

PARLIAMENT OF KENYA

THE NATIONAL ASSEMBLY

THE HANSARD

Thursday, 28th July 2020

The House met at 2.30 p.m.

[The Speaker (Hon. Justin Muturi) in the Chair]

PRAYERS

PETITION

Hon. Speaker: Member for Dagoretti South, Hon. K. J. Kiarie. Can you log in?

Hon. John Kiarie (Dagoretti South, JP): Thank you, very much, Hon. Speaker for giving me this opportunity to present a Public Petition No. 19 of 2020. This is a Petition by the Kenya public secondary schools suppliers regarding delayed payments for supplied commodities.

I, the undersigned, and on behalf of the Kenya public secondary schools suppliers and exhibitors, draw the attention of this House to the following:

THAT, the declaration of COVID-19 as a global pandemic by the World Health Organisation (WHO) early in 2020, the Government of the Republic of Kenya has been pronouncing various health protocols to curb the spread of the disease in the country;

THAT, one of the critical measures taken by the Government of Kenya in a bid to control the spread of COVID-19 was the abrupt closure of schools countrywide on 15th March 2020. At the beginning of the first term this year, the petitioners had supplied commodities worth millions of shillings to various public secondary schools;

THAT, the closure of schools before the petitioners could be paid for the supplied commodities, occasioned a loss of livelihood for the petitioners whose main business is the supply of goods to schools;

THAT, to date, the suppliers who had supplied these commodities to the public secondary schools at the beginning of the first term of the academic year, 2020 are yet to be paid;

THAT, most suppliers heavily depend on loans from financial institutions to run their businesses and hence the non-performance of these loans continues to attract interest and heavy penalties.

I, further draw the attention of this House to the fact that the petitioners have not benefited from the numerous Economic Stimulus Programme measures that the Government of Kenya has initiated to cushion the small and medium enterprise from the adverse economic effects of the COVID-19 pandemic in order to keep them afloat.

THAT, the petitioners have severally sought redress with the Ministry of Education regarding payments of outstanding amounts of money owed to them by public schools. However, their efforts have been futile.

THAT, the matter presented in this petition is not pending before any tribunal, court of law or independent body.

Hon. Speaker, I therefore, on behalf of your humble petitioners pray that the National Assembly through the Departmental Committee on Education and Research;

- (i) inquires into the issues raised in the petition with the view to recommending immediate payment of outstanding debts owed to public secondary schools suppliers by public secondary schools;
- (ii) recommends the inclusion of the public schools suppliers in the Economic Stimulus Programme that has been rolled out by the Government to cushion businesses from the adverse economic effects of COVID-19
- (iii) Makes any order or direction that deems fit to address the petitioners' plight.

Your petitioners will ever pray.

Thank you, Hon. Speaker.

Hon. Speaker: I see there are Members who may wish to make some comments. I can see the Member for Makueni.

Hon. Daniel Maanzo (Makueni, WDM-K): Thank you, Hon. Speaker for this opportunity. I rise to support the Petition. COVID –19 has affected a lot of businesses not only this particular one. The suppliers of many schools rely on the recurrent expenditure of those schools which is mostly collected from school fees and we are all aware that school fees is no longer being collected until schools open again. I want to agree with the Hon. Member that a solution should be found so that the livelihood of these particular suppliers is not destroyed. Also, it would be important for school administrators to continually renovate schools and since you have allocated sufficient budget to the Ministry in charge, that could be one of the areas where schools could be assisted.

Hon. Speaker: Hon. Mbadi.

Hon. John Mbadi (Suba South, ODM): Hon. Speaker, I support this Petition. I remember before we went on recess, I actually raised a matter that the Committee in charge of matters education to inquire and report to this House on the funds that we allocated in 2019/2020 Financial Year up to 30th June, with specific attention given to that period that the schools were closed. I cannot remember that we reallocated those funds in the various supplementary budgets that we have. If that is the case, I expect the Committee to report to us how the Ministry has utilised those funds or why the Ministry cannot utilise those funds to settle some of these obligations given the fact that the Government has put it as a policy that pending bills must be settled. This is part of the pending bills. I hope this report will be tabled now that we have resumed to address not only the issue of suppliers, but the wider issue of paying the Board of Management (BOM) teachers and other employees of school management committees.

Thank you, Hon. Speaker.

Hon. Speaker: Member for Kimilili.

Hon. Didmus Barasa (Kimilili, JP): Thank you, Hon. Speaker. I rise to support this important Petition. During an inquiry into this Petition, I hope schools will be assisted to consider selling some of the perishable goods and use that money when schools reopen. There are principals who are holding perishable goods like cereals that can be sold to get money to be used when schools reopen.

This is an important Petition and I support.

Hon. Speaker: Member for West Mugirango.

Hon. Vincent Kemosi (West Mugirango, FORD-K): Hon. Speaker, I stand to support the Petition. Since the onset of COVID-19 pandemic, schools have really suffered. As Members of

Parliament, we have received calls from various principals that they are suffering. Some of these suppliers took loans to supply goods to schools and the prolonged delay is not only affecting them but their families too. The loans are also accruing interest. It is time the Ministry reacts to this issue so that schools can be assisted. The BOM teachers and other staff are also suffering as they have not been paid.

I support the Petition.

Hon. Speaker: Member for Alego-Usonga.

Hon. Samuel Atandi (Alego-Usonga, ODM): Thank you, Hon. Speaker, for giving me an opportunity to comment on this Petition. This Petition is timely. Since the onset of COVID-19 pandemic and when schools were closed, the Government has not remitted the regular capitation resources used to run the schools. I think it is the reason suppliers and employees of the schools have not been paid. When we open schools after the pandemic, they might not even be existing because the infrastructure is dead. The Ministry and the Government should explain why they are not sending the capitation resources thereby risking to stall operations in the schools.

I support the Petition.

Hon. Speaker: Member for Kiminini.

Hon. (Dr.) Chris Wamalwa (Kiminini, FORD-K): Thank you, Hon. Speaker, for granting me this opportunity. This Petition is timely. When it comes to schools, suppliers and the BOM teachers are really suffering. I hope this Petition will be handled in a timely manner. The Government should come up with mechanisms to cushion teachers in private schools. Recently, a programme for youth in slum areas was unveiled and I was surprised to see teachers from private schools going for those jobs. The Committee should look at issues that are cutting across the schools. The Government should try to come up with ways of cushioning people who are suffering.

I thank you.

Hon. Speaker: Finally, let us have the Member for Kinangop.

Hon. Zachary Thuku (Kinangop, JP): Thank you, Hon. Speaker. I would like to add my voice in support of the Petition by Hon. K.J. and the petitioners. The BOM teachers are suffering. They cannot be paid because there is no school fees being paid. Some of us had allocated a lot of money for bursaries towards this cause, but unfortunately, we cannot continue to do the same. So, then the said teachers are not paid. As alluded by Hon. Wamalwa, on the issue of teachers in private schools, I have several text messages from teachers in my constituency and I believe that is the case in other constituencies. They are seeking support from the Government so as to support their livelihoods and their dependents.

Thank you, Hon. Speaker.

Hon. Speaker: The Petition is referred to the Departmental Committee on Education and Research. I can see the new Chairperson does not know that she is supposed to be here. She is still loitering on the gangways. Petitions will be brought here and then you are just standing at the door. Some of these responsibilities require sacrifices. It is not for fun that Hon. Opiyo Wandayi is always in the Chamber.

(Laughter)

Next Order!

PAPERS LAID

Hon. Speaker: Hon. Kimunya.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

- (i) Legal Notice No. 130 of 2020 relating to the Land Registration (Electronic Land Transactions) Regulations and the Explanatory Memorandum from the Ministry of Lands and Physical Planning.
- (ii) Legal Notice No. 131 of 2020 relating to the Land (Amendment) Regulations and the Explanatory Memorandum from the Ministry of Lands and Physical Planning.
- (iii) Legal Notice No. 132 of 2020 relating to the Survey (Electronic Cadastre Transactions) Regulations and the Explanatory Memorandum from the Ministry of Lands and Physical Planning.
- (iv) Legal Notice No. 134 of 2020 relating to the Survey (Amendment) Regulations and the Explanatory Memorandum from the Ministry of Lands and Physical Planning.
- (v) Legal Notice No. 97 of 2020 relating to the Crops (Sugar) (Imports, Exports and By-Products) Regulations and the Explanatory Memorandum from the Ministry of Agriculture, Livestock, Fisheries and Cooperatives.
- (vi) Sessional Paper 1 of 2020 on Wildlife Policy.
- (vii) Annual Report to Parliament in fulfilment of the Constitutional requirement under Article 153(4)(b) for the Ministry of East African Community and Regional Development.

Hon. Speaker: The Legal Notices will be referred to the Committee on Delegated Legislation. The Sessional Paper and the Report will be referred to the relevant departmental committees.

Hon. Speaker: Chairperson, Departmental Committee on Finance and National Planning.

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): Hon. Speaker, I beg to lay the following Paper on the Table of the House:

Report of the Departmental Committee on Finance and National Planning on the Public Finance Management (Amendment) (No.2) Bill, 2020.

QUESTION BY PRIVATE NOTICE

Question No. 014/2020

MEASURES TO INCLUDE JOBLESS YOUTHS IN
ALL COUNTIES IN THE *KAZI MTAANI* INITIATIVE

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Hon. Speaker, I rise to ask the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works:

- (i) What plans has the Ministry put in place to ensure that jobless youths in all counties other than those in the slums and urban areas, benefit from the National Hygiene Initiative dubbed "*Kazi Mtaani*" especially in the programmes and projects for the fight against the COVID-19 pandemic?

I would request that a sustainable plan is provided to this House so that we know how many youths are targeted and how the programme is going to be sustained.

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Thank you.

Hon. Speaker: Question to be replied before the Departmental Committee on Labour and Social Welfare. Next Question is by the Member for Tharaka, Hon. Gitonga Murugara.

ORDINARY QUESTIONS

Question No.090/2020

RECOMMENDATIONS OF THE MULTI-AGENCY TASKFORCE ON WELFARE OF FORMER COUNCILLORS

Hon. George Gitonga (Tharaka, DP): Hon. Speaker, I beg to ask the Cabinet Secretary for the National Treasury and Planning the following Question:

- (i) Could the Cabinet Secretary explain whether the Multi-Agency Taskforce constituted by the Principal Secretary for the National Treasury and Planning, with the mandate of studying, deliberating on and making recommendations on matters of payments of pensions, gratuities and other benefits to former councillors completed its task as per the terms of reference?
- (ii) Has the Taskforce submitted its report on the matter and if so, what were the recommendations, and when are the former councillors likely to be paid their benefits, pensions, gratuities and other benefits?

Thank you.

Hon. Speaker: Question to be replied before the Departmental Committee on Finance and National Planning. Next Question is by the Member for Maragua, Hon. Mary Wamaua.

Question No.105/2020

PROGRESS REPORT ON BENEFICIARIES OF INUA JAMII CASH TRANSFER PROGRAMME IN MARAGUA

Hon. (Ms.) Mary Njoroge (Maragwa, JP): Hon. Speaker, I beg to ask the Cabinet Secretary for Labour and Social Protection the following Question:

- (i) Could the Cabinet Secretary provide a progress report on the status of reinstating beneficiaries of *Inua Jamii* Cash Transfer Programme in Maragua Constituency to the payroll?
- (ii) What steps is the Ministry taking to register more beneficiaries to the Cash Transfer program particularly during the current hard economic times resulting from the COVID-19 pandemic?

Thank you.

Hon. Speaker: Question to be replied before the Departmental Committee on Labour and Social Welfare. Just to point out, the Question by the Member for Murang'a, Hon. Sabina Chege, was a Question by Private Notice. Therefore, the Departmental Committee on Labour and Social Welfare should deal with it expeditiously.

Next Question is by the Member for Gilgil.

Question No.119/2020

STATUS OF FUNDING LANGA LANGA – MACHINERY ROAD

Hon. (Ms.) Martha Wangari (Gilgil, JP): Hon. Speaker, I beg to ask the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works the following Question:

- (i) Could the Cabinet Secretary explain the status of funding of the Langa Langa – Machinery Road in Gilgil Constituency, and specify the date the construction contract was awarded and when the contractor awarded the contract?
- (ii) When is the construction of the said road scheduled to be completed?

Thank you.

Hon. Speaker: Question to be replied before the Departmental Committee on Transport, Public Works and Housing. Last Question by the Member for Nakuru Town East Constituency, Hon. David Gikaria.

Question No.125/2020

THE TEACHERS SERVICE COMMISSION (TSC)

Hon. David Gikaria (Nakuru Town East, JP): Hon. Speaker, I beg to ask the Chairperson, Teachers Service Commission the following Question:

- (i) Could the Teachers Service Commission (TSC) explain the criteria applied to determine payment of house allowances to teachers in the country and in particular for those working in Nakuru Municipality?
- (ii) Could the Commission provide a list of all the public schools in Nakuru Municipality specifying the schools where teachers are paid enhanced house allowances?
- (iii) Could the Commission give details as to why teachers in some primary and secondary schools such as Ngara Primary and Secondary Schools for the deaf; Madaraka, Rhino, Nakuru Hills, Kibowen, Eileen Ngochoch and Racetrack Primary Schools; Hillcrest, Nairobi Road, Rhino, St Maria Veronica Girls and Lanet Secondary Schools in Nakuru Town municipality are not paid enhanced house allowances like their counterparts in other similar areas?
- (iv) What measures is the TSC taking to ensure that all teachers from the said schools receive their enhanced house allowances, including arrears some dating as far back as 2019 and also ensure that the said schools are categorised as municipality schools?

Thank you.

Hon. Speaker: Your Question is seeking a written reply. So, it is to be transmitted to TSC for Written Reply.

There is a request for a statement by the Hon. Aden Duale.

REQUESTS FOR STATEMENTS**KILLING OF RESIDENTS OF GARISSA BY POLICE**

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, pursuant to Standing Order No. 44(2)(c), I seek to request for a statement from the Chairperson of the Departmental Committee on Administration and National Security regarding the killing of two residents of Garissa Township Constituency in Garissa County by the police.

Two adult residents from of Garissa Township Constituency namely: Muhiyadin Adow Shibin ID Card No. 13117510 and Aden Abdi Madobe aged 51, ID Card No. 9564147 were killed by police officers under unclear circumstances. It is alleged that they were killed as the police were pursuing a suspect in Garissa Livestock Market, Garissa Town on Saturday 26th July, 2020.

Article 26(1) of the Constitution guarantees one right to life and Article 244(a)(c) and (e) requires public officials, including the police service, to observe high standards of professionalism and discipline, to comply with the constitutional standards on human rights, and foster and promote relationships with the broader society that they serve as required by the police force. In addition, any police officer must adhere to the provisions of the Sixth Schedule of the National Police Service Act as revised in 2014 while executing his or her duties.

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

- 1) What steps have been taken to ensure speedy investigation, arrest and prosecution of the police officer responsible for the loss of lives of the deceased? On this note, I want to thank the Inspector-General (IG) of Police, the Independent Policing Oversight Authority (IPOA), the Kenya Police Criminal Investigation Department (DCI) and the Director of Public Prosecutions (DPP) for moving with speed; they have already arrested the two officers. I thank them for their due diligence.
- 2) What is the criterion and mechanism of engagement employed by the police during raids and operations, and how are innocent law-abiding citizens protected from such operations?
- 3) What measures is the Ministry of Interior putting in place to ensure that the affected families are duly compensated for the loss of lives of their loved ones and by when?

Thank you.

Hon. Speaker: The statement request is submitted to the Departmental Committee on Administration and National Security to give a response as appropriate.

The next request is by Hon. (Prof.) Jacqueline Oduol.

INCREASED TEENAGE PREGNANCIES DURING COVID-19 PERIOD

Hon. (Prof.) Jacqueline Oduol (Nominated, ODM): Thank you, Hon. Speaker. Before I present my request for statement, allow me to express sincere regret that the last time, on 13th July 2020, I was not able to respond as you sought for me to present the request for Statement. At that time, I had the honour of representing the International Parliamentary Union (IPU) on a Zoom call. I thank you, Hon. Speaker, for the opportunity today.

Pursuant to Standing Order 44(2) (c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Labour and Social Welfare regarding increased

teenage pregnancies during this COVID-19 pandemic period. Although teenage pregnancies is a global problem, which existed before COVID-19, the number has increased enormously and the crisis has helped to expose it as an extremely serious and widespread health and social emergency, which will have long-term implications for the future.

COVID-19 has led to the suspension of economic activities and some children forced into some income-generating activities to support their families' survival. It is evident that teenagers from poor, vulnerable and marginalised households now lack access to school meals and sanitary towels. They are at risk from peer pressure, social media and irresponsible parenting. Further, teenagers are ill-equipped to cope with the trauma and uncertainties of adolescence, hence exposing them to wrong behaviour, including transactional sex to gain access to essential needs. It is on account of these challenges facing teenagers that I seek a statement from the Chairperson of the Departmental Committee on Labour and Social Welfare on the following:

1. What measures are in place to protect teenagers from negative impact of social media, pornographic material and sexual abuse during the COVID-19 lockdown?
2. What specific reproductive health information services has the Government earmarked for teenagers to promote healthy living, discipline and responsible conduct?
3. What steps has the Government taken to strengthen parental care and community protection mechanisms to prevent and detect teenage pregnancies?

I thank you, Hon. Speaker.

Hon. Speaker: The request is sent to the Departmental Committee on Labour and Social Welfare to give the appropriate response.

There is a response expected today from the Chairperson of the Departmental Committee on Lands to requests made by Hon. Daniel Rono, Member for Keiyo South, and Hon. Malulu Injendi, Member for Malava.

Hon. Cecily Mbarire (Nominated, JP): On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Mbarire, what is your point of order?

Hon. Cecily Mbarire (Nominated, JP): Sorry, Hon. Speaker. I did press the intervention button but I think you were busy communicating to the Chamber. I just wanted to take up from Hon. Jacqueline and say that you did also approve a Question that was very closely related to what Prof. Jacqueline Oduol has sought to ask from the committee. That was like three weeks ago. The Departmental Committee on Labour and Social Welfare has not yet called me so that we are able to interrogate that particular Question. I was wondering, since the two are closely related, if you could guide the committee to see how they can handle these matters together but also expeditiously because the issue has not yet been resolved and we are still on this long COVID-19 break. And we do not know how much more damage will be done to the teenage girls and boys in the villages.

Thank you, Hon. Speaker.

COMMUNICATION FROM THE CHAIR

LEADERSHIP OF COMMITTEES

Hon. Speaker: Thank you very much, Hon. Mbarire. Perhaps, at this point I need to make announcement, because you said that you raised your request about three weeks ago. I want to announce to the House the leadership of various Committees as of today, with the exception of those Committees whose leadership is provided for either in legislation or in the Standing Orders:

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1. DEPARTMENTAL COMMITTEES

A. DEPARTMENTAL COMMITTEE ON ADMINISTRATION AND NATIONAL SECURITY—

1. Chairperson – Hon. Paul Koinange, M.P.
2. Vice-Chairperson – Hon. (Ms.) Fatuma Gedi Ali, M.P.

B. DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK—

1. Chairperson – Hon. Silas Kipkoech Tiren, M.P.
2. Vice-Chairperson – Hon. (Ms.) Catherine Waruguru, M.P.

C. DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION—

1. Chairperson – Hon. William Kipkemoi Kisang, M.P.
2. Vice-Chairperson – Hon. (Ms.) Jane Wanjuki Njiru, M.P.

D. DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS—

1. Chairperson – Hon. Katoo ole Metito Judah, M.P.
2. Vice-Chairperson – Hon. Richard N. Tong’I, M.P.

E. DEPARTMENTAL COMMITTEE ON EDUCATION AND RESEARCH—

1. Chairperson – Hon. (Ms.) Florence Mwikali Mutua, M.P.
2. Vice-Chairperson – Hon. Martin Wambugu Ngunjiri, M.P.

F. DEPARTMENTAL COMMITTEE ON ENERGY—

1. Chairperson – Hon. David Gikaria, M.P.
2. Vice-Chairperson – Hon. (Ms.) Gladwell Cheruiyot, M.P.

G. DEPARTMENTAL COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES—

1. Chairperson – Hon. Japhet Kareke Mbiuki, M.P.
2. Vice-Chairperson – Hon. (Ms.) Sophia Abdi Noor, M.P.

H. DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING—

1. Chairperson – Hon. (Ms.) Gladys Wanga, M.P.
2. Vice-Chairperson – Hon. Isaac Waihenya Ndirangu, M.P.

I. DEPARTMENTAL COMMITTEE ON HEALTH—

1. Chairperson – Hon. (Ms.) Sabina Wanjiru Chege, M.P.
2. Vice-Chair – Hon. Joshua Kutuny, M.P.

J. DEPARTMENTAL COMMITTEE ON JUSTICE AND LEGAL AFFAIRS—

1. Chairperson – Hon. Clement Muturi Kigano, M.P.
2. Vice-Chairperson – Hon. (Dr.) Paul Otiende Amollo, M.P.

K. DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE—

1. Chairperson – Hon. Peter Mwathi, M.P.
2. Vice-Chairperson – Hon. Gideon Koske Kimutai, M.P.

L. DEPARTMENTAL COMMITTEE ON LANDS—

1. Chairperson – Hon. (Dr.) Rachael Nyamai, M.P.
2. Vice-Chairperson – Hon. Khatib Abdallah Mwashetani, M.P.

M. DEPARTMENTAL COMMITTEE ON SPORTS, CULTURE AND TOURISM—

1. Chairperson – Hon. Patrick Makau King'ola, M.P.
2. Vice-Chairperson – Hon. (Dr.) Korei ole Lemein, M.P.

N. DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES—

1. Chairperson – Hon. Adan Haji Ali, M.P.
2. Vice-Chair – Hon. (Ms.) Ruth Wangari Mwaniki, M.P.

O. DEPARTMENTAL COMMITTEE ON TRANSPORT, PUBLIC WORKS AND HOUSING—

1. Chairperson – Hon. David Pkosing, M.P.
2. Vice-Chairperson – Hon. (Ms.) Gathoni Wamuchomba, M.P.

II. FINANCIAL AUDIT AND MONEY RELATED COMMITTEES

A. PUBLIC ACCOUNTS COMMITTEE—

1. Chairperson – Hon. James Opiyo Wandayi, M.P.
2. Vice-Chairperson – Hon. (Ms.) Jessica Nduku Kiko Mbalu, M.P.

B. PUBLIC INVESTMENTS COMMITTEE

1. Chairperson – Hon. Abdullswamad Shariff Nassir, M.P.
2. Vice-Chairperson – Hon. Ahmed Abdisalan Ibrahim, M.P.

C. SPECIAL FUNDS ACCOUNTS COMMITTEE

1. Chairperson – Hon. Kathuri Murungi, M.P.
2. Vice-Chairperson – William Kamuren Chirchir Chepkut, M.P.

D. BUDGET AND APPROPRIATIONS COMMITTEE

1. Chairperson – Hon. Kanini Kega, M.P.
2. Vice-Chairperson – Moses Lessonet, M.P.

III OTHER SELECT COMMITTEES

A. COMMITTEE ON IMPLEMENTATION

1. Chairperson – Hon. Richard Moitalel ole Kenta, M.P.
2. Vice-Chairperson – Hon. Godfrey Osotsi, M.P.

B. DELEGATED LEGISLATION

1. Chairperson – Hon. William Kamket Kassait, M.P.
2. Vice-Chairperson -Hon. Charles Muriuki Njagagua, M.P.

C. REGIONAL INTEGRATION

1. Chairperson – Hon. Ali Wario, M.P.
2. Vice-Chairperson - Hon. (Capt.) Ruweida Mohamed, M.P.

D. NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND COMMITTEE

1. Chairperson – Hon. Athanas Misiko Wafula Wamunyinyi, M.P.
2. Vice-Chairperson – Hon. Omar Mohamed Maalim Hassan, M.P.

E. CONSTITUTIONAL IMPLEMENTATION OVERSIGHT COMMITTEE

1. Chairperson – Hon. Jeremiah Ng'ayu Kioni, M.P.
2. Vice-Chairperson - Hon. Peter Opondo Kaluma, M.P.

F. NATIONAL COHESION AND EQUAL OPPORTUNITY

1. Chairperson – Hon. Maina Kamanda, M.P.
2. Vice-Chairperson - Hon. Gideon Mutemi Mulyungi, M.P.

G. PARLIAMENTARY BROADCASTING AND LIBRARY

1. Chairperson – Hon. Justus Mugali Kizito, M.P.
2. Vice-Chairperson - Hon. (Ms.) Jerusha Mong'ina Momanyi, M.P.

H. MEMBERS' SERVICES AND FACILITIES COMMITTEE

1. Chairperson – Hon. Ezekiel Machogu Ombaki, M.P.
2. Vice-Chairperson – Hon. (Dr.) Swarup Ranjan Mishra, M.P.

I. COMMITTEE ON APPOINTMENTS

Chairperson – The Hon. Justin B. Muturi, EGH, M.P. Speaker of the National Assembly

J. PROCEDURE AND HOUSE RULES COMMITTEE

1. Chairperson – The Hon. Justin B. Muturi, EGH, M.P. Speaker of the National Assembly
2. Vice-Chairperson – Hon. Moses Cheboi, M.P.

K. COMMITTEE ON SELECTION

Chairperson - Hon. (Dr.) Amos Kimunya, EGH, M.P. – Leader of Majority Party.

L. HOUSE BUSINESS COMMITTEE

Chairperson – The Hon. Justin B. Muturi, EGH, M.P. Speaker of the National Assembly

M. COMMITTEE ON PARLIAMENTARY POWERS AND PRIVILEGES

1. Chairperson – The Hon. Justin B. Muturi, EGH, M.P. Speaker of the National Assembly

2. Vice-Chairperson - Hon. Josphat Kabinga Wachira, M.P.

Those are the changes that have taken place. I think it addresses the point that was raised by Hon. Mbarire. As you can see there has been change of leadership in the Departmental Committee on Labour and Social Welfare. Therefore, I direct that both your request and the one by Hon. (Prof.) Jacqueline Oduol be submitted now to the new leadership of that Committee to begin working forthwith for an appropriate response because the matters raised therein are of great public authority.

I thank you, Hon. Members.

Hon. Nyamai, there is no change and so you should be ready.

STATEMENTS

TRIBAL CONFLICTS ALONG NANDI ESCARPMENT

Hon. (Ms.) Rachael Nyamai (Kitui South, JP): Thank you, Hon. Speaker. I rise to respond to a request for a Statement by Hon. Injendi Malulu, MP Malava Constituency concerning tribal conflicts over land along the Nandi Escarpment located along Nandi and Kakamega counties. The registration sections in the disputed areas are Chemuche, Chesero and Kambiri in Kakamega County and Kamwega in Nandi County.

Hon. Speaker, the conflict arose due to an overlap of adjudication boundary with the administrative boundary. The adjudication boundary of South Kabras/Chesero Section in Kakamega County runs along the ridge of the Nandi Escarpment. However, from the demarcation book, the Nandi /Kamwega Section adopted the administration boundary thus leading to an overlap in some sections and consequently double registration of parcels in that area. The County Commissioners of Nandi and Kakamega have constituted a joint committee whose composition includes officials from the Ministry of Lands and Physical Planning. The committee has been holding a series of meetings on this matter. The latest one was held on 25th June 2020 to determine the extent of the overlaps in view of arriving at remedial measures.

Hon. Speaker, a report on the deliberations is attached as Annexure I. In the meantime, the Ministry of Interior and Coordination of National Government is spearheading reconciliatory meetings between the two communities. This is geared towards paving way for the technical team from the Ministry of Lands and Physical Planning and other relevant offices to visit the ground to:

- i) Establish the administrative boundary of Nandi and Kakamega counties within that area; and
- ii) Establish which parcels transcend the county boundaries and subdivide such parcels into two and the resultant subplots be registered in the relevant subsections but under the same owners.

Hon. Speaker, the details of this matter are attached and so Hon. Malulu can look at them. With regard to the second matter...

Hon. Speaker: Hon. Nyamai, before you go on, I would like to inform the House that the officers in Room. No.8 ignored one crucial committee of this House. That is the Liaison Committee chaired by the Hon. Deputy Speaker. So, for those who have assumed leadership of committees, you still have to attend to the Liaison Committee. I am reliably informed that since the 12th Parliament, it has been extremely active. Therefore, you will have to deal with the Hon. Deputy Speaker as appropriate especially on Wednesdays. I am aware the Hon. Deputy Speaker also deputises the Committee on Procedure and House Rules.

Hon. Nyamai, proceed.

Hon. (Ms.) Rachael Nyamai (Kitui South, JP): Thank you, Hon. Speaker. With regard to the second matter raised by Hon. Daniel Rono, it is a Question. It is not a Statement although I have the response to the Question with me.

Hon. Speaker: A Question? There is no need. Questions are not responded to here. I think the Member should pursue it. You can give the Member the written response and he can seek further clarification.

Hon. (Ms.) Rachael Nyamai (Kitui South, JP): Thank you, Hon. Speaker for that guidance. I will give him. I would also like to say that we responded to the other issues. On the other Questions that had been raised to our committee last week although Members did not attend, we also shared the written responses with them.

Hon. Speaker, before I sit, I would like to say that on the Floor of this House, I committed on behalf of the Parliamentary Committee to respond to the matter that was raised by Hon. Jonah Mburu concerning Lari Constituency on the issue of Kinale Scheme. The three weeks have lapsed. The Ministry of Lands and Physical Planning has written to Parliament requesting for an extension so that they get extra information on this matter. You realise that it is quite a heavy matter. So, we would like to seek for more time.

I thank you, Hon. Speaker.

Hon. Speaker: How much more time do they need?

Hon. (Ms.) Racheal Nyamai (Kitui South, JP): Hon. Speaker, I request for another two weeks.

Hon. Speaker: Very well. Granted. Is Hon. Malulu Injendi in the House? His request was read out and it is only fair that he gets a chance to seek further clarification if he has any. Hon. Malulu Injendi Member for Malava. Might he be seated in the tent? Maybe he is in Malava or on his way to this place.

There was a response to be given by the Chairman or Chairperson as the case maybe of the Departmental Committee on Education and Research on requests by Hon. Jones Mlolwa and Hon. Danson Mwashako. By the way, are these two Members present? Hon. Mwashako is almost a permanent feature of the Chamber and he is not in? Hon. Florence Mwikali are you ready with the responses?

STATUS OF DISBURSEMENT OF INFRASTRUCTURE FUNDS TO SECONDARY SCHOOLS

Hon. (Ms.) Florence Mutua (Busia CWR, ODM): Thank you, Hon. Speaker. First and foremost, I take this opportunity to thank the House and the Members for the support they have given me to serve in this position. I will for real give it my best.

Hon. Speaker, I have the response to a request for Statement by MP for Voi Constituency, Hon. Jones Mlolwa regarding distribution of infrastructure funds in secondary schools. His request was on how the funds have been disbursed across the constituencies including the beneficiaries since 2012 to date.

Since 2015, a total of Ksh11.8 billion has been disbursed to 5226 public secondary schools across the country. The funds have covered national, extra-county, county and sub-county schools across all counties. However, the disbursement for 2019/2020 Financial Year was to be done in two tranches. The first tranche was disbursed in February 2020 but funding for the second tranche was not availed by the Exchequer. This disadvantages some regions which were set to benefit in the second tranche.

To mitigate against this, all schools which were earmarked for the funding under the second tranche of 2019/2020 Financial Year will be funded under the first tranche of 2020/2021 Financial Year. A summary table showing the amount and number of schools funded in each county is attached, running all the way from 2015 to 2019/2020 Financial Year.

The second part of the Question was what measures have been put in place to ensure that funds under the said programme are disbursed in a predictable, fair and equitable manner. The response is that the disbursement of funds is guided by approved operational guidelines which primarily take into account infrastructure needs in schools.

The guidelines therefore, stipulate that schools should make a formal request for funding to the Principal Secretary with the proposal being forwarded by the Sub-county Director of Education and accompanied by the relevant supporting documents. The requests are captured by counties and sub-counties to ensure equity and spread of beneficiaries as well as taking into account student enrolment to determine the amount given to each school.

Equity is emphasised by targeting marginalised and disadvantaged communities like Arid and Semi-Arid Lands (ASALs). The guidelines also address expansion of schools, gender imbalance and improvement of schools that serve to mitigate the impact of retrogressive cultural practices. Further, the guidelines provide for support of parental initiatives so as to complete stalled infrastructure projects.

At the same time, the first offer targeted support in cases of destruction of infrastructure by natural disasters for example, floods. In the event that any deserving schools is inadvertently overlooked, the guidelines provide for targeted intervention once the plight of such is brought to the attention of the ministry. The amount awarded to each beneficiary and the total number of beneficiaries in schools is dependent on budgetary allocations for each financial year. However, the infrastructure needs of the schools heavily outstrip the budget provided. Most of the schools across the country are expressing overstretching of their facilities occasioned by the 100 per cent transition policy.

Thank you, Hon. Speaker.

Hon. Speaker: Very well. You can just table the responses because the Members are not here. They will deal with them later. Is there one of them. Is the Member for Voi here? Hon. Mlolwa.

Hon. Jones Mlolwa (Voi, ODM): Thank you, Hon. Speaker. I am not satisfied with the answer. I expected an answer on 100 per cent transition from primary to secondary schools. All pupils are supposed to transit from primary to secondary schools and this means there is inadequate infrastructure in secondary schools to meet this need. This has not been answered. In fact, when they talk about ASALs being taken care of, if you look at Taita Taveta and Tana River counties they received the least amounts from 2015. I also expected an answer on how much has been disbursed to Voi Constituency.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Mutua, are you able to respond to that?

Hon. (Ms.) Florence Mutua (Busia CWR, ODM): Hon. Speaker, the Question that the Hon. Member asked the committee was on the status of disbursement of infrastructure funds to secondary schools across the constituencies including the beneficiaries since 2012.

We have answered that using a table. I can check for him how much Voi got since 2015 and I am sure he also has the table. I will table this response because his Question did not ask about the 100 per cent transition.

Hon. Speaker: Very well. Hon. Mlolwa just read and maybe you can interrogate the matter with the Cabinet Secretary.

Hon. Opiyo Wandayi (Ugunja, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Opiyo Wandayi.

POINT OF ORDER

DIRECTION SOUGHT ON BEST APPROACH TO CONDUCT BUSINESS IN PUBLIC ACCOUNTS COMMITTEE

Hon. Opiyo Wandayi (Ugunja), ODM): On a point of order, Hon. Speaker. I rise on Standing Order No.205. First, I wish to begin by acknowledging the fact that the country and indeed the entire world is facing an unprecedented situation occasioned by the raging COVID -19 pandemic. Institutions without exception have had to change their way of operations in response to this calamity. The National Assembly has not been left out and has accordingly put in place measures to deal with the situation.

In your communication to the House on 15th July 2020 on the engagement between the Executive and the National Assembly, you went into details in terms of highlighting the dangers that the country is facing as a result of the COVID-19 pandemic. In fact, in the said Communication, you emphasised the need for strict adherence to the public health protocols that require minimal physical contact and as such, you directed that committees of the House adopt full virtual meetings beginning today, 28th July 2020. There is no doubt whatsoever that those are very noble initiatives because we all have a responsibility to ensure that we conduct ourselves in a manner that does not endanger our neighbours, families and ourselves in terms of the transmission of this disease.

Hon. Speaker, it is worth noting that the Public Accounts Committee (PAC), which I am privileged to chair in the 12th Parliament, has historically been the foremost oversight committee in the legislature the world over. Our own National Assembly exercises oversight over national revenue and its expenditure pursuant to Article 95(4)(c) of the Constitution. That oversight is only undertaken through PAC. The PAC is the agent of the House in the exercise of that oversight role by the House under the Constitution. One of the principles of public finance in Article 201(d) of the Constitution is that public money shall be used in a prudent and responsible way. Under Article 229(4) of the Constitution, the Auditor-General is required, within six months after the end of each financial year, to audit and report to Parliament on the accounts of both levels of Government. Further, Article 229(6) states:

“An audit report shall confirm whether or not public money has been applied lawfully and in an effective way.”

In other words, the Auditor-General does not just carry out the audit as a matter of formality but such audits are supposed to confirm whether or not public funds have been applied lawfully and in an effective manner. Parliament, under Article 229(8) of the Constitution, is required within three months after receiving an audit report, to debate, consider the report and take appropriate action. That means, therefore, that once the reports land here, we are expected to take not more than three months to act on them. As we speak, the PAC is more than halfway through examining the reports for 2017/2018. Again, as we speak, we expect the tabling of the reports for 2018/2019. Therefore, that means that if the PAC does not continue to work in the manner it is supposed to work, we may end up having a build up of unexamined reports.

It is also important to point out that under Article 203(3) of the Constitution, the equitable share of revenue raised nationally has to be allocated on the basis of the most recent audited accounts of revenue received and approved by the National Assembly. Therefore, time is of essence both in terms of meeting the timelines required by the Constitution for this House to act on those reports and also in terms of ensuring that those reports are acted upon for the national revenue to be allocated equitably.

I want to conclude by saying that given the nature of the proceedings of the PAC, it is neither feasible nor practical to engage with accounting officers remotely or virtually. I will explain why. Firstly, the nature of the documents that an accounting officer would ordinarily produce before the committee and make references on requires the physical presence of the accounting officer. Secondly, PAC hearings, being quasi-judicial, require that the committee Members get to assess the demeanour of witnesses in order to inform committee observations and subsequent recommendations. It is very important that Members who sit in the PAC meetings are able to see the person who is responding to the queries and interrogate them live. Otherwise, if we leave it open to virtual meetings, it creates room for mischief, which we do not want to get to now.

Finally, and in view of the foregoing, the PAC is seeking your further direction on the best approach the committee, and indeed the House, should take in executing this very important mandate of overseeing public expenditures in view of the COVID-19 pandemic. This is because this pandemic might be here forever and we cannot imagine a situation where public accounting officers would sit out there confident that there is no way they are going to be called to account for their actions simply because there is the COVID-19 pandemic and there is no room for physical meetings between them and Parliament.

The committee is particularly appealing for your permission to allow for physical meetings with the accounting officers within the framework of social distancing and other public health protocols on the control of the COVID-19 pandemic. Additionally, the committee is asking for facilitation by the Parliamentary Service Commission with a more spacious and conducive venue for its meetings for it to be able to execute its mandate effectively. Thank you, Hon. Speaker.

Hon. Speaker: I see Hon. John Mbadi wants to wade into it.

Hon. John Mbadi (Suba South, JP): Hon. Speaker, thank you very much. While I appreciate the value of virtual meetings – and the few that I have participated in are equally very important and they serve the purpose – I think the matter that Hon. Opiyo Wandayi has raised is very critical. The mandate of this PAC and also by extension the Public Investments Committee (PIC) is to examine books of accounts and the reports of the Auditor-General. It is not practical to examine books of accounts virtually. You really need the tabling of those documents. There is need to cross-reference. You need to have the presence of the Office of Auditor-General who would take you through. I have been a Member of the PIC for five years and PAC for another five years and I know that really to examine these books and give value to the taxpayers of this country, there may be need to exempt these two committees from this rule by getting a physical space that would accommodate them.

The membership is 19 and over 90 per cent of meetings are not attended 100 per cent. So, you will have about 12 to a maximum of 15 members. However, even if the entire membership was to be present, I am sure that the many chambers at County Hall can accommodate 19 members or at worse even the plenary on a day like Thursday. This is because from next week we will be meeting on Wednesdays.

Therefore, a programme can be worked out to allow these two committees to meet physically so that the oversight function of the National Assembly is not compromised by COVID-19. I just wanted to support the sentiments of Hon. Opiyo Wandayi.

Finally, also as we progress, we are praying hard that the effects of COVID-19 come down. The Budget and Appropriations Committee will be considering Budget Estimates and it will not be practical to discuss them virtually. We hope to have a supplementary budget before we reach that point. Probably, we will have relaxed some of the rules when Kenyans start behaving better than they are doing today.

I support Hon. Opiyo Wandayi's concerns.

Hon. Speaker: Does the Vice-Chair also want to say something?

Hon. (Ms.) Jessica Mbalu (Kibwezi East, WDM – K): Thank you, Hon. Speaker.

I rise to support my Chairman on the request for us to be given space to examine these accounts. Given that there is a lot of work for the Auditor-General - we endorsed her appointment the other day - as Parliament, we have a lot on our table. The players in the examination process are always the Auditor-General's Office, the National Treasury and witnesses. We also interact with many documents and a lot of information. The PAC, being an oversight committee is like a court of law. We need to look at the demeanour of a witness. We have had issues when doing it virtually. Sometimes, the witnesses take advantage. Now that we have Members like Hon. Aden Duale coming in... We want to welcome you but we have been doing very well. So, we really need space. We pray that you give us that space from where we can work.

I support the Leader of the Minority Party. I think County Hall can do us better. In addition, given the timeline on the examination and presentation of the audited accounts, I support the Chairman. I believe that is also the voice of the other Members.

Hon. Speaker: Hon. Aden Duale.

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, let me first start with my first engagement as a Member of PAC this morning because I can now speak from experience.

Hon. Speaker, you were the Chairman of PIC during the 8th or 9th Parliament, if I am not wrong. In PAC, you have the Auditor General's documents, management replies from the accounting officers, and the analysis done by the fiscal analyst of the Budget Office of Parliament. So, you are actually dealing with a set of documents to make sure that the people of Kenya do not lose money in all the three arms of Government; money that this House appropriates.

This morning I was asking the Chairman, Hon. Opiyo Wandayi, together with another Member, what would happen if an accounting officer is on the hot seat and he feels the heat. All that he needs to do, in a virtual sitting, is to say that the internet is down and then disappear from the screen in the middle of the questions. And when you ask questions, he may seek to consult and then disappear. So, I asked the Chairman of PAC how we can handle such a situation.

Secondly and more fundamentally, PAC and PIC handle very sensitive and confidential information that ought to come out clearly when those committees table their respective reports. You have already heard in the media that people are hacking the online education system and parents are having a problem. Imagine your children are online learning and then in the middle of it certain evil people bring in pornography and other things. So, information can filter in and also pilferage of confidential information. We saw our colleagues, the counterpart of PAC in the Senate, using the small dining to interrogate governors. However, they have not indicted even one since the advent of devolution, which is very sad. I have been here and I know, PAC has indicted many people, and some of them have gone to jail. I saw the County Public and Investments Committee (CPAIC) being chaired by the father of a classmate of mine. That Committee was using the small

dining area. I am talking about Sen. (Prof.) Sam Ongeru — his son was my classmate. So, I told our Chairman that it is good that he raises this matter with the Speaker because it is important. We either use the small dining or County Hall to make sure that we protect the money of the people of Kenya.

I have even seen the Select Committee of the Senate mandated to deal with the medical equipment using the small dining. So, Hon. Speaker, I think you can give a leeway to PAC, PIC and the Budget and Appropriations Committee. If this thing continues until next year, the Budget and Appropriations Committee will deal with figures. Therefore, I think this virtual thing... You know I am not very much into that, that is why this morning I told the Chairman I will come physically. I was watching one of my kids online and I saw another one going to the kitchen. He picked a cup of tea and came back. So, this thing is not... With PAC, we are dealing with very sensitive and important documents. So, it is good to have the accounting officer physically present.

As Hon. (Ms.) Jessica Mbalu said, those of us who have been here for many years know that the demeanour, behaviour, and body language of an accounting officer tells a lot. The committee has to observe a lot of things including the accounting officer. Such observation, for instance, how Hon. John Mbadi behaved, will lead to the conclusion and the recommendations.

Hon. Speaker, we cannot check the behaviour of somebody virtually, so, I think you will need to excuse us. I support.

Hon. Speaker: Hon. (Dr.) Amos Kimunya, do you want to wade into it?

Hon. (Dr.) Amos Kimunya (Kipipiri, JP): Indeed, Hon. Speaker.

I was actually getting concerned that we are perhaps converting the House into a Liaison Committee because this matter is one of the things I would have wished to be discussed within the Liaison Committee. I would have wished Hon. Opiyo Wandayi to raise it there tomorrow. That way, we do not waste time of the Members here on a mundane administrative matter that we could well prosecute outside the House. We need to facilitate each and every Committee to meet in a conducive environment. So, I just wanted to raise that matter. We could be prosecuting a matter here, important as it is, and yet there is a better forum for it given it is purely administrative in nature

Hon. Speaker: As you can see, there are many Members who... I thought we should deal with the Business of the House. Member for Nyando, I can see that your hand is up permanently. Do you want to bring papers?

Hon. Jared Okelo (Nyando, ODM): Thank you, Hon. Speaker. In concurring with my brother Hon. Wandayi, there are three very vital committees that examine and re-examine audit queries from the Auditor-General. These are PAC, PIC and the Special Funds Accounts Committee, of which I am a Member.

It is true that it becomes unattainable to determine with exactitude, particularly the authenticity of documents sent by witnesses to committees. Kenyans are a bit creative and at certain times, that creativity becomes a demerit. When documents are sent to committees to exonerate a witness from certain adversarial claims, it may be very difficult to determine whether a document is genuine.

As you retreat to make a determination on this most important matter, my brother, Hon. Wandayi, inadvertently omitted the Special Funds Accounts Committee which is an integral committee that examines audit queries from the Auditor-General.

Hon. Speaker: One minute. Who is that now? With the masks, it is very difficult to know. Is that Hon. Atandi?

Hon. Samuel Atandi (Alego-Usonga, ODM): It is me. Thank you, Hon. Speaker. I join my colleagues in supporting Hon. Opiyo Wandayi on his submissions on the need for PAC to meet outside your guidelines.

All committees of Parliament are important and examine documents. I have been in the Departmental Committee on Finance and National Planning. This is one of the committees that is very active and heavy in terms of documentation and reports. Therefore, my view is that you consider opening up Parliament to transact business as usual.

(Laughter)

The other sectors of the economy are working. The transport sector is working. Everybody is working. Why do Members of Parliament fear transacting business? It is like we are the only people who fear the COVID-19 pandemic and cannot operate. If we have so many Members who are 58 years old and above and are chairing committees, maybe they need to hand over those committees to young people who will not fear contracting the Coronavirus.

(Applause)

(Laughter)

My point is that the effect of your guidelines is that there is a complete gridlock on parliamentary operations which will affect the performance of this House and the overall performance of the economy. I urge you to review your guidelines in totality and allow committees to continue meeting as that has been.

Hon. Speaker: Hon. Members, we do not need to belabour this. Hon. Wamalwa, you appear to have a burning point.

Hon. (Dr.) Chris Wamalwa (Kimini, FORD – K): Thank you, Hon. Speaker. It is true that all committees are important and all examine documents. This is not a laughing matter. The school calendar has changed. The way the Cabinet used to meet has changed. I saw the President holding a virtual meeting with governors. We must accept that COVID-19 is here. As leaders, we must lead by example. There is no way we can start meeting physically. We will be saying in other words that schools should continue holding classes. We must take the matter seriously. Only where there is an extraordinary need can you allow some committees to meet with social distancing guidelines observed.

I request you to ensure that the conditions you gave cut across all committees. Every Member of Parliament is supposed to come here for purposes of legislation and oversight. Circumstances have forced us to meet like this. That is what His Excellency the President said. We should not be in a comfort zone. COVID-19 is a reality. You can be the Chair of the Public Accounts Committee, you get the disease tomorrow and pass away. You will leave your family. I humbly request you to be strict with regard to the Ministry of Health guidelines. This is not a laughing matter.

All committees are equal. They examine documents. I am the acting Secretary-General of FORD – KENYA.

(Laughter)

I went to court. While in court, before we were given the conservatory orders, I could see the judge on the other side. The court examined the documents and requested for concurrence. If there is no concurrence, the court clerk is told to cross-check. Maybe we should invest in technology. With technology, everything will be possible.

Even the Office of the Auditor-General himself has advanced in the way of examining documentation. It is not the way it used to be. There is no way Parliament can be an exemption. Maybe we need to meet Information, Communication and Technology (ICT) experts and see the technological advancements in matters of integrity. I heard Hon. Duale, with due respect, talking about somebody going to the kitchen while they are online. We need to amend the Standing Orders such that even if the committee is sitting virtually, the Standing Orders of the House still apply.

There is also the aspect of demeanour. If I watch you on video, I can extrapolate your demeanour. In any case, it is inconsequential. It is not the substance of it.

COVID-19 is a serious matter. Let us consult further in terms of technology so that we do not take it as a joke.

Hon. Speaker: Hon. Members, let us not debate this now. I can see the Chair of the Public Investments Committee wants to say something and I am sure another chair of another committee will want to say something. It will then become the business of the afternoon yet there is business for which the Order Paper has been drawn. This was not part of the business of the day on the Order Paper. This was a request made by Hon. Wandayi.

If you remember my Communication of 15th July, it indicated that we proceed with virtual meetings as far as it is practical. Physical meetings with the observance of appropriate social distancing will be held subject to express permission from myself. Because many of you speak some form of English, I am sure that should be sufficient. Is that not it? This is so that we do not again have too many of you saying that we are meeting in the same limited space. The spaces where you can observe appropriate social distancing could either be here in the Chamber, the Mini Chamber of County Hall or the small Dining Room which Hon. Duale mentioned. I do not know how big the small Dining Room is to accommodate many Members. With appropriate arrangements and as need arises, it is possible to continue observing the Ministry of Health protocols particularly on social distancing where necessary and appropriate. The need must arise and must be stated.

I agree with the Member of Nyando that there is no committee that does not examine documents but when it comes to the issues of what has been stated by the Auditor-General which could be in dispute by some other person, it could become so contentious that there may be need for you to physically look at the various documents that may be availed. For the time being, the guidelines remain but the audit committees are encouraged that where the need arises, they should make a request and it shall be considered on the basis of the need. Let us not say that there will never be any physical sittings. That is not what was contained in my statement. It is not that there will never be any physical sittings. They will be there but while observing the necessary protocols.

I suspect that that may not be a decision to be made by the Liaison Committee, Hon. Kimunya, because the Liaison Committee will then also have to come to me. It is fair that we make this clarification now so that the audit committees particularly can then take advantage of that window where necessary. Hon. Wandayi, Hon. Abdulswamad, Hon. Kathuri and Hon. Chepkut and other chairs of such like audit committees should make the necessary applications or requests. They should do it in the normal way through the Director of Committees. I am sure that we will deal administratively with those circumstances. I appreciate that it has been very challenging sometimes. I am sure Hon. John Mbadi recalls that we had some challenges with a Member who

was in Turkana County at the House Business Committee (HBC) last week. We did not know what exactly was happening. There is also another Member who appeared to be in a home setting. So, what Hon. Duale said is correct. You hear some funny noises or voices of other people whom you do not know whether they are Members of the House or Committee.

(Laughter)

It is up to us. When we are holding meetings, please, let us do that. You can leave the young ones to be dealt with by those who take care of them when you are here. Do not encourage them to participate in the meetings because they will distort what is said.

(Laughter)

Hon. Members, we can live with that? Hon. Wandayi, Hon. Abdullswamad, Hon. Kathuri and others, please, feel free to make the relevant administrative requests and then we will see what we can do.

I thank you.

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): On a point of order, Hon. Speaker.

Hon. Speaker: Member for Murang'a, what is your point of order?

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Thank you, Hon. Speaker. I want to raise an issue here on a question that I asked the Departmental Committee on Trade, Industry and Cooperatives. It was about the lapse of exemption of inspection of drugs that are imported into the country. This is an urgent matter but I have not got a response.

I also want to raise the issue that was raised by Hon. Yusuf, Member for Kamukunji, on *Mitumba* traders. You directed the Committee on Implementation to handle the matter. It seems it was not handled well as per your Communication. I would like you to give guidance on when the Cabinet Secretaries (CSs) will be interviewed and give commitments. There was a Communication on that. I wish Hon. Yusuf was here. We cannot hold the said CS responsible for what she committed that day when she did the interview. I know that the President also addressed the *Mitumba* issue. However, it was not addressed by this House. It is a major issue which was raised by Hon. Yusuf. We combined the issues because I also wanted to raise the same matter. These are two matters which are under the Departmental Committee on Trade, Industry and Cooperatives. I request that they be addressed with immediate effect.

Thank you, Hon. Speaker.

Hon. Speaker: The second issue is with the Committee on Implementation. Can it go to the Departmental Committee on Trade, Industry and Cooperatives?

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Yes.

Hon. Speaker: I suppose that you were in the Chamber when Hon. Mbarire raised an issue about the leadership of committees which I need to make an announcement on. I am sure there is new leadership. Get in touch with it. If the Committee on Implementation is unable to deal with the matter, let it be dealt with by the Departmental Committee on Trade, Industry and Cooperatives. Liaise with them and Hon. Yusuf, so that you can pursue the matter and you will get an answer.

I can see an intervention by the Member for Ainabkoi. He came, placed his card in the intervention slot and left. I can see another intervention by Hon. Kabinga.

Hon. Josephat Kabinga (Mwea, JP): It has been overtaken by events, Hon. Speaker. I am sorry about that. I thank you for appointing me to deputise you in the Committee on Parliamentary Powers and Privileges.

Thank you.

(Laughter)

Hon. Speaker: You are welcome. Member for Kilifi North, do you have an intervention?

Hon. Owen Baya (Kilifi North, ODM): Yes, Hon. Speaker. I had raised a Petition on cashew nuts to the Departmental Committee on Agriculture and Livestock some time ago. However, it has not come to this House and I have not heard anything from them. They went silent on it.

Hon. Speaker: Have 60 days lapsed?

Hon. Owen Baya (Kilifi North, ODM): They lapsed, but the Committee did not communicate. They did not call me or communicate about anything at all. It looks like I brought the Petition in vain.

Hon. Speaker: You can also be accused of lurches. Do not wait until the 60 days are over. By the time it gets to the 30th day, you should raise the issue. You are very active here, Hon. Baya.

Hon. Owen Baya (Kilifi North, ODM): I followed-up with the Chairman many times until last time when I talked to him. He said that he was no longer the Chairman and 60 days had lapsed. So, I beg to be allowed to bring this Petition here or the Chairman requests for more days to consider it.

Hon. Speaker: Talk to the new Chairman. I am sure the House can appreciate that there is change of leadership in the Committee, and then they can have more time to consider the issues that you raised.

Hon. Owen Baya (Kilifi North, ODM): Alright. Much obliged, Hon. Speaker.

Hon. Speaker: You can do that on Thursday. Get the new Chairman. Where is he? The new Chairman of the Departmental Committee on Agriculture and Livestock, Hon. Tiren, do not just sit. You will now be expected to be here very often.

Hon. Silas Tiren (Moiben, JP): I am here, Hon. Speaker. I have heard the sentiments clearly. We will look into them.

Hon. Speaker: Very well.

Hon. Silas Tiren (Moiben, JP): Hon. Speaker, I had something to request. I do not know whether I can take this opportunity to do it.

Hon. Speaker: Proceed.

Hon. Silas Tiren (Moiben, JP): Thank you. On behalf of the Committee, I wish to request for your indulgence for more time for the Committee to consider the amendments which were proposed by the Ministry of Agriculture, Livestock and Fisheries on the Tea Bill. They were received by the Clerk's Office on 22nd July 2020. We also have quite a new team in the Departmental Committee on Agriculture and Livestock. As the Chair, I am also new. I would like to thank everybody who supported me. For us to acquaint ourselves with the Bill, I request for more time because it is due on Thursday.

Hon. Speaker: The Bill was listed to be considered in the Committee of the whole House on Thursday. I know that there are some Members who have proposed amendments: Hon. Millie Odhiambo, Hon. Brighton Yegon and Hon. Tonui.

Hon. Silas Tiren (Moiben, JP): There are very many Members who have proposed amendments. Hon. Mbarire has also proposed amendments. We need more time to look into them. On top of the ones from the Members, we also have amendments from the Ministry. We have a lot of amendments to consider. I am also very new in the Committee.

(Laughter)

Hon. Speaker: Leader of the Majority Party, do you wish to say something about the amendments from the Ministry?

Hon. Amos Kimunya (Kipipiri, JP): Yes, Hon. Speaker. We discovered this week that there were some amendments that were brought by the Ministry, dated 10th June, which did not make their way for consideration by the Committee for some reasons. It is 21 pages of write-up. We liaised with the Director of Committees and the Departmental Committee on Agriculture and Livestock. It is only fair that all those amendments from Members and Ministry be looked at within one holistic setting and be harmonised, so that we do not end up in the Committee of the whole House with a plethora of amendments that are at times contradicting.

It is not possible to have the Committee of the whole House on the Bill on Thursday to give this Committee adequate time to reconcile all those amendments and bring to the House something that is consumable by the House at the Committee of the whole House. I am in agreement with the Chair that we need to give them time to look at all those amendments and any of the others that may emerge from the Members. We have 97 amendments from Members and 21 pages of amendments from the Ministry. I am sure there is still debate and some regulations that the Ministry has brought. Some of them contradict the amendments which are in the Bill. And all those need to be looked at from a holistic perspective so that we do not end up going round on the same Bill.

Hon. Speaker: Let us have Hon. Mbadi.

Hon. John Mbadi (Suba South, ODM): Thank you, Hon. Speaker. What the Chairman and the Leader of Majority Party are saying makes a lot of sense, but I am just concerned that this Bill has been with us for a long time. We have been suspending the Committee stage of this Bill for a number of times in the House Business Committee. This is the Tea Bill, Senate Bill No.36 of 2018. I know it did not come here in 2018, but it certainly was with us in 2019.

Therefore, it does not make sense to me that the Ministry, which ordinarily has more interest in actualising this Bill is bringing proposed amendments in June, yet this Bill was proposed in 2018. I want to speak to my friend, the Leader of Majority Party, to tell the Executive to take their work seriously. This House cannot be stopped and held to ransom because of failures, so to speak, of the Executive, in terms of expediting their functions. That is my concern and this is not the first time. We have been delaying a number of Bills because of the failure to have the amendments ready in time. There is no reason why, once a Bill has been published and everyone is aware that the Bill exists, if you are interested in bringing amendments to the Bill, you should not do so in good time.

Thank you, Hon. Speaker.

Hon. Speaker: The Chairman is raising the issue so that we can make some administrative directions regarding the business because the business appearing on the Order Paper is already published. It might be desirable that as we adjourn later this evening, we will know what will be there on Thursday. Just to give the Chairman an opportunity to familiarise himself with the Bill,

the Hon. Mbarire had also approached me and indicated that she was also going to consult with the Chairman so that they see how they can handle some of our proposed amendments.

I will direct, but of course, taking into account what Hon. John Mbadi has said, that we cannot keep adjourning the consideration of this Bill. We must bring it to an end. One way or another, we need to make a decision. Those who will not be happy with its provisions have the opportunity of challenging its validity and all the constitutionality in the other arm of the Government.

(Hon. Silas Tiren raised his hand)

Yes, Hon. Tiren, where is your card? Put your card on the intervention box.

Hon. Silas Tiren (Moiben, JP): Thank you, Hon. Speaker. We have heard that we are going to move very fast, and for that reason, we would request to be given an opportunity to sit because it is you to give us permission, so that we can work on the issue immediately.

Hon. Speaker: You should indicate when you want to sit.

Hon. Silas Tiren (Moiben, JP): Thank you.

Hon. Speaker: I can see the Member for Emuhaya has an intervention. So, that business is taken out of the Order Paper for Thursday morning. It will not be part of the business to be considered by the Committee of the whole House.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Speaker, for this opportunity. From what we have heard from Hon. Mbadi, and given the much publicised issues about the Tea Bill, I will only request the new Chairman, having asked properly that he should familiarise himself with what is going on in the Committee and the Bill in particular, that he could possibly give a timeline. This is so that even those who are ready to deal with it are also covered and taken care of.

Thank you, Hon. Speaker.

Hon. Speaker: He will make his request and it will be communicated. Hon. Tiren, you need to move with speed.

Hon. Silas Tiren (Moiben, JP): Thank you, Hon. Speaker. We request for two weeks. We should be ready then.

Hon. Speaker: Two weeks? Very well. In two weeks, it will be on the Order Paper and no adjournment of the Bill will be done unless the House is not able to sit.

I had seen an intervention request from Hon. Melly. Very well, kindly move to the next Order.

PROCEDURAL MOTION

LIMITATION OF DEBATE

Hon. Speaker: Let us have the Leader of Majority Party.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to move the following Procedural Motion:

THAT, pursuant to the provisions of Standing Order No. 97(1) and notwithstanding the resolution of the House of 18th February 2020, the House further orders that during the Sittings of the House of 28th July 2020 up to and including 13th August 2020, each speech in debate on Bills,

Motions (including Special Motions), Sessional Papers and Committee Reports, shall be limited as follows:

A maximum of two-and-a-half hours with not more than ten (10) minutes for the Mover in moving and five (5) minutes in replying and a maximum of five (5) minutes for any other Member speaking, except for the Leader of the Majority Party, the Leader of the Minority Party and the Chairperson of the relevant Committee who shall be limited to a maximum of ten (10) minutes, and that priority in speaking be accorded to the Leader of the Majority Party, the Leader of the Minority Party and Chairperson of the relevant Committee, in that order.

Hon. Speaker, this is a Procedural Motion to just set the rules and for the Members to know the timings they will have. We do not expect many sittings during this small sitting between now and when we break on 13th August 2020. Hence, compressed five minutes should help as many Members as possible to contribute. The reduction to 10 minutes for the Movers, the Leadership and the Chairperson is to accommodate as much contributions from the membership as possible.

Again, this is a fairly straightforward Motion. I beg to move and ask the Leader of Minority Party to second.

Hon. John Mbadi (Suba South, ODM): Hon. Speaker, starting from Order No. 15, we have a very crowded business, I do not want to spend time on a Procedural Motion.

I second.

(Question proposed)

(Question put and agreed to)

First Readings

THE PANDEMIC RESPONSE AND MANAGEMENT BILL
 THE CANCER PREVENTION AND CONTROL (AMENDMENT) BILL
 THE KENYA MEDICAL SUPPLIES AUTHORITY (AMENDMENT) BILL
 THE PUBLIC PROCUREMENT AND ASSET DISPOSAL (AMENDMENT) BILL
 THE CENTRAL BANK OF KENYA (AMENDMENT) BILL

(Orders for First Readings read - Read the First Time and ordered to be referred to the relevant Departmental Committees)

MOTION

ALTERATION OF THE CALENDAR OF THE HOUSE

Hon. Speaker: Leader of the Majority Party.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to move the following Motion:

THAT, pursuant to the provisions of Standing Order 28(4), and taking cognizance of the recent rise in the spread of COVID-19 pandemic in the country, this House resolves to further alter its Calendar for the Fourth Session (Regular Sessions-2020), as amended on 2nd June 2020 and therefore orders as follows with respect to the Sittings of the House during the period 30th July to 13th August 2020-

- (a) that, the House will hold morning and afternoon Sittings on Thursday, 30th July 2020, commencing at 10.00 a.m. and at 2.30 p.m. respectively, thereafter, the rest of Sittings of the House of Tuesdays and Thursdays shall stand suspended; and,
- (b) that, with effect from Wednesday, 5th August 2020, the House will hold its Sittings on Wednesdays only (Morning and Afternoon), commencing at 10.00 a.m. and at 2.30 p.m. respectively.

Hon. Speaker, I am sure Members will appreciate that the rate of infections of COVID-19 is constantly rising. We thought it would be contained, but it is actually going up and this House is not spared. Members themselves are not insulated hence the House Business Committee, in its sitting deliberated on this matter – I see Members still not quite careful about social distancing even within the House – and saw the need to minimise the overall risk to Members of Parliament because, of course, we know the importance of Parliament to this nation, and that risk can only be minimised by minimising the time that Members interact *en masse* as a House by reducing it to one day.

In the past, we increased to two days, but that will now be reduced from next week to only one day which gives adequate time for fumigation of the House and for taking care of the other Ministry of Health protocols that need to be administered to ensure that these facilities are safe. This does not mean that the Committees will not be meeting. They will continue to meet virtually as guided. Even those who need physical meetings will have more time to use these facilities. But for purposes of Sittings of the House as a whole, they will be limited from next week to only one day a week. For this week, as you may recall before we went on recess, we were meeting on Tuesday morning and afternoon and Thursday afternoon. The House Business Committee then decided to create one extra Sitting on Thursday morning for this week to expedite business, then from next week we will have just the two Sittings on Wednesday. On Mondays, Tuesdays, Thursdays and Fridays Committees will sort their meetings virtually or physically as the case may be.

This is a fairly straightforward matter. I remind Members that things are not as rosy as we would wish to have in the country. As a House, we need to provide leadership in terms of adhering to the guidelines and helping the rest of the country to flatten the curve and reduce the rate of infection, which is now reaching alarming levels. If we do not do that, then our health care system will be overwhelmed with resultant catastrophic effects as we have seen in other countries. The onus is on us individually and collectively as a House to help during this pandemic, including reducing our exposure with the constituents. We still see a lot of activity going on, whether we are distributing supplies or whatever. I cannot re-emphasise the need for care. Each one of us, the 349, are at risk. So, let us know that it is not one of us, but we are responsible for one another as an institution. If we can help in bringing the numbers down and flattening the curve, we will be able to get back to normal as soon as we can.

With those words, I beg to move. Once again, I ask the Leader of the Minority Party, who sits with us in the House Business Committee to second.

Hon. Speaker: Hon. Mbadi.

Hon. John Mbadi (Suba South, ODM): Hon. Speaker, as I second, I would repeat once again that we are actually living in extraordinary times. No one ever imagined that the activities and business of this House would be interfered with to this extent. It is not just affecting our Parliament, but it affects many other places in many jurisdictions across the world.

The last meeting the House Business Committee held last week, we reviewed and came to a conclusion that we could have two Sittings in a week instead of three: on Wednesday morning and afternoon for the next two weeks. Basically, we are breaking on 13th August 2020. We will use that period to review the behaviour pattern of the effects of COVID-19. The curve is not flattening yet. There is a spike in infections. We hope we are approaching the peak. Let us pray hard that we are approaching the peak so that, maybe, in the next one month or so, the curve starts flattening and even have a downward trend, in which case then we will resume our normal Sittings.

My final comment is that sometimes I hear and discuss a lot with Members of Parliament who believe that we are being overcautious and that we are behaving like we fear COVID-19 more than any other institution. The truth of the matter is that we are a closed family. This Parliament is a small area with a very high population. In fact, we are like some estates of Nairobi that are overly populated. Already amongst us, a few Members have already contracted the virus and we do not know the actual number because many of us have not taken tests. The truth of the matter is that over 30 members of staff who serve us on a daily basis have tested positive. That is a fact. The last time we checked there were 36 and there are others who are offering services to Parliament who are also affected.

So, in a closed family like this, if we do not take precaution, then certainly, the effect of this COVID-19 pandemic will be too much in Parliament. We know how Members of Parliament interact with people out there. I agree with the Leader of the Majority Party that we should reduce our interactions, but this has been said many times. We are educated but you still see that Members are not ready to let go our everyday interactions. So, we are exposing other Kenyans also to the same risk. I just want to plead with my colleagues that let us not imagine that the effect of the COVID-19 pandemic has not hit Parliament. It has. There are a few of our Members, a number of staff members and a number of other people who offer services to Parliament who have already tested positive. So, if we do not take these precautions as the leadership of the House, we have a duty and responsibility to recommend those measures that we think are in line with the recommendations of the Ministry of Health. This will help protect this institution and protect Kenyans at large.

Hon. Speaker, I second the Motion.

(Question proposed)

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, I support.

We are for the first time altering this Calendar because of the COVID-19 pandemic. I think we need to speak, as leaders, to the people of Kenya that COVID-19 has now reached our community level; the transmission is now at the community level. We are talking about close to 1,000 cases per day. We are heading that route. We are now reaching close to 20,000 COVID-19 cases in our country. Some counties have reported over 30 per cent infection rates. Our public and private hospitals are overwhelmed. It is a reality. We are being told by the Ministry of Health that only five counties have adequate isolation centres. We are talking of very few Intensive Care Unit (ICU) beds. You saw yesterday His Excellency the President raising very serious alarming rates. So we must speak to the people that even this House is under obligation – apart from representing the people, to protect ourselves, staff of Parliament and the people of Kenya.

The Ministry of Health must change their narrative. They cannot continue steering a ship towards the direction where the hurricane is building and expect a different result. They need to change the coordinates. The Ministry of Health, in my honest opinion, is telling us that there is a

fire. Every day they tell us how many trees have been burnt and how far the fire has reached. They need to change that narrative. They need to tell us how many trees they have saved and what acreage of that bush is not consumed by the fire. We have appropriated over Ksh3 billion. Money has been given to counties. If you go to some of the counties in Kenya, particularly in the north, you will not find a single isolation centre. Because of the communities that live in those areas and the nature of burials, there are more deaths in rural Kenya today than in the hospitals where those of us who are privileged frequent.

For example, a patient was found with COVID-19 in Garissa County. This patient was to be brought to Nairobi. The ambulance had no fuel. I hope Hon. Sophia is around here because that patient is her relative. She had to pay for the fuel of the ambulance. She had to pay the allowances of the drivers and the nurse. It is so sad that there was no oxygen. That patient died before reaching Thika and the body had to be returned. There are many deaths that are not accounted for. Today alone the report is that there are over 14 who died in the last 24 hours. We should not wait, unless we want to go south like our colleague, the Republic of South Africa where they are reporting 500 deaths within 24 hours or in Bolivia where 400 people collapsed and died on the streets in one day. Their bodies were being collected. This disease is very real. As we alter the calendar, we must go back and speak to our people. If you go to rural Kenya, whether it is in Nyanza, the northern region, the eastern region or the central region, people are not wearing masks. People are still greeting each other physically. There is no social distancing. We really ask the Ministry of Health to go out of their way by even protecting the privacy of those who are in the ICUs though Kenyans must access the media to see how full our ICU rooms are with COVID-19 patients. What Kenyans are only hearing is numbers – today it is 400 people, tomorrow it is 600 people and we are now going to 1,000.

So, I really ask that as we alter the calendar, the Ministry of Health must act now and fast, otherwise, we will have no Wanjiku to talk to and talk about. We will have no one to get us the media reports. There will be no Wanjiku to vote for the Building Bridges Initiative (BBI). Do something now. The time is now. You owe Wanjiku the duty to do everything, to protect her survival. This is a matter of life and death. As a country, let us listen to the experts. Let us listen to the President. Let us listen to those who are guiding us as we alter our calendar and even ask Parliament to protect lives. You are under obligation as our Speaker and as the Chair of the Parliamentary Service Commission (PSC) to make sure that our staff and their families are safe.

I support.

Hon. Speaker: What is the point of order, Hon. Wanga?

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): Thank you, Hon. Speaker. The former Leader of the Majority Party has made very good points, but there is the issue of how we actually wear our masks. It is the first place we should begin from. The mask should also cover your nose in addition to your mouth. The whole time the former Leader of the Majority Party was making very good points on COVID-19, his mask was down on his chin.

Thank you, Hon. Speaker.

(Laughter)

Hon. Speaker: Can we dispose of this one?

Hon. Members: Put the Question.

(Question put and agreed to)

Next Order!

BILL

Second Reading

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL

Hon. Speaker: Leader of the Majority Party.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to move that the Public Finance Management (Amendment) Bill be now read a Second Time.

The objective of this Bill is basically to amend the Public Finance Management Act, 2012 by introducing a major amendment which seeks to create a framework that will facilitate the establishment and operationalisation of a Credit Guarantee Scheme to support Micro, Small and Medium Enterprises (MSMEs). Once established, the scheme aims to provide credit guarantees for the loans that will be issued to these institutions by commercial banks and other lenders. This will end up reducing the default risk as viewed from the lending institutions end. The result is that lenders, credit being guaranteed, will be able to lend more and at lower rates. With the risk reduced, the cost of lending should come down.

Hon. Speaker, allow me to give a brief background. You may recall that in recognition of the importance of MSMEs and the negative impact that COVID-19 has had on them, His Excellency the President, as part of his measures to address some of the negative impacts on business, on 28th May 2020, unveiled an 8-Point Economic Stimulus Programme. Within this programme, he included the provision for the National Treasury to allocate a seed capital of Ksh3 billion which is ritualised as we go on to purely start the Credit Guarantee Scheme for the MSMEs. Members will recall that this has been factored in the 2020/2021 Financial Year. MSMEs have been identified as pivotal in accelerating the economic growth of this country. The *jua kali* industry and small traders fall within the wider bracket of the MSMEs. There are different definitions and all those have been captured in the Bill.

Hon. Speaker, we know that by virtue of their small sizes, these businesses are vulnerable. First, they do not have access to credit. Nobody trusts them. They do not have a history to take to the bank to support their future cash flows and have no money to invest in technologies for innovation. They also do not have access to the wider markets like their competitors in the larger markets have. Generally, the World Bank and the Central Bank have come up with several factors that are impeding the growth of this sector. The most important has been that... They may be innovative, have good ideas, have a market and even orders from the county and national Government but they do not have finances. The tender finance they were getting was very expensive. His Excellency the President looked at that issue and after holding discussions with them, concluded that if they could access credit from the formal banking systems, then they would be able to trade at par with everyone else at reduced costs.

As opposed to what the United States of America is doing in terms of issuing direct cheques to businesses under the protection plans and what other countries are doing in terms of giving money directly to organizations, Credit Guarantee Schemes do not distort the market. This is because you are accessing money from the same commercial banks except that the money is guaranteed for the small people by the Government while for the bigger guys, it is guaranteed by their history and reputation. This will mean that a small brewer in a rural setting whose turnover

is not even more than Ksh100 million can compete with the East African Breweries Limited (EABL) which brews in billions. The EABL will access credit based on its reputation but the local guy has no reputation. The bank will then price his risk higher and give him money, but at very high interest rates. When that risk is guaranteed by the Government, then the operating framework for the two is equalised.

Hon. Speaker, for purposes of appreciating the sector, in 2019, it was estimated that these MSMEs contributed about 40 per cent of our Gross Domestic Product (GDP) and 90 per cent of the new jobs. We are talking about 7.41 million institutions but from studies, about 20 per cent are registered. The rest are operating informally. This Credit Guarantee Scheme will only operate for those who are formally registered. You cannot get everyone when you do not know how and where to track them once they get the money. Those are some of the proposals that have been put in the Bill. It is to ensure that only those who are registered and paying tax, have business permits and can meet the few conditions, access this scheme so that we do not have the flying-by-night organisations that will want to take advantage of any initiative to ride on it. We do not know what they might do with the funds.

Hon. Speaker, like I said, financing is only one of the problems. I am sure that even as we provide these finances, there is still need to look at the regulatory environment. I am glad the House passed a raft of laws to simplify the business environment which will help these MSMEs. Research is still an issue but we will put in some efforts to help them. Members might be asking why the Uwezo Fund, Youth Enterprise Development Fund, Women Enterprise Development Fund and the Micro Enterprise Support Programme have not addressed the issues herein. These Funds are targeted at separate groupings to start people off and give them confidence to get into the formal market in order to access credit and compete with everyone else.

Hon. Speaker, Kenya is not the only country doing this. There are similar schemes in different jurisdictions. We have a similar scheme in Ireland where the Irish Government is providing about 80 per cent to facilitate that range between the equivalent of Ksh1 million and Ksh120 million for a period of up to seven years. Tanzania runs a similar scheme, a robust credit guarantee scheme, which provides access to credit by MSMEs, especially within the agriculture sector. That is one of the sectors that the formal credit providing institutions do not want to touch, given the vagaries of nature. It is a dynamic situation where a whole crop can be wiped out in one season and banks have no security. Singapore has its enterprise financing scheme which covers a number of enterprises, financing needs such as working capital need, fixed assets loans, venture debt loan and trade loan among others.

As part of the response to COVID-19, we have seen similar initiatives in the USA and United Kingdom (UK) with partial financing for the employees for credit. With European Union (EU), a huge amount has been put to help businesses. So, we are joining the rest of the world to ensure that our people are insulated from lack of finance.

The long and short of this is that our people will get access to this affordable credit, and I do not want to belabor that point. The Bill has provided safeguards that will be necessary to identify the right beneficiaries. It is also providing for the Cabinet Secretary to provide for regulations in terms of how it will be operationalised to ensure that they are adequately covered and we reduce the default risk.

As I conclude, I want to commend the Departmental Committee on Finance and National Planning for moving with speed in reviewing this Bill, processing it to be ready for us to debate it, and sharing their Report which has already been uploaded for members to access.

With those remarks, I beg to move and ask Hon. Gladys Wanga, the new Chair for the Departmental Committee on Finance and National Planning, to second and share with us the results for her Committee's work.

Hon. Speaker: Hon. Wanga, you have the Floor.

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): Thank you, Hon. Speaker. I rise to second the Motion for the Second Reading of the Public Finance Management (Amendment) (No.2) Bill (National Assembly Bill) which the Leader of the Majority Party has ably moved.

Hon. Speaker: Is it No.2 or No.23?

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): It is the Public Finance Management (Amendment) (No.2) Bill (National Assembly Bill No.23 of 2020). It is the second Public Finance Management (PFM) amendment.

I thank the Leader of Majority Party for moving. This is my maiden assignment as the Chairperson of the Departmental Committee on Finance and National Planning. With your permission, allow me to digress and thank the Departmental Committee on Finance and National Planning for according me this opportunity to lead this important Committee. I thank you, Hon. Speaker, for your support and guidance through this period of orientation.

There has been no honeymoon. It has been to hit the road and run. I thank the leadership of the Majority Party and the Leadership of the Minority Party led by the Hon. John Mbadi and the Minority Whip. I thank the outgoing Chair of the Departmental Committee on Finance and National Planning, Hon. Limo, for the work that he did while he held this position. We will build on that work. The staff of the Committee have been kind to acquit me as quickly as possible to the workings of the Committee.

For the record, this Bill was committed to the Departmental Committee on Finance and National Planning and consequently, on 13th July, the Clerk of the National Assembly placed an advert in the newspapers inviting interested members of the public and other stakeholders to submit their proposals. During the COVID-19 period people can say that there was no public participation. We received a few submissions from relevant stakeholders that I will share in the course of my seconding of this Bill.

The Leader of the Majority Party mentioned that the PFM Act anticipates the Government to provide credit guarantees, including private borrowers. However, the conditions that have been put are such that MSMEs cannot fit within that framework. If one of the conditions for private borrowers is that they must provide security, then MSMEs will not be able to provide security. The other condition is that they must take this guarantee for capital investments. We know that under the COVID-19 circumstances, MSMEs are suffering. They need money for their day to day running. So, some of these conditions cannot allow the current framework to have Government guaranteeing private borrowers who are MSMEs. That is why the National Treasury has brought these amendments, so that we create a framework within which conditions are set in a way that MSMEs can afford to borrow.

The other key amendment is on reporting. Currently, the PFM act anticipates the National Treasury to report on each and every guarantee, for example, on the amount of the guarantee and the period. If you do that with MSMEs which are going to be guaranteed using the Ksh3 billion that his Excellency the President set aside in the economic stimulus, which is going to be guaranteed in thousands, it will make it impracticable for Treasury to report on each guarantee. That is why the amendments are providing that in bulk, Treasury can report on the MSMEs every year as per the PFM Act.

The COVID-19 has really affected our MSMEs. If you think about eateries; bars, they are going to go further down following His Excellency the President's Speech yesterday; salons, many women are now preferring to wear wigs; barber shops, many of our brothers are now preferring to be shaven in their houses. They ask their sons and spouses to cut their hair; transport sector; private schools, we talked about them earlier and Members said that the enterprises surrounding schools and universities, be it hostels or business people selling eggs around them; and small shops.

This morning I visited small shops that trade in ladies' items, they said they usually import these items and now the cost of importation is high. They said, if they were to place that cost on the items, people would barely buy them, as they have all been deeply affected. This is where we are coming from. Therefore, it was a game changer for the President to put in the Ksh3 billion for credit guarantee scheme.

We received many submissions on this Bill. I would like to take Members through, clause by clause briefly so that they can have them in mind for contributions. The second Clause deals with definitions. It has defined what a "Medium Enterprise" is, but it has referred to the definitions of Micro, Small and Medium Enterprises from the MSMEs Act, 2012. So, a micro enterprise is defined as a business that has an annual turnover of less than ksh500,000. If you look at this business, it is one with a daily turnover of maybe Ksh1,000 or Ksh1,300, that is what we are looking at here. Anyone could be wondering, if this is an elitist scheme, it is not. We are dealing with businesses with as low as an annual turnover of Ksh500,000 which breaks down to about Ksh1,300 in a day. "Small Enterprises" are defined as those with an annual turnover of between Ksh500,000 and Ksh5 million. Now, the Bill is introducing a definition for a "Medium Enterprise", which is a business with an annual turnover of less than Ksh100 million. Therefore, the scope of MSMEs is covered all the way from a small M-PESA shop to a big business with an annual turnover of less than Ksh100 million.

So, in Clause 3 we are dealing mainly with aligning reporting. In Clause 4, the amendments are introduced. This is the heartbeat of the Bill, where we seek to amend the conditionalities for guaranteeing loans to MSMEs Clause 5 deals with the issue of reporting. The Cabinet Secretary will now have permission to develop regulations to deal with the nitty gritty of who will be lent, how it will be done, how to apply, and when one qualifies. Those will be covered within the regulations.

We received submissions from the National Treasury, the Africa Women's Studies Centre at the University of Nairobi, the Institute of Certified Public Accountants of Kenya (ICPAK), the Kenya Association of Manufacturers (KAM), the Kenya Bankers Association (KBA), the State Department for Trade and Enterprise Development, and the Micro and Small Enterprises Authority. We also received submissions from the Office of the Auditor-General. Even though the Auditor-General's submissions were not relevant, they were very important. They dealt a bit with what Hon. Wandayi was raising earlier in terms of timing for audits. The Auditor-General raised the issue that when you say the auditees should bring in their reports three months after the end of the financial year, everybody brings their reports at the end of the third month. Therefore, the Auditor-General has a very short period of time within which to audit and submit reports within the constitutional timelines. So, even though the submissions were not relevant, I found them very important. And the Committee will look for a way, with your guidance Hon. Speaker, of ensuring that these matters are carried, if not in these amendments then in another substantive amendment on its own. The issues that the Auditor-General raised are very substantive.

These are some of the submissions that we received. It is important to note that measures have to be put in place to ensure enterprises owned by women, youth and persons with disabilities

(PWDs) have access to this fund as well. This group constitutes the bulk of the underserved segment of the economy. Further, promoting capacity of women entrepreneurs and business owners has a significant potential to reduce poverty and gender inequality in the country.

In considering the Bill, the Committee observed that, if enacted, the Bill will make it possible for MSMEs to access credit, it will encourage growth of the MSMEs, increase employment, encourage self-employment as opposed to people waiting for jobs, encourage Kenyans to be innovative and encourage value addition to raw products from this country, thereby contributing significantly to our GDP. The Committee will be proposing some amendments to the Bill during the Committee of the whole House stage.

Hon. Speaker, with those many remarks, I beg to second.

(Applause)

Hon. Speaker: Well done.

(Question proposed)

Hon. Speaker: Hon. John Mbadi, you have the Floor.

Hon. John Mbadi (Suba South, ODM): Thank you, Hon. Speaker, for giving me this opportunity to support this Bill that has been ably moved by the Leader of the Majority Party and seconded by the Chair of the Committee. I am happy because it has been a long time for a Member of the ODM party to second a Motion and present the report of a Departmental Committee of the House. That is because of the changing times of accommodative politics. I want to congratulate Hon. Gladys Wanga for having earned the approval of the Committee members to chair this Committee.

Having said that, I want to start by saying that financial experts in this country, especially immediately the effects of Covid-19 started becoming apparent, got concerned that as a nation we need to pay more attention to MSMEs. I have spoken in this House many times, especially when we were discussing the effects of Covid-19 on the economy. I did say that a lot of attention needs to be directed towards the MSMEs for three critical reasons. One, MSMEs actually contribute over 40 per cent of our GDP, as the Leader of the Majority Party said. So, in order to push the GDP forward, you need to give attention to this sector. Two, this sector of the economy contributes to the tax revenue of our economy. Three, you need to protect jobs in this sector. And a majority of Kenyans are actually employed by the MSMEs. Therefore, in order to provide a ceiling for the economy not to sink further, urgent attention needed to be paid to this sector. That is why we have been calling for a structured way of helping the MSMEs to be able to absorb the shock that has been caused by the effects of the Coronavirus. Almost all businesses are struggling worldwide, whether multinational or small enterprises, but the effect is more advanced on the MSMEs. Therefore, the import of this Bill is to provide a credit guarantee scheme to be able to have these MSMEs to be funded through loaning but the loans are guaranteed by the government. That is the main objective of this Bill.

I want to agree with Hon. Wanga that both micro and small enterprises are clearly defined in the Micro and Small Enterprises Act of 2012. But the medium enterprises had not been defined up to now. Therefore, this Bill provides a definition where, besides putting the cap on annual turnover of not more than Ksh100 million, there is also a cap on the number of employees from

51 to 200. So, any business enterprise that has more than 200 employees would not qualify to be in the category of medium enterprises. The Bill also goes ahead to include the manufacturing sector, which would fall under medium enterprises, and the capital base or assets of such enterprises to be no more than Ksh250 million. The Bill also talks about the service sector and farming enterprises, which would also qualify. Again, the capital base or the assets are capped at Ksh325 million.

[The Hon. Speaker (Hon. Justin Muturi) left the Chair]

*[The Temporary Deputy Speaker
(Hon. Jessica Mbalu) took the Chair]*

I have a few concerns that need to be addressed. There are certain observations that I have made from the Bill. One is that we need to be cautious. There is need for these enterprises, whether micro, small or medium, to understand that the loans that will be advanced to them is not free money. The reason the Youth Enterprise Development Fund, the Women Enterprise Development Fund and the Uwezo Fund are struggling is because Kenyans have the bad manners of imagining that any money that has government hand in it is free money. These businesses need to understand that the money that they would be loaned from the financial institutions but guaranteed by the government is not free money but money that they must work hard to repay.

The second observation is to caution the CS responsible that apart from our debt level which is as a result of borrowing, we also have parastatals that have been guaranteed loans by the national government.

Hon. Temporary Deputy Speaker, many of them are defaulting payment of their loans. Those loans will fall on the shoulders of the National Treasury. Remember we already have regulations that allow counties to also borrow and the National Government to guarantee. So, if we are not careful with the guarantees, we are going to expose this country to a debt risk that may affect our economy adversely. We all know that when banks are calculating loans, the cost of borrowing or the risk factor is very important. That is why I am supporting fully the guaranteeing of the loans to SMEs. If that guarantee is not provided, the cost of borrowing will be very high.

Hon. Temporary Deputy Speaker, I must admit that I have not looked into details of the report of the committee, but I will check. I hope the Committee has considered the powers that have been given to the Cabinet Secretary in this Bill. This Bill has literally given the CS powers to prescribe, through regulations, the operation of this scheme which includes determining who is eligible. It also puts in the hands of the CS those institutions that are eligible, the conditions for granting the loan, and the proportion of security for the loan that would be provided by those being loaned.

My concern is the behaviour in this country of public office holders. The moment you give them a free hand to determine who gets what, and especially where funding is involved, you will see the bad manners of a CS. He or she will only approve loans for those enterprises which come either from his or her ethnic community, region and village. That is something I expect the committee to look into. We should have a board so that decisions are not made by one individual.

I can see my time is running out and many Members would want to contribute. So, I support the Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You are on record supporting the Bill.

Hon. Members I am sure the new Chairperson is taking note as we congratulate her. Let me have Hon. Wangwe, the Member for Navakholo Constituency.

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this chance to add my voice to this Bill.

At the outset, I support the Bill because it has come at the right time. In as much as it is a Bill that has come because of COVID-19, it seeks to support the situation that is in dire need of funding. This Bill should have come a long time back. I support it because it creates a credit guarantee scheme.

Our population is rich in knowledge, has strength to work and is ready to support any kind of development. What makes our population lag behind is the lack of the financial back-up. They lack a place to borrow money from and the collateral to support them in terms of what they want to achieve. Therefore, the Government coming up with the credit guarantee scheme through the National Treasury is a good thing. This is the time most of our young people coming from universities and technical colleges, who are equipped with knowledge to transact business, need to take advantage of the situation. I would like to congratulate the Chairperson. She has done a wonderful maiden presentation. I ask her to consider the powers that have been given to the CS. When it comes to eligibility, let it not be that the people who are already working come down to compete with the young people who have just come out of schools and universities. You may find that the conditionality that the CS will impose may be universal. Let it be that the young...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Order! There are these two Members. We are very few in the House and we need some decorum. A Member is mentioning something about cousins.

Hon. Emmanuel Wangwe (Navakholo, JP): I hope Muhoroni Sugar factory is not just milling next to him.

Thank you, Hon. Temporary Deputy Speaker. Let us give fresh graduates leverage here. They are young enough and have skills. All they lack is collateral to present and get capital to move on. Should they come up with it, the aged people might not compete with the young people in terms of innovation. However, if we empower these young people, they will come up with innovative talents which will improve what we are producing as a country.

This Scheme will equally help the SMEs to grow in terms of what we can export. What is the purpose of pushing for exports whenever we are doing internal business? It is because we want to increase our position in terms of the Balance of Payment (BoP). You find that most of the time, we import from China and the West at the expense of what we can produce and export. Should we now export more, we will earn more foreign income and our BoP will raise positively. People who have been seeking employment will now reduce. They will instead create employment for themselves.

I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. Let us have the Hon. Member for Kimilili.

Hon. Didmus Barasa (Kimilili, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to support this very important Bill. It is a Bill whose time has come with the understanding that the economy of this country is driven by SMEs. I appreciated the Leader of the Majority Party when he was informing this House that other jurisdictions have a similar module as what we have in this Bill. What am not sure is whether the money is embezzled

in other jurisdictions and never meets the intended purposes. What should this country do to the managers of such funds who at the time of audit it is discovered that they never gave money to deserving groups and instead benefitted groups that do not fall in the category of SMEs? This is the question that we need to answer. The Leader of the Minority Party alluded to the fact that at times, if a Chairman of a board is in charge of such funds, he might favour people from his area. You are left to wonder whether much of marketing has been done in that particular area or what other explanation there is.

So, apart from this House approving the Bill, we should ensure that we have stringent measures such that those in charge of such funds are compelled to leave office, if at all they are found to have cleared big companies with capacity to get direct funding from banks. So, we should also look into that. This is not the first kind of a fund that this House seeks to approve. We have had others like Uwezo Fund, the Youth Enterprise Development Fund (YEDF) and many other economic stimulus packages which this House has approved. But at the end of the day the common *mwananchi*, the people who toil morning to evening, from Monday to Saturday selling things along the roadsides are the intended beneficiaries yet, they never benefit.

This is where much of the work is required to be done. I want to call upon the watchdog committees, the Special Funds Accounts Committee and the Public Accounts Committee (PAC); to ensure that all civil servants and state officers in-charge of such funds do not continue operating from the comfort of their offices, if these monies are found in the wrong hands. Otherwise, this will defeat the very purpose of what this House is doing.

This is an idea whose time has come. We need to support our MSMEs. I come from Western Kenyan and the economy is driven by women. These women engage in small businesses. This is because the *wazees* did not allow anybody to marry a lazy woman. The first qualification for a woman in our community to be allowed for marriage is that she has to be hardworking. Men marry hardworking women and they are the ones driving the economy of Western Kenya. I hope this money will uplift them so, they can continue to drive the economy of our country.

As I finish, I want to congratulate Hon. Gladys Wanga on her election to the position she is holding. Now that she is seated on Government side, I hope she will not throw bottle tops on you while you are seated like she did last time.

Thank you, Hon. Temporary Deputy Speaker, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Let me give this opportunity to Hon. Kajwang'

Hon. T. J. Kajwang' (Ruaraka, ODM): Thank you, Hon. Temporary Deputy Speaker. On Friday I was in Kibra celebrating the anniversary in memory of the late Ken Okoth. The people of Kibra assured me that personal effects of the Member of Kimilili are still well kept.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Did you say personal effects.

Hon. T. J. Kajwang' (Ruaraka, ODM): Yes, his personal effects are being kept in Kibra. If he can talk to me well...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You can talk about that outside the Chamber.

Hon. T. J. Kajwang' (Ruaraka, ODM): I am just assuring him. Allow me to congratulate Hon. Wanga for the splendid work she has shown in a short while. Even those of us who have not read the Bill have already understood it and are able to contribute. This is to show you that give a lady a job to do and she will do it much better than men. I really congratulate her for this.

The specific issue I want to speak about is that this Bill has a direct effect on something we call social justice. This language is only understood by some of us who work in the ghettos. This is access to service delivery, wealth and economic stimuli. For a long time, we have been worried on how to implement social justice in terms of Articles 43, 51 and 100 of the Constitution.

I have seen a Bill coming for Second Reading from the Senate which is grappling with the issue of social justice on access to economic and social rights. If you look at this Bill which is before us and I think we will be debating it in a few moments time, it gives theory, but this is the kind of Bill that talks directly to what can be done to a specific person, to enable him/her run his/her own business and put money in the pocket.

We are talking about *mama uji*, *mama samaki* and not the big people who are able to bring fish from the shores of Lake Victoria where the Member for Suba North comes from. We are talking about this person who gets it from Gikomba and is able to cuddle in some space in the ghetto to fry some fish which people can buy in the evening. We are talking about *mama orange*. These are the kind of people who are hard hit.

Hon. Aden Duale (Garissa Township, JP): On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Order, Hon. Kajwang'. There is a point of order from the Member for Garissa, Hon. Aden Duale.

Hon. Aden Duale (Garissa Township, JP): On a point of order, Hon. Temporary Deputy Speaker. I have a lot of respect for my friend Hon. T. J. But he has said many things in vernacular and I was writing them so I can get a translation. I do not know what the last word means. It can be insulting and is not a parliamentary word. So, he should translate it to either Kiswahili or English.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Which is the last word Hon. Member?

Hon. T. J. Kajwang' (Ruaraka, ODM): Hon. Temporary Deputy Speaker, I will speak a language which is only understood by leaders who come from the ghettos. *Orenge* means cow hooves which you boil for soup or pan fry.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Thank you. Now that you have said *orenge* is hooves, please allow the Hon. Members to contribute. It is important to use accepted language in our Standing Orders. I also did not know that *orenge* is hooves. Please use parliamentary language.

Hon. T. J. Kajwang' (Ruaraka, ODM): Hon. Temporary Deputy Speaker, could I get a minute to make a point, I wanted to put across. I can see the Clerk warning me that my time is so far spent. I am talking about social justice and for many reasons, it is enough for me that there is a practical way in which we are able to support the real person who needs support. The only thing...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): *Orenge* stole your time and you were out of order. I will give you one minute.

Hon. T. J. Kajwang' (Ruaraka, ODM): The only thing I would ask the Chair and the Members of the Departmental Committee on Finance and National Planning is to find why Uwezo Fund and YEDF failed. They failed because there is a mentality. I do not know what we will do to Kenyans. That, when money comes from the National Treasury it is free money, people put it in their pockets and say it is Uhuru's money. What do we need to do? If only we found a way whether through regulations, the manner in which banks disburse this or the authority by which we give these institutions to run, we could seal these loop holes and many ideas could come from this House on how to help a simple small person do his business.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. Let us now hear the Member for Seme.

Hon. (Dr.) James Nyikal (Seme, ODM): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity. Let me start by passing my congratulations to the new Chair of the Departmental Committee on Finance and National Planning, Hon. Wanga.

I rise to support this Bill because its object is noble. To amend the PFM Act and give credit to small medium micro enterprises. This credit scheme will ensure that these small businesses get funds at low rates. Nothing can be greater even during this time of COVID-19 than supporting these levels of businesses.

The role of small medium micro enterprises is huge. They are the mainstay of our economy. It is not the big businesses that are making this country run. These are the real employers of our people. I am not an economist, but I know that they employ most people. These businesses are actually what support the youth. In fact, they are youth friendly. They are friendly to innovation and in employment, they do not look for all the experiences that the big companies will look for. So, they will actually employ the youth. They are responsible for the local production. You go into the estates and these are the people who run the businesses. These are the businesses that are running the country. They support local consumption and they are likely to boost our exports because in the agro-industry, they will go for value addition. They will actually support what we export. In the horticulture and fish industries, these are the businesses that will support them. Therefore, to give them credit, this guarantee is extremely important.

The money that comes to the hands of these businesses is never repatriated like the money for the big international companies. So, we are putting money into the hands of our people at an interest that they can afford and where they cannot afford collateral, they are actually supported. These are actually the businesses that compete with multinationals. I will give you an example of the oil industry where multinationals are literally pushing out small micro-businesses. The multinationals want to sell to the small industries at their pump prices. Of course, it means they cannot make any profit. So, this scheme will support the right people. I support this Bill because it has three very important clauses.

Clause 2 defines who the medium enterprises are. I do not want to repeat that because it has been said. It is clearly defined. The micro and small enterprises are defined in the Micro and Small Enterprises Act. It is clear who we are dealing with right from the beginning. That is important in this Bill.

The other important clause is Clause 4(8). This gives the CS the authority to put in place regulations, and that is the crux of the whole of this Bill. In this one, they will decide which institutions shall be eligible to extend the credit. I would like to put a warning here if you give me a minute. We saw this with the Women Enterprise Fund. These institutions refuse to give cheap loans, keep the money and lend it. That is something we will have to look at. It is this section that is going to give the conditions of the grant. Again, if the conditions are as tough as in the commercial banks, again it will not work.

Clause 5(a) is also extremely important. It talks about what information the CS will always bring before this House. It is very good monitoring. This is something we could talk for a long time but I support it and I know it will support and help our industry. Thank you.

Hon. Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Duale, you were top on the request list and you also went to intervention. Thanks you did not remove your card from the request. We always give priority to intervention.

Hon. Aden Duale (Garissa Township, JP): Thank you, Hon. Temporary Deputy Speaker. At the outset, let me thank Hon. Gladys Wanga, the new Chair. At least, I can confirm that she is up to the task of being the Chair of the Departmental Committee on Finance and National Planning. I am getting used to it. You know I am back now so I prepared for everything I see on the Order Paper until the Refugees Bill. So, I will sit here for long because I missed this in the last seven years.

What are we doing with this PFM Act, 2012? All we are doing is to provide guarantees by the CS presumably being the CS for National Treasury and Planning for loans advanced to micro, small and medium enterprises. That is exactly what this Bill is trying to do. The proposed law which the Treasury has set conditions for is State-backed credit. What we are dealing with is State-backed credit. Maybe this will come in the regulations. The devil is in the detail. Where is the infrastructure? Who is going to disburse this money? Which bank? The House must deal with everything and I am sure the Committee will deal with it when we come to the Committee of the whole House. Which are these banks? Have we looked at the certain sections of this country which are in business but they deal with certain banks which are both conventional and Islamic banks? I will bring amendments to make sure that that particular section of the Kenyan community accesses this.

The proposal also grants powers to the Treasury CS to effect periodic review. Apart from the review, we do not want to have another scandal here where only certain people access the SMEs in every part of Kenya. I was wondering why Hon. Dismas Barasa was saying in western Kenya there are certain criteria. If women are not lazy there and that they have business enterprises, then you need to tell us why there is a high poverty rate in western Kenya. Your science and statistics must add up. I want to say it very categorically. This system has worked in Jordan and many countries including even the US. For example, what do they do in the US and Japan? The US Government directly provides credit support to SMEs called Small Businesses Administration (SBA) which is a federal agency that helps small business financing. However, what everybody has raised here is that this is not free money. This is the problem of Uwezo Fund and the Youth Enterprise and Development Fund.

What has brought us here? Why are we talking about credit? I thought the framers of the Constitution expected that when Kenya went the devolved system, devolution would build the capacity of small and medium enterprises in our counties. Today, the biggest challenge to SMEs is pending bills. Governors are not paying pending bills and where they want to pay, if they owe you Ksh5 million, they tell you to give them Ksh2.5 million kickback. They take the profit plus the principal sum. The national Government has been told to pay pending bills. If we pay pending bills to Kenyans both at the county and national levels particularly during this COVID-19 period, I can tell you the business sector will improve. On this maximum annual turnover of Ksh100 million, 250 employees will qualify for loans guaranteed by the Government. In my opinion, I think the Committee needs to look at that and also the criteria.

Finally, if you allow me, Hon. Temporary Deputy Speaker, because I have really researched on this because for me...

Hon. Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Duale, I have a lot of requests from Members.

Hon. Aden Duale (Garissa Township, JP): Thank you, Hon. Millie. We must recognise ranking Members and I am happy that I sit here as one. Thank you very much.

Clause 5 provides for the insertion of a new section immediately after Section 59 of the principal Act. It proposes an amendment that requires the CS to submit a report on credit

guarantees given to micro, small and medium enterprises for loans advanced to them under Section 58 and the period which this report shall be submitted. We must provide for the CS to report to this House the list of the people who are given, the amount they are given, their region, where they come from and if possible their postal addresses. We do not want us to pass something here that will only benefit... That is why we have chaos in the Senate. They are talking about a formula. They are not discussing what happened to the money which is already being given to counties.

I do not intend to become a Governor, but if you have Ksh8 billion you must account...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Your one minute is over, Hon. Aden Duale.

Hon. Aden Duale (Garissa Township, JP): So, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Members, I will not allow this. We know our Standing Orders and the Members here are very important. So, when we talk about ranking Members, you should leave it to the Speaker. Hon. Odhiambo-Mabona, I know you are a ranking Member but for now, the one on the request is the Member for Kitui Central. He is an expert in finance and accounting.

Hon. Makali Mulu (Kitui Central, WDM – K): Thank you, Hon. Temporary Deputy Speaker. I cannot agree more with you because even in the Procedural Motion, ranking Members were not mentioned. So, I think we need to learn how to summarise our presentations so that we are within time.

I also want to support this Bill. The issue of the Credit Guarantee Scheme started when we capped our interest rates. Most banks said that the small and micro enterprises were assessed as high risk. On that note, they were not accessing credit from the banks. So, that is the time most of us who were in this line started thinking about how we could guarantee that they also get loans. I am happy that it is being actualised now. Even as we talk about this Bill, I do not know how this will be done but I wish we had a way of coming up with a comprehensive review of the Public Finance Management (PFM) Act 2012. This idea of piecemeal amendments is likely to cause more confusion to this important Act. So, I wish that we could do a comprehensive review of this Act so that we make all the necessary amendments, come to the House to discuss and then pass them. That will help this country in terms of public management.

Hon. Temporary Deputy Speaker, you know that in this year's Budget, and it has been said, we made a provision of Ksh4.3 billion for this particular Credit Guarantee Scheme for the small and micro enterprises. Now we have the money and maybe the framework required is not really in place. That is why it is appearing like we must do it. So, even as I support this, because the money has already been provided in the Budget, I think we need to make the following observations: Those small and micro enterprises compete a lot in terms of employment. Actually, in this country, we have a serious challenge with unemployment. Once we streamline this sector and more so the funding part of it, we are likely to realise that more Kenyans will be able to access jobs when these enterprises become stable and grow. Most of them are started by Kenyans. This is the only sector where you will find the majority of the shareholders being Kenyans. Very few foreigners would engage in this sector. So, when we say that we will give money to these people, we are actually giving money to Kenyans and we are empowering Kenyans.

However, research has also confirmed that most of these enterprises have a lifespan of about five years. By enabling them to access resources now, they should be able to be profitable and last longer than five years. To me, it is this bit of financing which has been missing. But I want to propose the following; that even as banks or financial institutions advance money to this important sector, there will be a need for capacity building. I have heard Members here say that

the reason Uwezo Fund, Youth Enterprise Development Fund, and the Women Enterprise Development Fund are failing is basically because Kenyans have this habit of believing government money is not refundable. But I also believe that the element of capacity building is important. We only need to push and make sure that before they get the money, there is a bit of capacity building to prepare them to know that the money will be repaid.

Even as I conclude, it is also important to note that, other than the financial aspect of these enterprises, there are also management and legal issues. It is important that we have a comprehensive framework, which addresses the needs of this sector. If we go that way, this sector will actually move this economy to the next level. I would call them movers of the economy. So, we need to invest in them and it is important that the Government has set aside resources to support them.

With those remarks, Hon. Temporary Deputy Speaker, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): The Member for Mwea, Hon. Josphat Kabinga, you have the Floor.

Hon. Josphat Kabinga (Mwea, JP): Thank you, Hon. Temporary Deputy Speaker, for giving me a chance to contribute to the Public Finance Management (Amendment) Bill (No. 2). I also take this chance to congratulate the new Chairperson of the Departmental Committee on Finance and Planning, Hon. (Ms.) Gladys Wanga, whom we are sure is equal to the task.

This particular initiative comes at the right time. It is overdue in this country. We have been talking about supporting businesses in order to grow the economy. This Bill comes in handy for our Government to support three major areas in our economy. Number one is innovation. We are expecting the young men of this country to come up with innovative ideas that can find their way into financing institutions for funding. We are looking at revival of some of the businesses that have gone under because of the pandemic that we are going through. There are enterprises that are very promising, but because of the challenges that the country is going through, some of them have had to close down.

We are also looking at expansion of various small, micro and medium enterprises including the opportunities that are provided by the recently passed law on warehousing. It comes in handy in supporting the farming sector. We do expect that once this Bill passes and is operationalised, we will be receiving reports especially on how our enterprises are graduating from one category to another, that is, from micro to small and small to medium enterprises. We are also expecting that through this initiative of credit guarantee, we will see some stabilization of interest rates that are offered by various financing institutions, especially now that we have de-capped the interest rates that were put in the Banking Act.

We do expect that there will be no exploitation especially from the micro finances. The micro finances in this country have been very exploitative to borrowers. They accommodate their weaknesses in terms of security and qualifications to borrow money, but in return, they exploit them. We have borrowers who will have paid more than 200 per cent of the amount that they borrowed by the time they clear their loans. I hope this Bill comes in to correct some of those shortcomings in our economy.

We are also hoping that once this Bill is passed, the CS responsible will come up with strict operationalization regulations that will, among others, safeguard the scheme from systemic malpractices, exploitative lending institutions, and ingenuity on the part of the borrowers. We are also hoping that there will be affirmative action to favour our youth, women, and people living with disabilities.

Finally, we also hope that the Government is going to borrow from some of the development partners in this country who have been practising credit financing especially in the farming area. I am aware that the United States Agency for International Development (USAID) has been providing credit guarantees to banks so that they can lend to farmers. I hope this can continue.

I support the Bill. This is a very important initiative.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. Let us have the Laikipia Women's Representative.

Hon. (Ms.) Catherine Waruguru (Laikipia CWR, JP): Asante, Naibu Spika wa Muda. Nataka kujipa *challenge* ya kuzungumza kwa lugha ya Kiswahili kwa sababu ni moja ya zile lugha ambazo zinatumiwa pale nje.

Naomba kwanza kumpongeza dadangu Bi Gladys Wanga kwa kuwa mwanamke wa kwanza kuiiongoza Kamati hii inayoshughulikia mambo ya fedha nchini. Heko kwake na kwa wanawake wote ambao wako katika Bunge hii. *Handshake* inataka nchi ambayo imeungana. Akina mama hatutabaki nyuma pamoja na vijana na walemavu ambao wako katika Bunge hii.

Nimesimama kama Mwanakamati wa Kamati hii. Naunga mkono Mswada huu wa kutekeleza *Public Finance Management Act* ili tuweze kushughulikia Bajeti ama pesa ambazo Rais wa Taifa la Kenya alitangaza ni za kusaidia Wakenya dhidi ya makali ya ugonjwa wa Covid-19.

Maswali mengi yameulizwa kule nje. Wengi wanasema kwamba sisi tulio ndani ya ofisi tunakula pesa. Wengine wanasema pesa hizi hazipatikani kule mashinani. Nashukuru kwa sababu Kamati hii imetupa nafasi ya kujadili jinsi ambavyo hizi shilingi bilioni tatu zitaweza kufika mashinani kwa wafanyi biashara na wachuuzi wadogo wadogo. Naunga usemi kuwa mpango wa kudhamini mkopo kwa wachuuzi wadogo wadogo upite wakati wa Mswada Kusomwa Mara ya Pili. Tukiendelea, tutafanya majadiliano kuona ni jinsi gani hatutarudia yale makosa ambayo yamefanywa na hifadhi zile zingine.

Nimeona tabia ya wenzetu katika ule mkono mwingine wa Serikali. Kweli kabisa, wanafanya kazi na kamishna wa kaunti. Lakini wakati mwingine unapata kwamba kamishna wa kaunti anapuuza Wabunge na wale viongozi ambao wamechaguliwa. Hatutaki kuona "ugonjwa" huo kwa pesa ambazo zinasaidia watu kukabili makali ya janga la Covid-19. Kwa hivyo, ile taratibu ambayo inatumiwa iwe kana kwamba inammulika kila mwananchi katika eneo lake la bunge ama eneo lake la kaunti. Lakini hatutaki ikae ni kama pesa hizo ziko kwa "hewa" na zinatumiwa katika ofisi na sisi tuliochaguliwa hatuhusishwi katika majadiliano.

Wananchi wetu wamezoea tabia ya Harambee. Kwa mara ya kwanza, Serikali imekubali kumsimamia mwananchi wa kawaida kuchukua mkopo bila makali ya riba ambayo imekuwa ikiwekwa na benki zetu. Benki haziwaamini wale wachuuzi wadogo. Rais alipofunga nchi, benki zilisema kwamba hazitatuongezea riba. Zimekataa kuwekeza pesa zao kwa mwananchi wa kawaida ila zinazipeleka katika Benki Kuu ya Taifa la Kenya ambapo zitapata *returns* za juu. Hiyo inafanya mama ambaye anauza mitumba katika soko kule Nanyuki ama Nyahururu kutoweza kupata mdhamini ambaye atamsimamia ili aweze kupata pesa katika benki. Tiba ndio hii. Pesa ndizo hizi - shilingi bilioni tatu ambazo Rais alipatiana. Zitawezaje kufika kwa mifuko yetu bila kudaiwa na zile *factors* ambazo zimezuilia Uwezo Fund na Youth Fund kufika kule mashinani?

Tunataka kuona yule waziri anayehusika akifanya kazi na Wabunge waliochaguliwa. Tunataka kuona Wabunge wa kike wamechaguliwa na pesa hizo zifike kule mashinani ili ripoti itakayoletwa isiseme kwamba ni watu wa Nairobi ama watu ambao wanakaa katika miji ambao wanafaidika. Ndio maana unapata kuwa Kazi Mtaani inahusisha wale watu wako katika maeneo

ya mtaa. Wengi ambao wanaolipa ushuru kwa Serikali wako kule vijijini na hawapati. Hatutaki kuona ubaguzi mamboleo ya kwamba wale watu ambao wako kule mashinani hawapati.

Nitazidi kusema kuwa Serikali haiwezi kupatiana kwa mkono mmoja kisha ikaitisha kwa mkono ule mwingine. Tunazidi kuelezea Serikali kuwa kama kabisa tutapigana na ugonjwa wa Covid-19, wacha Kenya Power waache kukatia watu stima ovyo ovyo katika Taifa la Kenya kwa sababu Serikali ndio mdhamini mkubwa na si wa pesa shilingi laki mbili ila ni mdhamini mkubwa wa umeme. Hatutaki kuona magavana wakikata...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): I ruled that I will not do it. I am sure you will get an opportunity to express yourself in another sitting. *Kiswahili safi.*

Let us have the Member for Kathiani.

Hon. Robert Mbui (Kathiani, WDM – K): Thank you, Hon. Temporary Deputy Speaker for this opportunity. I begin, first, by congratulating Hon. Gladys Wanga for her new appointment and election to the position of Chair. Even for those of us who had not read the Bill, just listening to the explanation when she seconded was enough for us to understand the content of the Bill and the import and purpose for which it has been brought to us. Congratulations for the excellent work from the beginning.

It is a fact that MSMEs are the backbone of the economy and not just ours, but generally all over the world. I remember that even in the KANU era, there was that issue that the late President Moi had brought up in regards to the jua kali sector. At that time, it was clear to him as the President that it was important for us to harness the energies and the abilities of that informal sector. That is part and parcel of what we call MSMEs. Those are normally the very small ones.

It is also important to note that currently, we have to ensure that our economy is insulated against the ravages being caused by Covid-19 which is seriously affecting the small and medium enterprises. I am happy that the Public Finance Management Bill proposes an amendment that intends to create a framework within which the Government can provide credit guarantees for those micro, small and medium enterprises.

I have noted two issues which I want to raise. The first one is the definition of the micro, small and medium enterprises. It is extremely wide. Micro would refer to very small businesses probably employing no one because the owner is the only employee up to those that employ a maximum of 250 people. It is also businesses that have a turnover. I do not know the minimum turnover but we are looking at a maximum of Kshs100 million. Those are fairly well-to-do businesses. My first concern would be how fair will the competition for those guarantees be between those businesses that employ five or ten people and those that employ 250 people. It is important. There are those that have a turnover of Kshs100,000 or Kshs500,000 and those that have a turnover of Kshs100 million. It is important that we look for a way in which we ensure that there will be fairness in the distribution of those resources so that the bigger fish do not swallow the small ones. That is what normally happens when funds are given and there is no direct control by this House.

The second concern I have is that we have to ensure that the regulations that will govern those guarantees must also guarantee that the enterprises that will get this money are protected from any rogue Government official. Someone could give a guarantee and pull the plug at the wrong time. I remember when I was a young man I heard that politicians of those days would be given loans or assisted to get loans from Government banks and invest in agriculture. When they disagreed with the powers that be, those loans would be recalled at short notice. That, obviously, led to a lot of people going bust. So, it is important that we insulate these businesses, so that we ensure that there is no Government official who can pull the plug.

Finally, Hon. Temporary Deputy Speaker, it is obviously true and clear that banks normally want to give loans to those people who have money. In fact, when you have a fat bank account or statement, they will constantly send you messages that tell you that you can borrow up to a certain amount. However, those people who really need to borrow this money have a difficulty to do it. This Bill will help these people to get access to funds. In the absence of this kind of Fund, these SMEs borrow from loan sharks where they have to take their televisions, log books and fridges, and pay exorbitant rates that are totally unacceptable and cannot be supported by the economy.

Hon. Temporary Deputy Speaker, I thank you for giving me this opportunity to contribute. I support the Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. Nominated Member, Hon. Oduol Adhiambo, you have the Floor.

Prof. Jacqueline Oduol (Nominated, ODM): Thank you, Hon. Temporary Deputy Speaker. At the outset, I would like to say that I support this Bill. I also congratulate and thank Hon. Gladys Wanga who has enabled me to get a background and to respond from her very clear and eloquent information, as she seconded the Bill.

This Bill is timely. The amendment of the Public Finance Management (PFM) Act and the focus which is now given to the sectors, as it has been ably presented not only by the Chair, Hon. Wanga, but also by all the speakers is indeed very timely.

Thank you, Hon. Temporary Deputy Speaker. I have seen the red light by the Clerks-at-the-Table.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You are safe.

Prof. Jacqueline Oduol (Nominated, ODM): Thank you. I am glad that the light is not yet red. It is still green.

I want to emphasise three points that have been raised. They all emanate from Clause 4 where we point out very clearly and appropriately that we will consider those SMEs that will be registered at the counties. In Clause 8 of the Bill, we see that infrastructure, regulations and the basis for operationalisation will come from the County Secretary. Thirdly, it is based on lessons learnt. As I commend the Committee and say that this Bill is timely and necessary, I want to remind the Members that as a House, we do not only have the legislation role. So, it is extremely important that we define and bring a legal framework such as this one which is useful. We also have the oversight and representation roles. My major concern is that as those standing for representation of the people, it is useful that we ensure that our legislation is, to a large extent, cognisant of the terrain or background that we operate in.

I am aware that we are saying that this Fund has worked in other jurisdictions such as Jordan. By way of supporting this Bill, I want to emphasise that we need to keep our eye on the regulations, as we look at the powers and authority that we give to the CS. As it had been pointed out by the Leader of the Minority Party, we seek to moderate that. As I talk about my experience as a Principal Secretary in the Ministry of Gender, Children and Social development some time back, I know that there were a lot of good programmes like getting Kenya Women Enterprise Fund and partnering with banks. One key lesson was that banks tend to approach the issue from a different angle. They are more keen to look at the benefits, profit and their commercial gain. It is very clear that particular amendment of the PMF Act intends to truly complement that. Although we will be giving loans and trying to partner with the banks, the intention is to complement and make up a shortfall in the banking system. It is for this reason that I want to emphasise to the Committee that we need to avoid situations where the bank might actually ensure that as they provide the loans, they look more at their profit and that it will not meet the goal.

Secondly, we should try to ensure that there is a more robust mechanism. Thirdly, we need to move, speak and share this information with wide variety of people as possible, so that we do not have people who, out of ignorance, do not know how to defend themselves and apply for the money.

Thank you, Hon. Temporary Deputy Speaker. I support the Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Let us now hear the Member for Suba North, Hon. Millie Odhiambo Mabona.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute.

At the outset, I want to say that I support this Bill. I am glad that we are taking steps to put our money where the heartbeat of the economy is. If the SMEs contribute to 40 per cent of the Gross Domestic Product (GDP), then that is actually where the heart of the economy is. The future of the country stopped being in white-collar jobs. I remember even when I was contributing to the parent Act in 2012, I indicated that we must not only see how we can bring a framework Bill that deals with the sector which includes the *jua kali* artisans, *boda boda* riders, salons, fish mongers and mitumba traders, but we must also provide a framework for other Bills that support it. As a country, we are still moving as though we are being driven by 1 per cent of the people who hold the white-collar jobs, when indeed this is actually the sector that moves the economy.

What do I mean? Even if you look at the way our counties operate, we still build big markets and facilities, when the SMEs that contribute 40 per cent of the GDP look for very small structures because this is where they are. Therefore, the Coronavirus has forced us, as a country, to re-think, re-focus and re-energise. We, as a country, are being forced to re-engineer our thoughts. We are focusing on issues that we should have focused on from the beginning. We are focusing on health, education and putting food on the table of the ordinary Kenyan. I am sad because Hon. T. J. Kajwang' has left. He talked to the Bill that is coming up on the social economic rights which is setting up a framework. He said that it will provide lofty standards. Indeed, it provides lofty standards. We find the framework Bills that give effect to those rights. However, we must also provide Bills or laws that will provide how we monitor our socio-economic rights. As a country, Kenya has been doing fairly well. If you look at what we have been doing over the years, we have been doing fairly well. However, we have been experimenting in Uwezo Fund and Youth Enterprise Development Fund. We can see where the weaknesses are.

I hope that we will provide one Bill. I know that there is one by a private Member that was supposed to come which is supposed to consolidate these initiatives and work the same way as the National Government-Constituencies Development Fund (NG-CDF) Act. Over the years, we have seen where the challenges are. We have streamlined it. NG-CDF is actually one of the frameworks of development now. It is not even one. To the best of my knowledge, it is the best framework of development of this country that we have seen. This law should provide for us an excellent framework for consolidating the Youth Enterprise Development Fund and Uwezo Fund.

I am trying to move very fast because I have to contribute for five minutes. My only concern which I shared with the other Members is the latitude of the financial amount that we are giving. We are bringing in everybody. The other concern is that we will provide this Fund but sometimes, as we have known in the other frameworks, the people whom we need to reach are not reached. This is because most of them do not even know that they need to register at that level in order for them to access the facilities. So, we must look beyond just providing for a fund but also providing for a framework to assist people to register as companies and business, so that they are able to actually access these facilities. Otherwise, we will still be excluding thousands of Kenyans.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. Jessica Mbalu): Very well. The Member for Roysambu, Hon. Ndirangu Waihenya, who is the Vice-chairperson to the Committee, you may have the floor.

Hon. Isaac Ndirangu (Roysambu, JP): Thank you, Hon. Temporary Deputy Speaker. I wish to congratulate my Chairperson, Hon. Wanga, for her exposition of the good content within this Bill and for even conversing to Members to easily understand and support it.

I also want to say that this Bill is a beacon of hope for our SMEs. This legislation is going to be a momentous step in the Government going out of its way to enable Kenyans operating as SMEs to reengineer their businesses, having been seriously affected by COVID-19.

I want to take Members to Section 8 of the Public Finance Management Act (PFM) 2012 and what this Bill means to Kenyans who are in the micro-enterprise's category. Section 58 of the existing Act, says-

“58 (1) Subject to subsection (2), the Cabinet Secretary may guarantee a loan of a county government or any other borrower on behalf of the national government and that loan shall be approved by Parliament.

(2) The Cabinet Secretary shall not guarantee a loan under subsection (1) unless—

(a) the loan is for a capital project

(c) in the case of a private borrower, there is sufficient security for the loan;”

Hon. Temporary Deputy Speaker, the enactment of this legislation, enables the CS, on behalf of the government, to provide collateral to ordinary Kenyans who are operating microenterprises, so that they can advance faster. The legislation that has been proposed by this Bill, now lets the Kenyan who is borrowing free to expend this money he has borrowed to salaries, to buy raw materials, for value addition, to buy new stock, to train, to market and build capacity. Unlike in the past when such guarantee was only restricted to capital amounts.

So, this legislation is momentous and is a beacon of hope for our SMEs but it is also important to remind Kenyans that there are caveats to this guarantee. For example, those applicants who want to benefit from this credit guarantee, need to have their business registered. They need to be compliant to the relevant laws of the land, they need to have valid business permits or trade licenses and they have to accept to comply with the provisions and conditions imposed by the CS.

Therefore, what we are saying is that, the Government has accepted to share in the troubles...

The Temporary Deputy Speaker (Hon. Jessica Mbalu): You are supporting the Bill. Where is the Member for Emurua Dikirr? Hon. Kipyegon Ngeno, you may have the floor.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Thank you, Hon. Temporary Deputy Speaker. I am around here. From the onset, I wish to state that I support this particular Bill. I also wish to congratulate the Chairperson of the Committee who was nominated to chair the Departmental Committee on Finance.

The nomination or selection or election of some members to some Committee Chairs who are meant to be sitting in the Opposition is a threat to the Opposition in this country because we still need the Opposition to be looking at the activities of the Government. If all of us were to be on the Government's side, we risk losing out on overseeing the Government. All in all, we only have two years and there may be nothing much to oversee on.

I support this Bill especially because it deals with the issues of the SMEs - people who do small things. For a long time, we have been putting our money on big enterprises, big businesses and many other areas where obviously the small businesses in the villages cannot access this money. The reason being, we have been asking for a lot of heavy security to access the loans. I think this Bill will kind of cure this. The only mistake which was made and that will be cured in the future, is the amount of money which was allocated in this particular setup.

Hon. Temporary Deputy Speaker, these people comprise 50 to 60 or even 70 per cent of the population of this countr. We should have added them some money. But as time goes by, we will ensure that we add them more and more so that they can also access these monies.

This is also a challenge for the other funds which we had created in this House, especially the Uwezo Fund and the Women Enterprise Fund. If we were to move in that same direction, we would be able to touch on those small people who can help grow the economy of this country. Too many youths especially in our villages have graduated from both universities and colleges, and there are no jobs. These are people who want to do businesses. These are people who want to run SMEs but the problem is how to access loans or monies that can help them raise their businesses. This Bill comes in handy and I believe that we are not going to give serious and stringent conditions on how to access these monies. Let us reduce the conditions.

Lastly, when these people do not or fail to repay the money, let us not be in a hurry to put them in Credit Reference Bureau (CRB) which deny people other opportunities of accessing other money. In other countries, a person who fails to pay a loan can go to another bank to offset the first loan. However, in Kenya we place them on CRB and thus negating the idea of getting some other money to pay off. The Credit Reference Bureau (CRB) thing is not good and is not helping anybody. We are even putting students who fail to pay Higher Education Loans Board (HELB) loans on it.

Let us change some of the rules and laws to help our people access money and do business that can bring the economy back.

Hon. Temporary Deputy Speaker, I support and congratulate my friend. “*Tuko na wewe. Fanya kazi*”.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Member, as I said before, please, learn the procedures of the House. For the sake of the others, as a communication, let us use language as indicated in our Standing Orders. When you start speaking in Kiswahili, Member for Umurua Dikirr, you finish in Kiswahili.

The Member for Emuhaya, Hon. Milemba Omboko, you have the Floor.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Temporary Deputy Speaker. I congratulate Hon. Wanga. She came out very strongly in moving this Motion. I want to congratulate her for taking over the Chair of the Committee.

At the outset, this is a credit guarantee scheme and it has been given by Parliament, therefore, by the public and this is taxpayers money. Therefore, it is very good because it resonates well with the economics of depression. During times of depression, economic stimulus is important as we saw by both Kings and Keynesian economists of 1930s when we had the Great Depression.

In the 8th point economic stimulus by the President, we had left out these group of people when we dealt with those who are employed formally and those in other sectors including the tax reduction measures. But as this comes, I would like to tell the House that this is not just money that is being borrowed by these individuals. This is a stimulus given by Government. Banks are only doing one thing: facilitating the money to go out to different groups. Therefore, it is very

important that the following things be observed because I do not want to belabour on the importance of this scheme because it has come on time and it is on point. So, I wish the Chair and the Committee to take note of this. This is public money. It is not bank money. Remember the same banks were not giving these people money, but it is the Government that is guaranteeing and they will give to the extent of the guarantee. So, this is public money. So, what are the criteria of the beneficiaries? Therefore, in the criteria, the Chair and the Committee should look at the distribution because these are public funds. It is not banks offering credit to these people. They had refused so distribution must be done equally in the whole country because it is public money.

The Committee and ourselves should look at how the money will be protected so that there are safeguards that will make those who are borrowing not to take the money as free therefore it disappears and at a later stage we talk of writing off the debt. We are paying pending bills off and that brings the idea that if the money is being borrowed from banks by micro and small, medium enterprises, then, we must put a check and a law in place for the people these people are supplying so that the people who are being supplied by these goods and who are mainly Government authorities do not go away with the money in form of pending bills.

The Committee and ourselves should look at the idea of total amount. The Ksh100 million is too much. When I speak in the spirit of T. J. Kajwang', we are targeting the small man. So, for us to actualise the multiplier effect, how many people to benefit, we must bring more people on board and that means we lower the amount. When you talk of Ksh100 million turnover, it means it is a turnover of Ksh9 million per month and that is a very big business. So, let us reduce the amount so that we are able to do a multiplier effect and benefit more people.

Lastly, let me talk about the powers given to the Cabinet Secretary. That fella can completely run away with this Bill and we shall only remain a laughing stock.

Thank you Hon. Temporary Deputy Speaker for giving me this chance. I beg to support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): The Member for Gichugu, the Hon. Gichimu Githinji.

Hon. Gichimu Githinji (Gichugu, JP): Thank you, Hon. Temporary Deputy Speaker. I rise to support the Bill. I take this opportunity to also congratulate Hon. Gladys Wanga, the Member for Homa Bay County, for her election and good start in her work as the Chair of the Committee.

I support the Bill because it is one of the best stimulus that the country has put in place in order to support our own because small and micro enterprises are owned by the locals. When this money is pumped into the economy, it stimulates or supports the small enterprises to cushion themselves out of the effects of the Covid-19, a Pandemic we are in and only God knows when we will get out of it.

Hon. Temporary Deputy Speaker, this adds to the Government's effort of trying to cushion Kenyans. One of the very recent funds that have been already injected into the economy are the Cherry Advance Revolving Fund which is already helping Kenyans especially farmers from the coffee sector to have money in their pockets and to run their affairs and improve the economy without paying the high rates that are usually charged by the banks.

One of the areas I agree with Hon. Makali Mulu is that we also need capacity building for this Fund to be very effective. We need entrepreneurial skills to be instilled to the beneficiaries so that the Fund can be beneficial to them and it will not be lost along the way. It will be a Fund that can be utilised from 2020 and possibly for ten or even more years.

Another area we need to look at when administering this Fund is whoever will be in charge of it is that we need to reduce the bureaucracies when this money is being advanced to the beneficiaries. I say this because some of the intended beneficiaries, which we expect that the money will go up to the rural areas, might not have those financial or entrepreneurial skills and the kind of securities that might be required like any other normal Fund. This is a Fund that should help every other Kenyan who is interested and who is capable to provide a little security as might be required.

I agree with the Hon. Member for Emuhaya that the distribution of this Fund should touch each and every part of this country. A youth, a woman, a person with disability from Gichugu should be able to benefit like any other person from any other constituency. So, it should be a Fund that should have a ripple effect to every constituency in the country. A framework should be created on whether it can be divided per constituency so that groups benefit from every corner of this country.

Hon. Temporary Deputy Speaker, I beg to support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Next on line is the Member for Funyula, Hon. Oundo Ojiambo.

Hon. (Dr.) Wilberforce Oundo (Funyula, ODM): Thank you, Temporary Deputy Speaker. I think there was a technical error and my slot was taken up. Nevertheless, it is good to have a chance to contribute to this amendment Bill on the Finance Act.

In business, one of the major challenges has always been finance and financing for business enterprises. In many cases, the small and medium enterprises have had a challenge has been rightly put by the colleagues who have spoken before me. One of the greatest challenge has been accessing financing from the banking sector. We had “unbankables” before banks like the Equity came into this country. It is those who could not be banked. Consequently, they could not access financing. The purpose of this amendment to create a Credit Guarantee Scheme is to allow the SMEs that have no credit history and are not creditworthy to access funds from the formal banking sector.

Hon. Temporary Deputy Speaker, banks price their loans based on the risk profile of the borrower. Banks also price their loans based on credit history. Most of these SMEs have no credit history. They have very unstable businesses, so to speak. So, their risk profile is very high. Therefore, the rate of interest charged on such loans is invariably high, beyond the ability to pay. Consequently, a Credit Guarantee Scheme of this nature will alleviate this problem and allow the banks and the lenders to pass over some of these risks to the Government through the Cabinet Secretary by guaranteeing these traders. I take this opportunity to congratulate the new Chair of the Departmental Committee on Finance and National Planning, my colleague in the Orange Democratic Party (ODM). As they look at the various amendments they propose to make, they should look critically at the thresholds provided. A turnover of 100 million employed number of slots of 250, those people, they could be SMEs, but they now have the chance. The fear is that they will over concentrate on the top tier and forget the small businesses that could not access bank loans, the small women, the Abedos as we call them in my constituency of Funyula, who sell wares seated on the floor in the markets in the evenings, would have no access because probably for one reason or the other, they do not wish to join groups so that they have access to Uwezo Fund, the Women Enterprise Fund or the Youth Enterprise Fund. It would be prudent for the Committee to seriously have a thorough look and redo the threshold so that we concentrate on the low end of this category, the ones that sell on the floors of markets and all over. These are those who want

small money like Ksh5,000, Ksh10,000 and Ksh15,000, to spruce up their businesses. Otherwise, if we leave it the way it is, rest assured it will be monopolised by the bigger players in that category in a few years to come. We would have lost.

Meanwhile I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well said. The Member for Kitui West, Hon. Edith Nyenze.

Hon. (Ms.) Edith Nyenze (Kitui West, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute to this Bill.

Let me start by congratulating my Chair for being elected to this position and go straight to contributing to this Bill. I actually would give credit to whoever came up with this Credit Guarantee Scheme which is the economic stimulus by the Government. It has come at a right time especially when you look at the youth. These are people who are very strong and have very innovative ideas. The ideas go to waste, especially after they come from the university and they have no jobs to turn to yet they have very innovative ideas. You really feel bad when you see people getting wasted just because they have no jobs and no finances. So, this Bill is coming at the right time.

Though there is a requirement of registration and others to be put into this scheme, we should concentrate more on the micro enterprises, the very small ones. This is because, as I have said especially with the youth who have a lot of innovation, they might not even have the money to register their businesses. They might not have the money to meet all the requirements by some of these bodies like the Kenya Bureau of Standards (KEBS) and the Kenya Revenue Authority (KRA) which have so many requirements. So, it is also good to consider that we might lose some innovations just because these companies are not registered. So, it is also good to look into that.

It is true that the SMEs have had very high risks. That is why the banks have not been giving them money. It is because they have no experience and have no access to larger markets. Since they have been lacking the money, this is the right time to really finance them so that they can access credit through this scheme. There is a problem, especially on the mentality of Kenyans on the money – that everything from the Government is free and people can just misuse it. So, there is need to train especially those who will gain from these loans. It is also good for people to know that this is not free money. These are loans which are being given to them and there is need for them to repay them.

The question is also who should access this money. There should be equality and equity in distribution. My suggestion is that we should use the 290 constituencies to help identify those who should access this money. This would be distributed all over the country because it is very easy to have the Ksh3 billion which would only go to those companies that know how to access this money and leave those very needy ones who are supposed to be uplifted by this kind of financing. So it is good to ensure that the distribution is done well. My suggestion is that we do it through the constituencies. If there is another fair distribution, the better. It is because we need to really put into...

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Members, plan on your time. We have five minutes for each Member speaking to such Motions. The next on my request list is the Member for Masinga.

Hon. Joshua Mwalyo (Masinga, WDM-K): Thank you very much, Hon. Temporary Deputy Speaker, for this chance which you have given me.

I would from the outset like to congratulate the new Chair for the well done job. It is a good start. So, we are banking on you in future. It is because we can see you have started well.

I would like to say that this Bill needs to be checked properly and also be amended to cater for the very micro enterprises in the villages. I say this because many banks give money to the medium enterprises and leave the micro enterprises because they are not even registered anywhere. They are not even registered by the company registration. As the Vice-Chair has said, they have to be registered for them to be guaranteed. If it is a construction company, for example, bodies like the National Construction Authority (NCA) have to register that small enterprise company.

The Bill caters for the same companies that have been catered for by the banks which have money for the Micro Small Enterprises. We are now providing guarantee for the same businesses. It is true that they are the drivers of our economy but there are smaller businesses that operate in our villages. The *mama mboga* has always been left out because she does not know where registration is done and whether it exists or not. We need a further amendment to cater for the lady selling *sukuma wiki* in the village. It should trickle down to our villages and voters. You will find that those ladies in our constituencies are the ones who are paying school fees and taking care of their families. The men, especially those who dropped out of school, are fond of going to towns to just drink tea and loiter around the whole day. These women are the ones who support their families. We need a further amendment so as to support the ladies who sell *Sukuma wiki* and cabbages and do small businesses in the villages so as to take care of their families. I would like to see the Bill enacted so that we have money circulating in the constituencies.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Let us have the Member for Isiolo North.

Hon. Hassan Hulufu (Isiolo North, KPP): Thank you, Hon. Temporary Deputy Speaker. I am not used to sitting this side of the Chamber and I was wondering whether my card would be registered. I support this Bill. I want to congratulate Hon. Gladys on her election as the Chairperson, Departmental Committee on Finance and National Planning. Her first contribution as the Chair was very impressive.

Hon. Temporary Deputy Speaker, this amendment on guaranteeing loans to MSMEs is something that we should have done earlier than today. Thanks to Covid-19 we are now thinking about how best we can insulate MSMEs businesses against the same Covid-19. Once we pass this amendment, we will have a law that will help us grow this sector. This sector contributes 40 per cent to our GDP. As a country, if we are interested in growing our economy, we should make substantial investment in this sector. Research indicates that 79 per cent of those who operate in this sector are informal and unless we do sensitization to have them register to be formal, they might not benefit from the loan guarantees. This sector is the first employer for most of our fresh graduates, either those who have done technology related courses and start their own companies or work in existing companies, formal or informal.

Hon. Temporary Deputy Speaker, the biggest challenge for those in this sector is access to affordable credit. Another challenge is marketing because they are competing with already established firms, including foreign ones, that have flooded our market. These firms, MSMEs, will access loans which will help them to not only make capital investments to expand their businesses, but also to address access to markets and build capacity of their staff. We know that most of the innovations that we rely on in terms of manufacturing of appropriate technology equipment is done by most of these firms in our urban centres. It is these appropriate technology equipment that our farmers who do some form of value addition to their products rely on. This credit guarantee scheme is going to help us as a country to reach Kenyans who deserve to be helped to access loans and Kenyans who are going to make substantial contribution to the growth of our economy.

I recommend that this credit guarantee scheme should not only target formal setups, but also informal setups that need to be sensitised to formalise their businesses. In terms of geographical reach, we should ensure that each part of this country benefits from this loan guarantee scheme, especially the marginalised areas where financial services are difficult to come by, and doing business is more challenging compared to other parts of the republic.

Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. The member for Mogoti, you have the Floor.

Hon. Daniel Tuitoek (Mogotio, JP): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. I rise to support the Bill and congratulate Hon. Gladys Wanga for the good job and for being elected as the Chairperson of this Committee. This Bill is good. It specifically addresses those who are dealing with small businesses, MSMEs. If you look at this Bill carefully, it talks about those whose annual turnover does not exceed Ksh100 million. So, everybody is covered up to that limit. Even if you are dealing with less money, you are covered by that. However, it is a bit limiting; it says "...which employs between 51 and 250 employees." That is an area we can amend. We want to assist those who are upcoming with startup businesses that are not employing many people. When we go to the Third Reading, we will specifically look at that.

The Bill should also ensure that every part of the country is targeted. If we were to look at Uwezo Fund, Women Enterprise Fund and the Youth Enterprise Development Fund, we will realise that they are spread across all constituencies. I hope the Departmental Committee on Finance and National Planning will look at that so that we spread this scheme to as many areas of the country as possible. If we look at how Uwezo Fund, Women Enterprise Fund and the Youth Enterprise Development Fund works, it seems we have not succeeded in getting these funds embraced by the youth and women. There is an element of interest and Uwezo Fund has no interest but the other two funds have interest. When the regulations will be drafted – they will determine how we implement and operationalise this amendment – we will make sure that they do not restrict the youth and women or people dealing with small companies and business from accessing these loans. We should ensure that the regulations come to Parliament as soon as possible, so that these can be implemented. The Ksh3 billion should focus on job creation. I believe this amendment has the capacity to spur growth and expand employment in our country. With those remarks I beg to support.

Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Thank you the Member for Mogotio. Let us now have the Member for Kangema, Hon. Kigano

Hon. Clement Kigano (Kangema, JP): Thank you, Hon. Temporary Deputy Speaker. First of all, I congratulate my sister, Hon. Wanga, for the good synopsis of the whole Bill. Good laws do not operate in vacuums. They operate because of the will power, manpower and people's supervision. I hope that under the proposed regulations that will be formulated by the Cabinet Secretary, there shall be space for daily physical supervision of every credit advanced. All good enterprises thrive through government interventions. I can give a lot of examples. Look at the late Tata. He thrived through Indian government intervention for credit. He was a small man, he took off and went up to the airspace. Now most of the trucks are TATA. It is because of government intervention. Look at General Motors, Ford—all those companies thrive and exist because of early government interventions. So, provision for this stimulus is timely, especially for us to grow our manufacturing and agricultural sectors.

I remember with a lot of nostalgia, the old system I worked under of guaranteed minimum return. That was a government intervention. And this country never faced any famine. If you look at the early years of Independence, there was not a single year that we experienced cereal or any other grain shortage, because of the intervention that existed. Lethargy set in in credit supervision and that famous company collapsed. So, I appeal that we provide supervision. This credit lacks the sense of basic collateral. That will facilitate the entry of our people in enterprise.

Thank you very much. I support.

The Temporary Deputy Speaker (Hon. Jessica Mbalu): Let us have the Member for Ainabkoi, before I call upon the Mover to reply.

Hon. William Chepkut (Ainabkoi, Independent): Thank you, Hon. Temporary Deputy Speaker. I want, first of all, to congratulate Hon. Gladys Wanga, the Member of Parliament for Homa Bay County. It is, indeed, with assurance of honour, hope and recognition of your performance that you have been appointed by His Excellency the President.

Creating a credit guarantee scheme is very key. MSMEs in our country cater to a huge population. Therefore, it is one way of taking care of the large population of young men and women that contributes over 50 per cent of the GDP. Government intervention, motivation and cushioning of our people in this time of global pandemic of Covid-19 is important. It is, indeed a crisis that has never been witnessed by mankind. Therefore, Madam Chair, you have done a great job. You are, indeed, a good performer. Infrastructural, operational and legal framework is very key towards the success of this PFM (Amendment) Bill.

Thank you, Hon. Temporary Deputy Speaker. May God bless you.

The Temporary Deputy Speaker (Hon. Jessica Mbalu): Thank you. May God bless you, too.

Hon. Members, following our own resolution today on limitation of debate on Bills, I now call upon the Mover to reply.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Temporary Deputy Speaker, I beg to reply.

First of all, I thank Members for their contribution. I join the Members in the accolades to the Chairlady, Hon. Gladys Wanga. As Members have spoken, keep it up. There were some concerns that Members raised which I think were coming out of confusion. This is not a fund, it is not a loan, neither is it free money. It is money that is going into a credit guarantee scheme which the banks will leverage to lend money to others. So, perhaps as we get deeper and Members get to understand they will realise that perhaps it is not what we are worried about, potentials for misuse because the banks will ensure there is due diligence and hence issues of moral hazard, adverse selection and wrong people getting the money will not arise.

In terms of reporting to Parliament, that will come within the detailed regulation. I am sure the Committee has already addressed that. Some people raised the issue of whether we should be amending the Public Finance Management (PFM) Act from a comprehensive angle. I am of the view that we need incremental amendments to every law. It is only at some point one would want to look at how comprehensive that law is, but for now we are okay. In terms of awareness, am told there will be a huge launch and that should create the national awareness and everyone from wherever constituency will participate.

Should it be a constituency based fund? I don't believe so. We already have Uwezo Fund, the Youth Enterprise Fund (YEF) and Women Enterprise Fund (WEF) which had been created for the people who are not registered. Immediately people register and get into formal operation, that is when we want them to get to the banks and access these monies from formal institutions, then the Government goes in to guarantee.

So, I believe the comments are in tandem with what the stakeholders did and the committee has already looked at that. When we meet hopefully on Thursday, I am sure we will process a number of these amendments to bring the Bill to fruition.

Hon. Temporary Deputy Speaker, with those few remarks I beg to reply.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well. Order Members, from where I sit and given the number of chambers, I confirm that I have the numbers to put the Question.

(Question put and agreed to)

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

ADJOURNMENT

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Members, guided by our own procedures, the time now being 7.00 p.m., the House stands adjourned until Thursday, 30th July 2020, at 10.a.m.

I thank you all.

The House rose at 7.00 p.m.