its functions."
- (ii) insertion of the following words immediately after paragraph (b)(vi)-

"Subject to deletion of the amount "Kshs. 18.885 billion" appearing in paragraph 79(iii) on page 25 of the Report and substituting therefor the amount "Kshs. 30.885 billion" to adjust the Judiciary budget ceiling for the FY 2022/2023"; and,

(iii) **THAT**, the consequential amendments be effected in the Report thereof. (Hon. Aden Duale,MP)

Amendment dropped.

Resumption of debate on the Motion as amended;

Rising in her place on a point of Order under Standing Order 95, the Member for Wajir County (Hon. Fatuma Gedi, MP) claimed to move that "the Mover be now called upon to reply."

And, the Speaker acceding to the claim;

Question put and agreed to;

Mover replied;

Question on the Motion as amended put and agreed to

And the time being five minutes past Seven O'clock, the Third Chairperson adjourned the House without Question put pursuant to the Standing Orders.

**16. HOUSE ROSE** - at five minutes past Seven O'clock

#### MEMORANDUM

The Speaker will take the Chair today, Tuesday, March 01, 2022 at 2.30 p.m.

---X---