



**THIRTEENTH PARLIAMENT**  
**THE SENATE**  
**OFFICIAL REPORT**



**Fifth Session**

**Wednesday, 17<sup>th</sup> June, 2026 at 9.30 a.m.**

# PARLIAMENT OF KENYA

## THE SENATE

### THE HANSARD

Wednesday, 17<sup>th</sup> June, 2026

#### Morning Sitting

*The House met in the Senate Chamber,  
Parliament Buildings, at 9.30 a.m.*

*[The Speaker (Hon. Kingi) in the Chair]*

#### PRAYER

#### DETERMINATION OF QUORUM AT COMMENCEMENT OF SITTING

**The Speaker** (Hon. Kingi): Clerk, do we have quorum?

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

Serjeant-at-Arms, kindly, ring the Quorum Bell for 10 minutes.

*(The Quorum Bell was rung)*

Serjeant-at-Arms, kindly, ring the Quorum Bell for another 10 minutes.

*(The Quorum Bell was rung)*

Hon. Senators, kindly, settle down. We now have quorum, so we will proceed with the business of the day.

Clerk, please, proceed to call the first Order.

#### COMMUNICATION FROM THE CHAIR

#### VISITING DELEGATION FROM KILIMANI SENIOR SCHOOL IN NAIROBI CITY COUNTY

Hon. Senators, I would like to acknowledge the presence of a visiting delegation of five teachers and 28 students from Kilimani Senior School in Nairobi City County,

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who are seated in the Public Gallery this morning. The delegation is visiting the Senate for an academic exposition.

On behalf of the Senate and on my own behalf, I extend a warm welcome to the delegation and wish them a fruitful visit.

I call upon Sen. Eddy Oketch to extend a word of welcome.

**Sen. Oketch Gicheru:** Thank you, Mr. Speaker, Sir. This is a very special delegation to us, as a House, especially because we have seen a number of things happening in our schools today that we did not expect. It is amazing to see many students who are committed to continuing with learning despite the pressure that they are facing.

I want to wish you a very good visit here and give you the courage that education is a process through which you build or destroy your future. So, even as you continue studying, and as you continue exploring your lives, as students, take care of your hearts and future. Despite the pressure that you are facing in school, just hang in there, work hard and it will come to pass when you will make the best out of school.

As you visit us here, this is the House that makes laws as well as protect devolution. Make sure that you learn from the House as much as possible, and I hope that your stay will be good.

Your Senator, Sen. Sifuna, is not in yet, but because you are close to my heart, I am among the young Senators here, and there is a tradition with which we greet students in and out of this Chamber. So, I will make sure that I meet you outside the Chambers to ensure the tradition is maintained even before the Senator comes.

Thank you, Mr. Speaker, Sir, and welcome to all of you.

**The Speaker** (Hon. Kingi): Next Order.

## PAPER LAID

### THE COUNTY GOVERNMENTS (EQUITABLE SHARE) CASH DISBURSEMENT SCHEDULE FOR FINANCIAL YEAR 2026/2027

**The Speaker** (Hon. Kingi): The Senate Majority Leader.

**Sen. Wafula:** Thank you, Mr. Speaker, Sir. On behalf of the Senate Majority Leader, I beg to lay the following Paper on the Table of the Senate today, Wednesday, 17<sup>th</sup> June, 2026-

The County Government Equitable Share Cash Disbursement Schedule for the Financial Year 2026/2027.

*(Sen. Wafula laid the document on the Table)*

**The Speaker** (Hon. Kingi): Next Order.

**NOTICE OF MOTION**

## RECONSTITUTION OF STANDING COMMITTEES

**The Senate Majority Leader** (Sen. Cheruiyot): Mr. Speaker, Sir, I rise to give notice of the following Motion on reconstitution of Standing Committees-

THAT notwithstanding the resolution of the Senate made on 12<sup>th</sup> February, 2025 on the approval of Senators to serve in various Standing Committees of the Senate, and pursuant to Standing Orders No.197, 199, 228 and the Fourth Schedule to the Standing Orders; the Senate approves the following Senators nominated by the Senate Business Committee (SBC) to serve in the Standing Committees of the Senate as follows-

1. Committee on Information Communication and Technology (ICT)

(a) Sen. Agnes Kavindu to replace Sen. Beatrice Akinyi Ogola

2. Committee on Energy

(a) Sen. Abdul Mohamed Haji to replace Sen. Beatrice Akinyi Ogola.

(b) Sen. Moses Kajwang to replace Sen. Edwin Sifuna.

3. Committee on Agriculture

(a) Sen. Beatrice Akinyi Ogola to replace Sen. Moses Kajwang.

I thank you, Mr. Speaker, Sir.

**The Speaker** (Hon. Kingi): Next Order.

**QUESTIONS AND STATEMENTS****QUESTIONS**

**The Speaker** (Hon. Kingi): Hon. Senators, we are expecting two Cabinet Secretaries this morning for purposes of responding to the listed questions. We expect the Cabinet Secretary in charge of Water, Sanitation and Irrigation who has one question from the Senator for Kilifi County, the Hon. Retired Judge Steward Madzayo. Thereafter, we will have the Cabinet Secretary in charge of the National Treasury and Economic Planning to respond to five questions.

I am informed that the Cabinet Secretary in charge of Water, Sanitation and Irrigation is present. Clerk, you may proceed to usher in the hon. Cabinet Secretary, so that we can begin this session.

*[The Cabinet Secretary for Water, Sanitation and Irrigation (Hon. (Eng.) Eric Mugaa) was ushered into the Chamber]*

Cabinet Secretary, welcome back to plenary of the Senate. You are here to respond to Question No.44 by the Senator for Kilifi County, the Hon.(Rtd.) Judge Steward Madzayo.

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Sen. Madzayo, you may proceed to ask the question.

*Swali Nambari 044*

MRADI WA MAJI WA SABAKI NA UKARABATI WA  
MIUNDOMBINU YA KUSAMBAZA MAJI KATIKA  
KAUNTI ZA KILIFI NA MOMBASA

**Kiongozi wa Walio Wachache** (Sen. Madzayo): Asante, Bw. Spika. Ningependa kumwuliza Waziri wa Maji, Usafi wa Mazingira na Unyunyizaji swali lifuatalo:

(a) Waziri anawezatoa maelezo kuhusu utekelezaji wa mradi wa maji wa Sabaki katika kaunti za Kilifi na Mombasa, ikiambatana na taarifa kuhusu mipango iliyopo ya ufadhili, kampuni husika katika utekelezaji, pamoja na ratiba ya kuanzishwa na kukamilishwa kwa mradi huo?

(b) Mbali na mradi huo, ni mikakati gani ambayo Wizara yake imeweka ili kuhakikisha upatikanaji wa maji ya kutosha kwa wakaazi wa Kaunti ya Kilifi, hasa ikizingatiwa kuwa hali ya ukame inajirudia mara kwa mara na athari zingine za mabadiliko ya tabianchi zinazidi kuongezeka?

(c) Je, Waziri anaweza pia kueleza ni hatua gani Wizara yake imechukua kwa ushirikiano na Serikali ya Kaunti ya Kilifi kukarabati miundo mbinu ya usambazaji wa maji iliyozeeka katika kaunti hiyo?

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

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Thank you, Mr. Speaker, Sir. Hon. Senators, good morning.

Swali la Seneta Madzayo lilikuwa kwa Lugha ya Kiswahili. Ningependa nijibu kwa lugha ya kimombo kwa sababu some of these terms are technical. I will go straight to the answers.

(a) The first question was on the status of implementation of Sabaki Water Carrier Project, including the funding arrangements, the implementing entities and the timelines on the same. I will respond by saying that the Sabaki Water Carrier and Sanitation Project is being implemented through a Public-Private Partnership (PPP) framework and the Ministry had received a Privately Initiated Proposal (PIP) for the project in October, 2024.

It is from a consortium comprising of Utility Partners I, LLP Limited, a local firm, Climate Fund Managers based in Netherlands and NAFSI Limited based in South Africa. The project is currently at the negotiation stage with discussions ongoing towards the signing of a project agreement. The PPP projects are domiciled or spearheaded at the PPP Directorate, which is at the National Treasury. The project is preliminarily designed to obstruct---

**The Speaker** (Hon. Kingi): Yes, Senator for Kilifi, I thought the Cabinet Secretary was responding to your question.

**Kiongozi wa Walio Wachache** (Sen. Madzayo): Yes, Mr. Speaker, Sir.

Bw. Spika, swali nililouliza ni kwa minajili ya watu wa Kilifi na Kenya yote kusikia. Waziri ni Mkenya na ni hakika ya kwamba ana wasaidizi, kuanzia naibu wake

kwenda mpaka chini. Kuna maafisa wanaoweza kumtafsiria hali ya maji ilioko Kaunti ya Kilifi.

Hili ni jambo muhimu sana kuona Waziri akisema hawezi ongea Kiswahili ama hana uwezo? Sijui kama hajui Kiswahili. Hili ni jambo la kusikitisha. Ningetaka kujibiwa swali hili kwa lugha ambayo itakuwa na ufasaha zaidi kwa watu wa Kilifi ili waelewe shida yao ya maji inanzia wapi na wajue pia.

**The Speaker** (Hon. Kingi): Senator for Kilifi, this is a House of rules and procedure. In our rules, both Swahili and English languages are permitted. The hon. Cabinet Secretary may elect to use either. He has in this case elected to use English and that does not in any way make him out of order for electing to use English.

Hon. Cabinet Secretary, you may proceed

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Thank you, Mr. Speaker, Sir. The project is designed to obstruct around 8,000 cubic meters of water from Sabaki. It is supposed to supply Kilifi and Mombasa counties; namely, the towns of Watamu, Mtwapa, Nyalı and Kisauni in Mombasa. In addition, the project will incorporate wastewater treatment capacity of between 25,000 to 35,000 cubic meters per day.

Considering the power challenge that we have in the region, we will construct a 7–10-megawatt solar power plant to support the operations of the new waterworks. The project is projected to be a 20-year concession arrangement and this is still under negotiation at the PPP Directorate, where the consortium will undertake investment, will do operations and also do some last mile service delivery within agreed zones in collaboration with practitioners. They are the water service providers; Kilifi Mariakani Water and Sewerage Company, Malindi Water and Sanitation Company and Mombasa Water and Sanitation Company.

The project is estimated to cost a preliminary around Kshs27 billion. This will be financed through a mix of debt and equity. The project is currently, as earlier explained, being negotiated at the PPP Directorate. This is subject to resolution of the outstanding legal and commercial requirements.

Mr. Speaker, Sir, following the signing of the project agreement, the financial clause is expected in accordance with applicable public-private partnership frameworks, typically within 12 months, and this is all subject to the fulfilment of the conditions present. The commencement will henceforth be communicated upon negotiations and agreed project structuring.

(b) The second question is on the strategies in place to ensure adequate water supply in Kilifi County in light of recurring drought and climate change. I consider myself a person who is well-versed with the Kilifi terrain because one of the things the Ministry is implementing is targeting key interventions to ensure there is water supply in Kilifi County and respond to recurrent drought conditions and increasing impacts. These are the areas of Ganze, Rabai, Kaloleni and Magarini.

The Ministry, through our agency down there; the Coast Water Works Development Agency (CWWDA), has undertaken water harvesting, some water storage, groundwater development interventions and water trucking. Some of the pans done in the region include Kwa Diki, Lutsangani, Kitaka and Chabasi water pans in Rabai

Constituency in the Financial Year 2024/2025; drilling of some boreholes to support the county government in Maandani Secondary School and Kaloleni Girls in the same financial year and development of additional boreholes to serve the Marafa Town, all of which have been fully implemented. The interventions are aimed at increasing water availability, reducing resilience in seasonal sources and improving supply reliability in the water areas.

(c) Mr. Speaker, Sir, the last question, which is key, is on the measures being undertaken in collaboration with the County Government of Kilifi to rehabilitate aging water infrastructure. The Ministry in collaboration with the County Government of Kilifi, through a programme called Water and Sanitation Development Project (WSDP), continues to support the improvement and rehabilitation of water supply in Kilifi County in Malindi Town specifically.

As I have already indicated, through the World Bank and WSDP, the Government of Kenya has supported the county government in implementation of approximately 80 kilometers of pipeline in Gogoni and 21 kilometers in Watamu. These works are currently about 98 per cent complete.

In Kilifi Town, under the same programme, the Ministry is expanding the water infrastructure covering Kilifi Town and Mtwapa area by laying of more than 50 kilometers of distribution network. These works are at around 91 per cent complete. Under the same programme, the Ministry is in the process of concluding the construction of waste-to-value fecal sludge treatment plants in Malindi, Watamu, and a total of 22 ablution blocks in Malindi, Watamu and Kilifi North Constituency.

In Watamu service area, under the African Development Bank (ADB) funded project called Kenya Town's Sustainable Water Supply and Sanitation programme, under the Government of Kenya funding, the Ministry has undertaken the expansion of around 32 kilometers of water pipeline networks within the region. This is approximately 96 per cent complete and expected to connect more than 300 new consumer connections.

Mr. Speaker, Sir, all these efforts are being implemented through ongoing sector programmes and investments aimed at upgrading distribution networks, improving system efficiency and strengthening service delivery.

In particular, and as I conclude, the Sabaki Water Project and all the associated interventions highlighted here will significantly enhance existing infrastructure through the expansion of the networks, improvement of the distribution networks, especially in targeted service areas and any other needy areas, thereby addressing the challenges associated with aging infrastructure and increasing demand.

I would like to bring to the attention of the House that the Coast Region Water Supply is an intricate system due to lack of many rivers. The source; the Baricho Wellfields, that bring water from Baricho all the way to Malindi, then the Sabaki existing carrier that comes to Mtwapa, Kilifi then Mtwapa and terminates at Nguu Tatu in Mombasa, North Mainland, is in a way connected to the water supply in Mombasa, Kwale and also the regions of Watamu.

When the dams that we are building, including Mwache comes in, and this is to assure the hon. Senator, the water that comes from Kilifi and goes to Mombasa will not terminate in Kilifi County. This will increase the water supply. Secondly, we have a

challenge of tariff and power supply, especially the last few months. The cost of power to the three water service providers in the region, Malindi, Kilifi Water and Mombasa, from the pumping cost at Baricho, because these are wellfields, has been to a tune of around Kshs60-70 million.

We have just completed a 4.3 solar megawatts at Baricho. The power component has reduced by around Kshs14 million to Kshs15 million every month, so the people of Kilifi are getting a reprieve.

I thank you, Mr. Speaker, Sir. I submit.

**The Speaker** (Hon. Kingi): Senator for Kilifi, do you have any supplementary questions? You may proceed.

**Kiongozi wa Walio Wachache** (Sen. Madzayo): Bw. Spika, kunayo ripoti ya kwamba, mara kwa mara, utaona *bill* ya maji inakuwa ni ngumu kaunti kuulipa. Je, katika taratibu zako za kazi, unaweza kuangalia kama bili hizi zinaweza kufutiliwa mbali ili kaunti iweze kuendelea kusambaza maji?

Nasema hivi, Bw. Waziri, kwa sababu huduma za maji zinakatwa na inachukua muda kufuatilia, ilhali watu wanaishi katika sehemu ambazo wanahitaji maji sana. Ukosefu wa maji ni tatizo kubwa katika maeneo hayo kwa sababu ya ukame. Ni hatua gani umechukua kama waziri ili kupunguza bili hii? Umesema vizuri kwamba kuna *solar* zinazosaidia, lakini kwa hivi sasa, ile bili ni kubwa sana. Kaunti ya Kilifi iko na uzito sana kuweza kulipa hii bili. Kwa hivyo, katika Wizara yako, sijui kama unaweza kufutilia mbali bili hii ili Kaunti ya Kilifi iweze kuendelea kusambaza maji.

Asante, Bw. Spika.

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

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Through the Speaker, Honourable Madzayo and Senator, the question you have asked is very prominent in the region. I am part of the team that has actually looked at the water systems in the coast region.

One of the challenges that rocks the coast region fervently is the pumping cost of water. Most of the water in Kilifi County originates from Sabaki Wellfields, where we have around 15 boreholes. These are pumped and taken to a collection point, and that water is pumped all the way to Ngu Tatu. It is also pumped all the way to Malindi, through the Kakuyuni Pipeline. The Sabaki Pipeline is the one that actually comes to Mombasa. The cost of power is between Kshs60 million to Kshs70 million every month. That was before; around four or five months ago. However, when we sat down with the leadership of the region, one of the issues we discussed was how to minimise this power. So, we have adopted a hybrid system, where we are using solar. So, we have installed actually 4.3 megawatts of power as we speak today in Baricho, at the Sabaki point, which is the intake point.

The requirement to offset the entire bill would be to do an additional around six megawatts of solar. That would actually transition the pumping system from a hybrid system to now a purely solar-powered system. The measures of commissioning the 4.3 megawatts power has reduced that bill per month by around Kshs15 million in the region.

So, where we were paying Kshs60 million, we are now at the range of Kshs44 million or Kshs45million because of the fluctuations that we expect. The cost of the tariff

that the people of Kilifi, Mombasa and the water service providers pay, is based on three or four things; operations, maintenance and investment, that is, expansion to greenfield areas, because the areas are mushrooming, and then the payments of debt. This bill is the one that can be affected in future, because the counties are allowed to do tariff reviews based on the prevailing conditions. Once we solarise everything, we will be okay to actually minimise that bill. Right now, the target is to give these people water and this money we pay to Kenya Power. Therefore, when we cut that bill, that cost of pumping, as it can be proposed in Sabaki, then we are okay, the bills can be revised accordingly.

Thank you, Hon. Speaker. I submit.

**Sen. Kavindu Muthama:** Thank you, Mr. Speaker, Sir. My question to the Cabinet Secretary is about Masinga Dam. There is a spiral way that is being constructed by the Kenyan Government and it will take the land of my people; about 600 metres, yet they have not done any public participation. They do not know when they will be compensated.

So, I wanted to know if you are aware of that and what you are going to do about it, because it will not be fair for KenGen that one and a half spiral way metre wall, and the water will spill to the people too. Two, I want to know what you will do---

**The Speaker** (Hon. Kingi): Sen. Kavindu---

**Sen. Kavindu Muthama:** It is the same question with just “a” and “b”, Mr. Speaker, Sir.

**The Speaker** (Hon. Kingi): No, you can only have it at “a” and leave it there.

**Sen. Kavindu Muthama:** Mr. Speaker, Sir, what I want to ask is very important. My people have been in that dam site area, yet they do not have clean water for use and for their livestock. For many years, they also do not have electricity. They are in darkness yet they supply Nairobi and many parts of Kenya with electricity.

**The Speaker** (Hon. Kingi): The Honourable Cabinet Secretary is in charge of water and not energy.

Proceed, Sen. Mwenda Gataya.

**Sen. Gataya Mo. Fire:** Asante sana, Mheshimiwa Spika. Ningependa kumwuliza Waziri wa Maji swali. Ni bahati nzuri kwamba Waziri ni jirani wa Kaunti ya Tharaka Nithi. Kuna mradi ambao ulikuwa unakusudiwa kusambaza maji katika sehemu za Marimanti na Marawa. Waziri anajua vizuri kwamba maeneo hayo ni kame zaidi na yamekumbwa na matatizo makubwa sana ya maji. Waziri, unafahamu vizuri sana kwamba tumetembelea huo mradi. Unaitwa Kakimiki-Kibunga. Tumepiga safari pale na Mheshimiwa Rais. Wewe pia umekuwa huko.

**The Speaker** (Hon. Kingi): What is your question, Senator?

**Sen. Gataya Mo. Fire:** Ninajenga taarifa, Mheshimiwa Spika.

**The Speaker** (Hon. Kingi): Maliza kujenga, uliza swali.

(Laughter)

**Sen. Gataya Mo Fire:** Tungependa kujua kama kuna pesa kwa mabwawa hayo yote, kwa sababu wakaazi waliokusudiwa kupata maji kupitia mradi huu bado wanahangaika baada ya miaka mitatu tangu mradi uanzishwe. Hata ninafikiri ni zaidi ya

miaka mitano. Sijui kama una taarifa yoyote ili kuwahakikishia watu wa Tharaka Nithi wanaokusudiwa kufaidika na mradi huo kama kuna mikakati yeyote kuhakikisha kwamba watu wa Kibunga, Marimanti na Marawa wana maji ya kilimo na ya kutumia nyumbani.

Asante sana, Mheshimiwa Spika.

**Sen. Maanzo:** Thank you, Mr. Speaker, Sir. The CS is aware that Athi River is the one which becomes Sabaki River downstream. I live somewhere near Athi in Makueni where the CS has been constructing Thwake Dam. If some years passed by and Athi has no water at all, meaning Sabaki and Kilifi suffer as well. The main purpose of Thwake Dam was to ensure steady flow of water throughout the year, even to Sabaki and Kilifi.

I have only heard rumours. I would like the Cabinet Secretary to confirm the status of Thwake Dam now. Now that nothing has happened for the last four years, and it is not in the current budget - it is not in the committee of supply - when are we going to get funds to complete Thwake Dam, so that the people in Kilifi can also have steady flow of water?

I thank you, Mr. Speaker, Sir.

**Sen. (Dr.) Mungatana:** Thank you, Mr. Speaker, Sir. This is a Kshs27 billion project that is being carried under the Public Private Partnership (PPP) framework.

The Cabinet Secretary knows that Schedule Four lists out the distribution of duties between the national Government and the county governments. If you refer to Rule No.11, you will see that county public works and services, including storm water management systems in built-up areas and water and sanitation services, are duties of county governments. As Senators, our business is to protect county governments.

Therefore, I wanted the Cabinet Secretary to tell us; the project that you said is going to affect the County Government of Kilifi and the County Government of Mombasa, did you involve the two counties in the negotiation and contracting framework? Have you involved the county assemblies? Have these matters been taken before those two assemblies?

This is where the problem lies; you undertake functions that are not yours, you are not giving money to the counties to perform those functions and then the people are not aware of what is happening. Can I hear from you, Mr. Waziri, whether the counties have been involved as they should?

I thank you.

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

**Sen. Oketch Gicheru:** Mr. Speaker, Sir, the question asked by the Senator for Kilifi County is an important one. The Water Service Providers (WSPs) in Kilifi County face many challenges, including the bills they receive from the Coast Water Works Development Agency (CWWDA).

This is similar to what is happening in Migori County. We have Migori Water and Sewerage Company (MIWASCO) as the cornerstone WSP. However, this being the only WSP in Migori County with the capacity to supply water across the entire county, hon. Cabinet Secretary, what is your plan to expand access to clean water to other areas in Migori County, as MIWASCO can only supply Migori Town?

Migori County has a population of over 1.2 million people, yet only about 10,000 households are supplied. Places like Nyatike need proper ministerial intervention, such as sinking boreholes to provide services beyond the county. What is your plan in this financial year to ensure that Nyatike, Kuria East, Kuria West and other dry areas where MIWASCO cannot reach, will have clean water in the next financial year?

I thank you.

**The Speaker** (Hon. Kingi): Sen. Mundigi.

**Sen. Munyi Mundigi:** Asante, Bwana Spika, kwa kunipa nafasi niulize swali. Bwana Waziri, Embu County, haswa Mbeere South na Mbeere North, ni eneo la ukame. Ni miaka mitatu tangu miradi miwili ianzishwe kwa maeneo hayo mawili. Ni miaka mitatu tangu mradi wa kutoa maji Kamburu hadi Kiritire. Ni miaka miwili tangu mradi wa maji wa Kanyuambora uanzishwe Mbeere North. Tunataka kujua kazi hizi zitaisha lini na kila mradi unagharimu pesa ngapi? *Contractors* walianzisha mradi na kutoroka.

Asante.

**The Speaker** (Hon. Kingi): Sen. Wambua.

**Sen. Wambua:** Thank you, Mr. Speaker, Sir. People are becoming clever. I will try to be, but do not stop me. I plead. I have heard Sen. Kavindu saying that she has question (a) and (b). I have also heard the Senator from Tharaka Nithi saying that he is building something.

I have only one question. Even as I ask that question, I am not sure whether the issue raised by the Senator for Kilifi was fully addressed; the issue of the inability of the County Government of Kilifi to service the water bill that has been imposed on the county government. If the Cabinet Secretary can look into that, that would be a better way of handling it.

While at it, in Kitui County, every time you mention Kitui and water in the same sentence, residents of Kitui, even if they are asleep, will wake up. The Cabinet Secretary has mentioned that the people of Kitui will benefit from the Sabaki Project. As we wait to benefit from that project, we have our own projects.

The President himself on record and in public, promised the completion of Umaa Dam in Kitui, which was messed up by your predecessor, the then Cabinet Secretary for Water, Hon. Charity Ngilu. The President promised that money would be allocated to it and that by February this year, the people of Kitui would be drawing water from the Umaa Dam. How far are we with that project?

I thank you.

**The Speaker** (Hon. Kingi): Sen. Wakoli.

**Sen. Wafula:** Thank you, Hon. Speaker. I would like to ask the distinguished Cabinet Secretary the following question. The KOICA Water Project that originates at the top of Mount Elgon, what are you doing to ensure that the service lines pass through Mukuyuni and Teremi Wards of Kabuchai Constituency, as well as the areas of Kapkerwa, Kibuk, Kubra, Masaek and Kapkurongo areas in Mount Elgon, cascading down to Kanduyi Constituency at large?

Thank you.

**The Speaker** (Hon. Kingi): Sen. Mumma.

**Sen. Mumma:** Thank you, Hon. Speaker. Welcome Cabinet Secretary. My question is: how is the Ministry implementing Article 6 on collaboration and cooperation with county governments for better delivery of services? For instance, Nairobi City County has over 60 per cent of its population living in informal settlements, which are receiving very minimal services. Since water is a basic service, I would like to know what arrangement you have with Nairobi City County to ensure that residents of informal settlements in Nairobi access water on an equal basis as residents in other estates.

Thank you.

**The Speaker** (Hon. Kingi): Sen. Shakila Abdalla.

**Sen. Shakila Abdalla:** Asante, Mheshimiwa Spika. Swali langu kwa Waziri ni kuhusu maji yanayofurika kwa mabwawa wakati wa mvua yanayopasua barabara ya Gamba hadi Tana River. Barabara hiyo inapasuka kila mwaka na inaleta hasara kubwa kwa serikali kufanya ukarabati wa barabara hiyo.

Wizara ya Maji, Usafi wa Mazingira na Unyunyizaji ina mpango gani wa kudhibiti na kumaliza shida hiyo ya maji kufurika ili maji hayo yatumike wakati wa kiangazi na wakulima na wafugaji wanaopata shida sana wakati wa kiangazi?

Asante.

**The Speaker** (Hon. Kingi): Sen. Cherarkey.

**Sen. Cherarkey:** Thank you, Mr. Temporary Speaker, Sir. I have a follow-up question. In Kapsabet Town, in Nandi, there is unreliable supply of water. The main supply in Kapsabet uses electricity and generators. My concern, as raised by the Senator, is this; what is the Ministry doing to ensure stable supply of water in Kapsabet? The system breaks down often. It depends on generators and electricity. What is the Ministry of Water, Sanitation and Irrigation doing to guarantee stability? What is being done to ensure the Keben Dam is completed in time? This will provide reliable water in Nandi, especially in Kapsabet Town.

I thank you.

**The Speaker** (Hon. Kingi): Sen. Madzayo, what is your intervention?

**The Senate Minority Leader** (Sen. Madzayo): Thank you, Mr. Speaker. Nataka kumalizia kwa kumueleza Waziri wa Maji, Usafi wa Mazingira na Unyunyizaji kwamba Suala nililouliza ni la muhimu zaidi. Najua wewe kama Waziri una uwezo. Ni hatua gani unaweza kuchukua ili kuona kwamba bili ya Kaunti ya Kilifi inaondolewa ama kupunguzwa kidogo, ili kuwezesha serikali hiyo kulipa bili hiyo bila uzito wowote? Ikiwa unaweza kuchukua hatua kama hiyo, nafikiri itakuwa bora zaidi.

**The Speaker** (Hon. Kingi): Hon. Cabinet Secretary, you have five minutes to respond to those questions.

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Thank you, Mr. Speaker, Sir, and Hon. Senators, for your questions.

There was a question regarding Masinga Dam and KenGen. Sen. Kavindu, that is domiciled in the Ministry of Energy and Petroleum. The purpose of that dam was to produce hydroelectric power. It was built in the 1970s.

There was a question by Sen. Mwenda Gataya, Senator for Tharaka Nithi concerning Kibung'a Kakimiki Water Project. The good thing is that I have been to that

project. This is to assure the Senator that there are some resources provided in the Financial Year 2026/2027 to continue implementing the project.

Another question was by Sen. Mungatana on the fact that water is a devolved function. Sen. Mungatana, water being a devolved function, the mandate to provide the service to the people at the consumer point is domiciled in county governments. The Ministry, through the Water Works Development Agencies (WWDAs), has a responsibility to build inter-county bulk water supply and develop sources.

The Sabaki Water Carrier Project, which is a Public-Private Partnership (PPP) water supply and sanitation project, is in the development stage. Therefore, public participation is part and parcel of that process. So far, we have engaged water service providers to inform them that this is in the pipeline, as required of us. The amount that was mentioned is engineers' estimates.

When the PPP Directorate does its work, projects get to project development and proponents are given a go ahead. That is when we can have final details. However, public participation and engagement of county governments will be key because those are the partakers of that particular resource when time comes.

Sen. Oketch, I was in Migori and even met the leadership of the county because we are doing projects like the one in Kehancha. We also have projects in Kegonga, where Phase I is complete and we are now doing Phase II. We also have other projects in Awendo. All these efforts are geared towards expanding water supply scenario in Migori County.

Sen. Mundigi, your question was on water supply in Mbeere North and Mbeere South. You are well aware that we have two projects in that region. We have Kamburu Dam Water Supply Project and Masinga Water Supply Project. As I speak, works are ongoing with regard to Kamburu Dam because the contractor is on the ground. We had pending certificates, but we are sourcing for resources in the next financial budget to offset that to ensure that the project is completed.

Sen. Wambua mentioning Kitui and water in the same statement---

*(Sen. Munyi Mundigi spoke off record)*

**The Speaker** (Hon. Kingi): Sen. Mundigi, you are out of order. Proceed, Hon. Cabinet Secretary.

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Kitui is a longstanding issue. One of those we are trying to solve is Umaa Dam, which is the heartbeat of Kitui from where I stand. That was started in 2012, but the project stalled. However, in 2023, the works on the dam resumed.

If you check, in the past two financial years, resources were allocated for the dam. If you check the budget for the Financial Year 2026/2027, there are also resources allocated for the dam. The Ministry and the government are committed to ensuring that historical dams that have stalled for too long are completed because we are keen on water storage.

Sen. Wakoli talked about the Korea International Cooperation Agency (KOICA) Water Project. That is in Phase III. The areas you have mentioned will be captured during the final design.

Sen. Mumma asked about the collaboration between Nairobi City County Government and the national Government. The national Government just completed the Northern Collector Tunnel (NCT) that will bring 140 million litres on an optimal day to Nairobi City and other counties like Kiambu. It will go as far as Machakos in areas such as Kenanie Leather Industrial Park and the Export Processing Zone (EPZ). Water will also be supplied in the informal settlements.

There are pipelines we are doing in the western side from Kabete to Karen all the way to Langata. We have a contractor who is about to commence that project. It will also benefit some of the informal settlements in that region. We have done the Eastern Pipeline all the way to Embakasi. We are working with a French company to increase water supply to the informal settlements. I have to state that the last mile component is support by the national Government because feeder lines that go to consumers is a responsibility of county governments.

There was a concern on spillage of our dams. That question was asked in Kiswahili. *Mimi najua mabwawa ni dams na mabomba ni pipes*. Spillage happens for the safety of the people. First of all, when a dam is overtopped, that becomes a hazard to the people downstream. Dams have spillways to ensure that when maximum storage capacity of a dam is achieved, water will have a safe outlet to prevent damage and loss of lives downstream.

Spillage cause destruction of roads. That is something we can look at and work with the Ministry of Roads and Transport to see how we can have properly done drains that are well concreted, so that water does not cause erosion of roads and spillover on tarmac pathways.

Sen. Cherarkey, Nandi was the first county where I started my inspection. My first assignment was to go and launch a water treatment plant. We are doing a last mile component in Nandi. Unfortunately, Nandi has its own unique challenges. It is a hilly place. Therefore, the flow of water to highland settlements by gravity is a challenge. Most of your systems are on pumping schemes. Secondly, Nandi is also a unique place because the amount of solar energy received in that region is not that much. Therefore, we are contemplating hybrid systems, where you have partly solar and partly electricity.

Thirdly, designs for Keben Dam Water Supply Project have been done and completed, and we are in the process of sourcing for resources. Now, we are talking about the National Infrastructure Fund (NIF) to develop big dams. That is also part of that list.

There was also a question by Sen. Madzayo, which is dear to me having practiced in Kilifi. I know the pinch of power bills, but we have to ask ourselves what happens if we do not pay Kenya Power and we do not have water. The solution is to install solar systems in Baricho.

We are talking about installation of solar systems as the Government. Mr. Speaker, Sir, as a government, we are talking about installation of solar systems. We are not silent about this. We have installed a 4.3-megawatt solar plant in Baricho, but we

need to do an additional six. This will considerably reduce costs. Ask the people on the ground. The cost that Kilifi, Mombasa and Malindi were paying has gone down because we are saving Kshs15 million.

**The Speaker** (Hon. Kingi): Hon. Cabinet Secretary, I think the question by the Senator for Kilifi was; Are you in a position to consider waiving the old bill as you implement these solutions you are enumerating? Are you in a position to waive the old bill, so that Kilifi and Mombasa counties can start on a clean slate going forward? I think that was the question.

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Thank you for that clarification. To waive a bill of that magnitude, I would require Cabinet approval. If they write, we can try. However, the old bills are to the tune of billions. I checked a while back. The old bill is very high.

We also have ongoing discussions with the Governor of Mombasa, the Governor of Kilifi, and sometimes the Governor of Kwale, to continually engage in this process to ensure we streamline this matter. The purpose of the service is to ensure that the people in Ganze and Rabai have water. That is the purpose of the service.

I submit.

**The Speaker** (Hon. Kingi): Thank you, hon. Cabinet Secretary. You may now take leave.

**The Cabinet Secretary for Water, Sanitation and Irrigation** (Hon. (Eng.) Eric Mugaa): Thank you so much, Mr. Speaker, Sir, thank you, Senators. Good day.

*[The Cabinet Secretary for Water, Sanitation and Irrigation  
(Hon. (Eng.) Eric Mugaa) was ushered out of the Chamber]*

**The Speaker** (Hon. Kingi): Hon. Senators, we will move to hear responses from the Cabinet Secretary in charge of the National Treasury and Economic Planning. Clerk, you may now usher in the hon. Cabinet Secretary.

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

Hon. Cabinet Secretary, welcome back to the Senate plenary. You are here to respond to five Questions, starting with Question No.028 by the Senator for Kisumu County, Sen. Prof. Tom Ojienda.

Is Sen. Prof. Tom Ojienda in? We will move to Question No.032 by Sen. Catherine Mumma. Sen. Catherine, you may proceed to ask your Question.

*Question No.032*STATUS UPDATE ON ADOPTION OF ELECTRONIC  
GOVERNMENT PROCUREMENT SYSTEM

**Sen. Mumma:** Mr. Speaker, Sir, I beg to ask the Cabinet Secretary for National Treasury and Economic Planning the following Question.

(a) Could the Cabinet Secretary provide a status update on the adoption of the Electronic Government Procurement System (e-GP) Kenya, across national and county government entities, and indicate-

(i) the number of entities at each level that have fully or partially adopted e-GP Kenya, as well as those that are yet to migrate to the system;

(ii) the total number and value of contracts processed through e-GP Kenya since its rollout; and

(iii) The number of entities that have fully complied with the legal requirement to publish contracts and other procurement-related information.

(b) How much has the Government saved so far by transitioning to e-GP Kenya, and has there been a quantifiable improvement in the efficiency of procurement processes since the transition?

(c) What steps has the Government taken to address the factors undermining the success of e-GP Kenya, among them the limited capacity and resistance among procurement officers, as well as the lack of adequate Information, Communication and Technology infrastructure, and internet connectivity, particularly in rural areas?

(d) What measures has the Ministry put in place to mitigate service delivery interruption during the transition period, particularly in health facilities, schools and other entities offering critical services?

(e) What measures has the Ministry put in place to guarantee that the system attains the intended objectives, particularly in enhancing transparency, accountability, value for money and access to procurement opportunities for entities owned by the youth, women and persons with disabilities?

Thank you.

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

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

Once again, I thank you and the Senate for inviting me to answer several questions. I will start by addressing Question No.032 raised by Sen. Catherine Mumma on the adoption of the electronic Government Procurement System (e-GP) Kenya, across national and county government entities. I will not read the Questions because they have been read by the hon. Member.

(a) Mr. Speaker, Sir and hon. Members, the National Treasury officially launched the Electronic Government Procurement System on 7<sup>th</sup> April, 2025, and directed that all public procuring entities conduct procurement processes through the e-GP System effective 1<sup>st</sup> July, 2025.

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As we all know, Article 227 of the Constitution requires a system of procurement that is fair, equitable, transparent, competitive and cost-effective. In compliance with this article, Parliament enacted the Public Procurement and Asset Disposal Act, 2015, with its attendant Regulations in 2020.

Mr. Speaker, Sir, e-GP is a system that automates procurement processes from bid submission, tender opening to tender award. The system minimises human interaction, which is the main objective of this system, which traditionally has been a major source of corruption, favouritism and solicitation of facilitation fees.

The system, if I may quickly describe it, is built on the Open Contracting Data Standard, which enables the publication of procurement data for public scrutiny, therefore, strengthening accountability. Members, oversight bodies, suppliers and the public can monitor the status of tenders from submission to award.

The implementation and use of the e-GP System will therefore result in reduced cost of goods, works, and services; increased transparency in procurement processes and practices; improved efficiency in procurement by minimising the procurement cycle time and maximizing value for money; fostering accountability and transparency; and, of course, improving confidentiality, integrity and authenticity of transactions between procuring entities and suppliers. It will streamline procurement processes across the Government through the standardisation of processes and practices.

(i) To address the first Question asked, on the number of entities at each level that have fully or partially adopted the e-GP System, as well as those that are yet to migrate to the system, as of May, 2026, 1,543 public procuring entities had been registered and onboarded to the e-GP System. A total sum of 679 of them have published their consolidated annual procurement plans in the Electronic Government Procurement (e-GP) system.

(ii) The total number and value of contracts processed through e-GP Kenya since its rollout, as provided for in the e-GP portal is of 9,772 published tenders and 2,604 published contracts. The value of this contract is approximately Kshs9 billion. However, I would like to just note that, given that we are closing the financial year, we have seen a lot, or an increased use of this platform. As we speak, not less than Kshs12 billion have been processed. Every day, I have been informed that we are closing not less than 30 tenders per day. Noting that procurement is a process, it is expected that those numbers will significantly change, as I have said, at the close of the financial year. So, we have seen increased use of this platform.

(iii) A total of 2,604 procuring entities have fully complied with the legal requirement to publish contracts and other procurement-related information, and have published their contracts in the e-GP.

(b) How much has the government saved so far by transitioning to e-GP Kenya, and has there been an improvement in the efficiency of procurement processes since the transition? There is no verified figure for total savings realised from the e-GP rollout yet, as the system is in the initial phase of take-off. The numbers in most public sources remain projections or anticipated savings, not confirmed by independent audits. However, there are several qualitative and structural improvements reported so far, in

terms of reduced procurement cycle time, greater transparency, tighter integration with financial tax systems and built-in audit trails.

In part (c), I was required to elaborate on what steps the government has taken to address the factors undermining the success of e-GP Kenya, among them the limited capacity and resistance among procurement officers, as well as the lack of adequate information, communication and technology infrastructure, and internet connectivity, particularly in the rural areas.

Mr. Speaker, Sir, the National Treasury has deployed Trainers of Trainers (ToTs) to guide procurement officers across national and county governments. Over 2,000 procurement officers have already undergone hands-on training, and a further 40,554 Public Finance Management (PFM) officers drawn from national and county governments have undergone virtual training via webinars. A help desk, that is, a technical support centre, has been set up to assist users navigating the system, at the Kenya Institute of Supplies Management Towers along Ngong Road in Nairobi. The National Treasury has partnered also with the Kenya School of Government (KSG) to deliver country-wide training for PFM officers and other stakeholders.

Mr. Speaker, Sir, equally, there are weekly registration and training webinars for suppliers, contractors and other stakeholders who require support. The National Treasury has also signed a Memorandum of Understanding (MoU) with the Kenya National Chamber of Commerce and Industry to train suppliers in all counties in the Republic, and the trainings are ongoing. Manuals and user guides have also been uploaded on the e-GP portal to support onboarding. Fiscal support points have been set up in all the Huduma centres across the country, where potential suppliers and contractors can get in-person help with registration.

So, Mr. Speaker, Sir, the e-GP system is being integrated with other systems such as the Integrated Financial Management Information System (IFMIS), Kenya Revenue Authority (KRA) iTax, Business Registration Service and Population Registries. This enhances authenticity for users and embeds e-GP in broader government digital infrastructure.

Question (d) was on what measures the Ministry has put in place to mitigate against service delivery interruption during the transition period, particularly in health facilities, schools and other entities offering critical services.

Mr. Speaker, Sir, the National Treasury issued a public notice ahead of the rollout informing all suppliers, contractors and consultants about the e-GP launch, with clear instructions to register and use the system.

In that notice, the National Treasury emphasised that only procurements processed through e-GP will be sanctioned and paid for going forward, which signalled a firm push to have entities comply, rather than revert to the manual systems. To support suppliers procuring entities and other stakeholders, the National Treasury set up a help desk support, weekly webinars, user manuals and in-person assistance at all huduma centres for onboarding to the platform.

(e)The last question was on the measures that the Ministry has put in place to guarantee that the system attains the intended objectives, particularly in enhancing

transparency, value for money and access to procurement opportunities for entities owned by the youth, women and persons living with a disability.

Mr. Speaker, Sir, the Kenyan government, primarily through the National Treasury and the Public Procurement Regulatory Authority, has put in place several measures to guarantee transparency, value for money and access to procurement opportunities for entities owned by youth, women and persons living with a disability.

The National Treasury has implemented e-GP tendering system through e-GP Kenya that provides a secure and transparent platform for tenders. The system facilitates online preparation, submission and approval of procurement plans as well as publication of approved plans and awarded tenders, allowing for public scrutiny. The e-GP system has accordingly enhanced transparency and accountability because all the procurement processes are now public, and thus easier to undertake procurement audit trails.

Mr. Speaker, Sir, I call upon this honourable House to support this critical PFM reform, which upon maturity is expected to give value for money and secure savings of up to Kshs85 billion. However, before I conclude, allow me to mention two things-

First, in terms of this House being a House that protects devolution, I would like to state how counties are performing. On county level summary, when county entities are grouped by their parent county, 20 distinct counties have at least one active contract on the e-GP system as we speak today. I think the number has even gone up. However, the leading county in terms of ranking is Kisumu County, with 467 contracts which are worth Kshs1.39 billion, already in the system. Number two is actually Siaya County, with a total sum of 163 contracts worth Kshs851 million. Interestingly both are from Nyanza region. Number three is Murang'a County, followed by Baringo, Uasin Gishu, Vihiga, Busia, Nandi, Bomet, Samburu, Migori, Homa Bay - my home county, Trans Nzoia, Lamu, Elgeyo Marakwet, Kakamega and Tharaka Nithi counties respectively, and lastly, West Pokot, Machakos and Kajiado counties are at number 19, with one each. Those are the only counties out of 47 which at the time of preparing this report in May had at least contracts on the system. The rest which are not here do not have any contract in the system.

I would like to also state that the stability of the system has now been guaranteed. In March, we have at least a champion in every state-owned enterprise and each county has two champions assigned to them. Each state department has been assigned a ToT. I spoke about the partnership that we have with the Kenya National Chamber of Commerce and Industry (KNCCI) to help support the suppliers and contractors.

Thank you, Mr. Speaker, Sir.

**The Speaker** (Hon. Kingi): Sen. Mumma, do you have any supplementary questions?

**Sen. Mumma:** Yes, I do. Hon. CS, my follow-up question follows your response to (b) where you do not have verified figures on how much government has saved and also your answer to (e), in terms of what you have put in place. Has the National Treasury considered putting in place an impact evaluation mechanism, so that the objectives you set out as you come up with different systems can be evaluated and the impacts of what you are doing are verifiable through an independent mechanism? Have you considered such a thing?

**The Speaker** (Hon. Kingi): Honorable Cabinet Secretary, note those questions and thereafter you will respond to them.

**Sen. Kathuri:** Thank you, Honorable Speaker, Sir. On part (b) of the Question, is on how government entities have been able to get this system. The Cabinet Secretary, during his budget speech, indicated that from this July, there will be no procurement without e-GP system.

Getting the figures that he has and those who have complained, we know that counties have failed to absorb the budget, co-development budget because of this e-GP. It is a good idea, a wonderful idea, but then the implementation, I think, was hurried. If the performance is not even 30 per cent so far, how do we expect to utilise the development budget in the Financial Year 2026/2027, noting that the Cabinet Secretary has already indicated there will be no procurement without using the e-GP system?

**Sen. Osotsi:** Thank you, Mr. Speaker, Sir, when I read the question by Sen. Muma and I listen to the response by the Cabinet Secretary, what comes to my mind is that there seems to be a problem on the matter of project management, especially for IT-related projects.

Who was the implementing agency for this project? Was it the Ministry or the ICT Authority? Previously, it was the ICT Authority that used to manage all the ICT projects across government. So maybe you can clarify on that.

Secondly---

**The Speaker** (Hon. Kingi): No. Honorable Senator, you are entitled to only one question.

**Sen. (Dr.) Khalwale:** Mr. Speaker, Sir, allow me to congratulate the Cabinet Secretary for the ongoing automation of financial transactions as evidenced by e-GP and eCitizen. Hearing you, you want to make it more efficient and less corrupt, which is a good thing.

This is my question; government services are a right. In eCitizen, you have put a convenience fee. I pay for the right, and then you ask me to add you Kshs50. Are you therefore saying that the official rate of corruption in this government is Kshs50 shillings per transaction? If it is, how much money has been collected as convenience fee, and who pockets this money?

If the government is the one that receives the money, the Cabinet Secretary should give us evidence of the banking of the Kshs50 convenience fee. It runs into billions of shillings, and we are afraid it is going into trillions.

**Sen. Oketch Gicheru:** Thank you, Mr. Speaker, Sir. My question is very specific. I have listened to the Cabinet Secretary's response.

Despite the fact that there is a requirement to use this e-GP system to procure everything in government, there is the issue of essential services that if they face any glitch of systemic or otherwise compliance as e-GP has been, then it causes a lot of problems in the counties. A case, for example, is that all the governors who appear before us in County Public Investments and Special Funds Committee (CPI&SFC) when you ask the reason why they are not procuring drugs in hospitals, they say it is because this system is not working.

Is there a deliberate effort to make sure that this system is not stalling the issue of essential services in our counties such as drugs, billing for water services, and most importantly, sometimes the procurement that goes with services that are affecting the employees in the county? What is the exception you are putting in place for essential services in the counties?

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

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

*[The Deputy Speaker (Sen. Kathuri) in the Chair]*

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Thank you, Mr. Deputy Speaker, Sir, again, for allowing me to address further supplementary questions, my honorable Senators.

On the question by Hon. Catherine Mumma on whether we have an impact evaluation mechanism, yes, we do. The moment we close the financial year, we will do an assessment of how much we have been able to achieve, in terms of approximation. It may not be exact, because these are more qualitative, but in the system, there is standardisation of even pricing. That was one of those items in this system that really made the system a big improvement. We have a way of looking at the average pricing, so that you do not come with outrageous prices for commodities.

The Deputy Speaker asked me before he became the Chair of the session, that from July no county will be allowed to procure outside the e-GP. The numbers do not look good. I think in the first year, there was an attempt to frustrate the system. This was true for many procuring entities, not even just at the county level, but even the national level including sometimes at the National Treasury. I have been not very kind to some of my officers whom I thought were frustrating this system.

There was a thinking that probably this will just go away and that it will not be implemented, but as we progressed, they realised that we meant business. As at now, the acceptability of this system has increased. That is why you can see many procuring entities onboarding into the system.

We have communicated very clearly that beginning 1<sup>st</sup> July, there will be no excuse. They used to talk about capacity. We have built the capacity about the system. It has now has been stabilised. There is no excuse. The suppliers and contractors now understand the system. We have partnered with the Kenya National Chamber of Commerce and Industry to support and train the suppliers and contractors.

Let me give you an example. I have talked about Kisumu. If Kisumu can onboard about 40 per cent in terms of contracts onto e-GP, what justification would other counties have not to onboard? For procurement or tender award amounting to Kshs1.4 billion, Kisumu County has already onboarded as of May. What excuse would other counties have because these counties are the same?

If you talk about maybe far remote counties, then you pick out Samburu, which is one of the remote counties we know in this country, yet, it is ranking tenth with a number

of contracts onboarded already with values of close to Kshs50 million. There is no excuse. From 1<sup>st</sup> July, I want to persuade this Senate that there should be no excuse in not using e-GP.

Honourable Senator Osotsi asked me about whether there is a problem of project management. I do not think there is any problem with the project management, as any other project. I am sure Sen. Osotsi has done project management. I have equally done project management. In the initial stages, at the formative stages of every project, there are challenges. Whatever a project is; whether preparation was done to what level, there will be some challenges. How you deal with those challenges is what sets apart a good project management from a bad one or a badly implemented one.

So far, looking at the response and what is happening across the country, I can confidently say that the project management of this project is above average. The National Treasury is the implementing agency. This is not a discretion because it is provided for in the Public Procurement and Asset Disposal Act. Section 7 mandates the National Treasury to be the one responsible for managing this procurement system.

Mr. Deputy Speaker, Sir, my friend Sen. Boni, had a very good question. Unfortunately, it is not the matter that I am dealing with today. If you allow me, I can deal with this matter of e-Citizen, where the money goes, how much we have been receiving and the reasons for paying for convenience fees, if it is raised substantively. By the way, there was a time I appeared before this House and I attempted to address it. I can address it again, substantially because I think it is also something that has been enjoying some public debate. A lot of information is distorted, but it is my duty and responsibility to be accountable on behalf of the Government of Kenya, to the people's representatives at the Senate. So, I would gladly come and address this question.

On the question by Sen. Eddy Oketch, on essential services, I will tell you that the response that counties are giving you are excuses. This is in the sense that there is no essential service, whether at the national government or county level, that has been frustrated in terms of procurement because of this system. There is no reason you cannot use this platform for essential services. However, we have given exemptions where a procuring entity has hit or met some headwinds and the services are essential. So, it is not true that someone can come and tell the Senate authoritatively that they have not been able to procure because of the platform. All the challenges that procuring entities meet, we try to address them. If we cannot, for whatever reason, we have given exemptions. So, I do not think that there is any procuring entity that has been frustrated in terms of procurement because they cannot use this platform.

So, I want to end there because those are the supplementary questions that were raised.

Thank you.

**The Deputy Speaker** (Sen. Kathuri): Very well, Hon. CS. Hon. Senators---

*(Sen. (Dr.) Khalwale consulted loudly)*

What is your issue, Sen. Boni? I cannot see you on my platform.

**Sen. (Dr.) Khalwale:** Mr. Deputy Speaker, Sir, I am pressing here and I thought it was reflecting on the dashboard---

**The Deputy Speaker** (Sen. Kathuri): You are acting like the same officers who are not accepting e-GP because it should read your name on my end of the system.

**Sen. (Dr.) Khalwale:** I have pressed for an intervention. I thought it was showing there. Thanks for the opportunity---

**The Deputy Speaker** (Sen. Kathuri): Yes, proceed.

**Sen. (Dr.) Khalwale:** Mr. Deputy Speaker, Sir, the CS has stepped down my question.

**The Deputy Speaker** (Sen. Kathuri): Is it on your supplementary question? What is the issue?

**Sen. (Dr.) Khalwale:** He has stepped down my supplementary question and promised that he is going to address it at an appropriate time. I was not asking out of ignorance. I thought there was very close relationship between e-GP and eCitizen. I do not want to argue. May I plead with the Chair that I do not lose my opportunity to ask a supplementary question? Allow me to ask it since the CS is here. I had two, but he has stepped down one.

**The Deputy Speaker** (Sen. Kathuri): No, you cannot ask two supplementary questions.

**Sen. (Dr.) Khalwale:** He has said that he will answer the one I asked another day.

**The Deputy Speaker** (Sen. Kathuri): That was your supplementary question. The secretary has recorded for the CS to respond either through communication to the Clerk or he will come back to respond to that. So, let us give other Senators an opportunity to ask their supplementary questions, since yours is a weighty matter that needs a lot of attention. So, just get satisfied.

I can see Sen. Mundigi and Sen. Seki.

**Sen. Seki:** Thank you, Mr. Deputy Speaker, Sir. I have a very short and brief question to the Cabinet Secretary. On the issue of e-GP, it is true that counties are getting some difficulties while using this system, particularly in the remote counties where most of the people are illiterate. Therefore, I want to ask the Cabinet Secretary, if this system is biased to those who are illiterate and are unable to read and open it, go through the internet and all that.

I am talking on behalf of the mama mboga and mama shuka, who is down there and has an interest to do business with counties and the government. Is your Ministry working to make sure that these people are trained to get awareness on how to use the system? What has the Ministry done that to make sure that the system is available to all?

**Sen. Dullo:** Thank you, *Waziri. Karibu*. You are really doing a good job in the National Treasury. There is a lot happening in the counties where they are taking overdrafts loans without the approval of the National Treasury and they are losing a lot of money. For example, in my county, members of staff have not got their salaries for three months. The issues raised by the county government is that they have not been given budget allocation, which is not true. Penalties are there and they are borne by the county government. It is really a very serious matter that needs control.

On engaging internationally with international companies as county governments, the law is very clear. Counties cannot engage international companies or countries without going to the National Treasury, but these things are happening in our counties. I think you really need to look into that.

**The Deputy Speaker** (Sen. Kathuri): So, what was your supplementary question? You are taking advantage of this session to give your speech on Isiolo County. Hon. CS, before you answer those and proceed to the next question, Sen. Osotsi, can you pay attention because you are the one who had a problem.

What was the issue that you raised on your supplementary question? You did not get the correct answer.

**Sen. Osotsi:** Thank you, Mr. Deputy Speaker, Sir. The CS answered my question, but I am not satisfied with the answer. This is because I had indicated that when I read through the question and I listened to the CS, there seems to be a serious problem with the project management, especially for IT projects.

I said that previously, during the Grand Coalition Government, they established the ICT Authority, which was to coordinate project management for ICT across government, especially the e-government process. Now, it looks like that is no longer the case and each Ministry is doing its own ICT projects. That could be the source of the problem. I just wanted him to clarify on that. Further to that, if each Ministry is doing its own project, then what is the work of ICT Authority? It is a moribund department? Maybe, my good friend CS, can explain further on that. This is because we have had many projects in government, which have had transitional issues.

**The Deputy Speaker** (Sen. Kathuri): I think your issue is very clear, Sen. Osotsi, he will answer that. So, *Waziri*, can you kindly answer the two questions and then we make progress?

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadia): Thank you, Mr. Deputy Speaker, Sir. The first additional supplementary question came from Sen. Seki, Senator for Kajiado, who asked me about the use of the system in counties and the people who are illiterate.

We train all suppliers and contractors regardless of their academic understanding and qualifications. However, Sen. Seki, the manual system is worse for those who are illiterate. If you participated in the procurement system in this country, you saw the kind of bulky documents that were in use for tendering processes. The Bill of Quantities (BQs) and all those bulky documents were sometimes carried in cartons and if you are illiterate, you cannot fill them.

This system may also not be very friendly to people who are illiterate, but I am sure, they can use people who can at least understand the system. Just the same way they were using other people to - if I may say in Kiswahili - *jaza* for them those bulky documents. When you are illiterate, you will have challenges with both the manual and this system. However, those with difficulty in using the system for whatever reason in terms of understanding of Information Technology (IT), we have trainers doing the training. We are even doing even weekly webinars.

Sen. Fatuma, I do not want to run away from this question even though it is a little bit not addressing the question before us. You asked about the counties taking overdrafts

without authority from the National Treasury. This is something we are trying to limit, so that counties do not have to really take loans from banks because those financial institutions are very expensive.

Number two; there is no budget line. If you look at the budget lines of most of these counties, if not all - you have an opportunity to interact with the budgets for counties in this House - there is no line item for those overdraft charges in terms of interest, but they go ahead and take them. We have been really trying to disburse funds timeously. Yes, I know we have not disbursed for the months of May and June, but we are working around the clock to make sure that early next week, we disburse for the month of May. We will try from the National Treasury to make sure that we do not close the year with any pending funding to the counties. The same way we did with the Financial Year 2024/2025.

I am sure counties will appreciate that previously, it used to be worse. You can see that nowadays, we do not have many press conferences from the Council of Governors (CoG) addressing the issue of delay in exchequer releases.

In terms of signing international contracts; there is no public entity in this country be it national or county, that can enter into any contract with a financial element in the Republic of Kenya without the approval of the National Treasury and the Attorney General. If there is any county working outside that space, then they should be warned that what they are doing is criminal.

On the ICT Authority, we are working very closely with the ICT authority in implementation of IT projects. Sen. Osotsi, much as sometimes people exaggerate-I have been around, I was an assistant minister in Kibaki's regime, the Grand Coalition Government - the truth of the matter is that in terms of ICT and IT, this government has done better than any other government before in terms of on-boarding services and IT systems. You can see we have implemented the e-procurement, something that has been the talk ever since, we even had to put it in the Constitution. We enacted a legal framework for it and we have implemented.

I saw some politician out there saying that they will implement the National Treasury single account. We have already implemented the National Treasury single account with benefits to this country that if I had time, I would expound on. The integrated human resource system has just been implemented. I can go on and on, but in terms of on-boarding of IT, we have done excellent and we will continue even to do better.

Thank you.

**The Deputy Speaker** (Sen. Kathuri): Very well. Let us go now to the next question, Question No.050. Question by nominated Sen. Hamida Kibwana.

*Question No.050*

STATUS REPORT ON IMPLEMENTATION OF  
KENYA VISION 2030 DEVELOPMENT BLUEPRINT

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**Sen. Kibwana:** Thank you, Mr. Deputy Speaker, Sir. I beg to ask the Cabinet Secretary for National Treasury and Economic Planning the following Question.

(a) Could you provide a status report on the implementation of Kenya Vision 2030 development blueprint and outline the factors that have contributed to delayed achievement of targets in certain sectors?

(b) What corrective actions is the Government taking to accelerate the delivery of targets in the underperforming sectors and ensure that the remaining period to 2030 yields measurable and equitable development outcomes in line with the blueprint?

(c) Has the Government commenced the formulation of a post 2030 national development framework? If so, could the Cabinet Secretary disclose the status of the process and indicate when and how Parliament will be involved?

(d) Could the Cabinet Secretary also state the policy and institutional interventions that the government is considering to strengthen long-term national planning, monitoring and evaluation, fiscal alignment and accountability in the implementation of national development plans?

Thank you.

Should I go to Question 051 or should I stop there first?

**The Deputy Speaker** (Sen. Kathuri): Are they related according to you?

**Sen. Kibwana:** No, they are two different ones.

**The Deputy Speaker** (Sen. Kathuri): Okay, let him answer that one first.

Hon. Cabinet Secretary, proceed.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Thank you, Mr. Deputy Speaker, Sir. It is a long response, but I will try to move through it quickly by summarising.

(a) I was asked to respond to the issue of implementation of the Kenya Vision 2030 development blueprint and outline the factors that have contributed to the delayed achievement of targets in certain sectors.

On the status report, the Kenya Vision 2030 was conceptualised as the country's long-term development blueprint aimed at transforming Kenya into a newly industrialising, middle-income country, providing a high quality of life to all its citizens, anchored on economic, social and political pillars and supported by critical enablers and macroeconomic foundations. However, progress has been uneven with persistent challenges in achieving inclusive growth, deepening structural transformation and strengthening governance systems.

Under the economic pillar, it was designed to achieve sustained economic growth of 10 per cent per annum through the transformation of key sectors which include agriculture, manufacturing, tourism, trade, financial services, business processing, outsourcing, the blue economy and extractives. Its vision was to position Kenya as a globally competitive and prosperous economy. So, significant gains have actually been made or recorded across these sectors.

In agriculture, for example, interventions such as the fertiliser subsidy programme, which has supported over five million farmers and the expansion of irrigation schemes, including Galana Kulalu and Mwea, have enhanced productivity and

reduced dependence on rain-fed agriculture. This is reflected in the increase in land under rice paddy irrigation from 9,626 hectares in 2007 to over 48,000 hectares in 2025, while rice production rose from 32,000 metric tonnes to 303,000 tonnes, that is almost 10 times over the same period.

The sector's contribution to GDP has increased from 16.3 per cent in 2008 to 23 per cent in 2025, underscoring its continued strategic importance.

Mr. Deputy Speaker, Sir, agricultural value addition also expanded significantly, with agricultural value-added rising from Kshs491 billion to Kshs4 trillion, while textile yarn exports increased from 551 tonnes to over 2,000 tonnes, demonstrating the growth or growing strength of agro-processing and manufacturing linkages.

Under tourism, flagship projects focused on diversification beyond traditional beach and bush products through the development of resort cities and promotion of conference, cultural and eco-tourism. Following the disruptions caused by the COVID-19 pandemic, Kenya successfully diversified tourism beyond traditional wildlife and coastal products into confluence tourism, eco-tourism and cultural tourism. International arrivals recovered strongly to 2.5 million visitors in 2025, surpassing the pre-pandemic peak of 2.5 million arrivals recorded in 2019.

Investments in transport infrastructure, particularly the expansion of Jomo Kenyatta International Airport (JKIA), have strengthened Kenya's competitiveness as a regional tourism and aviation hub. I wish to add that the BOMAS Conference is coming up just across here, which is a major achievement for this government. That will help us in encouraging and promoting conference tourism, which has been sluggish.

In industrialisation, Kenya has made important progress through the establishment of special economic zones and industrial parks in areas such as Tatu City, Dongo Kundu, Special Economic Zone and Naivasha, alongside the revival of value chains such as Textiles through Rivatex and the development of leather industrial parks. These investments, alongside the revitalisation of key value chains such as Textiles Through Rivatex East Africa Limited and leather processing initiatives, have attracted approximately Kshs210 billion in investment and generated an estimated 35,000 jobs.

Manufacturing contribution to GDP increased from 7.2 per cent in 2008, peaking at 9.1 per cent--

**The Deputy Speaker** (Sen. Kathuri): Sorry, Hon. Cabinet Secretary, just a minute. There is a point of clarification from Sen. Wambua. I can see your gear was high to read the whole story, but let us listen to Sen. Wambua. Just have your seat.

**Sen. Wambua:** Thank you, Mr. Deputy Speaker, Sir. The Cabinet Secretary has just come from the National Assembly, where he read a budget and he was ready to go, I could see, but if I look at that response, it is a fairly detailed, very long response. I know there are questions down there that would elicit an interaction between the Cabinet Secretary and the Members.

So, if the Senator who has sought the question has read the response and they are satisfied with it, I would request that, with your indulgence, we move to the next question, so that we can have some interaction before it is time for the Cabinet Secretary to disappear.

I thank you, Mr. Deputy Speaker, Sir.

**The Deputy Speaker** (Sen. Kathuri): You are right because looking at the response, which is almost 15 pages and the way it is structured, the response must be read verbatim. Therefore, Sen. Hamida Kibwana, I know you are a good reader and you have gone through this response. If you are satisfied with the response, then the Cabinet Secretary can just follow through or conclude that and then we proceed to the next question.

Kindly give Sen. Kibwana the microphone.

**Sen. Kibwana:** Thank you, Mr. Deputy Speaker, Sir. I want to thank Sen. Wambua for his concern. I concur with him. In fact, I thought the Cabinet Secretary was summarising, but then if he has to go through it all, then I will be okay with it.

Yes, I went through it last night and I think I am satisfied. In fact, I was not even going to bog him down with any supplementary questions because I had already gone through it. So, I concur. I think I can go to the next question and that is why I wanted to give my colleagues space for the supplementary questions.

**The Deputy Speaker** (Sen. Kathuri): Unless there is any other Member with a supplementary question. The response is in our gadgets, you can access it and then if there is any Member with a supplementary question, then you can ask.

Sen. Sifuna, you may proceed.

**Sen. Sifuna:** Mr. Speaker, Sir, you know this government likes long stories, but the devil is in the details. Hon. Cabinet Secretary, you have mentioned your project of the Bomas International Convention Complex (BICC). I am sure he has heard the concerns of Kenyans and environmentalists in particular about the hiving off of a section of the Nairobi National Park to essentially put up a parking lot for that project he is talking about at Bomas of Kenya.

Hon. Cabinet Secretary, now that you have spoken about it, can you tell the country what process was followed by this government to hive off a section of the Nairobi National Park for the BICC project?

**The Deputy Speaker** (Sen. Kathuri): Sen. Osotsi, you may proceed.

**Sen. Osotsi:** Thank you, Mr. Deputy Speaker, Sir. I have managed to quickly peruse through the long response and I have not seen much about other plans that successful governments have come up with and their effects on Vision 2030. For example, during President Uhuru Kenyatta's time, there was the "Big Five" plan and now with this government, there is a phenomenon called the Bottom-Up Economic Transformation (BETA). Can the Cabinet Secretary enlighten us on the effect of these successful plans on Vision 2030? How has that slowed down the implementation of Vision 2030 or how has that made Vision 2030 successful? The impression that we are getting is that the successful government actually ignored Vision 2030 and came up with its own plans, which interfered with Vision 2030.

**The Deputy Speaker** (Sen. Kathuri): Hon. Cabinet Secretary, you may proceed to respond.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadia): Thank you, Mr. Deputy Speaker, Sir.

On the issue raised by Sen. Sifuna on "the government likes long statements" I thought an accountable government must give as much information as is necessary. How

you use that information now is subjective. It does not have to be standard. Those who support the government will use it differently. Those who oppose the government, like Sen. Sifuna, will also use it. That is the value of democracy and that is what I provided. I have given details---

**The Deputy Speaker** (Sen. Kathuri): Hon. Cabinet Secretary avoid really interacting with the Member.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Mr. Deputy Speaker, Sir, he is asking for details. I have given details until he is complaining and then he is asking for details.

**The Deputy Speaker** (Sen. Kathuri): If you go that route, we might not be able to understand one another. So, maybe you answer the questions the way they are asked and then stop at that.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Mr. Deputy Speaker, Sir, I am just responding to his question. He is talking about details, and I am saying I have given the details. If the details are too much, then you choose what to use.

Now, on the issue of the Bomas of Kenya and hiving off of the Nairobi National Park, there is a procedure for hiving off the Nairobi National Park. If that is the procedure that you are asking, I am glad to bring it to this House. I did not know that I would be asked about how the process of Bomas was arrived at. If I were asked, I am very competent and capable of coming back here and facing the Senate to address that issue. I will be glad to do it or even my colleague in the line ministry would still do it.

On issues raised by Sen. Osotsi, on the “Big Five” agenda, I think there is a bit of confusion between a vision and policy. The vision of this country has not changed. The vision of this country is still Vision 2030 and, in that vision, it is clearly stated what needs to be achieved.

One of them is economic growth of 10 per cent and to achieve that economic growth, what needs to be done needs to be clearly spelt out. Now, any government campaigning will have to develop policy around the vision of the country. Vision is vision. You are visioning or you want to see something happen in a period of time. Policy will help you move to that vision. That is exactly what it is; Uhuru government had their own plan.

Now, in this government or administration, it is a Bottom-Up Economic Transformation Agenda (BETA), which has five pillars. It talks about agriculture, MSMEs, healthcare, housing and finally, digital superhighway and creative economy. On these five pillars, the government is implementing a number of strategies and policies to make sure that we actualise the BETA that will now lead us to the Vision 2030. I have enumerated this in my response. On agriculture, I have talked about the fertiliser subsidy. I have talked about the revival of various sectors of the economy, including tea and how we have supported the coffee sector. We have revived the coffee production.

Edible oil is high up in our agenda as a country. We are reviving rice production, look at what is happening in Bura now, with expansion of putting more acreage under rice production, and many others, including the sugar sector. In MSMEs, there are a number of initiatives. I can go on and on.

When you come to health, we have the Universal Health Coverage (UHC). We are also doing affordable housing under the housing pillar, something that everyone will agree is taking shape. I mean, unless you just do not want to accept. So, the housing pillar has picked up as the fourth pillar. The digital superhighway and creative economy, I have again told you, if you listened to my budget speech, I talked a lot about initiatives that we are putting in place to promote and support creative economy.

So, in a nutshell, there is no inconsistency, there is no dropping of Vision 2030. It remains our anchor vision. We are just thinking, now that it is coming to an end, then what is the next vision? So, these others are policies to actualise it. Therefore, I think I have responded to the two concerns by the honourable Senators.

**The Deputy Speaker** (Sen. Kathuri): Honourable Cabinet Secretary, maybe you can give a commitment when you can provide answers to issues raised by Sen. Sifuna. I have also directed the Cabinet Secretary to give us a timeline when he will be providing that information on the hiving off of Ngong Forest.

**The Cabinet Secretary for National Treasury and Economic Planning** (Hon. John Mbadia): Mr. Deputy Speaker, Sir, I do not know whether that communication will come formally, but I am ready to prepare the response, get it even from the relevant ministries. In two weeks, we can submit that response in writing.

**The Deputy Speaker** (Sen. Kathuri): Great. I have noted. It is two weeks. Sen. Sifuna, is it on the same supplementary question or a different matter?

**Sen. Sifuna:** Mr. Deputy Speaker, Sir, we will not allow--- No, I just want to make something clear. Verbosity is not detail. If you just throw around words that do not give specific answers to specific questions - you can see he does not have an answer to my question.

**The Deputy Speaker** (Sen. Kathuri): But he said he will prepare for your question.

**Sen. Sifuna:** He has long stories about housing---

**The Deputy Speaker** (Sen. Kathuri): In two weeks' time, which is okay, that is how we conduct business.

**Sen. Sifuna:** The Cabinet Secretary will not get away with this. We want answers to the concerns of the public, not just stories about housing.

**The Deputy Speaker** (Sen. Kathuri): Sen. Sifuna, you are not a stranger in this Senate. If you ask a Cabinet Secretary a question and he has no answer at that particular time, he is given time to provide the response.

**Sen. Sifuna:** Yes, but, Mr. Deputy Speaker, it came from his own response. I was around when Vision 2030 was prepared. I do not remember ---

**The Deputy Speaker** (Sen. Kathuri): That is why I am saying that I am not giving you a leeway again to ask another supplementary question.

**Sen. Sifuna:** Just a minute, Speaker. I do not remember the hiving off of Nairobi National Park being part of Vision 2030 for these projects. So, when he speaks about it, he should give us details. So, I am happy he has said that he will answer in two weeks, but let him not write me long paragraphs. Just give us the procedure that was used to hive off the park. That simple.

**The Deputy Speaker** (Sen. Kathuri): No, just a minute, CS.

**The Cabinet Secretary for the National Treasury and Economic Planning**  
(Hon. John Mbadi): Mr. Deputy Speaker, Sir, I have committed myself.

**The Deputy Speaker** (Sen. Kathuri): Yes, you did that.

**The Cabinet Secretary for the National Treasury and Economic Planning**  
(Hon. John Mbadi): I know Sen.r Sifuna could have been around when Vision 2030 was made, maybe he was in school. I was around here in the political space. So, I have probably a better understanding of Vision 2030.

**The Deputy Speaker** (Sen. Kathuri): Honourable CS, you give your commitment and that is the end of that commitment. You have been to the House. Also, you are a good politician. You have been a party chairman. I know you know how to handle questions from politicians and from other leaders, but once you give your commitment, do not go to the political space. Just leave it at that.

Sen. Oketch, proceed.

**Sen. Oketch Gicheru**: Mr. Deputy Speaker, Sir, I have read the response from the CS. Just like Sen. Sifuna, maybe I was more involved when Vision 2030 was being conceived. This is because the framework for which Vision 2030 was drawn, you remember when the first consultation was done by James Mwangi of Equity Bank and then Mugo Kibati came in.

**The Deputy Speaker** (Sen. Kathuri): Ask your question.

**Sen. Oketch Gicheru**: I am coming to the question, Mr. Deputy Speaker, Sir.

**The Deputy Speaker** (Sen. Kathuri): Everybody seems to be an expert in Vision 2030. Can you kindly ask the question?

**Sen. Oketch Gicheru**: Mr. Speaker, this is very important. I could have landed the question, but this is what I am trying to say, that the Vision 2030, the way it was crafted, was hugely dependent on all the flagship projects pegged on PPP. In the response of the CS, the projects that he has talked about are devoid of proper frameworks and robust engagement with the private sector. So, my question is, CS, from the response I have read here, is Vision 2030 that is still aligned to be able to cultivate the flagship projects that were conceived based on PPP? Because the PPP has struggled to make sure that those projects are aligned. Where is the ministry at with the frameworks that are robust to engage the private sector in the investment of Vision 2030? This is because, for instance, the affordable housing project is based on government investment and all the other projects are based on government intervention. So my question is, have you reviewed and strengthened the private sector framework with the government?

**The Cabinet Secretary for the National Treasury and Economic Planning**  
(Hon. John Mbadi): Thank you, Mr. Deputy Speaker, Sir. When Sen. Eddy said he was deeply involved in the conceptualisation of Vision 2030, I am tempted to refresh my knowledge of his age, but let me address his question.

In terms of engaging or involving the private participation in Vision 2030, a number of initiatives have been carried out. One of them is the operationalisation of the PPP model. A number of projects are being initiated through that model. We have the Expressway here; we have the Rironi-Mau Summit Highway. However, the reason we have come up with the National Infrastructure Fund is purely to support Vision 2030. This is because we have seen the gaps that are in the PPP model, and we needed some

flagship projects like the JKIA, which was the greenfield that had been talked about before during the conceptualisation of Vision 2030. There is the Lamu Port that was very important. The Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) corridor was as a component of Vision 2030 and even the railway system.

So, for all this to be actualised, we realised that there was need for serious intervention in terms of public infrastructure projects hence the enactment of the National Infrastructure Fund. I am sure you have looked at the enabling legislation for that Fund. I just leave it at that. Sen. Eddy, you are speaking to someone who has also interacted a lot with Vision 2030, but the policies that the government come up with would help support. This is because Vision 2030 was not just about infrastructure. There were a lot of those social pillars to it. That has also to be spoken to. The health and housing pillars, much as it has some infrastructure element, but the housing pillar was actually a social pillar, so that people can have dignified housing to be proud of. I would go on and on and then you will start saying, this is verbosity, but I will tell you, Sen. Eddy, there is nothing verbose about this. It is about facts. I have just presented those facts to you, but you cannot choose for the listener how to interpret your facts. It is informed by a number of things. Maybe personal biases and political interests. Again, this is a political House.

Thank you very much, Mr. Deputy Speaker, Sir.

**The Deputy Speaker** (Sen. Kathuri): We now go to the next Question by Sen. Hamida Kibwana. Proceed very fast and then we will come to Prof. Ojienda's question.

*Question No.051*

TRACKING RESOLUTIONS OF PARLIAMENT  
BY THE NATIONAL TREASURY

**Sen. Kibwana:** Mr. Deputy Speaker, Sir, I beg to ask the Cabinet Secretary for National Treasury and Economic Planning the following Question.

(a) Does the National Treasury maintain a tracking system on the resolution of concerns by the Auditor-General regarding the application of public funds by the national Government? If so, could the Cabinet Secretary provide an update on the resolution status of reported audit concerns?

(b) What enforcement framework exists to ensure that the audit concerns are resolved promptly by the relevant Ministries, Departments and Agencies (MDAs)?

(c) Could the Cabinet Secretary indicate whether recurrent qualified and adverse audit findings lead to mandatory corrective action plans, budgetary consequences and decisive action against responsible officers, among other sanctions?

(d) What reforms is the Ministry considering, including lessons from jurisdictions with stronger public finance follow-through systems, to ensure that audit work translates into timely corrective action?

I thank you.

**The Deputy Speaker** (Sen. Kathuri): Hon. Cabinet Secretary, proceed to give your response.

**The Cabinet Secretary for the National Treasury and Economic Planning**  
(Hon. John Mbadi): Thank you. This is not too long. I will respond as follows-

We know that Article 226(2) of the Constitution states that the accounting officer of a national public entity is accountable to the National Assembly for its financial management. The accounting officer of a county public entity is accountable to the County Assembly for its financial management.

Section 204(1)(g) of the Public Finance Management Act, 2012 states that the Cabinet Secretary for the National Treasury and Economic Planning may apply sanctions to a national Government entity that fails to address the issues that are raised by the Auditor-General to the satisfaction of the Auditor-General.

The National Treasury has a Parliamentary Liaison Office with a structured mechanism to track and report back to Parliament the implementation status of resolutions adopted by the National Assembly. These are compiled in a document that we call Treasury Memorandum. The implementation status of the National Assembly resolutions on audit issues are submitted for all voted national Government entities and funds.

In practice, the tracking system for the resolution of concern raised by the Auditor-General is as follows-

After the National Assembly resolutions on national Government audit reports are received, the National Treasury transmits the same to all accounting officers, instructing them to provide implementation status within a certain time frame. Then the National Treasury reviews and consolidates this information and tracks progress on implementation. The national Government entities must regularly report on the status of unresolved issues, including recovery of funds, disciplinary actions or any system improvements required.

Finally, the National Treasury then transmits the implementation status through the Treasury Memorandum to the Clerk of the National Assembly. However, there are challenges to this process-

(1) Accounting Officers are accountable to the National Assembly and not the National Treasury as per Article 226 of the Constitution.

(2) Section 74(2) of the Public Finance Management Act, 2012 states that if a Cabinet Secretary reasonably believes that an Accounting Officer is engaging in or has engaged in improper conduct, then the Cabinet Secretary shall take such measures as may be provided in regulations or refer the matter to the relevant office or board in terms of the statutory under the conditions of employment.

Mr. Deputy Speaker, Sir, there are reforms that we have instituted to specify the measures in the regulations. Under Section 95 of the Public Finance Management Act, 2012, if the Cabinet Secretary finds a national Government entity to be in serious or persistent material breach of its obligations of financial commitments, then the Cabinet Secretary shall determine the reasons for the breach and assess the national Government entity's financial state.

That section needs to be amended to conform to Article 225 of the Constitution that reads that the Public Finance Management (PFM) Act provides for sanctions that the Cabinet Secretary and the National Treasury may impose on an Accounting Officer for

failure to address issues raised by the Auditor-General. These sanctions include the stoppage of funds which the Cabinet Secretary may impose. I also want to add that the Cabinet Secretary may withdraw their role or designation as an Accounting Officer.

What enforcement framework exists to ensure that audit concerns are resolved promptly by the relevant MDAs? The legal enforcement framework is set out in Article 226(2) of the Constitution, which holds all Accounting Officers accountable to the National Assembly. Sections 74, 95 and 204 of the PFM Act, 2012 provides sanctions that the Cabinet Secretary for the National Treasury may impose on individual officers or public entities subject to the fulfilment of a legislation criteria.

I am also asked to indicate whether recurrent qualified and adverse audit findings lead to mandatory corrective action plans, budgetary consequences and decisive action against responsible officers. There are several reasons for recurring qualified and adverse audit findings in the public sector. These include institutional culture, technical competence, delays in production of asset ownership documents and internal controls. Others are delayed audit opinions which come several financial years later.

The National Treasury also holds biannual training with all public sector accountants, sensitising them on the resolution of audit issues included in the financial reporting templates as approved by the public sector accounting standards. It is a section on the disclosure of outstanding audit issues and their resolution.

We confirm that the National Treasury has used the sanctions provided for in Article 225(3) of the Constitution and Section 204 of the PFM Act, 2012 sparingly in favour of service delivery. We have, however, supported institutions with prosecutorial powers whenever breaches of the PFM law have occurred.

The other one is, what reforms is the Ministry considering, including lessons from jurisdictions with stronger public finance follow-through systems to ensure that audit work translates into timely corrective action? The National Treasury seeks to amend Sections 74, 95, and 204 of the PFM Act, 2012 to implement sanctions intended to address accountability issues. The National Treasury also seeks to amend Regulation 20 and Regulation 164 of the PFM National Government Regulations to strengthen the offices of the Accountant-General and the internal Auditor-General in terms of independence and functions. Both offices suffered from a misinterpretation of Article 226(2) of the Constitution.

We are also modernising the integrated financial management system. We have noticed a need to re-engineer the Integrated Financial Management Information System (IFMIS) and implement accrual accounting. The re-engineering reform, which is ongoing, includes-

- (1) Integrating all MDAs and counties into a single real-time reporting platform.
- (2) Use data analytics and Artificial Intelligence (AI) tools to detect fraud, duplicate payments and procurement irregularities.
- (3) Strengthening cybersecurity and data protection.
- (4) Expand digital payments and e-procurement system to reduce manual processing, as I had said earlier.
- (5) Collect all revenues through eCitizen, which is integrated with IFMIS.
- (6) Implementation of Treasury single account. I had talked about this before.

We are also building professional capacity. This can be achieved through partnerships with universities, professional bodies, such as the Institute of Certified Public Accountants of Kenya (ICPAK) and other international professional organisations. We are also using the Kenya School of Government (KSG).

We are also strengthening coordination with oversight institutions. The Accountant-General works very closely with the Office of the Auditor-General, Office of the Internal Auditor-General, Office of the Controller of Budget (CoB), Ethics and Anti-Corruption Commission (EACC), Directorate of Criminal Investigation (DCI) and the Parliamentary Public Accounts Committee.

In terms of strengthening and enforcement of compliance, many audit findings recur because corrective actions are not being implemented. Possible Public Finance Management (PFM) reforms include-

(1) Requiring ministries and counties to submit action plans on the audit findings to the Accountant-General.

(2) Introducing sanctions for persistent non-compliance with accounting standards.

(3) Linking budget allocations to compliance with financial reporting requirements.

(4) Establishing stronger follow-up mechanisms on audit recommendations.

Strengthening the Office of the Auditor-General of Kenya has also been picked as an important necessity. I want to conclude by pointing out that in my budget speech and in the circular that I issued, we are strengthening the Office of the Auditor-General, which has been undermined for quite some time. We are giving it strength, so that it can discharge its mandate of ensuring that compliance is guaranteed in Government.

I want to end it there, Mr. Deputy Speaker, Sir.

**The Deputy Speaker** (Sen. Kathuri): Sen. Hamida Kibwana, do you have any supplementary question?

**Sen. Kibwana:** No, Mr. Deputy Speaker, Sir. I am satisfied with the response.

**The Deputy Speaker** (Sen. Kathuri): Let us listen to Sen. Wambua.

**Sen. Wambua:** Mr. Deputy Speaker, Sir, my question stems from financial accountability, especially for county governments in relation to exchequer releases by the National Treasury.

Mr. Deputy Speaker, Sir, in his own words, the Cabinet Secretary said that there are delays in terms of releases to county governments. In fact, if I got him right, they expect to disburse some funds next week, towards end of June, to county governments. When the National Treasury releases funds to counties towards end of a financial year to finance activities of a financial year that is coming to the end in four days, that automatically leads to audit queries for county governments.

How does the National Treasury formulate its exchequer releases to counties to ensure that even as they retain the right to hold public institutions to account on matters finances, they have done their part to ensure that those public offices, especially counties, get their exchequer releases in time?

*[The Deputy Speaker (Sen. Kathuri) left the Chair]*

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

**The Temporary Speaker** (Sen. Abdul Haji): Proceed, Sen. Oketch.

**Sen. Oketch Gicheru:** Mr. Temporary Speaker, Sir, the question by Sen. Hamida Kibwana is a critical one. We might miss something here because in most cases audited reports concerning the national Government are reviewed by the National Assembly. Therefore, it is difficult to peg to some specific issues that I wanted to follow up on this because this Question has come to the Senate.

Apart from the general responses that the Cabinet Secretary has given us here, the Auditor-General has time without number brought the issue of unsupported or missing documentation in a number of irregular expenses by the national Government and directly linked that to unauthorised bank accounts and cash management issues. I wanted the Cabinet Secretary to be specific to that question where the Auditor-General has raised a number of issues on unauthorised accounts that sometimes she refers to them as “secret accounts”.

I am asking this to connect it with the devolution family. If you look at special purpose accounts in the National Treasury, such as the Equalisation Fund and other monies that go to our counties, you will find that some of our counties are notorious. Migori County to be particular, is notorious for operating more than 200 commercial accounts to run business of the government.

What mechanism has the Cabinet Secretary put in place to deal with specific issues of unauthorised or dubious multiple accounts to run activities at the national level and the nexus between them and our counties? Migori is one of the counties that operates over 200 commercial accounts to run government business.

**The Temporary Speaker** (Sen. Abdul Haji): Next is Sen. Sifuna.

**Sen. Sifuna:** Waziri, we have had conversations with you in the County Public Accounts Committee (CPAC). My question is related to what Sen. Wambua has raised here.

Your office is the one that originates the Disbursement Schedule which comes to this House. I think yesterday I saw a communication from the Ministry. Every single financial year, we sit here to debate and pass a Disbursement Schedule.

Waziri, is there any need for us to continue passing that law since your Ministry has never complied with disbursement schedules that we pass here? I want to have his honest opinion on whether that piece of legislation is of any use. We are concerned as a devolution family because when we look at the national Government entities side---

I saw a report, the other day from Dr. Margaret Nyakang’o who is the Controller of Budget (CoB), saying that, for instance, State House had spent Kshs12 billion in nine months of this particular financial year. How is it possible that national Government entities are able to access money yet the devolution family always has to wait and the National Treasury never follows the disbursement schedule?

**The Temporary Speaker** (Sen. Abdul Haji): Cabinet Secretary, you may now respond.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Mr. Temporary Speaker, Sir, on financial accountability, Sen. Wambua has talked about exchequer releases coming late thus causing audit queries. Indeed, it is true. First, it should be understood that exchequer releases can only happen when we have resources to release. You cannot release exchequer when you do not have it.

How do you fund the budget? You can fund the budget from different sources. The first method are ordinary taxes and other incomes that we call non-tax revenue. That is what we call domestic revenue. You can also finance the budget through borrowing. Here, there is eternal and domestic borrowing.

Let me start with borrowing. Sometimes external borrowing takes time. For example, in this financial year, we had factored in borrowing from the World Bank through the Development Policy Operation (DPO). That is likely to come towards the last week of this financial year. We are likely to get the money at that time because, at least, our request was submitted to the board finally because a lot of processes have to be followed. Once a request hits the board, I know it will be approved. However, that will be a few days towards end of the financial year. That funding will have to support some operations and activities.

Secondly, sometimes we have to be sluggish even on domestic borrowing. The most critical issue is revenue performance. If revenue has not performed, where will the Government get money to disburse? Even with those challenges, you will agree with me that this Government has probably outperformed any previous government. I say so with pride because in the last financial year, we closed the year without any outstanding exchequer release to the counties even though the last disbursement was done on 29<sup>th</sup> June.

Counties do not wait for the exchequer to initiate transactions. You will find that by the time a financial year comes to a close, they have already procured. When they get money, they make payments. Therefore, we just have payments waiting for funds.

The salary for June will be paid immediately they get exchequer releases. Usually, there is no inordinate delay. That is why I am saying that if you have been keen in following, there have been reduced complaints from county governments in terms of delay in exchequer releases and many others.

By the way, there are also delays in release of funds to the national Government. As I speak, I have a number of Ministries, Departments and Agencies (MDAs) which have requisitions with the exchequer. One of them is the Ministry of Interior and National Administration which wants to be supported. We will support them the same way we support counties.

We usually give counties priority by the way. It may not be known, but I know from where I sit that any time we make cash disbursements, every week when I get exchequer requests for approval, I always ask how far we are with releases to the counties. Therefore, there is no deliberate effort or attempt to starve counties of funds. It would not be in my interest. I have never supported that at all, because I am schooled from a political persuasion that believes in devolution and that is the Orange Democratic Party (ODM) party.

On the question by Sen. Eddy Oketch - yes, Treasury memoranda go to the National Assembly, but they become public documents. The Senate can also interact with them. However, it is the National Assembly that has the responsibility for them.

In terms of missing and unsupported documents, I have chaired the Public Accounts Committee (PAC), I have been a Member of the Public Accounts Committee for five years, I have been a Member of the Public Investments Committee (PIC) for five years and I have been in the Budget and Appropriations Committee, which dealt a lot with budget implementation. We were able to see some of these things. So, on missing documents, there are several reasons. Often, the mistake lies with the accounting entity, where staff in the Finance Department are generally unconcerned and do not care much about the audit. That is coming to an end. It is reducing because sanctions are now being applied to those officers.

There could also be other challenges. Sen. Eddy, I do not know whether you have been a Member of the CPAC in the Senate. You will find that when these Government officers appear before the accountability committees, all of a sudden, the documents are available. So, either the Accounting Officers were negligent or the auditor who was auditing was given these documents, but the supervisor overruled any additional information. So, the documents were there but were not factored in the final audit report.

We have not quantified those cases and something needs to be done to streamline that. However, you can see audit queries are thinning by the day. In fact, most Government entities now receive unqualified audit reports, which they like calling clean, but I say there is nothing clean in accounting. They are unqualified audit reports.

On unauthorised bank accounts, I agree with you. I think the problem is that we probably need to amend the law. The law as is today allows Chief Executive Committee Members (CECM) in charge of county treasuries to open commercial bank accounts. It does not state how many. We need to look into that space.

Right now, at the National Treasury, we are trying to implement the Treasury Single Account also in the counties. We have seen the impact the Treasury Single Account has had at the national Government level. We want to replicate the same at the county level, so that we manage our resources better. That will not only solve the problem of counties having multiple bank accounts, but it will also help in solving the problem of cherry-picking invoices.

With the Treasury Single Account, if you apply to pay X, you will pay X, and you cannot divert those funds. Sen. Eddy, I know you will agree with me that many counties, once approved, even after the Controller of Budget has approved payment to a particular supplier, contractor or service provider, the funds are diverted and used elsewhere. That must be brought to an end through the Treasury Single Account. I hope the Senate will help us. Parliament should also embrace this Treasury Single Account, even through the Parliamentary Service Commission (PSC). I say this because even we, at the National Treasury, have embraced it.

On the value of the schedules of disbursement, I want to give an assurance to Sen. Sifuna that it is not in vain to have this disbursement schedule. But again, these are projections. These are plans and the plans can only be actualised when resources are realised. By the way, the entire budget is a plan. You may not meet the plan.

**The Temporary Speaker** (Sen. Abdul Haji): Cabinet Secretary, there is an intervention from Sen. Oketch. What is your intervention, Sen. Oketch?

**Sen. Oketch Gicheru:** Mr. Temporary Speaker, Sir, we are asking these questions in the context of the mother Question by Sen. Hamida. There have been adverse audit queries raised by the Auditor-General. My question on documentation is this: Where there has been adverse mention of documents missing, the National Treasury is subject to Section 62 of the Public Audit Act to take action. This is where the Cabinet Secretary says that these documents are missing or were submitted to the Auditor-General late beyond the required timelines.

What action has the Cabinet Secretary taken where those documents were missing and the Auditor-General has stated as such, because the Public Audit Act, under Section 62, provides clear penalties that he should take? Has he taken those actions as required by law?

**The Temporary Speaker** (Sen. Abdul Haji): Very well, Senator. Sen. Eddy just wanted clarification on his question.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. Mbadi): Mr. Temporary Speaker, Sir, in all fairness, I have answered that question. If you look at Treasury memoranda, we always explain actions taken on each and every audit query. It is not just about missing documents. Any issue raised, and a lot of disciplinary actions have taken place.

By the way, I would like to tell Sen. Eddy that I chaired the Public Accounts Committee and we cleared many of these audit queries at that stage. That is why it is important to allow the National Treasury to go through this process, because it is the primary oversight body in terms of audit queries. Once they do their report, that is the final report and the Treasury must ensure all recommendations are implemented.

Unless it is a specific issue that you are asking, on whether we have dealt with in terms of discipline, we have taken several disciplinary actions against staff, some through HR. I have just finished addressing the concern raised by the Senator for Nairobi.

**The Temporary Speaker** (Sen. Abdul Haji): Hon. Senators, let the Cabinet Secretary finish responding to all supplementary questions then we can have interventions for clarification. Proceed, Cabinet Secretary.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. Mbadi): Mr. Temporary Speaker, Sir, I am done with the questions. I have already addressed Sen. Sifuna's question.

**The Temporary Speaker** (Sen. Abdul Haji): Very well. We will take some interventions. Sen. Sifuna has a clarification.

Proceed, Sen. Sifuna.

**Sen. Sifuna:** Mr. Temporary Speaker, Sir, I think the frustration we have as a family of devolution and you can hear even the frustration of the public, is that we have serious problems in the counties, but we just seem to be talking and there is no action. What the Constitution speaks about in Article 225 and we have had this conversation when the Cabinet Secretary appeared before our County Public Accounts Committee (CPAC) is that you have the powers, as Cabinet Secretary for the National Treasury and Economic Planning, to stop funds from going to counties where there are persistent

material breaches. We are not talking about small issues like failure to produce documents.

I remember having this conversation with the Cabinet Secretary in the Committee. We said, for the family of devolution, some counties are notorious. Every single time, they get adverse reports on their financials. What we need from you, Cabinet Secretary, for the family of devolution--- In fact, we had agreed with you that we would deal with just 10 counties or even just one. If you just stop money from going to these counties with persistent material breaches, the rest will follow. I think that is the expectation we have from him as a Senate.

**The Temporary Speaker** (Sen. Abdul Haji): Proceed, Cabinet Secretary.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. Mbadi): Mr. Temporary Speaker, Sir, I want to agree with Sen. Sifuna. We rarely agree nowadays, although we used to agree a lot a few months back. Today, I agree with you that Article 225 was not just put there in vain. However, remember, Sen. Sifuna, we have discussed this and said, let me get a recommendation from the Senate to stop funds. As the National Treasury, I do not also want to appear in the face of it like a rogue Cabinet Secretary. To stop funds to a county is a major decision and it has political, social and economic implications. So, it is not something that I would just do even if there were material breaches. I would expect the Senate, through the Committee chaired by Sen. M. Kajwang', where I believe Sen. Sifuna still sits, to give recommendations on one or two counties, then we will deal with them based on the provisions of the law. I am not afraid to deal with it because it is the resources of the people of Kenya that we are protecting. So, I would like to repeat that I agree with the Senator for Nairobi City County. We rarely do nowadays, but this is one of those rare occasions.

**The Temporary Speaker** (Sen. Abdul Haji): Very well.

Sen. Wambua, what is your intervention?

**Sen. Wambua:** It is a good thing to hear that the CS is agreeing with Sen. Sifuna. However, CS, beyond just agreeing with Sen. Sifuna, there is a fact that we seem to be running away from. The CS for the National Treasury and Economic Planning is perhaps the only CS in the Cabinet who has executive powers to manage economic and fiscal policies, of course with parliamentary oversight. In reference to the question that I asked about exchequer releases unrelated to the disbursement schedules that Sen. Sifuna talked about, I was expecting a response that provides a way forward, not one that says we have improved. Improvement in what? I expect to hear that before we hold the County Government of Kitui to account for mismanaging their finances, those finances were made available to them in good time to make financial decisions, roll out projects, and now you have messed it.

As I conclude, the CS has said that this needs a communication from the Senate to stop disbursements to a single county as a lesson to others that are misbehaving. If my memory serves me right, just a few months ago, Meru was on the Table of the National Treasury. There was a move against Meru to stop disbursements. I am not saying you should because when you stop disbursements, it means that you are punishing the people of that county on account of misdeeds of one individual called a governor. Nevertheless,

that matter came before the National Treasury. What decision was taken? They said, “No, we cannot touch this”.

Mr. Temporary Speaker, Sir, let us not just respond to questions by ticking boxes. Let us give responses, especially from the CS in charge of the National Treasury and Economic Planning, with executive power, that provide a way forward for devolution and for this country.

I thank you, Mr. Temporary Speaker, Sir.

**The Temporary Speaker** (Sen. Abdul Haji): Cabinet Secretary, please, proceed.

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

Indeed, I agree with Sen. Wambua that the CS in charge of the National Treasury and Economic Planning has some executive powers. I thank the people of Kenya and the President for making me that Cabinet Secretary now. However, the power is with the people. Actually, the absolute power is with the people, not even the Cabinet Secretary. So, as you exercise that power, you must do so with caution, and understand that it has implications. That is what I am trying to do so that later on, I am not accused as one of those Cabinet Secretaries who sat at the National Treasury and became rogue.

In my opinion, we should not mix these two issues. There is the issue of exchequer releases, which is substantive and critical. There is also the issue of mismanagement of resources at the county. In fact, if money has not been received by counties, it cannot be mismanaged because they would not have money to mismanage anyway. So, we are talking about counties which receive money and mismanage it.

These are the counties that we need to deal with. There should be some resolution somehow, somewhere. Yes, we did it with Meru County where there was persistent breach, not just by the County Executive, but even by the County Assembly, which committed to provide resources to settle a debt that was already creating a diplomatic issue between this country and another country. So, I took action and that triggered some response. Before I even took that action, we wrote to the county and there was no response. The moment we took that action there was quick and immediate response.

So, we will deal with any other county which becomes rogue, including Homa Bay County, where I come from, if they decide to mismanage resources that belong to the people, and there is evidence that there are material breaches, persistent, without change, and it is reported to me. If we look at the law, and the law supports the cause of withholding funds, I will do it. By the way, that power, even though Sen. Wambua calls it executive, is still subjected to the Senate scrutiny and consideration, because the power belongs to the people who have their representatives. They have their mouthpiece. The people of Migori County have Eddy Oketch to speak for them in this space. I do not have that power. In fact, people have not delegated that power to me. It used to be delegated to me somehow about two years ago. Nowadays, I do not have that delegated power anymore. Thank you, Mr. Temporary Speaker, Sir.

**The Temporary Speaker** (Sen. Abdul Haji): Hon. Senators, we have to proceed and go to the next Question, Question No.28, by Sen. (Prof.) Tom Ojienda, SC. If I could guide you, Professor, ask your two Questions, and then the Cabinet Secretary will reply to both.

**Sen. (Prof.) Tom Odhiambo Ojienda, SC:** Thank you, Mr. Temporary Speaker, Sir.

Mr. Temporary Speaker, Sir, I have two questions-

*Question No.028*

FISCAL INTERVENTIONS TO SPUR ECONOMIC  
GROWTH IN VARIOUS SECTORS

(a) Could the Cabinet Secretary outline the fiscal and other policy interventions by the Government to address the slow growth in agriculture, construction and services sector, and its ripple effect on employment levels and country level fiscal performance, amongst others?

(b) Could the Cabinet Secretary also outline the safeguards in place to ensure that the Government's fiscal consolidation programme does not undermine the state's obligation under Article 43 of the Constitution, which guarantees specific economic and social rights to every person?

*Question No.029*

KENYA'S CURRENT STOCK OF DOMESTIC  
AND EXTERNAL DEBT

(a) Could the Cabinet Secretary provide information on Kenya's current stock of domestic and external debt and disclose the debt-to-Gross Domestic Product (GDP) ratio?

(b) What measures are in place to ensure that funds raised through borrowing are utilised effectively and translate into tangible development outcomes across the country?

(c) Could the National Treasury consider developing a publicly accessible tracker that links each debt facility to its corresponding development outcomes?

Thank you, Mr. Temporary Speaker, Sir.

**The Temporary Speaker** (Sen. Abdul Haji): Cabinet Secretary.

**RESPONSE TO QUESTION NO.028**

FISCAL INTERVENTIONS TO SPUR ECONOMIC  
GROWTH IN VARIOUS SECTORS

**The Cabinet Secretary for the National Treasury and Economic** (Hon. John Mbadi): Thank you.

Mr. Temporary Speaker, Sir, I have tried to condense these two into five pages, so I will move quickly through them.

The first Question is about interventions that the Government is taking to address the slowed growth across various sectors of the economy.

I would like to state that in our 2026/2027 economic outlook, we prepared our budgets, which have been shaped by heightened global uncertainty following the output of conflict in the Middle East in late February, 2026. However, in addition to this, we are just recovering from drought and we are still dealing with the effects of the Russia-Ukraine War. These conflicts have disrupted global commodity markets and weakened investor confidence.

We have seen, from February, the investment in the Nairobi Securities Exchange (NSE) going down. So, the gains that we have realised before are being reversed. Even though the global outlook remains fragile with risks tilted to the downside particularly from the potential escalation of the conflict, I hope the recent indications will continue showing that the war is likely to end. With the interruption to critical energy transit routes such as the Strait of Hormuz, consequently, the global growth has been projected downward to 3.1 per cent in 2026 from 3.4 percent on average.

Kenya's economy still demonstrates resilience despite facing these elevated external risks. In 2025, even though our economy grew at a slower pace compared to 2024; that is 4.6 percent, compared to 4.7 percent the previous year, it cooled a bit. All the sectors registered positive growth unlike 2024 when we had a number of sectors such as construction, mining and blue economy that registered negative growth. In 2025, all sectors registered positive growth, some at a slower pace, of course. Worst hit was agriculture because in the final quarter of the year, it slowed drastically because of the drought that began in September.

The growth outlook of 2026 continues to be affected by these external risks which are transmitted through higher global oil prices that rose from an average of USD63 to USD103 per barrel thereby increasing inflation and putting pressure on our foreign exchange although we are very lucky because we had taken steps to have enough forex reserve which has cushioned the Kenya shilling. We have not seen a depreciation of the Kenya shilling as it would have happened.

Against this backdrop, we have revised our economic outlook downwards to 5 per cent from 5.3 per cent that had been earlier indicated. In terms of steps, we are undertaking to support the growth outlook and make sure that all the sectors grow, the Government has sustained a strong reform agenda which is aimed at enhancing stability, promoting recovery and safeguarding livelihoods.

We are still guided by the Bottom-up Economic Transformation Agenda (BETA) where we are doing agricultural transformation agenda and inclusive growth, Micro, Small and Medium Enterprises (MSMEs), housing and settlement, Universal Health Care (UHC) and digital super highway and creative economy.

I have summarised my response to this question because I just did not want to bring controversy. I understand that Sen. Ojienda raised this question before I gave my budget speech. If you look at my budget speech, which is now a public document, there is detailed approach on how to revive almost every sector of the economy. I did not want to reproduce that speech in response to this question.

**RESPONSE TO QUESTION NO.029****KENYA'S CURRENT STOCK OF DOMESTIC AND EXTERNAL DEBTS**

On debts, the current debt stock of domestic and external debt and debt to GDP ratio as at February, 2026 is as follows-

The stock of public and publicly guaranteed debt stood at about 12.842 trillion, which is equivalent to 69 per cent of the GDP as at February, 2026. The public debt comprises a mix of domestic debt of Kshs7 trillion and external debt is Kshs5.779 trillion.

What measures are we putting in place to ensure that funds raised through borrowing are utilised effectively and translate to tangible development outcomes across the country?

The Government is committed to efficient use of all funds obtained through public borrowing. In this regard, the National Treasury has implemented several measures to ensure that expenditure from borrowed funds contribute to meaningful development nationwide-

(1) Enabling legal framework that is Article 201(b) of the Constitution of Kenya, 2010. Additionally, Section 15(2) of the PFM Act Cap 412A of 2012 mandated the national Government borrowing to be solely used for financing development expenditure. The Government remains committed to complying with these legal provisions.

(2) Robust PFM and the IFMIS systems to ensure that funds, including borrowed resources are used as appropriated by the National Assembly and for designated purposes.

(3) Programme-based budgeting. Now we are moving to zero-based budgeting. This is the first year that we have started implementing zero-based budgeting.

(4) Development of a publicly accessible tracker that links each debt facility to its corresponding development outcome. The National Treasury is developing the development partners development information system, which I also spoke to in my budget speech. It is a one-stop digital platform designed to enhance transparency, coordination and accountability in the management to external resources.

The system will track each debt facility and grant linking it to the specific development projects and their corresponding outcomes across sectors.

**The Temporary Speaker** (Sen. Abdul Haji): Thank you, Cabinet Secretary, for summarising your answer in a very effective way.

Sen. Ojienda, do you have any supplementary question?

**Sen. (Prof.) Tom Odhiambo Ojienda, SC:** Mr. Temporary Speaker, Sir, given that the Cabinet Secretary has indicated that he has a full menu of responses on the guidelines in the budget speech, I think I will pay a visit to him, so that I get the full text summarised as it deals with other issues.

**The Temporary Speaker** (Sen. Abdul Haji): Professor, I am sure you are aware that it is probably online and you can access it without visiting the Cabinet Secretary.

**Sen. (Prof.) Tom Odhiambo Ojienda, SC:** I will save him time because he is an expert and my former party leader.

**The Temporary Speaker** (Sen. Abdul Haji): Honourable Senators, I will be taking supplementary questions. I remind the Senators who are going to ask questions to stick to the primary question raised. Do not go out of topic. Because of time, also keep your questions short and precise so that the Cabinet Secretary can have time to reply.

**Sen. Oketch Gicheru:** Thank you, Mr. Temporary, Speaker, Sir. The Cabinet Secretary has spoken about very serious numbers here. There are two numbers that have drawn my attention which now leads to my question. The first number is Ksh7 trillion of public debt in the domestic market and the 69 per cent debt to GDP ratio, which just shows a very aggressive public debt servicing. Cabinet Secretary, you have not mentioned that you have been facing serious stagnation in revenue collection. How are you going to balance revenue collection shortfalls with this aggressive public debt servicing to protect domestic businesses that you are going to crowd out with that Kshs7 trillion?

In your budget presentation, you indicated a deficit of about Kshs1.1trillion and you are going to go strongly on domestic borrowing. How are you going to help this farmer from Migori in the agricultural sector who is not able to borrow from domestic market to be able to put cages in the lake? What is the strategy do you have in this financial year to ensure they can also get credit from the private sector?

**Sen. Sifuna:** Again, *Waziri*, the problem I have with some of these responses is that they do not answer the question that has been asked by the Senator.

I refer to the response to Question No.28 by Sen. Ojienda. The response at page five, for instance, when the Cabinet Secretary is addressing the question of manufacturing. As you know, I was in Thika just this weekend and growing up we knew Thika to be an industrial town. In the response, the Cabinet Secretary talks about “to revitalize manufacturing, the Government is implementing a strategy aimed at lowering the cost of production.” On bullet no.5 there, he talks about improved access to affordable energy and infrastructure for industrial enterprises. In the very next paragraph 13, we are talking of affordable energy. The Cabinet Secretary says, “The Government has prioritised stabilisation.” Prioritising stabilisation cannot be what lowers the cost of energy. If you look across the continent of Africa, Kenya has one of the highest rates per kilowatt hour of electricity. We are doing upwards of Kshs33 per kilowatt hour compared to our neighbours. Ethiopia is actually doing less than a shilling per kilowatt hour. Tanzania is doing better at Kshs12, Uganda, Kshs23 and Rwanda, Kshs27. So, when you talk about lowering the cost of energy, which is a key ingredient in lowering the cost of production and encouraging manufacturing, our priority cannot be stabilisation.

I remember, because I am a Member of the Committee on Energy, that we fought when we were told that there was a Private Public Partnership (PPP) for Adani to stabilise electricity supply. They wanted to start in Nairobi yet we had over 13 counties that did not even have access to the grid. So, *Waziri*, in terms of specific measures that you are taking to lower the cost of production, and specifically the cost of electricity to match the region, what is your Government doing?

**Sen. Onyonka:** Thank you, Mr. Temporary Speaker, Sir. CS John Mbadi, I am happy because this is the first time I have been in this House when you are here, ever since the President appointed you. So, I congratulate you for your job.

He has raised the issue of the debt stock ratio *vis-à-vis* the Gross Domestic Product (GDP). The CS is aware that the President has announced that the Kenyan Government is going to build an airport costing USD2.5 billion. I want the CS to come to the House and tell us whether he is willing to give us the data, information, agreements which have been signed, how much in real value this airport is going to cost, who are the beneficiaries of construction of this airport and what are the details?

I believe that this House is entitled to receive that information, so that we give it to our Kenyan people. This is because we do not want another Adani to be what we are fighting about in our Republic.

**Sen. Wambua:** Thank you, Mr. Temporary Speaker, Sir. A quick one, on the response to Question No.29, part (c). CS, allow me to say that I am happy to hear that you are developing a mechanism to link debt to development outcomes.

The question is, if that mechanism does not exist today, with the trillions of shillings that we are borrowing almost on a monthly basis, how is the National Treasury able to measure the impact of the money borrowed so far, if in the words of the CS, a mechanism is now being developed for future use?

**Sen. Cherarkey:** Thank you, Mr. Temporary Speaker, Sir. At least, the CS has finally appeared before this Senate. Mine is a quick one. *Waziri*, of these Kshs12.84 trillion, I have seen you have indicated domestic debt is Kshs7.06 trillion and external debt is Kshs5.79 trillion. What is the total debt that President Uhuru Kenyatta borrowed between 2013 and 2022? This is so that we do not lump it to President William Ruto, that he has borrowed Kshs12.8 trillion. What is the impact of what was borrowed that can be attached to projects, including the Standard Gauge Railway (SGR), among others? *Waziri*, can you shed light on that? It is a serious question. Why is Sen. Wambua laughing?

**The Temporary Speaker** (Sen. Abdul Haji): Thank you, Sen. Cherarkey. Proceed, Sen. Abbas.

*(Loud consultations)*

Order, Senators. Sen. Cherarkey, take your seat.

*(Sen. Cherarkey sat in his place)*

**Sen. Abbas:** Thank you, Mr. Temporary Speaker, Sir. Mine is a concern that, from the response of *Waziri*, some of the interventions outlined are on agriculture, forestry and fishing. Of course, the larger economy that is being driven by the livestock sector, where 10 million people are surviving on, has not been mentioned. So, why is it that the focus is only on agriculture which remains the backbone of the economy?

There is provision of subsidies of fertilisers, seeds, expansion of rehabilitation of irrigation, provision of climate resilience and support of agro-processing but nothing on livestock. What is the position?

**The Temporary Speaker** (Sen. Abdul Haji): Thank you, Senator. Cabinet Secretary, you may respond.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. John Mbadi): Thank you, Mr. Temporary Speaker, Sir. I see Sen. Tom Ojienda has left. However, I will not have any problem having a cup of tea with him in my office, just to discuss and break my budget speech into more details.

On issues that were raised by Sen. Eddy, through the Temporary Speaker, our revenue collection has been underperforming. Every year, we are reporting a shortfall in revenue collection. As a matter of fact, there was a time this country was collecting 18 per cent of its GDP as revenue.

Today, we are collecting around 14.5 per cent of GDP as ordinary revenue. We have a feeling we can collect up to 20 or 22 per cent of GDP. However, there are a number of reasons. One of them is the inefficiency of the systems that are deployed by Kenya Revenue Authority (KRA), which we are working on.

We have allocated quite a bit of resources of Kshs17 billion, in the Supplementary Budget No.1 that was passed by the National Assembly. This will be able to revamp and re-engineer their systems. A lot of reforms are taking place and we are already seeing some reported progress in terms of personal income tax. However, it must be understood that a lot of businesses are becoming more and more informal and collecting taxes from the informal sector is not easy. A lot of businesses are going digital and again, collecting taxes in that space is not easy but we are trying to keep pace with that. So, that is creating a bit of a strain on our fiscals but we are still working very hard to manage.

We are being very careful not to crowd out the private sector. Again, I want to also point out that our capital market is fairly developed. I think that is one thing that has not been appreciated. Kenya has one of the most developed financial and capital sectors. The challenge that the private sector has been facing in terms of accessing credit is not entirely on availability of funds. It is informed by a number of reasons and we have seen.

In fact, before this war in the Middle East, the private sector had picked up in terms of credit uptake from the banks. There was a time last year, there was a negative growth of 2.7 per cent. It had picked up well to over 6 per cent. In fact, the latest was 9.3 per cent, if I can recollect. That is growth in private sector uptake.

Clearly, you could see that as much as people have been talking about the demand and purchasing power coming down. The truth is that, before this war in the Middle East, the Purchaser's Manager's Index (PMI), which measures the ability of demand in the economy, people's purchasing power and how we are buying goods, was rising steadily. It was not us reporting but independent evaluators. So, again, we were hit but we are being careful not to crowd out the private sector.

External borrowing also has its risks. Look at what happened in 2024. As a result of the depreciation of the shilling, we added to our debt stock almost Kshs1 trillion without taking a single penny as a loan. Those are the things that we want to try to avoid.

On the issue that has been raised by Sen. Sifuna, I do not want to go into other details but to focus the issue of the cost of energy. What we have said here is that the Government has prioritised stabilisation in electricity supply. Before you go to the cost, the first thing is to guarantee supply because if there is no supply, the cost will definitely be high. The basic principle of micro-economics is the demand and supply which is the equilibrium of prices. Sen. Sifuna, the equilibrium of prices is simply where the supply and demand curves intersect. Therefore, when demand rises and supply comes down, prices will automatically go up because that intersection point will be high. You must first guarantee supply, then the cost.

How do we guarantee the cost and what interventions has the Government taken? One of the reasons we have the National Infrastructure Fund is to implement resources towards generating more energy. Our energy requirement in this country is almost 10,000 megawatts, but we are only generating slightly over 3000 megawatts which is almost a third. Therefore, we need to put more resources to generate more energy. This will deal with the twin issues of supply and cost at the same time because demand will relatively remain constant. Even if demand is going to adjust, it will be a slight adjustment.

This morning, I had a meeting with my counterpart in the Ministry of Energy and Petroleum. We were discussing the nuclear power in Siaya County which is likely to generate well over 2000 megawatts. That is a project that we want to pursue so as to bring more power into the grid. That is the only way we can guarantee cost of power to be low, which I agree is high, and also the supply and reliability of the power. Again, if you go to many parts of this country, the reliability of power is a challenge.

On the question of Nairobi City County being prioritised, Nairobi produces almost 60 per cent of the GDP of this country. That is not a place you can ignore. It is a place that we must invest in, in terms of providing energy.

On Sen. Onyonka's question; I know it has been reported that the Jomo Kenyatta International Airport (JKIA) is going to cost about USD2.9 billion. There are several figures flying around; the figure that I know is USD1.2 billion, half of that. Do not rely on figures that are flying around especially, in some specific newspapers. There are some newspapers which for three years now, that their headlines are always consistent and predictable. We do not worry much about them because they also have a responsibility to inform or misinform Kenyans. However, that is not going to put a strain on our sovereign debt.

If you want the information about that, my counterpart at the Ministry of Roads and Transport can provide that information even through me. This is one of the candidates for the National Infrastructure Fund and there will be no sovereign debt as at now.

On Sen. Wambua's question on what we have been using to link debt to development; I do not know whether he has left---He is here. I could not see you, maybe the problem is my height or your height.

Mr. Temporary Speaker, Sir, imagine that, since Independence, we have not had what Sen. Wambua is talking about, but now, we are implementing it. That is something that you should praise this Government for. We are doing exactly that which has not been there because we cannot continue complaining.

Sen. Cherarkey, I discourage us from comparing the absolute numbers of debts.

**The Temporary Speaker** (Sen. Abdul Haji): Sen. Wambua, I guided the House that I will only take interventions once he has answered all the questions.

Proceed, Cabinet Secretary.

**The Cabinet Secretary for the National Treasury and Economic Planning** (Hon. Mbadi): Mr. Temporary Speaker, Sir, on Sen. Cherarkey, my brother, I wanted to persuade ourselves from comparing absolute numbers. Actually, the best way to measure debt is to look at its sustainability through what we call the present value of debt to GDP. That is what the capacity of a sovereign country is in paying its debt.

If you look at the debt that the United States of America (USA) Government has, it is mind-boggling, but they can deal with it because it is a big economy. As a country, you cannot compare our debt to that of another neighbouring country. I do not want to mention names. It might be a diplomatic issue, but the bottom line is this: When you talk about Kshs1.8 trillion debt when President Kibaki left office, it should be understood that President Kibaki left a low-income economy, where we were borrowing money under concessional terms. Kenya has graduated to a middle-income economy. You can no longer borrow under concessional terms like it used to happen during the Kibaki Government.

Yes, President Uhuru left about Kshs9 trillion in terms of debt in the 10 years that he worked. You should understand that the debt was in terms of the value of the shilling then. If you were to subject the debt in terms of US dollars and you apply the exchange rate today, you may find that President Uhuru Kenyatta did not leave a Kshs 9 trillion debt. It could have been Kshs11 trillion to date because of the current exchange rate. That is why when I see professionals trying to compare in terms of absolute numbers, I ask myself, really, did we go through the same schools or not?

I want to be very careful there and say that yes, President Uhuru Kenyatta left or his administration left about Kshs9 trillion in terms of debt, both domestic and external, and now it is Kshs12.8 trillion. By the way, some of these debt service costs are a result of some expensive debts that were taken before the ones we are servicing today. If this Government is replaced by another Government, the latter will come in and service the debts. It is not an excuse for a government to say that because another government took up debt, then they cannot pay. They have to.

I saw another presidential candidate saying; “we should not pay debts.” I wonder how we would manage a country that has defaulted in debt. You cannot. I mean, it is basic knowledge unless you want to manage chaos. So, I am wondering whether some of us who are talking of leading this country are really prepared in terms of understanding the economy.

I will tell you for a fact that debt is a concern. We have dealt with one issue of debt. When I came into this office, and it was worse when President Ruto came in, the question was not even about debts, the debt stock or the debt cost. It was about debt sustainability and whether we would be able to pay our debts.

Mr. Temporary Speaker, Sir, I have repeated this several times. In 2021, IMF had classified Kenya among five other countries for default, but we have survived it. So that is the first step. Now the next step is to manage the debt.

I want to conclude by saying; let no one lie to Kenyans that we will be reducing our debt stock. What we can reduce is debt to GDP ratio, which is now at 69 per cent, but at 66 per cent in present value terms. We should go to 55 per cent in present value terms. Once we go to 55 per cent of present value terms, debt becomes sustainable. There is no country in the world that will reduce its debt stock. Let no one cheat you. Anyone who speaks like that is ignorant of economic matters.

Thank you, Mr. Temporary Speaker, Sir.

*(Loud consultations)*

**The Temporary Speaker** (Sen. Abdul Haji): Hon. Senators, let us have some order.

Cabinet Secretary, I want to thank you for coming to respond. There is only one question by Sen. Abass on issues of livestock, which you have not responded to. I will be asking him to visit your office.

I thank you. You are free to leave.

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

### ADJOURNMENT

**The Temporary Speaker** (Sen. Abdul Haji): Hon. Senators, it is now 1.00 p.m., time to adjourn the Senate. The Senate, therefore, stands adjourned until later today, Wednesday 17<sup>th</sup> June 2026 at 2.30 p.m.

The Senate rose at 1:00 p.m.