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THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

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Thursday, 3rd April 2025

The House met at 2.30 p.m.

[The Deputy Speaker (Hon. Gladys Boss) in the Chair]

PRAYERS

QUORUM

Hon. Deputy Speaker: Hon. Members, there is no quorum in the House. Serjeant-at-Arms, ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

We may proceed now, Hon. Members. We have quorum. Clerk-at-the-Table.

PAPERS

Hon. Deputy Speaker: Leader of the Majority Party.

Hon. Owen Baya (Kilifi North, UDA): Hon. Speaker, I beg to lay the following Papers on the Table:

1. Legal Notice No. 61 of 2025 relating to the Public Service Commission (State Corporations and Public Universities) (Disciplinary Appeals Procedures) Regulations, 2025 from the Public Service Commission (to be referred to the Committee on Delegated Legislation); and,
2. Reports of the Auditor-General and Financial Statements for the years ended 30th June 2021, 30th June 2022 and 30th June 2023, and the certificates therein in respect of:
 - (a) Moi Kapsowar Girls High School;
 - (b) Muthiga Girls High School;
 - (c) Mwala School;
 - (d) Nakuru Boys High School;
 - (e) Naromoru Boys Secondary School;
 - (f) Ngaremara Girls Secondary School;
 - (g) Njoro Day Secondary School;
 - (h) Oloibor Soit Secondary School;
 - (i) Olooseos Girls Secondary School;
 - (j) Pangani Girls School;
 - (k) Senior Chief Koinange High School;
 - (l) St. Teresa Moi Equator Girls Secondary School;
 - (m) St. Mary's Boys High School - Kitany;
 - (n) St. Mary's Girls High School - Kinyambu;
 - (o) St. Michael Kabaa High school - Machakos; and,
 - (p) Starehe Boys Centre.
3. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2024, and the certificates therein in respect of:

- (a) Affordable Housing Fund;
- (b) Agriculture and Food Authority (AFA) Car Loan and Mortgage Fund;
- (c) Agro Chemical and Food Company Limited;
- (d) Amani National Congress Party;
- (e) Coffee Cherry Advance Revolving Fund (CCARF);
- (f) E-Citizen Revenue Accountability Statement - the National Treasury;
- (g) Ewaso Ng'iro North River Basin Development Authority;
- (h) Golf Hotel Limited;
- (i) Human Resource Management Professionals Examinations Board;
- (j) Hydrologists Registration Board;
- (k) Judiciary Mortgage and Car Loan Scheme;
- (l) Kenya Cultural Centre;
- (m) Kenya Dairy Board;
- (n) Kenya Film Classification Board;
- (o) Kenya Law Reform;
- (p) Kenya Marine and Fisheries Research Institute; and,
- (q) Kenya Plant Health Inspectorate Service Mortgage Fund.

Hon. Deputy Speaker, I beg to lay.

Hon. Deputy Speaker: Next are reports from the Chairpersons. The first one to go is the Chairperson of the Departmental Committee on Health. Hon. (Dr) Nyikal, you will do it on behalf of the Chairperson?

Hon. (Dr) James Nyikal (Seme, ODM): Hon. Speaker, I beg to lay the following papers on the Table:

Reports of the Departmental Committee on Health on:

1. Consideration of Senate Amendments to the Cancer Prevention and Control (Amendment) (No. 2) Bill, (National Assembly Bill No. 45 of 2022);
2. Participation in the Africa TB Summit and Health Committee Chairpersons meeting in Lusaka, Zambia, from 29th to 30th October 2024;
3. Visit to Liverpool School of Tropical Medicine Pre-Feasibility Engagement to discuss Research and Development of Snakebite Treatments, from 13th to 15th May 2024; and,
4. Attendance at the Seventy-Seventh World Health Assembly held in Geneva, Switzerland, from 27th May to 1st June 2024.

Thank you.

Hon. Deputy Speaker: Hon. Members, kindly allow me, with your indulgence, to recognise students from several schools that are present in the Public Gallery before they leave, as they may not stay for the entire session. The Chairperson of the Departmental Committee on Administration and Internal Affairs; the Chairperson of the Departmental Committee on Blue Economy and, the Chairperson of the Departmental Committee on Finance and National Planning, kindly hold on. We will return to you shortly. Let us first welcome the students. As we do so, we shall move to Order No.7 on Questions and Statements, during which I will allow one statement from a Member who will be welcoming the students for the sake of neatness.

Hon. Members, allow me to recognise the presence of students from the following schools. They are seated in the Public Gallery: Jacridge School from Ruiru Constituency, Kiambu County; Regina Paces Elimu School from Nakuru Town East Constituency, Nakuru County and Immaculate School from Eldama Ravine Constituency, Baringo County. Also present are Kenyatta University Sociology students from Roysambu Constituency, Nairobi County.

In the Speaker's Gallery, we have S.A. Wabukhonyi Secondary School from Kabuchai Constituency, Bungoma County, and Maranda High School from Bondo Constituency, Siaya County.

I now invite Hon. Otiende Amollo to welcome the students on our behalf, after which we shall hear from Hon. Kalasinga.

Hon. (Dr) Otiende Amollo (Rarieda, ODM): Thank you, Hon. Deputy Speaker. On behalf of myself, the Member of Parliament for Bondo, Dr Ochanda, who is also present, the Women Representative for Siaya, Dr Ombaka, and another distinguished alumnus of Maranda, Dr Oron, I extend a warm welcome to Maranda National School to the National Assembly of the Republic of Kenya. I also extend this welcome to all the other schools present.

Allow me to remind the students that this is the Parliament of Kenya, the ultimate law-making authority responsible for legislation, oversight, and representation. This House is diverse, comprising men and women from all parts of the country, with varying backgrounds; some wealthy, some less wealthy, some highly educated, some quite learned, some controversial, and others less so. What unites us is our role in representing the people of Kenya. As future lawmakers and leaders, we encourage you to observe the proceedings keenly and aspire to one day join us in this House.

Karibuni sana. Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: We shall also give an opportunity to Dr Ochanda from Bondo. Kindly make it brief.

Hon. Gideon Ochanda (Bondo, ODM): Thank you, Hon. Deputy Speaker. I join you in welcoming the students to the National Assembly, particularly those from Maranda High School, which hails from Bondo. Maranda is our prime and premier school.

To the students, especially those who are studying history and government, as others conduct experiments in chemistry, physics, or biology labs, this is your laboratory. This experience should be invaluable to you. Every year, there are examination questions related to what you are witnessing today. I urge you to take this opportunity seriously. Having been present here, none of you should ever fail a question related to Parliament.

Thank you, Hon. Members.

Hon. Deputy Speaker: Hon. Members, as I said, we value the students who come to the House to observe the proceedings. Many of them have come a long way, and that is why I adjusted the Order Paper to recognise them before they leave. We will now move to Statements. Next Order.

QUESTIONS AND STATEMENTS

REQUEST FOR STATEMENTS

Hon. Deputy Speaker: We have a request for a statement by Hon. Majimbo Kalasinga, the Member of Parliament for Kabuchai. Hon. Kalasinga, you can welcome the students and read your request for a statement.

Hon. Majimbo Kalasinga (Kabuchai, FORD-K): Thank you very much, Hon. Deputy Speaker, for the great honour of reading my request for a statement when my students are here. I wish to congratulate Maranda High School for doing well. However, Hon. (Dr) Amollo Otiende should know that the Principal of Maranda High School, Mr Edwin Namachanja, comes from Kabuchai. We are proud to associate ourselves with Maranda High School.

THEFT OF MONEY BELONGING TO NAKOYONJO SACCO

Hon. Deputy Speaker, pursuant to Standing Order 44 (2) (c), I rise to request for a statement from the Chairperson of the Departmental Committee on Trade, Industry and Co-operatives regarding the theft of Ksh25 million belonging to Nakoyonjo SACCO Society in Bungoma County.

Savings and Credit Co-operative Societies (SACCOs) play a critical role in the economic empowerment of Kenyans, particularly farmers, small-scale traders and other vulnerable groups. To this end, the Co-operative Societies Act (Cap 490B) requires SACCOs to safeguard members' funds and manage their financial affairs prudently. Specifically, sections 27 and 53 of the Act obligate co-operative societies to exercise diligence in financial transactions, comply with regulations on the prevention of financial mismanagement and losses, and implement internal controls and risk management measures to protect members deposits.

Members of Nakoyonjo SACCO Society are concerned that its management purportedly withdrew a large sum of cash amounting to Ksh25 million from the Co-operative Bank, Bungoma and transported the cash all the way to Ushirika Bank in Kimilili Town, where the cash is claimed to have been stolen by Ushirika Bank staff at the Bank's entrance. By opting for cash instead of a safer cashless transaction, the management of the SACCO disregarded best financial practices for minimizing the risks associated with cash handling, raising serious concerns about the financial security of co-operative societies and members' funds.

Hon. Deputy Speaker, it is against this background that I request the Chairperson of the Departmental Committee on Trade, Industry and Co-operatives on the following:

1. A report on the guidelines on large cash withdrawals and financial security measures for SACCOs and the reasons why the management of Nakoyonjo SACCO Society withdrew Ksh25 million in cash at once instead of using electronic funds transfer or withdrawing the money in smaller amounts for security reasons.
2. The circumstances surrounding the theft of Ksh25 million at the entrance of Ushirika Bank, the status of investigations into the incident, and the steps being taken to recover the stolen funds, and hold the culprits accountable.
3. Clarification on whether co-operative societies are required to have insurance cover against theft, fraud, and other financial risks, whether Nakoyonjo SACCO Society was insured and that the stolen funds can be indemnified.

I thank you.

Hon. Deputy Speaker: Hon. Members that request for a statement is directed to the Departmental Committee on Trade, Industry and Co-operatives.

Hon. Members, we will now go back to Order No.5. I now call upon the Chairperson of the Departmental Committee on Administration and Internal Affairs, represented by Hon. Raso.

PAPERS

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. I beg to lay the following Paper on the Table:

Report of the Departmental Committee on Administration and Internal Affairs on its consideration of the Assembly and Demonstration Bill, (National Assembly Bill No. 28 of 2024).

Hon. Deputy Speaker: Next is the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation.

Hon. Kangogo Bowen (Marakwet East, UDA): Thank you, Hon. Deputy Speaker. I beg to lay the following Paper on the Table:

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Report of the Departmental Committee on Blue Economy, Water and Irrigation on the budget implementation review for the Financial Year 2023/2024 for the following State Departments:

1. The State Department for Water and Sanitation.
2. The State Department for Irrigation.
3. The State Department for Blue Economy and Fisheries.

Hon. Deputy Speaker: Next is the Chairperson of the Departmental Committee on Finance and National Planning. Who is laying the Paper on behalf of Hon. Kimani Kuria? Did the Chairperson designate anyone? In the absence of anyone to lay on behalf of the Chairperson, we shall defer it to a later time.

Hon. Members, we will then go back to Order No. 7 on Questions and Statements.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

Hon. Deputy Speaker: We shall start with the request for a statement by Hon. Amina Dika, the Member for Tana River County.

DISAPPEARANCE OF MR ABDULLAHI AHMED MOHAMMED

Hon. Amina Dika (Tana River County, KANU): Thank you, Hon. Deputy Speaker. Pursuant to Standing Order 44(2) (c), I rise to seek a statement from the Chairperson of the Departmental Committee on Administration and Internal Affairs regarding the disappearance of Mr Abdullahi Ahmed Mohamed of ID No.42848612.

Mr. Abdullahi Ahmed Mohamed of ID No.42848612, a resident of Ngumu Village in Tana River County was abducted in Garsen on 5th October 2024 at around 2.00 p.m. The victim was hurriedly bundled into a Toyota Hilux Double Cabin motor vehicle registration number KCU 576U and driven away. His whereabouts remain unknown. The matter was immediately reported at Garsen Police Station *vide* occurrence number OB/2/05/10/2024.

The family of Mr Abdullahi fears that their kin, who is 73 years old and suffering from high blood pressure, risks being exposed to life-threatening health challenges if he does not access timely and proper healthcare. Since his disappearance five months ago, the family is yet to receive any report from the security agencies about the circumstances surrounding his disappearance and whereabouts. The family is, therefore, anxious and in emotional distress owing to the uncertainty regarding the wellbeing of their kin.

It is against this background that I seek a statement from the Chairperson of the Departmental Committee on Administration and Internal Affairs on the following:

1. The steps taken by security agencies to address the matter of the disappearance of Mr Abdullahi Ahmed Mohamed of ID No.42848612 on 5th October 2024.
2. A report on the status of investigation of the disappearance of Mr Abdullahi Ahmed Mohamed, and the efforts taken to establish his whereabouts so as to reunite him with his family.

I thank you.

Hon. Deputy Speaker: I will allow the Member for Bura to weigh in on this briefly.

Hon. Yakub Adow (Bura, UPIA): Thank you, Hon. Deputy Speaker, for giving me this opportunity to add my voice to this very important request for a statement concerning Mr Ahmed from Garsen Constituency.

That family has undergone a lot of agony and pain for the last six months. He was taken away on 5th October 2024 and it is now six months of pain and agony for the family. All his

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kinsmen have come to Nairobi for the last six months just to knock on every door, seek help, and trace his whereabouts.

I would like to bring to your attention that on behalf of the Member for Garsen, I requested for a statement on 12th November 2024, regarding this matter. It has now been nearly five months, and we are yet to receive a response from the Committee or the State Department. We kindly request the agencies concerned to take this matter very seriously and furnish us with information about the whereabouts of that person.

Thank you.

Hon. Deputy Speaker: Hon. Raso, on behalf of the Departmental Committee on Administration and Internal Affairs, how long can you bring the response?

Hon. Ali Raso (Saku, UDA): Thank you, Hon. Deputy Speaker. I believe Kenya is a law-abiding country that upholds constitutionalism. The issue of individuals being held incommunicado outside of police stations or jails is unlawful. For this reason, we request for two weeks to provide a response to the House.

Thank you.

Hon. Deputy Speaker: Hon. Raso, you should implore upon your Committee to expedite this matter. As the Member for Bura has said, he had already filed a request for statement in November last year and nothing has happened. That request lapsed. They have now, through the County Member for Tana River, Hon. Dika, again, put in the request. You can see it is several months late. So, you have to give an assurance that they will not have to do it again. The request was made in October last year. We are now in April.

Hon. Raso.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. I am well guided. I request Hon. Amina to appear before the Committee, so that we can quickly consider some of those issues. If somebody has been missing since last October, if they are not there, let us establish that. If they are in some form of custody, then they must be produced before the courts.

Thank you, Hon. Temporary Speaker.

Hon. Deputy Speaker: Hon. Amina Dika, I hope you are well guided on that issue. What is your point of order, Hon. Keynan?

Hon. Adan Keynan (Eldas, JP): Thank you, Hon. Deputy Speaker. It is not really a point of order. It is a request to the Vice-Chair of this very important Committee. This topic of abductions, missing people and illegal detentions is very emotive. Two weeks is such a long time. I disagree. I do not know whether Hon. Amina is content with the two weeks; that is far too long for a missing relative. I do not know why you should accept that timeline. Can the Vice-Chair bring an answer to the House next week? The answer is on their fingertips. Liaise with the Office of the President and security agencies.

There are two aspects to this matter and I seek your guidance. This country is governed by the rule of law. If criminal elements are abducting people, it is the responsibility of the Government to deal with them. If there are individuals within the security sector who are engaged in illegal abductions, they are giving this country and the Government a bad name. It is high time they are named, shamed and dealt with decisively in accordance with the Constitution of the Republic. Either way, it is the responsibility of the Government to protect the lives and property of the people of Kenya. Therefore, I urge the Vice-Chair to reduce the period from two weeks to one week so that the family can get a proper response.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Raso, I hope you have taken that into account.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. I have heard what Hon. Keynan has said, but I really want Hon. Amina to appear before our

Committee. She may be having certain critical information that could lead us to summon the Inspector-General of Police.

Hon. Deputy Speaker: When is your next Committee meeting?

Hon. Ali Raso (Saku, UDA): Next Tuesday, Hon. Deputy Speaker.

Hon. Deputy Speaker: Okay. Hon. Amina, the Committee would like you to appear before them next Tuesday. That will be 8th April 2025.

Hon. Ali Raso (Saku, UDA): Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Thank you. Let us now move to the next request for a statement by Hon. Timothy Toroitich, Member for Marakwet West.

STATUS OF SECONDARY EDUCATION QUALITY
IMPROVEMENT PROJECT IN MARAKWET WEST

Hon. Timothy Toroitich (Marakwet West, Independent): Thank you, Hon. Deputy 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 status of the Secondary Education Quality Improvement Project (SEQIP) in Marakwet West. The Government, through the Ministry of Education, commenced the implementation of the project with support from the World Bank. The programme aims to enhance equitable access to quality secondary education by expanding Junior Secondary School (JSS) education, improving teaching quality and strengthening systems for equitable service delivery in both junior and senior secondary schools. SEQIP was implemented in Marakwet West in 2023, with projects contract to Daya Agencies Ltd. The contract covered 23 projects. However, only 13 projects have been completed and commissioned since 2023, while several others have stalled or collapsed mid-construction, including the following:

1. Santa Maria Girls Cheptulon – two classrooms and one laboratory.
2. St. Teresa Koibarak Girls Secondary School – one laboratory.
3. Chebara Girls Secondary School – one laboratory.
4. Kapcherop Boys Secondary School – one laboratory.
5. Moi Girls Kapcherop Secondary School – one laboratory.
6. Chebororwa Girls Secondary School – one classroom and one laboratory.

Further, sanitary facilities at Kaptek, Kaplawon, Boron and Shoe4Africa primary schools have not commenced. Unfortunately, the contractor abandoned the projects without completing all works and left suppliers unpaid, with outstanding debts amounting to Ksh16 million as at September 2023.

It is against this background that I request for a statement from the Chairperson of the Departmental Committee on Education on the following:

1. A report on the status of SEQIP projects in Marakwet West, detailing completed, pending and collapsed projects.
2. Reasons why the contractor, Daya Agencies Ltd., abandoned the project sites before completing all projects and settling payments to suppliers.
3. Measures the Ministry of Education is taking to ensure that the unfinished projects are completed and that affected suppliers are paid their outstanding dues.
4. Plans by the Ministry to review its contractor selection and monitoring processes in future projects to prevent similar occurrence.

I thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: This will be responded to by the Departmental Committee on Education. Is Hon. Melly here to confirm how long it will take? Hon. Ombaka?

Hon. Eve Obara (Kabondo Kasipul, ODM): Hon. Deputy Speaker, I am Hon. Obara, not Hon. Ombaka.

Hon. Deputy Speaker: Sorry! You look alike and actually, I cannot see that far. It is Hon. Eve Obara.

Hon. Eve Obara (Kabondo Kasipul, ODM): Hon. Deputy Speaker, I have noted and we will give a response in the next two weeks.

Thank you.

Hon. Deputy Speaker: Thank you. We can now move to responses to requests for statements. There is a request for statement that had been sought by Hon. Christopher Aseka, Member for Khwisero. Hon. Raso, do you have the response on behalf of the Committee?

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. I do not know if Hon. Aseka is in the House. He had sought for a statement regarding scrapping of the fees for issuance of ID cards to first-time applicants. Without going through all the literature, I will share the response from the Ministry with Hon. Aseka.

Following extensive consultations with stakeholders, members of the public and Parliament regarding the issuance of national identification (ID) cards, the Ministry has taken significant steps to address the concerns raised about prohibitive practices associated with ID application fees. As a result of that discussion, a Presidential directive was issued on 13th March 2025 mandating the discontinuation of all charges and fees for first time ID card applicants. In compliance with this directive, the Ministry is in the final stages of preparing a gazette notice to formerly implement this policy change. We are committed to ensuring that the gazette notice is issued within a week, thereby fully effecting the directive and facilitating the easier access to IDs for all eligible citizens. The Ministry remains dedicated to making the ID issuance process more accessible and efficient, and will continue to engage with Parliament and other stakeholders to implement the necessary reforms.

I believe this response addresses Hon. Aseka's concerns. It solves the problems for first-time ID card applicants. They will be issued with IDs for free. I hope Hon. Aseka has heard that Statement clearly.

Hon. Deputy Speaker: Hon. Aseka, you are properly assured.

Next, we move to the request for statement that had been sought by Hon. Barongo, Member for Bomachoge Borabu. Again, it is the Departmental Committee on Administration and Internal Affairs, Hon. Raso.

DISMISSAL OF MR JAPHET MOCHAMA
FROM THE NATIONAL POLICE SERVICE

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. This is a response from the National Police Service Commission (NPSC), which I will share with Hon. Barongo.

The ex-officer, Police Constable (PC) Japhet Mauti Mochama of PF No.90638 was enlisted in the service on 7th July 2007. At the material time of his dismissal, he was attached to the Anti-Stock Theft Unit (ASTU). He was charged with an offence against discipline in Orderly Room Proceedings (ORP) on 21st November 2016, whose particulars were as follows:

“Without lawful cause, breaks out of police line”, which means being absent from duty. The offender pleaded guilty to the charges, which in fact is stated in his own words: “*Nakubali mashtaka*”. The presiding officer observed that the offender had two previous disciplinary counts and noted that he had inadequate powers to pass sentence, and thus recommended the penalty of dismissal to the NPSC. Consequently, the officer was suspended in accordance with Section 89(6A) of the National Police Service Act pending recommended summary dismissal

from service. The Service Standing Orders require that the officer's file proceedings be transmitted to the Commission through the respective service channels.

It is also noted that the ex-officer's disciplinary records reveal two convictions for the following offenses. On 6th October 2008, the officer was charged with the offence of discharging a weapon at Morop Patrol Base without reasonable cause. He pleaded guilty on his own account. He was fined and stated that he did not wish to appeal. The second count was that in 2012, the officer was charged with the offence of leaving his place of duty before he was regularly relieved, contrary to Force Standing Orders, when he should have been on night guard duties at Telcom Wire in Gilgil Town and at the ASTU Headquarters. On 30th June 2015, his records reveal an inquiry from the Directorate of Criminal Investigations (DCI) in which the Directorate requested the Officer in-Charge at the ASTU Gilgil to trace and escort the ex-officer to the Directorate for investigations relating to an offence of obtaining money under false pretences, contrary to Section 13 of the Penal Code.

At the material time to the issues of the disciplinary conduct of the ex-officer, the ex-officer was arrested and charged at the Principal Magistrate's Court in Webuye on 19th November 2023 in Criminal Case No.885 of 2016 for the following.

On 19th November 2016, the accused was charged with being in possession of public stores contrary to Section 324(2) Cap 63 of the Laws of Kenya, namely, gun oil amounting to 5 litres, suspected to be the property of the Government of Kenya. The second count was that on 19th November 2016, the accused was charged with being in possession of ammunition, contrary to Section 34(1) of the Firearms Act Cap 114 of the Laws of Kenya. He was in possession of 720 rounds of 7.62x39mm ammunition without a firearm certificate.

Having listened to the accused, the court acquitted him but the Commission felt that disciplinary processes are administrative in nature and distinct from criminal processes in which the ex-officer was acquitted. Courts have held that disciplinary processes are the prerogative of the employer as in the case of Prof. Gitile Naituli vs University Council of Multimedia University College & Another [2003] eKLR. In light of the aforementioned prerogative, courts will rarely interfere with employers' disciplinary processes. This position was reiterated in the case of Geoffrey Mworio vs Water Resources Management Authority [2015] eKLR where the court stated that:

“The court will very sparingly interfere in the employer's entitlement to perform any of the human resource functions such as recruitment, appointment, promotion, transfer, disciplinary control, redundancy or any other human resource function.”

In conclusion, it is stated that the ex-officer exhausted the redress mechanisms set out in the law relating to discipline in the service. The Commission in approving the officer's...

(Technical hitch)

Hon. Deputy Speaker: We seem to be having challenges with the system.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker. In approving the officer's dismissal, the Commission acted in accordance with the laws variously indicated in the response, namely, Article 47 of the Constitution and the Fair Administrative Action Act.

Secondly, the ex-officer admitted in the disciplinary proceedings as well as in his appeal that he was not at his place of work and that his absence was without official leave. Additionally, the officer was not in Eldoret where he had purportedly gone to withdraw money. The ex-officer's contentions against the disciplinary proceedings leading to dismissal or reinstatement can only find remedy in the Employment and Labour Relations Court (ELRC) which is mandated to settle disputes between employers and employees.

Finally, the Commission has demonstrated, through this submission, its commitment to uphold the tenets of the Constitution by ensuring that members of the service comply with Articles 10, 232 and 243 of the Constitution to uphold discipline and professionalism, and discharge their functions in national security with utmost devotion.

Hon. Deputy Speaker, I beg to respond.

Hon. Deputy Speaker: Hon. Members, before we proceed, allow me to recognise and welcome students seated in the Public Gallery. They are from Manguu Comprehensive School, Ruiru Constituency, Kiambu County; Kula Mawe Junior School from Isiolo South Constituency, Isiolo County and, Emining Boys High School from Mogotio Constituency, Baringo County.

Seated in the Speaker's Gallery, we have students from Luci Amen Junior School, Naivasha Constituency, Nakuru County and Effort Junior School from Kirinyaga Central Constituency, Kirinyaga County. I will give an opportunity to the Member for Isiolo South, Hon. Bidu Tubi and Hon. Ibrahim Saney, Member for Wajir North, to welcome the students on our behalf in that order.

Hon. Bidu Mohamed (Isiolo South, JP): Thank you, Hon. Deputy Speaker. I take this opportunity to welcome all the students who have visited us today and, in particular, the ones from Kula Mawe Primary School. This is historic in Northern Kenya; that is, Garissa, Mandera, Wajir, Marsabit and Isiolo. They could be the first students to visit Parliament.

An Hon. Member: Why?

Hon. Bidu Mohamed (Isiolo South, JP): Infrastructure. This is a sign of development that we have talked about. They have arrived today, and we are very thankful. My friend, Hon. Saney, has said that only Members of Parliament from Northern Kenya visit Parliament, but not the students. Kula Mawe Junior School serves as an example. I thank the President for constructing the Isiolo-Mandera Road which is a sign of exactly what development is all about.

Thank you very much, Hon. Deputy Speaker.

(Applause)

Hon. Deputy Speaker: Hon. Members, this is truly historic. I expected louder feet stamping for that.

(Applause)

I also give an opportunity to the Member for Wajir North. After that, I will also give an opportunity to an old student from the school.

Hon. Ibrahim Saney (Wajir North, UDA): Hon. Deputy Speaker, when the President pronounced himself on the tarmacking of the Isiolo-Kula Mawe-Modogashe-Wajir-Mandera Road, content creators, especially on TikTok, made fun of it. They made a lot of comedy. They did not believe that, that road shall be tarmacked. Today, the visit by students from Kula Mawe Junior Secondary School to Parliament is a testament that the President means what he says.

(Applause)

Before that road was tarmacked, it was good for a settlement. That is why it is named Kula Mawe. Roads were not motorable. I am happy today. The first school from Northern Frontier District, Kula Mawe Junior Secondary School, is a representation of the largest swath of Kenya, from Turkana to Garissa and Mandera. Students from the first junior secondary school have visited Parliament, the august House. It was quite a disbelief on my part because I

thought this was a House of Members of Parliament only. I never thought that our students would one day be privileged to follow the proceedings of this House.

I congratulate the President for meaning what he said. I am sure those TikTokers will know that the road leads you to Wajir and it is on its way to Mandera. Students from Mandera will visit Parliament.

Without much ado, I welcome these youngsters. They represent the larger Northern Frontier District, and not only Kula Mawe. I am happy because their presence today is an eye-opener for the rest to follow.

Thank you, Hon. Deputy Speaker.

(Applause)

Hon. Deputy Speaker: Member for Eldas, Hon. Keynan.

Hon. Adan Keynan (Eldas, JP): Hon. Deputy Speaker, I went to Garbatula High School which is not very far from Kula Mawe. We used to take almost three days to travel from Isiolo to Garbatula. The road was almost impassable, when it rained. Since Independence in 1963, one group of Kenyans has been enjoying the benefits of our Independence. However, under the leadership of President William Ruto, every part of the Republic of Kenya sees the fruits of our Independence.

(Applause)

For those who want to hear, see, sense, and apply telepathy and their sixth sense, I tell you that the road from Isiolo to Modogashe, Wajir and Mandera is a reality. The first part from Isiolo to Modogashe is on track, and the tarmac is there. So, I join my colleagues...

An Hon. Member: On a point of order, Hon. Deputy Speaker.

Hon. Adan Keynan (Eldas, JP): I am on a point of order. He does not understand the procedures of the House. When we were in school, we used to define tarmac as a black substance.

(Hon. David Ochieng' consulted Hon. Deputy Speaker)

I want to get the attention of Hon. Deputy Speaker. When we were in school, we used to define tarmac as a black substance found in down Kenya. Then we would ask ourselves where was down Kenya. We would say that it was anything north of where we used to live. That black substance is now a reality in our midst. It is in Wajir, Isiolo, Modogashe and Mandera. I tell Kenyans that this reality must be appreciated. For the youngsters who are here, this is your time. You are under the watchful care of your Government that understands, appreciates and sees you. It brings development to wherever you are. Feel appreciated. Welcome to the National Assembly. This is where the legislation of the Republic of Kenya has been taking place for the last 60 years. This is your privileged day. Welcome. When you go back, tell your parents down there that you have seen down Kenya which is now a reality.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Thank you. That was a good testament. The Member for Bomachoge Borabu mentioned to me that he wanted a response from Hon. Raso, but I skipped him. Please, proceed before we move to the next Statement.

Hon. Nolfason Barongo (Bomachoge Borabu, ODM): Thank you, Hon. Deputy Speaker, for giving me this opportunity. I would like to acknowledge the response that has been given by the Chairperson of the Departmental Committee on Administration and Internal Affairs on the dismissal of Mr Japhet Mochama. If, indeed, Mr Mochama in his conscience,

made the admissions that the Chairman has recounted, he would not be pursuing this matter through his elected Member of Parliament.

I disagree with the Chairman's Report. However, I note that the National Police Service has referred this case to the Employment and Labour Relations Court. So, Mr. Mochama will try and seek legal redress through that court.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Next is a response to the statement requested by Hon. Letipila Eli, the Member for Samburu North. Hon. Raso, do you have the response?

Hon. Ali Raso (Saku, UDA): Thank you very much.

Hon. Deputy Speaker: Is the Member for Samburu North here? Yes. Okay, you may proceed.

BANDITRY AND INSECURITY IN SAMBURU NORTH CONSTITUENCY

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Deputy Speaker.

The Member of Parliament for Samburu North Constituency, Hon. Eli Letipila, raised concerns on the current escalating banditry and insecurity within Nachola and Nyiro wards of Samburu North Constituency. He particularly sought to be informed of:

1. The security situation in the Loruko-Tuum-Kara-Parkati and the Marti-Lamuirok-Surjian-Ngilai-Masikita belts of Nachola.
2. Efforts being made to apprehend criminals and fugitives following an attack on police escorts.
3. Measures that have been put in place by the Government to ensure the safety of passengers who ply the Maralal-Baragoi Road.
4. Plans that have been put in place by the Ministry to facilitate peace and cohesion amongst the Samburu and Turkana communities who live in Nachola and Nyiro wards.

On 10th February 2025, at 1925 hours, a report was received at Baragoi Police Station regarding an attack on a police vehicle, GKB 907W, which was escorting prisoners from Maralal GK Prison to Baragoi. The vehicle had eight prisoners and three police officers on board. A multi-agency security team consequently responded and as they approached the scene, unknown assailants hiding in the hills along the road opened fire on them. The security officers returned fire and managed to repel the attackers before arriving at the scene around 2030 hours.

At the scene, it was discovered that the Toyota Land Cruiser had veered off the main road into a ditch approximately 30 meters away. Inside the vehicle, the body of No.254908, Police Constable Driver Humphrey Oroba, was found in the front seat with fatal gunshot wounds in the head. His issued firearm, serial No.59014079 was missing. Additionally, two police officers, Constable Nicholas Yegon, No.107741 of police and Constable Kitasho Oloimatha, No.250710 who were part of the escort team were unaccounted for, along with all the eight prisoners. The vehicle's windows had been shattered and the cabin bore multiple bullet holes.

After securing the scene, the multi-agency team initiated a search operation to rescue the missing officers and re-arrest the prisoners. Directorate of Criminal Investigations (DCI) officers processed and photographed the scene before transferring the deceased officer's body to Baragoi Sub-County Hospital Mortuary. Investigation on the attack commenced immediately.

On 11th February at 1000 hours, two of the escaped prisoners, Nkolong Aarii and Saul Lekisaat were re-arrested. The scene was revisited by DCI officers who recovered a mobile

phone suspected to have been used for communication and a Bible containing phone numbers believed to be linked to the prisoners. Investigations are on by the DCI.

[Hon. Deputy Speaker (Hon. Gladys Boss) left the Chair]

[The Temporary Speaker (Hon. Omboko Milemba) took the Chair]

On 27th February 2025, there was an attack on a public transport bus registration number KCH 872N at Mbukoi area along Maralal-Baragoi Road. At around 1120 hours, a distress call was received at both Marti and Baragoi Police Stations from a member of the public reporting an attack on a public transport minibus. The bus, which is registered under Ngarua SACCO and plying the Baragoi-Maralal route, was ambushed by armed criminals at Mbukoi area, approximately 10 kilometers from Marti Centre. The incident was recorded at Marti Police Station. Investigation commenced under DCI.

Inside the bus, two spent cartridges were found near the location and two individuals lost their lives. The victims were identified as Kelvin Kompel and George Lochuch, the latter being the conductor of the bus. Their bodies were transferred to Samburu County Referral Hospital Mortuary for autopsy, which confirmed they succumbed due to gunshot injuries. So far, no suspects have been arrested, but several proactive security measures have been implemented to prevent future attacks along that particular road.

The third issue is on cattle rustling raid between Samburu and Turkana in Tuum Location of Samburu North Sub-location.

On 14th February 2025 at around 1600 hours, Baragoi Police Station received a report from Area Chief Alfred Leriano of Tuum location regarding a cattle rustling incident. The attack occurred at Mparasian area of Simale within Tuum Location, where Samburu herders grazing their animals were ambushed by an estimated 200-armed bandits believed to be from the neighbouring community. The bandits fatally injured three herders while one sustained gunshot injuries before driving away with unknown number of livestock.

A multi-agency team alongside members of the community visited the scene, where three bodies of herders were recovered with bullet wounds. The deceased were identified as Alois Lmorumu (18 years old), Lenakuru Lempisikichoi (17 years old), and Lemulangai Leende (19 years old). A survivor namely Ltiror Lenkongolian (20-year-old), sustained gunshot injuries and was treated at Tuum dispensary. DCI officers documented and photographed the scene and the bodies were moved to Baragoi Hospital Mortuary for post-mortem. Investigations into the incident are ongoing. A multi-agency team is working round the clock to recover the stolen livestock. The following is an update of the investigation of a murder incident that occurred on 10th January 2025 at Ngorishe area along Baragoi-South Horr Road.

On 10th January at 1000 hours, the Bendera Location Chief, Mr Daniel Lerrete reported a fatal shooting incident at Ngorishe fields along the Baragoi South Horr Road at Baragoi Police Station. Consequently, a team of police officers were dispatched to the scene. The officers discovered the body of Loirogo Lempisikichoi, a 16-year-old male juvenile, with gunshot wounds on the head and chest. The scene was documented and photographed. A thorough search led to the recovery of two cartridges and a mobile phone belonging to the deceased.

Further reports revealed that the deceased was escorting his nephew to school when they were accosted by unknown people who shot at them indiscriminately. Efforts are ongoing to apprehend the criminals and fugitives following the attack on police escort, including the recovery of missing firearms. The Ministry has taken the following measures to apprehend the criminals:

1. Appeals to the community for information that could lead to the arrests of the suspects with many *barazas* and meetings being held within the Baragoi area of Samburu North.
2. Investigations into the incidents are at advanced stages.
3. Press appeals have been made, and portraits of the escaped remandees have been circulated.
4. Forensic analysis of the cartridges collected from various crime scenes is ongoing at the National Forensic Laboratory.

The following are the measures that have been put in place by the Government to ensure the safety of passengers who ply the Maralal-Baragoi Road and other trunk roads like the Opiroi-Baragoi Road.

1. Provide security escorts to public service vehicles. Armed police officers have been deployed to escort vehicles along routes with a history of criminal activities and highway banditry through proper coordination with transport operators.
2. Enhanced highway patrol by multi-agency security team.
3. Strategic mounting of roadblocks.
4. Sharing of information between police officers and public service vehicle operators.
5. Plans have been put in place by the Government to facilitate peace and cohesion among the Samburu and Turkana.

To combat the escalating cases of banditry between the two communities, the security agencies have adopted a multi-faceted approach that includes security interventions and peace-building efforts.

First, the security strategies are:

1. Enhanced security operations.
2. Increased patrols and surveillance.
3. Disarmament campaigns.
4. Community policing and intelligence gathering.

Second, the peace-building and reconciliation efforts are:

1. Inter-community dialogue forums — Organising regular meetings between rival communities to foster understanding, promote peaceful coexistence, and resolve historical grievances.
2. Traditional conflict resolution mechanism — Engaging elders, religious leaders, and local leaders in mediation efforts.
3. Rehabilitation and reintegration programmes — supporting individuals willing to abandon banditry through counselling, skills training, and employment opportunities.

I beg to respond. I would also like Hon. Letipila to look at the Report that is already on the Floor of the House on banditry and insecurity in the North Rift, whose debate is ongoing.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Letipila, you have a right to reply.

Hon. Letipila Eli (Samburu North, UDA): Thank you, Hon. Temporary Speaker.

First of all, I must appreciate the Committee for getting back to me on the statement that I requested two weeks ago. I have, however, noted the glaring inconsistencies and half-truths from the response by the Committee, especially on response times and specifically, on the attack on the Land Cruiser where the policeman was killed and dangerous fugitives freed, as well as the attack on the passenger bus. I would recommend that the Committee validates the information that it presents to this august House.

I shudder to imagine what the victims of that attack would think, especially if they were watching on live television the sequence of events as narrated by the Chairman of the Committee. Of course, we know that the response came from the security agencies and that they must put it in such a way that the responsibility does not properly fall on them. Therefore, I must request the Committee to validate some of the information. I appreciate the complexities of the security situation, especially in North-Rift counties, and the difficulties posed sometimes by the terrains where those incidents happen.

The Cabinet Secretary for Interior and National Administration was here yesterday responding to various questions from Members relating to insecurity incidences and other related issues. I commend him for doing a very good job before this House. I am also aware of the Report from the Committee about the security situation in the six North-Rift counties, including Samburu. I support the recommendations from the Committee, especially recommendation number one about disarmament. There can be no peace when small arms...

(Loud consultations)

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Members. You can have those consultations in fairly low voices so that we can hear, Hon. Letipila.

Proceed.

Hon. Letipila Eli (Samburu North, UDA): Thank you, Hon. Temporary Speaker.

I support the recommendations of the Committee, especially recommendation number one, where they are talking about intelligence-led and disarmament of communities that live in those six North-Rift counties. We have been told severally here that there are no sufficient resources to conduct those kinds of disarmament operations. I wonder about somebody who puts cost on the lives of thousands of people whom we have lost over the past four or five decades. I also wonder about the person who would put issues of cost in front of Kenyans and yet, at the same time, we see our security agencies in far-flung places like Haiti and other places, and the cost is not an issue. We have a proliferation of small arms in the hands of very small boys from the Uganda border.

The Temporary Speaker (Hon. Omboko Milemba): Order, Hon. Letipila. You should have asked subsequent questions concerning your Statement. You are deviating greatly and so, could you concentrate on the clarifications and other smaller questions concerning your Statement?

Hon. Letipila Eli (Samburu North, UDA): The Chairman had told me to have a look at the Report. I support his recommendations.

The Temporary Speaker (Hon. Omboko Milemba): Then that is okay if you are fully satisfied with the answer.

Hon. Letipila Eli (Samburu North, UDA): I want to inform the Committee that the recommendation should not only be on paper, but actions should follow these kinds of recommendations. We have lost many lives, including children. We have widows, disabled people, and communities that are affected. This has been going on for over four or five decades.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Letipila, so you are fully satisfied with the answer?

Hon. Letipila Eli (Samburu North, UDA): I am not because there are inconsistencies and half-truths, but I have already told the Chairman that.

Thank you, Hon. Temporary Speaker.

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

Hon. Pauline Lenguris (Samburu County, UDA): Thank you, Hon. Temporary Speaker for giving me this time to contribute to the issue that is on the Floor of this House.

I represent Samburu County where the issue of insecurity is becoming chronic. The situation of security in Samburu County is worsening every day. Every day we are losing lives. We are not satisfied with the responses we are getting from the Departmental Committee on Administration and Internal Affairs because we are always told the same thing every time. Those cases have been reported several times, and lives are being lost on a daily basis. I want to report to this House that, a week ago, the Senator, other leaders from Samburu County and I, were ambushed by bandits. Several other people are killed every day. Even as I speak here, some are still lying in the mortuaries waiting to be buried.

So, I want to tell the Chairperson of the Departmental Committee on Administration and Internal Affairs that some of the words we are saying here are not satisfactory to us, nor even to the people we are representing. We want to see the security agencies doing their work. Those bandits have terrorised the whole region. We always get responses from the security officers three or four hours after the incident. We are not seeing any actions to prevent the attacks.

I want to plead with the Departmental Committee on Administration and Internal Affairs to ensure that property and the lives of people from Samburu are protected. Right now, the communities have lost hope because of the bandits' attack every day, Hon. Temporary Speaker.

Thank you, Hon. Speaker, for giving me this chance.

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

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Temporary Speaker.

Before we proceed, I have heard what Hon. Letipila and the Member for Samburu County have said. Yesterday, we were able to effectively engage the Cabinet Secretary for Interior and National Administration. As opposed to waiting for meetings, the onus is on us. You can even approach the Committee on certain critical issues, so that we are able to summon senior security officers. Our task is oversight and representation of the people of this country. I have heard you loud and clear, Hon. Letipila. As the patron of pastoralists, I will walk the journey with you.

Thank you very much, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Very well. That should suffice. Let us close that debate. We have a lot of business ahead. Before we move to the next Statement, let me acknowledge the presence of schools in the Speaker's Gallery. They are:

St. Marks Girls, Cherangany Constituency, Trans Nzoia County and Taita Mauche Secondary School, Njoro Constituency, Nakuru County.

Let me allow the Member for Njoro Constituency, Hon. Charity Kathambi, to say a word in a minute and welcome all the schools.

Hon. Charity Chepkwony (Njoro, UDA): Thank you, Hon. Temporary Speaker for giving me time to appreciate one of the best schools from my Constituency, Taita Mauche Secondary School. I wish them all the best. My children, when you go back, work hard. For you to be a Member of Parliament, you need to work hard. There are more schools outside which are yet to come in: Utafiti Comprehensive and Mukugogo schools.

Thank you, Hon. Temporary Speaker for granting us this opportunity. My children, go home and work very hard. Njoro is a place where we have said education is number one in making people better.

The Temporary Speaker (Hon. Omboko Milemba): Very well. We move to the next request for statement by Hon. Rebecca Tonkei. It is being replied to by the Chairperson of the Departmental Committee on Agriculture and Livestock. Is he in the House? I am told the Vice-Chairman is in the House and ready to reply. Vice-Chairman, you may proceed.

ALLEGED VIOLATION OF AGREEMENT BETWEEN

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CEREAL GROWERS AND CEREAL MILLERS

Hon. Brighton Yegon (Konoin, UDA): Thank you very much, Hon. Temporary Speaker.

Pursuant to Standing Order 44(2)(c), Hon. Rebecca Tonkei requested for a statement on 26th February 2025, regarding alleged violation of the 2008 agreement between the Cereal Growers Association (CGA) and Cereal Millers Association (CMA) on wheat uptake. The Ministry of Agriculture and Livestock Development responded to the issues raised in the request as follows:

1. A report on the national wheat demand revealed the quantity of wheat harvested in the current season in the country, including Narok County, *vis-à-vis* CMA uptake. The national wheat demand is between 2.2 and 2.4 million metric tonnes. The annual wheat production in 2023 was 135,000 metric tonnes. From July 2024 to March 2025, approximately 153,932 metric tonnes were harvested. Millers had mopped up 124,989 metric tonnes from August 2024 to March 2025. The total wheat held by farmers and marketing agents was about 28,944 metric tonnes. Some farmers in upper Narok and Timau had not harvested their wheat. The projected amount of wheat to be harvested in those regions was about 800,000 bags, which translates to 7,200 metric tonnes. In the last eight months, the total amount of wheat imported was 1,407,129 metric tonnes, against the projected allocation of 3,246,000 metric tonnes.
2. On the steps the Ministry is taking to cause millers to adhere to the 2008 Agreement to purchase locally produced wheat in the current harvesting season before importing more wheat to bridge the deficit, the Cabinet Secretary for Agriculture and Livestock Development held meetings with stakeholders on 26th February 2025 and 3rd March 2025 to discuss and resolve issues of wheat uptake. During the meetings, the Cabinet Secretary directed farmers and aggregators to deliver their wheat stocks to the National Cereals and Produce Board (NCPB). Farmers will be paid by NCPB within 30 days after millers have paid for the wheat collected from the NCPB depots. To ensure adherence to and compliance with the 2008 Agreement, the Ministry, through the Agriculture and Food Authority (AFA), is monitoring compliance by all millers. Millers will be allocated quotas of local wheat to purchase before they are allowed to import wheat. This initiative will regulate volumes of imported wheat and ensure millers import during a period of deficit to avoid flooding local market with cheap imported wheat.
3. The third part of the request sought the measures in place to enforce the Agreement in future and to uphold its integrity and promote fair trade in the agriculture sector and to protect local wheat farmers from unfair market access due to unregulated wheat importation. Millers will be allocated quotas of local wheat to purchase based on the capacity of individual millers. Millers were directed to submit to the National Treasury and the Ministry of Agriculture and Livestock Development on a weekly basis the quantities of wheat grain purchased from local farmers. The National Treasury will not approve importation of wheat by millers who shall not comply with the commitment to buy local wheat grain based on their capacity. CGA will provide regular data on the quantity and areas where wheat grains are available for purchase by millers. Farmers' representatives, millers and the Ministry will hold annual meetings to agree on a minimum price per bag of wheat grain to avoid exploitation of farmers by millers.

4. The fourth part of the request sought support mechanisms being considered to assist farmers in the country, particularly those in the upper Narok region that are currently facing likely losses due to approximately 1,500 metric tonnes of unsold wheat stocks. The Cabinet Secretary for Agriculture and Livestock Development directed farmers and aggregators to deliver their wheat stock to the NCPB from 4th March 2025. Farmers will be paid by NCPB within 30 days after millers have paid for the wheat collected from the NCPB depots. This will also reduce post-harvest losses due to poor storage. A memorandum of understanding was signed between NCPB and millers for wheat at NCPB to be collected by millers and payment done within 14 to 21 days. Only wheat produced by farmers within Kenya will be taken to NCPB to avoid delivery of imported wheat to NCPB.

Lastly, the request for a statement sought to find out the interventions that the Ministry of Agriculture and Livestock Development intends to take to cushion wheat farmers in Narok County from losing their property through bank auctions for non-performing loans arising from poor market conditions. The response is as follows:

1. Improving the price of locally produced wheat. The Ministry has set the minimum price of Ksh5,300 for Grade 1 wheat and Ksh5,200 for Grade 2 wheat.
2. Farmers will be paid within 30 days upon delivery of wheat to the National Cereals and Produce Board (NCPB) depots.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Rebecca Tonkei.

Hon. Rebecca Tonkei (Narok County, UDA): Thank you, Hon. Temporary Speaker.

The reply to my request is not satisfactory at all. It is unfortunate that wheat belonging to farmers in Narok County is still in stores because they were instructed to take it to the NCPB. The Cabinet Secretary sat with the farmers and an agreement was struck that wheat would be picked from the NCPB. The farmers took their wheat to the NCPB and to date, only four lorries of wheat were collected. It is unfortunate that our Cabinet Secretary can sit with the farmers and nothing has happened after two and a half months. I do not know where the farmers and the people who are struggling with loans from banks will run to. People took their wheat to the millers, they have loans in the banks, but nobody has bought the wheat.

My people in Narok County are suffering. The farmers have taken loans. They have received no payment and are a desperate lot. They cannot even prepare their farms because they do not have money for farming in the next season. That answer is unsatisfactory. Our Cabinet Secretary should speak facts so that we do not just get answers that amount to nothing. It is not fair to the people that we represent or to us as Members of Parliament.

The Temporary Speaker (Hon. Omboko Milemba): That request for a statement was quite emotive. Is it true that nothing is happening in terms of the marketing of wheat? We saw the farmers on the road with their tractors. Yes, Hon. Chairperson.

Hon. Brighton Yegon (Konoin, UDA): Hon. Temporary Speaker, there was an intervention and the Cabinet Secretary met the concerned parties or stakeholders twice, on 26th February 2025 and on 3rd March 2025, and agreements were made. As to whether the agreements have been honoured, we shall revert to the concerned parties because there is a comprehensive report on the agreements that were made between the Cereal Growers Association, the Cereal Millers Association, the wheat farmers and all stakeholders within the wheat industry.

The Temporary Speaker (Hon. Omboko Milemba): Yes, Hon. Member. That will be the last comment on this one. Give the Member the microphone.

Hon. Agnes Mantaine (Narok North, JP): Thank you, Hon. Temporary Speaker for giving me this opportunity to support the Member who raised this issue.

I am the peoples' representative and I agree that we met the Cabinet Secretary. Our problem is not whether or not we met the Cabinet Secretary. We had a meeting with the Cabinet Secretary, but the agreements we made were not honoured. Our people are still struggling. Is the Cabinet Secretary aware that certain people imported wheat into the country while our people were harvesting wheat and nobody is buying it? What do they want our people to do? It is wrong for this Government to import wheat while the wheat in Narok has not been bought. What do they want those people to pay their loans with? They have loans and they have to educate their children. They have tractors, but they are still waiting. The Cabinet Secretary seemed unwilling to even listen to us when we went to visit him in his Office.

We also have a share in this Government. We have a right to determine what should happen to us. The response is wrong. Only two lorries of wheat have been bought. The rest of the wheat is still in the NCPB stores, which are not very good. That wheat is already rotting. We took the issue to the Cabinet Secretary and we agreed that the Government would buy the wheat within two weeks. I support the Member who has requested for this Statement.

(Hon. Caroli Omondi spoke off-record)

The Temporary Speaker (Hon. Omboko Milemba): What is it, Hon. Member? Do you want to contribute on the same?

Hon. Caroli Omondi (Suba South, ODM): Thank you very much, Hon. Temporary Speaker.

I just want to add one or two points to this important issue affecting wheat farmers not just in Narok, but also the rest of the country. I also want to briefly talk about the sugar sector. There is no off-take of home-grown wheat in Kenya because there was massive importation of wheat. There are records. We should have been given the records of all the wheat that was imported through the Port of Mombasa. That is why farmers in Narok are unable to sell their crop. They will not be able to salvage the wheat crop because there are no storage facilities. Due to the high moisture content, aflatoxins will form, and yet somebody somewhere is importing grains and sugar when prices in the international markets are low, flooding them in Kenya, and leaving our farmers with nowhere to sell their crops.

I agree with my sisters from Narok. The answer is unsatisfactory. The House should be informed about how much wheat has been imported into the Republic of Kenya through the Port of Mombasa in the last 12 months. The Kenya Bureau of Standards (KEBS), the Kenya Ports Authority (KPA), and the Kenya Plant Health Inspectorate Service (KEPHIS) should give us their records. We know the reasons. They should not think that we do not know. Something similar is happening in the sugar sector. We know. They should give us those records as they respond to our requests.

The Temporary Speaker (Hon. Omboko Milemba): We shall rest the matter there. However, that was a very serious and emotive issue. Leader of the Majority Party, I want you to call the Cabinet Secretary for Agriculture and Livestock Development and ask him to deal specifically with wheat farming in Narok and other cereals about which it is being claimed that there were huge importations. The President subsidised fertilisers and that is why we are where we are. Please, put the Cabinet Secretary on notice so that he comes to deal with that matter. We cannot allow farmers in Narok and other parts of the country to suffer, while we do not have clear answers about what is happening.

Hon. Owen Baya (Kilifi North, UDA): Much obliged, Hon. Temporary Speaker. We will ask the Cabinet Secretary for Agriculture and Livestock Development to come after next week because two other Cabinet Secretaries will be coming next week. I will ask the Cabinet Secretary for Agriculture and Livestock Development to come after next week.

The Temporary Speaker (Hon. Omboko Milemba): Let us go back to Order 5.

(Hon. Owen Baya spoke off the record)

Very well. Let us get the normal Statement on Thursday, before we go to Order No. 5. Thank you.

QUESTIONS AND STATEMENTS

BUSINESS FOR THE WEEK OF 8TH – 10TH APRIL 2025

Hon. Owen Baya (Kilifi North, UDA): Hon. Temporary Speaker, pursuant to the provisions of Standing Order 44(2)(a), I rise to give the following Statement on behalf of the House Business Committee which met on Tuesday, 1st April 2025, to prioritise business for consideration during the week.

With regard to business scheduled for Tuesday next week, the House is expected to consider the following Bills at various stages as follows—

1. Committee of the whole House on the Division of Revenue Bill, 2025.
2. Second Reading of the following Bills, should they not be concluded today—
 - (a) The Division of Revenue Bill, 2025;
 - (b) The Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Bill, 2025;
 - (c) The Learners with Disabilities Bill, (Senate Bill No. 4 of 2023);
 - (d) The Treaty Making and Ratification (Amendment) (No.2) Bill, 2024; and,
 - (e) The Assumption of the Office of President and Transition of Executive Authority Bill, 2025.

Additionally, Hon. Temporary Speaker, debate will also be undertaken on the following Motions, some of which are listed in today's Order Paper:

1. Report of the Committee on National Government Constituencies Development Fund on the Nominees to 37 National Government Constituencies Development Fund Committees.
2. Report of the Public Accounts Committee on Financial Statements for the National Government Ministries, Departments and Agencies for the Financial Year 2021/2022.
3. Report of the Departmental Committee on Administration and Internal Affairs on the Inquiry into the State of Security in Six Counties of North Rift of Baringo, Elgeyo Marakwet, Turkana, West Pokot, Samburu and Laikipia, which have been declared as disturbed.
4. Report of the Departmental Committee on Finance and National Planning on the Ratification of the Agreement for the Establishment of the Africa Finance Corporation. Hon. Temporary Speaker, we have this on the card, which we must dispose of today.

In accordance with the provisions of Standing Order 42A (5) and (6), I wish to convey that the following Cabinet Secretaries are scheduled to appear before the House on the afternoon of Wednesday, 9th April 2025, to respond to Questions as follows—

- (a) The Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs will respond to concerns regarding the criteria used by the Government to classify hardship areas and payment of hardship allowances to teachers and other civil servants in the country, raised in the House during the Sitting of Tuesday, 1st April 2025 by the Member for Nyando, Hon. Jared Okello. This is

a very important report which we have waited for long. The Prime Cabinet Secretary will be here to respond to that. We have taken steps to ensure we dispose of that matter.

Secondly, the Prime Cabinet Secretary is also scheduled to respond to the following Questions:

1. Question 34/2025 by the Member for West Mugirango, Hon. Stephen Mogaka, regarding measures taken by the Government to assist Mr Chris Anyuga Barake of Passport Number No.B203878 who was arrested and detained in India on 6th October 2023 on allegations of online fraud.
 2. Question 35/2025 by the Member for Nandi County, Hon. Cynthia Muge, regarding details of children born to Kenyan mothers in the Kingdom of Saudi Arabia and steps being taken by the Ministry to process their exit and return to Kenya.
- (b) Hon. Temporary Speaker, on Wednesday, next week, we shall host the Cabinet Secretary for Education who will respond to the following Questions:
1. Question 18/2025 by the Member for Mandera County, Hon. Umul Kheir Kassim, regarding delay on integration of duksi and madrasa classes in primary and secondary schools, in line with the provisions of Section 95(2)(e) of the Basic Education Act (Cap.211).
 2. Question 36/2025 by the Member for Kathiani, Hon. Robert Mbui, CBS, regarding the recruitment of teachers for Junior Secondary Schools, including the number of slots allocated to each constituency.
 3. Question 37/2025 by the Member for Kajiado Central, Hon. Kanchory Elijah Memusi, regarding report on the distribution of textbooks to primary and secondary schools in the country.
 4. Question 38/2025 by the Member for Matuga, Hon. Kassim Tandaza, regarding the status report on the qualified teachers trained per teacher-student ratio under the Competency-Based Curriculum (CBC).
 5. Question 39/2025 by the Member for Githunguri, Hon. Gathoni Wamuchomba, HSC, regarding the total amount of capitation funds disbursed by the Ministry per school in the Financial Year 2024/2025 in Githunguri Constituency.
 6. Question 40/2025 by the Member for Ruiru, Hon. Simon King'ara, regarding measures taken by the Ministry to ensure that Mutuya Primary School receives capitation funds to cater for the 242 students registered as Junior Secondary School learners.
 7. Question 41/2025 by the Member for Lamu East, Hon. (Capt.) Ruweida Obo, regarding the utilisation of the funds by Kizingitini Secondary School in Lamu East Constituency, particularly on maintenance of the facilities in the school.
 8. Question 42/2025 by the Member for Kaloleni, Hon. Paul Katana, regarding the steps that have been taken to ensure compliance with the Government directive requiring principals to release withheld Kenya Certificate of Primary Education (KCPE) and Kenya Certificate of Secondary Education (KCSE) certificates to former students, regardless of outstanding fees.
 9. Question 43/2025 by the Member for Homa Bay County, Hon. Joyce Bensuda, regarding Government's policies on adult education, including its operational framework and accessibility to marginalised communities. Hon. Bensuda is at her place and she is listening keenly. She is saying yes.

(Hon. Joyce Bensuda spoke off the record)

The Cabinet Secretary will be here to answer your Question.

10. Question 44/2025 by the Member for Kiambu, Hon. Machua Waithaka, regarding the criteria used by the Ministry to allocate infrastructure funds to public schools and on when schools in Kiambu constituency will receive funding to improve learning facilities.
11. Question 48/2025 by the Member for Nakuru County, Hon. Liza Chelule, regarding plans in place by the Ministry, in collaboration with the Ministry of Energy and Petroleum, to subsidise the high costs of electricity in special needs schools. I cannot see Hon. Liza Chelule, but she is supposed to be here.

Hon. Temporary Speaker, in conclusion, the House Business Committee will reconvene on Tuesday, 8th April 2025, to schedule business for the rest of that week. I now wish to lay this Statement on the Table of the House.

Allow me to also respond to Questions that were asked about the National Government Constituencies Development Fund (NG-CDF) and National Government Affirmative Action Fund (NGAAF). We are in possession of a letter addressed to the Clerk of the National Assembly, Mr Samuel Njoroge, CBS, from the National Treasury on the issue of NG-CDF and disbursement of funds. The reference is:

Status of Disbursement of Funds under NG-CDF and NGAAF

Hon. Speaker ordered that we provide a response to it today. We have a letter which we will present for the consumption of Members. I would like to read the letter as such:

Reference is made to your letter dated 2nd April 2025 on the above subject. We wish to update on the status of NG-CDF and NGAAF disbursement as follows—

NG-CDF was allocated Ksh68.2 billion in the Budget for Financial Year 2024/2025, including arrears of Ksh13.5 billion. The National Treasury scheduled monthly disbursement of Ksh7 billion effective from January 2025 to ensure that the full allocation is disbursed by end of the Financial Year. So far, an amount of Ksh27.5 billion has been disbursed, hence there is a balance Ksh40.7 billion as per the attached schedule.

The delay in the disbursement was occasioned by challenges in resource mobilisation, both domestically and externally. However, the situation is expected to improve due to expected resources from both domestic and external sources in the Fourth Quarter. I understand the Cabinet Secretary is in China looking for money and so, he will probably get that money for us. Accordingly, the National Treasury will endeavour to fund the amount of Ksh21 billion that was due in the Third Quarter in the course of this month. This is very important information. The Cabinet Secretary says that the National Treasury will endeavour to fund the amount of Ksh21 billion that was due in the Third Quarter. We expect Ksh21 billion this month to cover for the three months; that is Ksh7 billion for every month. That money will cater for issues that we have, especially bursaries that many of our students have not received.

Hon. Temporary Speaker, I now want to address the issue of the National Government Affirmative Action Fund (NGAAF). The National Government Affirmative Action Fund (NGAAF) was initially allocated a budget of Ksh3.5 billion in the Financial Year 2024/2025, which was subsequently reduced to Ksh2.7 billion in the Supplementary II Estimates. So far, an amount of Ksh1.6 billion has been disbursed, and the balance will be disbursed in the course of this month. I want to inform the County Women Representatives or County Members of Parliament who are here that the amount of Ksh1.6 billion will be disbursed in the course of this month. All the money will have been paid to the account of NGAAF. That is the information from the National Treasury. This letter is copied to the RT. Hon. (Dr) Moses Wetang'ula, and Hon. Kimani Ichung'wah.

I beg to lay the letter, Hon. Temporary Speaker. That is the information.

Hon. Temporary Speaker, if you allow me, I request the Chairman of NG-CDF, who I

The Temporary Speaker (Hon. Omboko Milemba): He is not in the House. He was here, but he left.

Hon. Owen Baya (Kilifi North, UDA): He had requested that he would like to comment on this, but in his absence

The Temporary Speaker (Hon. Omboko Milemba): He left and he told me you would be giving this Statement.

Hon. Owen Baya (Kilifi North, UDA): We table this letter in the House. I thank you very much, Hon. Temporary Speaker.

(Hon. Owen Baya laid the document on the Table)

The Temporary Speaker (Hon. Omboko Milemba): Before we move to the next Order, let me acknowledge the presence, in the Speakers' Gallery, of the following schools:

St. Jude Karurumo Day School, Runyenjes Constituency, Embu County. We also have Entaretoi Comprehensive School, Kajiado East Constituency, Kajiado County, and PCEA Mararal, Samburu Central Constituency, Samburu County.

Is Hon. Sunkuiya in the House? In his absence, who will acknowledge the presence of those schools on behalf of this House? We have the Women Representative. Please, one minute.

Hon. Pauline Lenguris (Samburu County, UDA): Thank you, Hon. Temporary Speaker. Let me take this chance to welcome the students to Parliament, and especially the PCEA Mararal students who are here to see and follow the proceedings of the National Assembly. I think this is their first time to be here. I welcome them with their teachers to see what is happening in the National Assembly. That is a very nice school. I had students who were schooling there and they performed very well. It is one of the best schools in Mararal, Samburu County. I welcome them, plus all the other students who are here, to come, learn and follow the proceedings of the National Assembly.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): We go back to Order No.5; Chairperson Departmental Committee on Finance and National Planning.

PAPERS

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, I beg to lay the following Papers on the Table:

Reports of the Departmental Committee on Finance and National Planning on its consideration of –

1. The Pensions (Amendment) Bill, (National Assembly Bill No.25 of 2024); and,
2. The Kenya National Council for Population and Development Bill, (National Assembly Bill No.72 of 2023)

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Omboko Milemba): Next Order.

BILL

Second Reading

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THE DIVISION OF REVENUE BILL
(National Assembly Bill No.10 of 2025)

(Moved by Hon. Samuel Atandi on 2.4.2025 – Afternoon Sitting)

(Resumption of Debate interrupted on 2.4.2025 – Afternoon Sitting)

The Temporary Speaker (Hon. Omboko Milemba): Let us go back to the Division of Revenue Bill. Hon. Sunkuyia was on the Floor. You may proceed.

Hon. George Sunkuyia (Kajiado West, UDA): Thank you, Hon. Temporary Speaker. At the outset, I would like to take this opportunity to congratulate Hon. Samuel Atandi for being elected the Chairperson of the Budget and Appropriations Committee.

The Division of Revenue Bill is an important document to the people of Kenya, the national Government and counties. In this Bill, there is an increase of Ksh17.6 billion from last year. That money will be important to counties because it will benefit them. I echo the sentiments of Members who have supported this Bill.

Hon. Temporary Speaker, 34 counties will share the Equalisation Fund, but the most important aspect is the fact that the funds will be utilised for the intended projects. Although my constituency has been allocated money through the Equalisation Fund, it is very hard to see what projects have been done. I support this Bill and I know that the Fund will do better with those Governors who utilise it.

Thank you.

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

Hon. Christopher Wangaya (Khwisero, ODM): Thank you, Hon. Temporary Speaker. I also rise to support the Division of Revenue Bill 2025. This Bill is drafted according to Article 218 of the Constitution. It seeks to allocate funds between the national Government and county governments and the Equalisation Fund. This year, the shareable revenue that is available is about Ksh2.8 trillion, of which Ksh2.4 trillion goes to national Government and Ksh401 billion to the county governments.

As we do this, we need to appreciate that there are challenges in managing those resources and, as a House, we need to rise to the occasion and address two or three issues that are arising. One of the issues is pending bills that really drain the nation. Many contractors and suppliers to both the national Government and county governments have not been paid. This has slowed down the economic growth in the Republic of Kenya. We need to rise to the occasion and decide whether, as a House, we are going to pay the contractors and suppliers from the source, and then the same money can be reduced from the revenue that is sent to the county governments.

The second thing is to ensure that we get value for money. By so doing, it will encourage the National Treasury to migrate to the e-procurement platform to ensure that it monitors all procurements in the Republic of Kenya.

Lastly, we also need to look at the costing of county government services and see if the Ksh401 billion that is going to be devolved to county governments is giving us value for money. We have challenges in our counties, and we need to hold our governors to account to ensure that we have enough medicines in our facilities, access to clean water, and motorable roads. That can be done through our Senate and this House. I support.

Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Hon. Members, it is important that we acknowledge the schools that are visiting Parliament. Before we proceed, allow me to acknowledge, in the Speaker's Gallery, the presence of Maguma Day Mixed Secondary School

from Maara, Tharaka-Nithi County; Mwiciringiri Primary School from Naivasha and Ngeya Primary school from Naivasha Constituency, Nakuru County.

(Applause)

Let me welcome the Member of Parliament for Naivasha to welcome all the schools.

Hon. Jayne Kihara (Naivasha, UDA): Thank you, Hon. Temporary Speaker, for giving me this opportunity to welcome pupils from Mwiciringiri and Ngeya primary schools. This is where Members of Parliament sit. This is where your parents put me. As I have always told you, work very hard. You are going to take my seat when I leave. *Karibuni*. We are happy to have you in the House. This is where laws are made and where the NG-CDF that I use to build your schools comes from. It is approved here.

Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Very well. Hon. Mary Emaase on Division of Revenue Bill.

Hon. Mary Emaase (Teso South UDA): Thank you, Hon. Temporary Speaker, for giving me the opportunity to contribute to this Bill. It is a very important Bill that provides for the equitable share between the two levels of government; the national and county governments. The total sharable revenue this year is Ksh2.8 trillion. The national Government will receive Ksh2.4 trillion, the Equalization Fund will receive Ksh10.5 billion and the county governments will receive Ksh405 billion, which constitutes 25.79 per cent of the total shareable revenue.

This Bill is prepared in accordance with Articles 218(2)(b) and 203(1) of the Constitution. In analysing and determining those amounts, the Bill takes into consideration the national interests and the national debt. We know that for every Ksh10 that we collect, Ksh6 goes towards repayment of our national debt. The Bill also takes into consideration national obligations and the needs of the disadvantaged in the society. It is my hope that we shall not end up in the Mediation Committee as it has been the trend in the past. Both levels of government need to appreciate the challenges in terms of the revenue that is estimated and the shortfalls in the revenue that is collected. We have to live within our means so that we are realistic with our demands for additional allocations to what has already been proposed by the Budget Committee. County governments must learn to utilise money efficiently and effectively for the intended purposes, and for the benefit of the people they represent. I support.

Thank you.

The Temporary Speaker (Hon. Omboko Milemba): Very well. The new Chair of the Budget and Appropriation Committee, Hon. Atandi, did a very good job in moving this particular Bill. The general mood in the House is that he be called upon to reply. So, let me call upon the Mover to reply.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Temporary Speaker. Let me begin by thanking Members of this House for the vigorous debate that we had yesterday up to 9.00 p.m., when Members stayed behind to discuss the Division of Revenue Bill. Out of the discussions of yesterday and part of today's Sitting, I have come up with three fundamental issues that were raised by Members, and that we will need to look at as a Committee.

The first issue which came out prominently is the pending bills in counties. Pending bills in counties are mostly caused by failure by counties to meet their own source revenues. This is something that is affecting the performance of counties. I want to urge county governments to ensure that, as the national Government seeks to meet its own revenue projections, they should equally seek to meet their own source revenues as projected.

The other issue that came out was the fact that, as a House, we are lagging behind in approving our audited accounts. However, as you are aware, the Auditor-General's approved

accounts that we have used for the sake of this year's allocation of share of revenues to counties are the audited and approved accounts of the 2020/2021 Financial Year. That is about three years behind. I want to plead with our audit committee, in charge of auditing and approving these revenues, to work hard in fast-tracking the approvals so that we can give county governments what is really due to them.

The last issue is about fast-tracking the fourth Equalization Fund policy. This issue was raised by most Members here. The new policy needs to be enacted so that it can be used to properly implement the Equalization Fund. We are also lagging behind in arrears. To date, we have not been able to pay about Ksh46 billion into the Equalisation Fund. This is a real drawback that this House and the National Treasury must work hard to fast-track in the subsequent financial years. We need to allocate more resources to that Fund so that in the next five years, when that Fund expires, we will be up to date with the allocations.

Let me conclude by, again, thanking Members for their insightful input. I believe that from here, this Bill will be processed in time.

I beg to reply.

The Temporary Speaker (Hon. Omboko Milemba): Order! Members, you may take your seats.

(Question put and agreed to)

*(The Bill was read a Second Time and
Committed to a Committee of the whole House)*

Order, Hon. Members. I will rearrange the Order Paper. We will go to Order No.11 and then afterwards, we shall revert to the normal arrangement of the Order Paper.

Read out Order No. 11.

MOTION

ADOPTION OF REPORT ON THE AGREEMENT FOR THE ESTABLISHMENT OF THE AFRICA FINANCE CORPORATION

The Temporary Speaker (Hon. Omboko Milemba): Chair, Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Temporary Speaker.

I beg to move the following Motion:

THAT, this House adopts the Report of the Departmental Committee on Finance and National Planning on its consideration of the agreement for the establishment of the Africa Finance Corporation, laid on the Table of the House on Friday, 14th March 2025 and, pursuant to the provisions of section 8(4) of the Treaty Making and Ratification Act, Cap 4D, approves the ratification of the establishment of the Africa Finance Corporation.

Hon. Temporary Speaker and Hon. Members, I want to present the findings of the Departmental Committee regarding the accession to the agreement for the establishment of the Africa Finance Corporation. This is a critical step in strengthening our financial and investment landscape, and I will take the next few minutes to walk you through why this really matters to the Republic of Kenya.

The Africa Finance Corporation (AFC) is a multilateral financial institution that was established in 2007 with a clear mandate to bridge Africa's infrastructure and industrialisation gaps by providing long-term financing, risk management and advisory services. Since its

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inception, Africa Finance Corporation has invested over US\$10 billion in energy, transport, natural resources and heavy industries across the Continent. What makes AFC unique is its hybrid model that combines public sector backing with private sector efficiency. It is not a donor institution. Rather, it is a commercially driven entity that invests in projects that generate returns, while creating sustainable development.

Why should Kenya join AFC? Kenya's economy is growing, but our infrastructure financing gap remains a great challenge. To realise our national goals, whether it is Vision 2030 or our Bottom-Up Economic Transformation Agenda (BETA), we must secure sustainable and affordable financing. Acceding to AFC will provide Kenya with three capital advantages. One is the access to long-term, low-cost capital. The AFC prioritises investments in member States, meaning Kenya will gain access to cheaper and more flexible project financing. Second, it is going to lead to a stronger regional influence. The membership ensures that Kenya has a say in which projects receive AFC funding, which will allow us, as a country, to push for investments that align with our national interests. Third, there will be enhanced private sector growth. Kenyan companies, especially those in infrastructure and energy, will have a direct pathway to AFC funding. That will spur job creation and industrialisation.

Our quick question is: What does this mean for our finances? Joining AFC requires a capital contribution, though the exact amount will be determined through negotiations. However, it is important to note that this is not a debt burden but rather, an investment in a strong financial institution that has a proven track record. The AFC operates under an international governance framework that ensures there is transparency, accountability and risk management. That structure will protect Kenya's financial interests, while ensuring that AFC remains an effective investment vehicle. Our Committee made the following three recommendations regarding accession to the agreement:

1. Parliament to ratify the agreement to formalise Kenya's membership.
2. The Government must negotiate favourable terms so that we maximise on Kenyan benefits.
3. A structured engagement with the private sector to be necessitated to ensure that Kenyan businesses fully leverage on AFC opportunities.

The AFC is presenting to us an opportunity and not a liability. It is a platform for Kenya to tap into billions in development financing, strengthen our regional influence and accelerate our infrastructure and industrialisation goals. By saying yes to AFC, we are saying yes to progress, economic resilience and sustainable development. I urge this House to support this ratification.

As I conclude, we have seen what our sources of financing through the Bretton Wood institutions have done to this country. Some of the conditions that come with those sources are too steep for this country. But by being shareholders of the African Finance Corporation, we have a chance to negotiate better terms for our loans and reap dividends from the contribution that we are going to make because AFC is a profit-making entity. Most importantly, their long-term financing of projects like energy and infrastructure is going to spur economic growth.

Lastly, this will be a solution to the challenge of contractors being awarded huge projects and being unable to execute them due to lack of financing. The framework of the relationship between the bank and the private sector will mean that a private contractor can access financing from AFC to build and complete a project like the biggest fish market in record time, which will yield economic growth.

With that, I beg to move and I request one of the Members from my Committee, Hon. Mboni, to second.

[The Temporary Speaker (Hon. Omboko Milemba) left the Chair]

[The Temporary Speaker (Hon. David Ochieng') took the Chair]

The Temporary Speaker (Hon. David Ochieng'): Member for Kitui Rural, Hon. Mboni.

Hon. David Mwalika (Kitui Rural, WDM): Thank you, Hon. Temporary Speaker. I rise to second this important Motion. Africa has really suffered under the hands of multilateral and bilateral lenders. Multilateral lenders like the International Monetary Fund (IMF) and the World Bank have given conditions to African countries like downsizing public service and reforms in various sectors of the economy to access loans. If you recall, last year during the demonstrations on the Finance Bill, the IMF programme on financing was based on tax revenues. For us to access the loans, the condition was that we needed to increase taxes. The IMF is telling African countries that they have to raise their own revenues before lending us their money. Some of those conditions have caused a lot of problems in Africa. Bilateral lenders like China give us very expensive loans which have brought a lot of suffering to the economy. We are paying very high interest rates and the debt servicing has increased and, therefore, suffocating economic growth in this country.

The AFC is a solution to financing challenges that are facing Africa because there are no conditions and countries can negotiate favourable interest rates and repayment periods. The AFC is financing infrastructural projects which have a long gestation period and, therefore, the interest rates have to be low to ensure that countries do not suffer. Kenya has already received US\$370 million since joining AFC in 2017 to finance various projects in energy, transport and natural resources, among others. In addition, the country is planning various projects and programmes at a cost of US\$756 million to finance wind power energy, the Dongo Kundu Special Economic Zone, and the Kenya Fund Investment Consortium, among others. Based on the intentions of AFC, I urge this honourable House to support this noble initiative.

I second.

Thank you very much, Hon. Temporary Speaker.

(Question proposed)

The Temporary Speaker (Hon. David Ochieng'): I see the Deputy Leader of the Majority Party, Hon. Owen Baya.

Hon. Owen Baya (Kilifi North, UDA): I support this Motion on the ratification of the agreement for the establishment of the African Finance Corporation (AFC). As a country, for many years, we have relied on many multilateral and bilateral agreements and financing to spur development and growth. The multilateral agreements have been with institutions outside Africa such as the International Monetary Fund (IMF) and Inter-American Development Bank (IDB).

In 2007, a key institution was established in Africa and it can help this country grow without necessarily getting money from outside the Continent. Africa is a very rich Continent. It is rich in such a way that, if we put our resources together and pull together as a Continent, we can finance our projects. We can get the money we need without having to go to China, the Bretton Woods institutions or other institutions. We can get funding and resources from inside Africa.

Kenya has not ratified the treaty to become a member of AFC. The 13th Parliament that we sit in has the singular honour to ensure Kenya joins other nations within Africa on AFC. As stated ably by the Mover of the Motion, membership has certain advantages. Kenya is one such country that should have a say in the African Continent in a big way. Therefore, ratifying this treaty will enable Kenya to continue having stronger regional influence. If this Parliament approves the ratification of this treaty, Kenya will continue being a giant nation that can

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influence and have a lot of support within the African Continent. Look at what we have been trying to do to influence Africa in terms of climate change. Look at the recent elections of the Chairman of the African Union. We need to have a lot of influence in Africa. We need to position ourselves as a strong nation that can control a lot of things and have a lot of influence. This is one path; ratify this treaty and join the AFC.

Another important thing is that if we are a member of AFC, private-owned companies and the private sector will have a lot of say in Africa. Our business people, manufacturers, and traders can permeate every part of Africa. We will be respected as a nation and so, ratifying this treaty will earn Kenya respect within Africa and at the global stage. It is very important that we approve the ratification.

Lastly, one of the things that has been a big problem for us is very expensive multilateral and bilateral loans. We have borrowed very expensive money. Membership of AFC will allow us to have long-term and low-cost loans. The Corporation will also agree to our investment priorities. Many a times, multilateral lenders like the United States give us conditionalities. They tell us they can fund us only for projects they want us to undertake and not the ones we want. See what President Trump is doing in the US by withdrawing funding. During the Biden era, the US said it would give us funds if we allowed homosexuality. African tenets, values and priorities are properly funded from AFC without conditionalities that erode our culture, heritage and values. I urge this House to ratify this treaty so that we can gain our “Africanness” and be able to stand without anybody else dictating anything to us. We should support AFC and put African resources together for the development of the continent.

I support, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng’): Well said. Hon. Members, seated in the Speaker’s Gallery are students from Christ the King School in Nakuru East, Nakuru County. They are welcome to follow the proceedings this afternoon. Join me in welcoming them to the august House. Thank you.

Hon. Maero Oyula.

Hon. Maero Oyula (Butula, ODM): Thank you, Hon. Temporary Speaker. Let me add my voice to this important Motion. I support the ratification of the agreement on AFC. Africa has had only ADB, but it has not been able to satisfy the needs of African countries and so, AFC will support the gap that ADB has not filled. The AFC is a development finance institution that supports African countries in infrastructure development, power generation and other development activities. It is owned by African countries. So far, it has 43 members, with its Headquarters in Lagos, Nigeria. With AFC, reliance on expensive multilateral and bilateral loans will go down. We should ratify this treaty so that Kenya can be a member to raise financing for infrastructure development. It is important that we move away from expensive loans. We should move away from the conditions always imposed by IMF and World Bank before we get any financing. The AFC is a home-bred institution that will not impose so many conditionalities like IMF and the World Bank. I urge this House to support the ratification of this agreement so that Kenya becomes a free member and starts borrowing from the Corporation.

I support this Motion, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng’): Thank you. Member for Gatanga.

Hon. Wakili Edward Muriu (Gatanga, UDA): Thank you, Hon. Temporary Speaker, for giving me the opportunity.

I rise to support the ratification. I perused the Report of the Departmental Committee on Finance and National Planning and I have seen arguments on the pros and cons, especially from the public who submitted comments. My position is that the ratification could not have come at a better time than now, bearing in mind that countries like America, in Europe and China are becoming more insular. They focus more on their own economies - America for

America, Europe for Europe and China for China. Therefore, it is high time African countries created their own financial institution to support their needs and growth and to ensure financing comes without strings attached.

I appreciate the fact that the Africa Finance Corporation (AFC), being a total financial development institution, is dedicated to infrastructure financing in Africa, primarily through debt and equity. The Corporation is focused on bridging Africa's large infrastructure deficit by financing projects that have a high developmental impact on the economies of African countries. The Corporation also acts as both a lender and an advisor to clients in Africa, offering project management services and structured debt financing.

Kenya would gain access to a steady and significant source of capital for large-scale infrastructure projects. We have an issue as a country. As reported in the papers yesterday, the Central Bank of Kenya (CBK) was very busy this week and raised about Ksh70 billion. The interest rate on that money is between 13 and 14 per cent. We have infrastructure bonds to build our roads, which this country is paying back at an interest rate of between 18 and 19 per cent. That is not sustainable. Therefore, the Africa Finance Corporation is coming in to plug the gap, so that we can deal with those expensive short-term debts. Incidentally, because the United States of America (USA) has withdrawn its financing to African countries through the United States Agency for International Development (USAID), it is high time we looked at this issue more critically and created our own financing platform.

This country is struggling with things like the expansion of our airport. The AFC comes in as a panacea because its role is to finance long-term and high-impact infrastructure projects. For projects like the Rironi-Mau Summit Road, which we have been struggling with for years, the AFC will come in and plug in its own money to construct an expressway from Rironi to Nakuru, Eldoret and Mau Summit, and possibly extend it all the way to Kisumu.

How good it is that the AFC is incorporating the private sector in its capital raising to the extent that our local banks and investors will have an opportunity to not only participate in capital raising, but also in the journey of creating employment for our youth.

The Temporary Speaker (Hon. David Ochieng'): Member for Marakwet West.

Hon. Timothy Kipchumba (Marakwet West, Independent): Thank you, Hon. Temporary Speaker, for giving me an opportunity to comment on this very important document before the House. I rise to support the ratification of Kenya's accession to the agreement for the establishment of the Africa Finance Corporation. We have a very progressive Constitution.

(Hon. Wakili Edward Muriu crossed the Floor without bowing)

The Temporary Speaker (Hon. David Ochieng'): Member for Gatanga, what is that? Go ahead, Member for Marakwet West.

Hon. Timothy Kipchumba (Marakwet West, Independent): Hon. Temporary Speaker, I was saying that we have a very progressive Constitution. Articles 2(5) and (6) of the Constitution provide that any international law document ratified by Kenya becomes part of the laws of Kenya. Once we ratify the establishment of the Africa Finance Corporation, it shall form part of the laws of this country.

The establishment of the AFC is very important to our country because it touches on infrastructure. We have always relied on the Bretton Woods institutions such as the World Bank and the International Monetary Fund (IMF) for support in terms of infrastructure. We receive support from the African Development Bank (AfDB) in projects such as the Last-Mile Connectivity, which we would not be able to fund on our own as a country. However, the AfDB has played a very significant role in supporting our country to fund certain projects. The AfDB has so far given us Ksh488 billion, the highest in Africa.

We cannot be left behind. If you run through this document, 43 African countries have so far already ratified the establishment of AFC. We cannot be left out as a country. Kenya is a very progressive country in Africa that is known for its development and, therefore, there is absolutely no reason why we should be left behind. My only issue is that the second-to-last paragraph on page two of the document indicates that Kenya's AFC membership was ratified by the Cabinet on 7th April 2017. That should be expunged from the record because the Cabinet does not ratify such instruments. The National Assembly is mandated by the Constitution and other laws to ratify such agreements. The Cabinet approves such instruments and then Parliament ratifies them.

The Temporary Speaker (Hon. David Ochieng'): Member for Butere.

Hon. Nicholas Mwale (Butere, ODM): Thank you, Hon. Temporary Speaker. I am prepared to move the Report of the Public Accounts Committee.

The Temporary Speaker (Hon. David Ochieng'): Next in line is Hon. Irene Mayaka.

Hon. Irene Mayaka (Nominated, ODM): Thank you, Hon. Temporary Speaker. I also rise to support this Motion, which seeks to ratify Kenya's accession to the agreement for the establishment of the Africa Finance Corporation. This is long overdue because this ratification will give us consent to be legally bound by the decisions and terms of the agreement, and also become a beneficiary of this Treaty.

Most Members who have spoken have referred to the current treaty and agreement we have with the AfDB. The AfDB has been very significant for us because it operates under five pillars:

1. Light Up and Power Africa;
2. Feed Africa;
3. Industrialise Africa;
4. Integrate Africa, and;
5. Improve the Quality of Life.

Under the Light Up and Power Africa pillar of the AfDB, Kenya is said to have been the highest beneficiary, having received Ksh488 billion. This has enabled us to push one of our key projects, namely, the Last-Mile Connectivity. I have seen the evidence of what that project has accomplished. When the Cabinet Secretary for Energy and Petroleum visited Nyamira County the other day, in areas where the Last-Mile Connectivity was done, there were old women who said that since the day they were born, they had never seen electricity. You can see the direct benefits to Kenyans because of our associations with those financial institutions. The effects are directly felt by those affected.

The Committee has also highlighted the utilisation of affordable local financial institutions *vis-a-vis* relying on the Bretton Woods institutions. Some benefits of this approach include personalised services, community connection, and industrialisation. It also enables us to ensure that the lending flexibility is felt by the local people, unlike the Bretton Woods institutions like the IMF and the World Bank, which have a global view.

We need to start thinking about and exploring other avenues for securing financing and donations to the country because we have two gaping holes. One is the ongoing stoppage of donor funds from the USAID. In the morning, the Women Parliamentarians were apprised of the fact that the immunisation of our children is going to be affected because of the diminishing donor funds towards that particular exercise. This is something that is long overdue. It is going to help us ensure that we have that.

I look at the countries that have already gone ahead of us and ratified this particular Treaty, and it saddens me. Kenya is thought to be a very forward-thinking country. It is one of the countries in Africa that has the highest literacy rate. Additionally, it is one of the countries that has very serious issues when it comes to infrastructure. We actually need support in this

space. I am really happy that we are going this direction, and not just in terms of infrastructure financing, but also in international trade.

Right now, Kenya is top three in terms of cryptocurrency trading. I like the fact that, in particular, the Departmental Committee on Finance and National Planning is going to bring to us a Virtual Assets Bill, which is going to really speak into this particular space. We are leaders in this market and once we have the specific legislations in place to support this, it is going to be really good for us.

With those very few remarks, I once again want to support this Motion and encourage the fact that we should go forward with this.

I thank you, and submit.

The Temporary Speaker (Hon. David Ochieng’): Thank you. Hon. Members. Seated in the Speaker's Gallery are students visiting from St. Gertrude Kinthith Secondary School of Runyenjes Constituency in Embu County; and seated in the Public Gallery are students from Oloirien Junior School of Kajiado West Constituency in Kajiado. They are welcome to follow the proceedings this evening.

(Applause)

I give Hon. Sunkuyia a minute to welcome both schools to the august House.

Hon. George Sunkuyia (Kajiado West, UDA): Thank you, Hon. Temporary Speaker. I take this opportunity to welcome Oloirien Primary School, the Principal of the school, the Deputy, and the entire teaching staff. This is a school which is just immediate to my village. I take this opportunity to welcome them. This is the Parliament of Kenya; the great, august House. It is a House of legislation, representation and oversight.

(Applause)

I know that if you work hard, you will get here when God gives you a chance. Work hard and pull up your socks, and you will get here. All great men and women in this country, including myself, the first President of the Republic of Kenya, the late Mzee Jomo Kenyatta, the late President Moi, President Uhuru Kenyatta, President William Ruto and the late Hon. Saitoti, were in this House; not to forget, Hon. Raila, Baba, the one and the only one who knows peace in this country, and the *de facto* leader of the Orange Democratic Movement (ODM) and many other people started here. Work hard and you will get a chance to be here.

This is a school that I know. It has produced many leaders across Kajiado County who are in higher offices now. I take this opportunity to congratulate you for getting this opportunity to be here. Thank you.

The Temporary Speaker (Hon. David Ochieng’): Thank you.

(Students clapped for Hon. George Sunkuyia)

We do not allow the guests to clap. Hon. Sunkuyia, I do not know what you told your students but, next time, they should not clap. Member for Funyula.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Temporary Speaker, I want you to appreciate and understand that it is a very rare occasion that the boys and girls can sit there. Please forgive them for that excitement, and allow them to be trivial in their appearance in this House.

The Temporary Speaker (Hon. David Ochieng’): They are forgiven.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Temporary Speaker. I also stand here to support the Motion for Kenya to join the African Finance Cooperation (AFC).

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As the Mover has put it very clearly, the development needs for Kenya are far too much. We are unable to finance them using the local Exchequer and locally generated resources. If you remember, Bretton Woods institutions were formed immediately after the Second World War or thereabout to address infrastructure challenges that were affecting many countries after the war and those in the colonies. Over the years, of course, we expect the demand on the International Monetary Fund (IMF) and World Bank is going to be over...

(Technical hitch)

My enemies! Obviously, over time, we have to start looking inwards. If you hear and see the tone of the main contributors to the IMF and World Bank; that is the US and the European countries, it is time to look inwards. In fact, in many countries now, all politicians who talk about nationalism get elected compared to those who talk about global issues. It is a laudable venture for the African countries.

If you look at their website, they say they were established in 2007. It is a joint venture between private and public institutions to raise funds to fund various development projects all over Africa. As of today, it has about 45 members. Some have already ratified it and some have not. So far, they say they have disbursed close to US\$15 billion to projects across 36 countries, Kenya being one of them. That shows that they have the capacity and are progressing adequately.

Let me also join the remark by Hon. Chairman, that before Kenya becomes a shareholder, they need to look at the Treaty so that all the issues that we have raised in the report are addressed before they finally sign. By the very way the Act is set, Parliament basically cannot amend it. It can only pass or approve with reservations, and those reservations can either be considered or not. When you are looking at such kind of a Treaty that has got very many members, the room for maneuverability becomes minimal. That is why we always urge, at the very start, that let Kenya participate in drafting these treaties so that our interests are taken care of.

We also hope the interest rates that are being advanced by this institution will be market interest rates that do not hurt the economies of African countries. Many times, you find that it becomes more expensive to borrow from the local institution compared to international institutions. I urge the shareholders and the managers at AFC to make sure that whenever they give funding, they do it with a reasonable interest rate.

Additionally, I urge the leaders and managers in African countries to ensure that loans meant for financing projects are used for those specific projects. There are many stories that they are supposed to build a 10km road, but what you see is one kilometre road which is only three metres wide and yet money has been expended. They have a fiduciary duty to ensure that, as they advance funds, they are used for the very purpose they are meant for.

As I conclude, as Kenya continues to borrow money to finance projects, let there be equity and fair distribution of those projects throughout the country. All of us cannot shoulder the burden of paying debts and yet, it is only some regions that benefit from those projects, while others become mere spectators.

With those few remarks, I support the Motion.

The Temporary Speaker (Hon. David Ochieng'): Member for Kwanza.

Hon. Ferdinand Wanyonyi (Kwanza, FORD-K): Thank you, Hon. Temporary Speaker, for giving me the opportunity to contribute.

First and foremost, I thank the Departmental Committee on Finance and National Planning for coming up with this important Motion. Our country is a developing one. This is thinking outside the box. As many Hon. Members have said, it has been very expensive for us to develop. Historically, Kenya is the best country in the region, in terms of development.

However, we have been relying on foreign aid which has been mentioned severally by Members who have contributed to this Motion. It has been very expensive. Therefore, we have to think outside the box. I thank the Departmental Committee on Finance and National Planning for coming up with this particular Motion because it is thinking outside the box.

I thank the Chairman who is passing in front of me. He has done very well by thinking outside the box and coming up with this Motion. We already have 43 countries. We are joining our brothers and sisters to do what is required for our country.

Hon. Temporary Speaker, I know you have travelled outside the country. When you go out there and say you are from Kenya, it elicits curiosity. Most people admire coming to this country because of our past records. However, we will affirm our development. This particular Motion should be passed like yesterday, but not today or tomorrow. It will enable us to move faster and ratify this agreement. We will join it and develop our country. The rates which we are charged on loans are unbearable.

This is a very good thing. The Chairman of the Committee has done a good job. Congratulations on thinking outside the box. We have been sitting here for the last terms, but this Motion has never come up. We are now rectifying this. We want to move very fast so that we can benefit from Africa Finance Corporation because the rates are very good. Once the interest rates are low, the economy will grow faster than what it is today. This means creating more jobs, developing even further, and doing things that the other European countries are doing. We want to surpass countries like Germany and France. We want to be equal to them, so that we are mentioned positively.

If you travel out of the country and say you are from Kenya, people say they were here some years back. They also say we are doing well, and ask how we are doing. We have nothing to say because most of the work and projects that we have are based on foreign exchange and renting assets very expensively. If you go to a place and they tell you their exchange rate, you cannot afford it.

With those few remarks, I agree with the ratification of the agreement for the establishment of the African Finance Corporation. The Departmental Committee on Finance and National Planning should move faster and see what we can do. I hope we will pass this Motion. There will be no need to even discuss it.

I support this Motion. Thank you very much, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng'): Thank you. Member for Yatta.

Hon. Robert Basil (Yatta, WDM): Thank you, Hon. Temporary Speaker, for giving me the Floor to contribute or weigh in my points. I support the Motion on ratification of the agreement for the establishment of Africa Finance Corporation.

If you look at the world today, United States of America (USA) is saying "America first." President Trump is even cutting off aid to the rest of the world. As a result, even Europe is regrouping and trying to protect itself from the effects of President Trump and what is happening in USA. It is high time that Africa follows suit and became self-reliant. We over-rely on International Monetary Fund (IMF) and World Bank, which advance the interests of USA, but not of Africa. The interest rates that IMF and World Bank give Africa are quite high. They also bring conditions like the structural adjustment programmes that were there in the 1990s. We have the same conditions today. It explains why many of the African nations are still grappling with poverty and struggling to emerge from economic suffering that they have been subjected to since 1963 and during colonialism. Therefore, this particular Motion is timely.

As I said, I fully support the ratification of this agreement for the establishment of Africa Finance Corporation. Some of the benefits that we will get from joining Africa Finance Corporation include support on infrastructure development. We are still struggling with poor roads. The energy sector is facing a big challenge. You can look at the Rural Electrification Programme where many constituencies, for example, Yatta, are below 30 per cent electricity

connectivity. Telecommunication is also another area where we are struggling. Through Africa Finance Corporation, we will get low-cost loans to support infrastructure development. Another important area is to support long-term financing which will revive the economy and support development holistically in the country.

Another key reason which explains why I support this Motion is job creation and industrialisation. Through Africa Finance Corporation, many of our local sectors like energy and telecommunication will be revamped or revived. As a result, jobs will be created. There will also be support to local businesses that will create jobs for many of our youths who are still struggling with unemployment.

Like I said at the outset, it is important to support regional integration and trade. This can only be actualised by Kenya joining Africa Finance Corporation, so that it becomes part and parcel of the 43 States that have already joined. The BRICS countries—Brazil, Russia, India and South Africa—are giving an alternative to the World Bank and IMF. Therefore, Africa Finance Corporation will be a force that will basically be championed by Africans to advance their interests.

Before I rest my case, as much as we also want to support our country joining Africa Finance Corporation, it is important to underscore that all the money that we are going to borrow must be used prudently to avoid a situation where we will incur more debts and yet, we cannot see the value of the money we have borrowed.

With those few remarks, I support the Motion and submit. Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng’): Member for Homa Bay Town Constituency.

Hon. Peter Kaluma (Homa Bay Town, ODM): I thank you, Hon. Temporary Speaker. The world is operating under a very difficult economic environment and, more so, for the African countries. While this is happening, the bigger States which have been giving donor support are all looking inwards. It is only right that they do so. The obligation of every State is to first consider itself. I want to agree with colleagues who have said that we want the Bretton Woods institutions to help deal with these economic situations. They need to continue, but some of their conditionalities put States in very difficult situations. We know what happened to Kenya in terms of our Finance Bill, which was rejected last year.

It is, therefore, becoming very necessary that we look at models of financing around Africa that would avail ready money to us. One model is what we call Savings and Credit Co-operative Society (SACCO) locally. This is somewhere we can invest, and people who need those monies can borrow and use them. We can be earning something minimal as an investor in such corporations. We need somewhere where we can get easy money whenever we need it mainly for purposes of urgently needed infrastructure. Those can be roads, expansion of railway networks and airports.

We are in a situation where we do not have enough money to deal with all our infrastructure needs and yet, our people are poisoned against alternative sources like the Public Private Partnerships (PPPs), where the private and the public bring money together. The other time we were thinking of a PPP on the reconstruction of Jomo Kenyatta International Airport, but without due understanding, people made noise all over saying it amounted to selling the airport.

In those circumstances, the African Finance Corporation comes in handy. Some of us have spoken about the African Development Bank. But they give loans on very high and exorbitant conditions. If we do not model those financial institutions around ourselves, our cultures and our currencies, we will always have problems. People have forgotten that before President Trump came in, when any organisation which was giving money to any State, be it a loan, grant or aid, had to condition it upon recognition of Lesbian, Gay, Bisexual, Transgender,

Queer (LGBTQ) as human rights undertaking to support it. That was an Executive Order signed by President Obama. I am happy President Trump has now come and we do not have such conditions. But in as much as President Trump has come, the Republicans by their nature, look inwards. There is very limited financing available here.

When we have the African Finance Corporation, we will have an institution to invest in and from which we can borrow on terms which are acceptable; terms which do not impose changes to our cultural norms. We will also borrow on currencies we dictate. We can borrow in Kenya shillings. We remember when the dollar moved from Ksh110 to Ksh169. It meant that if we had taken a loan, it would have moved in terms of our denomination by that amount.

So, if we have a local African institution like the Africa Finance Corporation, we can easily invest there and borrow money. Let me, therefore, thank our President, because I had the occasion and privilege to accompany him to a meeting which was attended by the top leadership of that bank during the Kisumu International Conference. I heard our President confirm that, indeed, we had started investing in that organisation.

With that, I, therefore, want to request the membership of the...

The Temporary Speaker (Hon. David Ochieng'): Allow Hon. Kaluma one minute.

Hon. Peter Kaluma (Homa Bay Town, ODM): I want to join the Chairman of the Departmental Committee on Finance and National Planning, where I also serve as a member now, in urging the Members of the House that we move expeditiously, and become those African states which can be seen to be investing there as fast as possible. We can have this expedited for the development of the country. I agree with Hon. Ferdinand Wanyonyi that it is long overdue. The faster we pass it, the better in terms of the ratification. Therefore, I support the ratification of the agreement for the establishment of the Africa Finance Corporation.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng'): Thank you. Hon. Jackson Kosgei, do you want to say something on this?

Hon. (Dr) Jackson Kosgei (Nominated, UDA): Thank you, Hon. Temporary Speaker. At the outset, I support the ratification of the Africa Finance Corporation. It has been prosecuted by colleagues who have spoken before me, giving details of the content of the Motion. It has been said that it is not great wealth in the hands of few individuals that proves a country is prosperous, but great general wealth evenly distributed among the people. That is what raises a nation. My colleague mentioned earlier on about the development of Europe immediately after the two devastating wars in 1918 and 1945. They regrouped as nations and decided that they would want to develop Europe. They had a dream to have a garden, although they considered the rest of the world as a jungle. They said it was not going to be possible when every individual country would develop infrastructure for their own country using their own resources, unless they brought them together.

Hon. Temporary Speaker, in 1947 they started the International Bank for Reconstruction and Development. It was later to be known as the World Bank. It played a very crucial role in the reconstruction of Europe so much that if any of us has had a chance to visit Europe, they will notice that the infrastructural development in Europe is the same amongst all the nations. Currently, they have a visa that when you get one visa from one corner in Europe, you can use it across the other countries except for Britain because they voted to leave the EU.

Hon. Temporary Speaker, it is easy to discuss and ratify a treaty though we have to ensure that it does not remain in our archives or go slow on its implementation. There are three things that made Europeans grow and develop. Studies show that, one, they were guided by the solidarity of purpose. We must agree that there is no one who will develop Africa except ourselves, and this was the dream of our fathers who fought for independence, self-rule and our dignity as Africans.

Two, were sound fiscal policies in their own countries. They became intentional in the correct collection of revenues, use of their revenues to meet their recurrent expenses and development, and payment of debts. They were very serious and timely.

Three, Hon. Temporary Speaker, is that the European nations were guided by national pride, which is what you are seeing now emerging again. It is our appeal, as we pass this at the appropriate time, to be proud of ourselves and our Continent, work as a team and be guided by patriotism and the love of our own country.

I support the Motion. Thank you.

The Temporary Speaker (Hon. David Ochieng’): Thank you. Member for Garissa Town, Hon. Dekow. Where is your card?

Hon. Dekow Mohamed (Garissa Town, UDA): Sorry, Hon. Temporary Speaker. I did not come with a card today, but I promise that next time I will. Thank you for giving me this opportunity, Hon. Temporary Speaker.

Kenya is the sixth largest economy in the African Continent. I am surprised that we are having this debate at this time. Having established this co-operation in 2007, this debate should have happened a long time ago. Although it is late, it is not too late.

America, the major shareholder in the World Bank and International Monetary Fund (IMF), still borrows from those financial institutions to develop its roads, electricity, communication systems, railways, health systems and water systems. We need to be in this kind of grouping or organisation. As the sixth largest economy in Africa, we can influence by contributing almost the largest amount into that fund so that we can benefit from it.

America itself borrows from China, other countries, and other financial institutions. The other day, they joined the Asian Bank as one of the shareholders. As a country, this is a very timely decision. We thank the Chairman and his team for bringing this. For sure, I think we will pass this Motion, and it will be actualised.

To develop as Africans, we must pool our resources together, both from the private and public sectors, so that we can develop joint infrastructure programmes that will cut across all the countries. We are endowed with a lot of resources in the African Continent. But we lack those kinds of organisations to support systems for the region to develop. IMF, World Bank, and other institutions we borrow from charge very high interest rates. USA borrows at maybe 0.5 per cent. But at the same time, the World Bank charges us a double-digit percentage when we borrow from them. They are using our money and the interest they gain from us to develop their regions and countries.

So, I support the Motion and it is timely. Thank you very much for giving me the time.

The Temporary Speaker (Hon. David Ochieng’): Hon. Member for Saku.

Hon. Ali Raso (Saku, UDA): Thank you very much, Hon. Temporary Speaker.

I rise to support this Motion. Article 2(6) of our Constitution is very clear. Ratification is a constitutional issue. Once this House ratifies laws that are enacted outside the borders of our country, they form the body of laws of this land. Article 94(5) of the Constitution is very clear. On that, the Executive knows that nothing will have a force of law unless it is passed by this House. For that reason, I thank the Chairman of the Departmental Committee of Finance and National Planning.

Like what honourable colleagues have said, it is very strange that one of the largest economies in Africa, the largest in East Africa and in this region, in the Horn of Africa and Central Africa, while the other 45 other countries out of 53 had already made this part of their laws, we were still sitting on our hands. For this, I thank the President of Kenya. When Bill Clinton became President in the 1990s, he said the economy is stupid. He decided to focus on the economy as the centre-piece of his presidency. That is why America achieved growth. When our President started, he was able to engage the world on behalf of this country.

However, many people said the President was jumping from one plane to another, without understanding that he was working to put Kenya at the centre of world so that this country can thrive economically.

The marshall plan immediately after the Second World War could not be executed without a bank, and that is why the World Bank, then the Bank for Reconstruction and Development, was established by Americans to rebuild Europe through a marshall plan. When we look at the world today, it is turning towards unilateralism, where America is inward-looking. The sort of largesse we used to enjoy through bilateral support from the British, Americans and Germans is no longer there. Even our bilateral engagement with China is largely driven by their national interest; what they want to get from Kenya through foreign direct investment.

Let us go regionalism because the world is going that way. Very few countries are trying to survive on their own. Actually, you cannot survive on your own if you want to develop and look after your people wherever they may be. For that reason, this is a very important piece of legislation that we must pass as a House. Like the Hon. Member for Kwanza has said, it should not be on the Floor of this House today. It should have come 10 or 15 years ago, so that Kenya plays its rightful place in the community of African nations.

Finally, we have the African Development Bank (ADB). More and more, we see its activities more pronounced and pitched than what we used to get through World Bank, IMF and other international donors, including the...

The Temporary Speaker (Hon. David Ochieng'): Add him one more minute to finalise.

Hon. Ali Raso (Saku, UDA): We are getting more traction from ADB on our development projects like electricity, roads and water, than what we are experiencing with World Bank, IMF and other multilateral donors, including the European Union Fund. For that reason, like somebody said, Africa is our business and so we must do business with Africa.

With those remarks, thank you for indulging me.

The Temporary Speaker (Hon. David Ochieng'): Member for Seme, did you want to speak on this?

Hon. (Dr) James Nyikal (Seme, ODM): Yes.

The Temporary Speaker (Hon. David Ochieng'): Okay, go ahead.

Hon. (Dr) James Nyikal (Seme, ODM): Thank you, Hon. Temporary Speaker, for giving me this opportunity. I rise to support that we should sign this agreement. My main reason is that we should have signed it a long time ago. This thing was founded in 2007 and Kenya became a member in 2017. I am sure at that time the Cabinet must have made that decision, and today, we are discussing it. For that reason, we should have signed it.

Secondly, Africa needs to work together. If you start from the days of slavery, colonialism and the Second World War, it was after the war that European countries suddenly realised they could no longer keep the colonies. So, they let them go and if they had to go, they needed their resources. What did they do? The war ended in 1945 and in 1947, they started their development bank, which first of all dealt with infrastructure in Europe and later became a bank for the whole world. There is evidence that more money leaves Africa now than before the independence of the States. So, we need AFC. How come Pan-Africanism died? Around 1950s, Dubois and Kwame Nkrumah wanted Africa to come together and become one big federation. Problems in the USA started in 1774 when individuals started having problems with the King. The only thing that would give them strength against domination by Britain was to form one union. By 1776, they made the Declaration of Independence. Look at what they are now. They have been helping the world, but now they are closing in again. Where do we go? We need our own institutions. AFC needs to work. We also have ADB, African Export-Import

Bank and Islamic Development Bank. AFC is our institutions put together and the AU member States are the shareholders. What can be more home-grown for Africa?

The AFC targets development. I long for a time when our young people will come from Cape Town and move all the way to Cairo without anybody asking them anything. They should move from Mombasa to Senegal on a nice road. That is when we will have one Africa. It is this AFC that will take us there. I support its ratification.

The one big problem in Africa we must know is that when politics has made a good decision, it must yield to the realities of professionalism. There are laws of nature that politics cannot control. That is why we need professionals. Let us yield to them. Let them develop this Corporation so that Africa can benefit from its huge resources. Africa has the youngest population in the world. With a financing institution and proper politics, we should be the new horizon of development. After China and India, it must be Africa. This is the beginning.

Hon. Temporary Speaker, I support.

The Temporary Speaker (Hon. David Ochieng'): Member for Garissa, are you waiting to speak on the Motion that is coming up? Okay. Member for Tinderet.

Hon. Julius Melly (Tinderet, UDA): Hon. Temporary Speaker, I rise to support the ratification of the treaty creating AFC. Ratification of this treaty is long overdue since AFC started operations in 2007. Africa is one of the wealthiest continents in the world. It has a very young, energetic and educated society. It has a lot of extractive resources like gold, oil, iron ore and cobalt.

One of the problems facing Africa today is lack of strong financial institutions. Since the ADB was established, it has led to the development of large infrastructural projects across the continent. This has seen the development of good roads and large power grids. It has also led to the development of institutions and research centres. Africa sat down and saw the need to establish AFC. It is a lending financier and adviser to clients across Africa, offering structured debt financing, trade financing and expansion equity. There is a lot of strength and synergy in the developing nations or the developed parts of the world. There is a lot of strength or wealth in people or communities coming together. Let us look at the case of the European Union, the European Central Bank and the Asian Tigers. They have all come up as a result of countries teaming up. The Africa Finance Corporation has had investments of over US\$2 billion across several countries in Africa, since its establishment in 2007. In so doing, poverty and diseases will be things of the past in the near future.

Kenya is a member of the Pan-African Parliament in South Africa. As we move towards a political union, we also need to establish a financial union. We are talking about a fiscal and monetary union. We also need to ensure that our people can easily move across the continent by having good roads. We will then see the movement of goods from the western or southern parts of Africa to Cairo. All this will be achieved when proper roads are built and proper electricity grids or connecting lines are implemented to enable and fuel trade, especially in ICT and software. More importantly, it will also ease the movement of goods across the continent.

There are a number of rivers in Africa that are easily navigable. The River Nile is an example. We need to use resources from such institutions as the AFC to ensure that large dams are built. We have cruise ships along the Zambezi River and other rivers.

I support the ratification of this Agreement. I request other member states within Africa to move fast so that we can ratify this agreement and promote trade and development across the continent.

The Temporary Speaker (Hon. David Ochieng'): Hon. Melly, we are 43rd in the ratification of the agreement. Other countries are already on board. We have delayed. The Corporation is already working. That is why we are expediting the ratification of the agreement.

Hon. Members, there being no further interest to contribute to this Motion, I request the Mover to reply.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, Africa is not just about the landmass. It is about the people. Ratification of the agreement on the establishment of the Africa Finance Corporation will show our commitment to “Africanness” and investing in our interests. This is a wake-up call to other African countries that the reliance on the West must come to an end. As President Uhuru said the other day, we expect Americans to help us and yet, we do not pay taxes in America. We expect China to help us and yet, we do not pay taxes in China. They offer support with conditions and interests but, if we invest in an African institution, we will ensure that we support our own, and grow our banks, resources, countries and Africa.

Africa has the potential to outgrow all western countries. We have a much younger population and one of the best skilled populations globally. If we leverage on what brings us together as Africans, and on having institutions like this that are built by Africans for Africans, we will see development not just in Africa, but most importantly in our great country Kenya, which we love.

With those few remarks, I beg to reply.

The Temporary Speaker (Hon. David Ochieng’): Hon. Members, the decision on this Motion will be made the next time it will be listed in the Order Paper for obvious reasons.

Next Order.

(Putting of the Question deferred)

The Temporary Speaker (Hon. David Ochieng’): Hon. Tindi Mwale, I am sure you have been taking enough water waiting for this Motion. Go ahead.

ADOPTION OF REPORT ON THE EXAMINATION OF THE
FINANCIAL STATEMENTS FOR MDAS FOR FY 2021/2022

Hon. Nicholas Mwale (Butere, ODM): Hon. Temporary Speaker, I beg to move the following Motion:

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 2021/2022 laid on the Table of the House on Friday, 14th March 2025.

This is the second Report that this Committee has brought in this 13th Parliament. It is the first Report to be tabled after the reconstitution of the committees. I thank Hon. Members of the Committee for making it a priority. They perused through the Report which had been done by the other Committee before the reconstitution of the committees. They largely supported it by appending their signatures. They also adopted the Report to be brought to this House.

Before I delve so much into the Committee’s observations and recommendations, I would like to bring a correlation between prudent use of public resources, and how it can spur economic growth and bring better living standards to the common Kenyan. This Committee is mandated, under Standing Order 205, to scrutinise and examine all the expenditure that is appropriated to State departments by this House. Therefore, if we do not get it right on the prudent use of resources in this country, then we will not get it right in the economic growth of the country.

When you talk about economy, you look at the Gross Domestic Product (GDP). You not only talk about nominal GDP but also real GDP. The formula of GDP is consumption plus investment plus government spending plus net export ($C + I + G + (X - M)$), where $(X - M)$ is

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the net export. The component which I will pay a lot of respect to, before I go to the recommendation of the Committee, is component G, which is Government investments. Much of Government investments are done and appropriated by this House. They are given to State Departments and Agencies. Much of them are the ones that the Auditor-General audits to find out if we have prudent use of these funds.

Therefore, if we do not get it right on prudent use of government resources and taxpayers' money, then there is no way the economy will grow. It will be affected, and the common *mwana* will have difficulty in affording essential goods and services. I will narrow down GDP and talk about real GDP because it is the one that gives us the true standards of living of the common *mwana*. For us to get it, we have to factor in the GDP deflator which we compare with inflation. If we are not careful about inflation or we have mismanagement of public funds which brings about corruption and illicit trade, it will affect the prices of commodities and services. In the long run, this affects the consumer price index, which is used to gauge the inflation rate of an economy. Therefore, I assure this House that the Committee has prepared a good Report that is going to address many of the issues that have been raised by the Auditor-General in terms of looking at the financial statements of State Corporations, Agencies and other State Departments.

Hon. Temporary Speaker, this Report has highlighted the legal frameworks pertaining to public finance. One of them is Chapter 12 of the Constitution of Kenya, which deals with the Principles and Framework of Public Finance. The second one is the Public Finance Management Act 2012, which stipulates how accounting officers are supposed to utilise and manage State resources. The other one is the Public Procurement and Asset Disposal Act 2015. As we are aware, all Government resources are spent through procurement. Therefore, if those laws and regulations under the Public Procurement and Asset Disposal Act 2015 are not followed, we will have a problem when it comes to ensuring prudent use of public resources or having value for money. We also have the Accounts Act, 2008, and the International Public Sector Accounting Standards (IPSAS), among other provisions of the law that empower Parliament to oversee public institutions.

This Report has 1,116 pages. It has all the State agencies and Votes that get disbursement from this honourable House. The Auditor-General has brought forward 326 audit opinions. I want to refer Members to Page 13 of the Audit Report. This Report stipulates that on donor projects, we have 216 audit opinions. On Revenue Statements, we have 13 audit opinions. On Ministries, Departments and Agencies (MDAs), we have 71 audit opinions. We note that we have a lot of audit opinions on donor projects. Therefore, as much as we talk of forming the Africa Finance Corporation, which I know the end game is to borrow money to invest in this country, we need to emphasise on proper management of those funds so that we do not get a lot of qualified opinion from the Auditor-General.

Further, to give my colleagues a glimpse of the terms used by the Auditor-General, when I refer to 'Unqualified Audit Opinion' from the Auditor-General, that is considered to be a clean report. When I talk about 'Qualified Audit Opinion', it means that despite the financial statements having been submitted, there is some veracity on certain expenditures in respect of which the auditor wants the State Department to furnish more information.

In the interest of time, because I know the House is going to rise at 7.00 p.m, and I have my Vice-Chairperson to second, and Members have been waiting to contribute, I want to summarise the Report. We have the observations and recommendations. The first observation and recommendation is on poor accounting standards and general incapacity of some accounting units. Sometimes you might find qualified staff in a State Department. The staff are there and they are qualified, but some of them are not conversant with the laws and the regulations. This recommendation reads as follows:

‘The Committee recommends that the National Treasury conducts periodic sensitisation and capacity building of all accounting officers, finance staff and procurement officers across the Government on their responsibilities during the audit cycle and adherence to International Public Sector Accounting Standards Board (IPSASB)’

The second recommendation is on late submission of supporting documents. For the Office of the Auditor-General to come up with an unqualified opinion, it has to be furnished with relevant supporting documentation to prove what the funds were used for. We have seen in many of the audit opinions that the Office of the Auditor-General was not furnished with the requisite documents as requested. Therefore, we are recommending that Section 68(2)(k) of the Public Finance Act be adhered to by State agencies so that information is provided on time for the Auditor-General to do the scrutiny.

The other observation is non-existent or weak internal audit functions. As you are aware, every State agency is supposed to have an internal audit function. However, the audit opinions have shown clearly that many of those State agencies lack internal audit committees. So, the function is not practiced in many State agencies. The Committee reiterates its previous recommendation that the National Treasury should submit a proposal to the National Assembly within three months of adoption of this Report, delinking internal audit function in terms of appointment, facilitation and reporting from accounting officers to an independent office.

The other issue, which is an observation and a recommendation under number four, is the long outstanding construction works and stalled projects. In many cases in this country, we see many projects stalling and they end up wasting public funds because of harsh climate conditions. Some of them are subjected to inflation. The variations that are done actually end up making the projects very costly. Therefore, the Committee recommends that the National Treasury should only approve projects for which it can guarantee funding and completion within the medium-term expenditure framework. No new projects should be commenced by an agency before all existing ones are completed and fully funded.

We have the issue of budgetary control and performance. This arose from all Ministries and State departments. Under budgetary control and performance, the issues raised are predominantly about late exchequer issues, supplementary budgets and incapacity to collect targeted revenues. The Committee recommends that the National Treasury, the Budget and Appropriation Committee, and the Departmental Committee on Finance and National Planning make realistic revenue projections and attainable expenditure estimates.

The elephant in the room is pending bills. We have seen so many companies and so many Kenyans who are suffering because of the Government not paying for goods supplied and services rendered to Government institutions and projects. Pending bills are a major issue when you talk about the economy being revived and surviving. Therefore, the Committee recommends that the Treasury only rationalises budgets that have not been committed. Further, the Committee recommends that borrowing by the National Treasury to plug budget deficits should be done uniformly across the financial year to avoid the end-year rush of disbursement and procurement in an effort to beat the deadline.

Hon. Temporary Speaker, there is the issue of accrual and cash basis of accounting. I am very sure that many Members are familiar with it. It is a basic principle of accounting. Many national Government institutions and State agencies use the cash basis principle, and this has a lot of disadvantages and drawbacks when it comes to accountability and keeping of financial records. The Committee recommends that the National Treasury expedites the full rollout of accrual basis of accounting as this is going to give the true picture of the financial state of our State departments and agencies.

The time is almost 7.00 p.m. That is why I am summarising so that I give my Vice-Chairperson ample time to second the Motion and pave way for Members to contribute.

The ninth issue under our ‘Observation and Recommendation’ is the dual implementation of projects between county and the national Government. For instance, you find the county government implementing a project that is also being implemented by the national Government. The Committee reiterates its recommendation that such funds be wholly issued to the implementing agency as conditional grants rather than stick to the mongrel arrangement that currently subsists. We have failure or delays in compensating land owners. We have had this issue all along, especially in the Ministry of Energy and Petroleum, where a State agency wants to build a power line but compensating the land owner’s way leave becomes an issue. The Committee notes, for example, with respect to the State Department of Energy in paragraph 1337 and 1363, and with respect to the State Department for Roads in paragraphs 55, 84, 603, 612, 695 and 808; that, projects had been undertaken without due compensation of the land owners persons. The Committee recommends that the implementing agencies prioritise compensation for land earmarked for acquisition before the acquisition is actualised as provided for under Sections 111, 115 and 117 of the Land Act. In a nutshell, the Committee wants to assure this House that this Report will address major issues that have led to the mismanagement of public resources.

In furtherance of its recommendations, the Committee has not shied away from prescribing punitive sanctions to gross violation of the law. For instance, with reference to paragraphs 216, 222, 294, 1476, 1471 of the Ethics and Anti-Corruption Commission, the Committee has recommended investigations of certain cases.

As I mentioned earlier, the centrality of this Report in the Division of Revenue Bill during Financial Year 2021/2022 is that the total revenue recorded under various revenue statements as received by the national Government amounted to Ksh2,028,236,839,950, representing an increase of Ksh314,593,858,437 or about 18 per cent when compared to actual collection of Ksh1,713,642,981,513 realised in the Financial Year 2020/2021. The total revenue of Ksh2,028,236,839,950 comprised of Ksh1,920,434,085,078 as shareable revenue, Ksh46,756,750,697 as receipts from Government investments and public enterprises and Ksh61,046,004,175 from development revenue. In the 2021/2022 Financial Year, the total shareable revenue of Ksh1,920,434,085,078 increased by 22 per cent compared to the shareable revenue of Ksh1,570,562,945,014 in the 2020/2021 Financial Year. I am giving these figures because the Committee recommends that the total nationally collected revenue amount of Ksh1,920,434,085,078 forms the basis of the sharing revenue between the national and the county governments as contemplated in Article 203(3) of the Constitution.

I want to stop there in the interest of time. I assure Members that this Committee has done a good job and they should support and adopt the Report. We will endeavour to make sure that public resources are utilised in accordance with the Constitution and the Public Finance Management Act. The Committee shall continue to execute its oversight mandate of State agencies as recommended by the Office of the Auditor-General through audit opinions that are presented to the National Assembly.

With those few remarks, I move and invite the Vice-Chairlady of the Committee, Hon. Amina Udgoon, to second the Motion.

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

Hon. Amina Siyad (Garissa County, JP): Thank you, Hon. Temporary Speaker, for giving me this opportunity. I rise to second the Motion. In addition to the general observations and recommendations highlighted by the Chairman, who is the Mover, allow me to expound on a few others.

The Chairman spoke of pending bills. As already mentioned, pending bills are a thorn in the flesh of Government records. Other than the already stated budget cuts, some MDAs lack proper documentation, leading to accumulation of bills. It is unbelievable that a Government agency could procure a product or service but fail to document it. That is an

avenue for corruption. All procurement officers holding incomplete documentation must be put on notice, as this has the effect of frustrating genuine suppliers. We all know the frustrations that Kenyans go through because of pending bills. Many people fell into depression because of pending bills.

The secondly recommendation I would like to highlight is on donor funding to non-priority areas. The Committee has seen instances where the country commits to loans whose outcomes and outputs are not a priority for the country. You find components of those loans including items such as capacity building of Government officials, workshops and other recurrent expenditures. The National Treasury must only commit the country to loans that have direct benefit to the people of Kenya.

Allow me to also highlight a few challenges that were witnessed by the Committee in the execution of its mandate and that delayed the production of this Report. One of the challenges is the perpetual request for reschedules. Some accounting officers have a habit of requesting rescheduling of their appearances, and hence hampering the Committee's calendar. It is instructive to note that the same accounting officers never miss meetings for appropriation of the budget, which also have strict timelines. Accounting officers are, therefore, put on notice that failure to appear will lead to a recommendation like "carried as it is".

In the interest of time, the honourable Members of this noble House will find the Report enriched with the recommendations on each audit query.

Therefore, I second the Motion for adoption of the Committee's Report.

(Question proposed)

The Temporary Speaker (Hon. Farah Maalim): I will, first, give a chance to the Chairman of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Thank you very much, Hon. Temporary Speaker. First of all, I would like to congratulate the Public Accounts Committee (PAC) for the good work they have done on this Report under the able leadership of another young man from this country, Hon. Tindi Mwale. I served in the PAC in the last Parliament, and I can say that it is one of the busiest committees as it does a lot of work based on the Report of the Auditor-General. It takes tremendous work for the Committee to table such a Report. Thank you for a job well done.

Even as we discuss the Report of the Financial Year 2021/2022, one of the key issues we need to ask ourselves is how we can expedite the time taken to discuss such reports. One of the challenges that we encountered when I was serving in the Committee was that by the time we got to the core matter, it would be water under the bridge. You would want to interview the accounting officers who were in office during the period under review, and we would be told that some of them had died and others were in different countries. We need to find a way of making sure that we are more up to date on the audit of the financial reports.

The Report highlights critical deficiencies in financial management, procurement, irregularities and weak internal controls. One of the best authors on financial accounting called Warren Buffett says that accounting is a "language" of business, and if you do not speak that "language", it is difficult to win the game. Therefore, this accounting report is a language of business and governance. If accounting is not properly done by that State agency, we will lose.

Proper financial management is not just about compliance. It is also about ensuring that there is fiscal discipline, resource use optimisation and economic stability. Some of the key findings of the Committee include poor accounting standards and compliance issues. Despite those Ministries, Departments and Agencies (MDAs) being staffed by professional accountants in every State department, there were very many irregularities. For example, in the Ministry of Agriculture, Livestock and Fisheries, there were unconfirmed receipts of Ksh96 million. The

Ministry of Water, Sanitation and Irrigation had material misstatements in their financial reports, affecting large infrastructure projects. Therefore, whereas they have certified public accountants working in those offices, such misstatements still form key findings of the Committee.

There were issues of violation of the International Public Sector Accounting Standards (IPSAS), which require that financial statements must be reliable, comparable and free from material misstatement. What gets measured gets managed. However, when those particular reasons are not measured, it becomes difficult to manage them. Without proper accounting and reconciliation, mismanagement will definitely be inevitable.

Financial transparency requires that we have real-time record-keeping and timely submission of documents for audit. However, as noted in the Committee Report, some State Departments, for example, the State Department for Early Learning and Basic Education, failed to submit procurement documentation for the construction of classrooms for the Competency Based Curriculum (CBC). This raises serious concerns about financial capacity in the education sector.

Section 68 of the Public Finance Management (PFM) Act mandates that there must be timely reports, yet those institutions ignored that requirement. The late submission of those financial statements led to unnecessary delays. That is something that needs attention.

The Public Procurement and Asset Disposal Act of 2015 provides clear guidelines on competitive bidding and value for money. However, we still see very many entities like the State Department for Public Works, which single-handedly contracted Prosoya Kenya Limited thus bypassing a competitive procurement process. There must be strict adherence to the Public Procurement and Asset Disposal Act. Again, we have professionals who work in those areas and they understand the law. They know what they need to do but they do not do it. For Government spending to be effective, it must be subject to strict financial discipline or else it becomes a source of waste and corruption. There must be strict adherence to procurement controls; otherwise the Government risks huge financial haemorrhage and reduced service delivery to the people when those protocols are not adhered to.

A matter that occurs every year is unresolved prior-year audit issues. We had a discussion with the Auditor-General a few weeks ago and she would say: “As per my other reports or as per my earlier reports.” Matters debated in this House and those raised by this Committee end up recurring in subsequent financial years. Therefore, I urge all accounting officers to ensure that matters that are unresolved in a given audit report are resolved before the next financial year.

What are the Committee recommendations? There is need to strengthen financial management systems to ensure compliance with IPSAS and International Financial Reporting Standards (IFRS). I love the recommendation made by the PAC, one of them being mandatory continuous professional development for Government accountants that must be enforced by the Institute of Certified Public Accountants (ICPA). There must be implementation of real-time financial reporting systems so that we enhance accuracy and reduce end-year reconciliations. Strong financial controls are not just about compliance but also about ensuring that there is fiscal sustainability.

The Committee also recommends enforcing timely submission of audit documentation. All accounting officers must adhere to audit timelines because delayed reports undermine accountability and also delay remedial actions. The PAC recommends that there must be penalties imposed on officers who fail to timely submit audit documentation as contained in the PFM Act.

They must also enhance procurement oversight with the need to have e-Procurement across all Government entities. This will ensure that there is more compliance and transparency

in procurement. Every shilling that is wasted in procurement is a shilling that is stolen from the public, as stated by the African Development Bank (AfDB).

Lastly, the Committee recommends that some particular individuals be investigated by the Ethics and Anti-Corruption Commission (EACC) and the Directorate of Criminal Investigations (DCI). I hope the EACC and the DCI will collaborate to expedite the investigations envisaged by the Committee in this Report.

Hon. Temporary Speaker, in addition to the work being done by the PAC, all Departmental Committees must properly scrutinise the budgets of their State departments. The corruption and theft that take place, and what is uncovered by the Auditor-General and the Public Accounts Committee was actually budgeted for. It is what we call "budgeted corruption". Therefore, all of us, through our various oversight committees, must ensure that we scrutinise the budgets. We must examine the budget implementation programmes to see how those particular entities execute them, so that we do not wait until the tail-end, during the audit, for those matters to come to light.

A notable piece of legislation that this House passed, which will help experts in the auditing process, is the Public Audit (Amendment) Bill. It will reduce the time required for financial statements to be presented to the Auditor-General. We gave the Office of the Auditor-General additional powers to enable her office carry out audit work more effectively.

I thank the Committee for a job well done. Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Hon. Suleka Harun.

Hon. Suleka Harun (Nominated, ODM): Thank you very much, Hon. Temporary Speaker, for giving me an opportunity to contribute to the debate on the Report that has been presented by the PAC Chairman. I congratulate them. The team is relatively new. I am sure that this is the first Report they have presented to the House. We are excited because they have done an excellent job.

As I support the Report, I must highlight that pending bills remain a challenge in this country. They affect suppliers and small businesses, leading to liquidity problems. Businesses close down in some cases. Pending bills not only affect suppliers, but they also affect the overall performance of the economy. The main reason for this is the cash accounting basis that is used by our Government. I wish the Government had rolled out the accrual basis accounting system, which would solve most of these issues. It would enhance accuracy and usefulness of financial information. It is one of the best accounting methods to use. It allows expenses to be carried forward to the next financial year, where they can be captured properly. This eliminates the issue of pending bills.

The Ministries, Departments and Agencies (MDAs) should ensure a smooth procurement process. Most of the pending bills are caused by delays in procurement processes, project implementation or during the planning stage. When we prepare a budget for a financial year, we should take into account all other possible factors.

Another important issue highlighted in the Report is about the internal audit departments. Most of our Government agencies have not established them, which is very unfortunate. They act as safeguards. They promote accountability and transparency. They ensure that strategic goals are achieved. I urge MDAs, which do not have internal audit mechanisms, to put them in place. They prevent many of the challenges we have in our auditing systems. I urge the MDAs which have internal audit mechanisms to follow the strict procedures that are outlined for the requirements of internal auditors. This will ensure that we are compliant with the Public Audit Act.

Hon. Temporary Speaker, there is a lot of wastage in our public offices. I urge the accounting officers, finance officers and everybody else handling money in public offices to ensure that they use public money prudently. Let us ensure prudent use of the public resources

we are entrusted with because it is not our money. It is public money. Every person in those offices should ensure that the money is used as budgeted for.

Thank you very much.

The Temporary Speaker (Hon. Farah Maalim): Hon. Irene Mayaka.

Hon. Irene Mayaka (Nominated, ODM): Thank you, Hon. Temporary Speaker. I also stand to support the Motion. Before I make my remarks, I would like to congratulate my brother and Chairperson of the PAC, Hon. Tindi Mwale and the Vice-Chairperson, Hon. Udgoon. The two, together with Hon. Kuria Kimani and myself, belong to the Kenya Young Parliamentarians Association (KYPA). It is a proud moment for us to have fellow Members of the KYPA doing a fantastic job. I would like to urge them to continue with the good job.

Hon. Temporary Speaker, as the Chairperson of the Committee has said, this is the second Report by this Committee. We are in the middle of this parliamentary session. I have a lot of hope and trust that they will burn the midnight oil and give us one or two more reports. Yesterday, when we were discussing the Division of Revenue Bill, one of the things that came out very clearly is that we are basing the calculation of our division of revenue on the past financial years instead of using what is happening currently.

From our scrutiny of the Report shared by the Committee, they have given us general observations that cut across all our State departments and other organisations that they reviewed. There are some issues they observed which are very sad. One of them is poor accounting standards and general incapacity. This happens and yet we have qualified accountants in the State departments. Even as the Committee recommends that the Institute of Certified Public Accountants (ICPAK) should enforce compliance, we also need to review the engagement that the professions have with ICPAK. The accounting profession, which some of us belong to, is a very noble profession. We would not want it to be put into disrepute just because some people have decided not to adhere to the accounting standards that we have.

I have also seen a suggestion that there should be periodic sensitisation and capacity building, which is very much okay. However, when practising in a certain profession, whether it is law, medicine or accounting, it is a personal responsibility to ensure that you update yourself with what is going on in the market. We should not be given excuses by our accounting colleagues that they cannot give us substantive reports that are within the accounting standards. This is because the reports have a ripple effect on a lot of other things that we do as a country.

Hon. Temporary Speaker, there is also an observation on late submission of supporting data. This is very closely tied to the first observation because it just speaks to irresponsibility and people not taking their job seriously. This House cannot tolerate that because we also have very high standards in terms of expectations from the public. We should not accept other people to do a job that is not good enough because they represent the public. They run State departments, which have direct effect on what goes on in the country.

There is also the issue of the continuously recurrent monster called the 'Pending Bills.' As my colleagues have said, this particular issue is affecting people out there. People are getting depressed. People are unable to sustain their businesses. Business people are unable to move forward. The recommendation that the Committee has given, which I agree with, is that the National Treasury should approve only projects that can be financed. Let us be prudent enough to look at things and be realistic as we approve some of these things.

Hon. Temporary Speaker, the other issue that has come to the fore is the issue of interest and commitment fees that are charged. It is quite saddening for the Committee to report to us that we have situations where loans have been approved and disbursed, but they have not been utilized for the intended purposes, and that those loans are already accruing interest. Those are not good financial standards. We are paying interest on loans that are not even being utilised. That is very discouraging. Therefore, the Committee's recommendation that the National

Treasury should only enter into agreements for loans whose project implementation plans are ready is very important. I think that is a very good recommendation from the Committee.

The final observation that I am keen on is about the delay of compensating land owners. The Land Acquisition Act of 2012 is very clear in terms of acquiring land and compensating the owners. It does not say that you acquire, start using and then compensate. Maybe this is another thing that the Committee needs to recommend — that, we review the particular Act, because there is a gap in this law. We cannot start by acquiring, utilise and then compensate. The law on mandatory land acquisition does not speak to such sequence. This is very sad because the people whose land has been acquired using the law in place end up suffering because the projects take off when they have not been compensated. That is extremely unfair.

Hon. Temporary Speaker, I also want to point out something else that the Committee has done that is very commendable. Beyond the financial recommendations, they have also looked at policy recommendations. The policy recommendations will help not only in trying to stop what is already happening, but they will also help in terms of ensuring that we leave behind a legacy of putting in place policies that will ensure that we have better auditing standards in this country. That is very important.

Also, very important to note is the fact that based on the total shareable revenue calculation that was done, it has increased to 22 per cent for the Financial Year 2021/2022 compared to the 2020/2021.

Hon. Temporary Speaker, once again, I congratulate the Committee members for the good work they have done. I encourage them to try and fast-track the next financial year's report so that we can be up to speed with what is currently happening.

With those few remarks, I support.

The Temporary Speaker (Hon. Farah Maalim): Next is Hon. Major (Rtd) Dekow.

Hon. Dekow Mohamed (Garissa Township, UDA): Thank you, Hon. Temporary Speaker, for giving me this opportunity. I also congratulate the team that has come up with this Report. Year-in, year-out, we get these reports. Even before I came to Parliament, the Auditor-General had been producing these reports, which are tabled in the House. But it seems that nothing has been happening in terms of implementing the Committee's recommendations and observations.

It would be very unfair for the team of Hon. Tindi Mwale to have sittings up to the wee hours of the night preparing such a beautiful document, only for it not to be implemented by the concerned public agencies. This country is not short of learned people. It is unfortunate that today we are talking about accounting officers who are not adhering to the set standards. It is not that they do not know. In my opinion, they deliberately ignore the standards, both in their professional bodies and in Parliament. It is, therefore, important that as we adopt these reports, we have a follow-up mechanism on implementation. The Report we are discussing today is for Financial Year 2021/2022. We are now in 2025. We are already late by three years. It will even be difficult to follow up the matters raised with the institutional memory because accounting officers might have left their places of work. We have been told by the Chairman that the Auditor-General does not get adequate support in terms of the documentations they require from accounting officers of MDAs. The Vice-Chairman has said that accounting officers are always available during the budget-making process, but whenever they are asked to submit documents or appear before the Committee to clarify certain information, they disappear. That is deliberate.

My suggestion is that the Report should be shared with Departmental Committees dealing with audit queries. We should tell the accounting officers of those MDAs that there will be no allocation of funds until they clear the audit queries with the Auditor-General. That way, they will wake up, be on their feet and follow-up on these reports.

Another very important issue that was reported by the Chairman and addressed by my colleagues is pending bills. This is a very serious issue. Pending bills are affecting many businesses in this country. There must be a policy to ensure that no supply contracts are given to Kenyans unless money is available, and not necessarily budgeted for. We have seen budgets approved in this House based on work plans, but there is no liquid money to pay contractors and suppliers. Again, there is a tendency by MDAs to divert certain money to other projects that were not in the budget, in the hope that money will be allocated in subsequent budgets. Once that particular accounting officer leaves the office, there is no follow up for the money. The MDAs have so much pending bills but there is no money forthcoming from the National Treasury. My suggestion would be that until money is deposited with the MDAs, they should not advertise contracts or give go-ahead for the implementation of projects.

In my constituency, there are three major projects at Garissa University. Students are learning under trees because there are no tuition blocks or adequate learning infrastructure. We are stuck. There is no value for our money. There are projects that are 30 per cent complete and have been paid for. The rest are not paid for. The President talked about the e-procurement programme in his last State of the Nation Address. All Government agencies must go through that process by putting their tender documents on that platform and the National Treasury should only release money to programmes that have gone through e-procurement. However, the MDAs have refused to implement the programme. The same applies to e-Citizen. The President himself is frustrated by bureaucrats. It looks like we are being shown the middle finger by Government officers. It is not only Parliament but also the Executive and the President. The issue of pending bills must be addressed, otherwise we are going to have a collapsed economy. Businesses can only generate taxes if they are functioning. The Government cannot demand payment of taxes and yet it has not paid for the services it has been provided. Withholding payments for goods and services rendered kills businesses and people. It sends others into depression.

Hon. Temporary Speaker, with those few remarks, I support the Report. I ask the Committee to make a follow-up on these issues, especially the recommendations and observations. It should provide the Reports to the Departmental Committees, so that when we meet MDAs, we can tie their budget allocation to the queries raised by both the Auditor-General and PAC. It would be a waste of time if the Auditor-General keeps on bringing reports year-in, year-out, and nothing is implemented. It will be a waste of time for Hon. Tindi Mwale and Hon. Udgoon to sit in big hotels to draw up these reports and yet nothing comes out of them. *Mheshimiwa* Mwale and your team, congratulations for the good work that you have done. Please, follow up on this issue so that officers can be charged in court for not implementing or observing these recommendations.

The Temporary Speaker (Hon. Farah Maalim): Is the Member for Karachuonyo in the House?

Proceed.

Hon. Adipo Okuome (Karachuonyo, ODM): Thank you, Hon. Temporary Speaker, for giving me this opportunity. An audit report is helpful in letting us know what has gone wrong for purposes of correction. Delays in audit report preparation can be caused by lateness in receipt of funds from the Government, either at the county level or the National Government Constituencies Development Fund (NG-CDF). However, that is not a good reason for committing expenditure and acquiring goods and services while not paying service providers for a long time. Many Kenyans are facing poverty or are out of business because of pending bills. This is an important issue.

To help Kenyans grow economically, business people should be liquid, so that they can run their businesses. Accumulating pending bills is a harmful way of getting money from business people. The Government borrows from those people and fails to pay them. That is

why the economy cannot run properly. It is because our business people do not have any funds with which to run their businesses. We should urgently deal with the issue of pending bills to help the economy and Kenyans to grow. Accounting officers should have financial discipline. We should stop them from committing expenditure when they do not even know where the money will come from.

The accrual accounting system which will replace the cash accounting system will help us. If we accrue the expenditures, we will know where we will get the money to pay for it.

The Temporary Speaker (Hon. Farah Maalim): Hon. Members, the Member for Karachuonyo will have seven more minutes to contribute when this debate resumes. We are done for today.

ADJOURNMENT

The Temporary Speaker (Hon. Farah Maalim): Hon. Members, the time being 7.00 p.m., the House stands adjourned until Tuesday, 8th April 2025, at 2.30 p.m.

The House rose at 7.00 p.m.

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