



**REPUBLIC OF KENYA**

**THIRTEENTH PARLIAMENT**

**NATIONAL ASSEMBLY**

**THE HANSARD**

## THE HANSARD

Wednesday, 3<sup>rd</sup> December 2025

The House met at 2.30 p.m.

*[The Speaker (Hon. Moses Wetang'ula) in the Chair]*

### PRAYERS

### QUORUM

**Hon. Speaker:** Serjeants-at-Arms, ring the Quorum Bell.

*(The Quorum Bell was rung)*

*(Loud consultations)*

Order, Members. We now have quorum to transact business.

### MESSAGE

#### NOMINATION OF NAPHTALY KIPCHIRCHIR RONO FOR APPOINTMENT AS THE DIRECTOR-GENERAL OF THE FINANCIAL REPORTING CENTRE

**Hon. Speaker:** Hon. Raso, take the nearest seat. Hon. Members, I have a Message from the Executive on the nomination of a person for appointment as the Director-General of the Financial Reporting Centre.

Pursuant to the provisions of Standing Order 42(4), I wish to report to the House that I have received a Message from the Cabinet Secretary for the National Treasury and Economic Planning regarding the nomination of a person for appointment as the Director-General of the Financial Reporting Centre. In the Message, the Cabinet Secretary conveys that in exercise of powers conferred by Section 25(2) of the Proceeds of Crime and Anti-Money Laundering Act, Cap. 59A, he has nominated Mr Naphtaly Kipchirchir Rono for appointment as the Director-General of the Financial Reporting Centre, and now seeks the approval of the House.

Standing Order 45 provides that upon receipt of notification of a nomination for appointment, such nomination shall stand committed to the relevant committee for consideration. In this regard, I hereby refer the Message, together with the testimonials of the nominee, to the Departmental Committee on Finance and National Planning for consideration.

Section 8 of the Public Appointments (Parliamentary Approval) Act, CAP.7F requires the committee to which such nomination is referred to, to consider the matter and table a report in the House within 28 days. Nonetheless, conscious of the fact that the House is scheduled to proceed for the long recess from Friday, 5<sup>th</sup> December 2025, I hasten to clarify that the counting of days with respect to the consideration of the nominee will cease during the recess period and resume when the House first sits upon resumption.

However, I urge the Committee to immediately commence the approval process and notify the nominee and the general public of the time and place for holding the approval hearing and, thereafter, table its report on or before Thursday, 26<sup>th</sup> February 2026 to enable the House to consider the matter within the stated statutory timelines.

Thank you.

## PETITION

**Hon. Speaker:** Hon. Caroli Omondi.

### THE STATUS OF OWNERSHIP OF L.R. NO. 7545/3(IR. 21038) FORMING THE NUCLEUS ESTATE OF MIWANI SUGAR MILLS LIMITED

**Hon. Caroli Omondi** (Suba South, ODM): Thank you very much, Hon. Speaker. I rise to present a Public Petition (No. 28 of 2025) regarding the status of ownership of L.R. No. 7545/3(IR. 21038) forming the Nucleus Estate of Miwani Sugar Mills Limited as succeeded by Miwani Sugar Company (1989) LTD (In Receivership).

I, the undersigned, on behalf Mr Charles Owino Osewe of Post Office Box Number 3900-40100 Kisumu and concerned resident of Miwani in Kisumu County, draw the attention of the House to the following:

THAT, land parcel registered as L.R. No. 7545/3(IR. 21038) was alienated from land then owned and occupied by local communities specifically and solely for the purpose of establishing a nucleus estate for Miwani Sugar Mills Limited as succeeded by Miwani Sugar Company (1989) Limited (In Receivership).

THAT, towards the late 1980s, Miwani Sugar Mills Limited Company ran into financial difficulties and was reorganised by the Government of Kenya into Miwani Sugar Company (1989) (In Receivership).

THAT, in 1993, an individual by the name Mr Nagendra Saxena commenced proceedings in Nagendra Saxena Vs. Miwani Sugar Mills Limited, Miwani Sugar Company (1989) Limited (In Receivership) and 3 Others in the High Court of Kenya at Kisumu Civil Case Number 225 of 1993 and purported to have obtained an *ex parte* court order to recover Ksh114million debt from the two companies.

THAT, it is on record that Mr Nagendra Saxena never appeared in Court in person, neither has he ever been seen anywhere within the Republic of Kenya, raising suspicion as to whether a person with the identity of Mr. Nagendra Saxena actually exists.

THAT, efforts by the Ethics and Anti-Corruption Commission, the Directorate of Criminal Investigations and the Department of Immigration to trace the named person both in Kenya and India have all proved futile.

THAT, on 24<sup>th</sup> December 2007, a company by the name Crossley Holdings Limited, which is believed to be associated with Kibos Sugar Company, purported to have purchased LR. No. 7545/3(IR. 21038) at a public auction at a sum of Kshs752million.

THAT, the said public auction was supposedly conducted pursuant to the judgement made in Nagendra Saxena Vs. Miwani Sugar Mills Limited, Miwani Sugar Company (1989) Limited (In Receivership) and 3 Others by the High Court of Kenya at Kisumu in Civil Case Number 225 of 1993.

THAT, no evidence has ever been produced by the parties to the public auction as to whom the Kshs752million was ever paid and by whom and the method of payment, raising suspicion on the authenticity of the purported auction and the payment claimed to have been made.

THAT, in a subsequent Court of Appeal Case Nagendra Saxena Vs. Miwani Sugar Mills Limited, Miwani Sugar Company (1989) Limited (In Receivership) and 3 Others, Civil Appeal No. 261 of 2008 at Kisumu), the Court of Appeal issued its

decision on 29<sup>th</sup> July 2011 nullifying the purported public auction conducted on 24<sup>th</sup> December 2007 and the subsequent transfer of LR. No. 7545/3(IR. 21038) to Crossley Holdings Limited.

THAT, further, the Court of Appeal affirmed that the Land LR. No. 7545/3(IR. 21038) belonged to Miwani Sugar Mills Limited, Miwani Sugar Company (1989) Limited (In Receivership).

THAT, notably, Lady Justice Olga Sewe, then in charge of the Judiciary in Kisumu, had testified that the Court Order on which the auction was based was a forgery and that the entire case file on which it was based could not be traced in the court records.

THAT, following the Court of Appeal decision, the Deputy Court Registrar believed to have orchestrated the forged Court Order and oversaw the fraudulent auction of the land was subsequently removed from the Judiciary and charged alongside Crossley Holdings Limited and its Directors and Employees on 22<sup>nd</sup> September 2010 by the DPP/EACC vide Kisumu Chief Magistrates Court Criminal Case No.429 of 2010 for conspiracy to defraud and fraudulent acquisition of public property.

THAT, despite the Court of Appeal decision, on 11<sup>th</sup> April 2025, the Principal Secretary for the State Department for Agriculture wrote to the Kenya Sugar Board (as Receiver Managers of Miwani Sugar Company (1989) Ltd (in Receivership) asking the Board to sign a consent recognising Crossley Holdings Limited as the owners of LR. No. 7545/3(IR. 21038).

THAT, on 6<sup>th</sup> May 2025, the Law Firm of Owiti, Otieno & Ragot as Lawyers for Miwani Sugar Company (1989) Ltd (in Receivership), vide a Letter Ref: MISCO/LEG/Vol. 20/2025, declined to sign the Consent, citing legal and ethical reasons.

THAT, efforts by the Petitioner, concerned residents of Miwani and the Miwani Sugar Company (1989) Ltd (in Receivership) to safeguard the public land from fraudulent acquisition by private entities have not yielded positive solution.

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

Therefore, your humble Petitioners pray that the National Assembly, through the Public Petitions Committee, to inquire into the matter and—

1. Establish the status of the ownership of LR. No. 7545/3(IR. 21038) and determine and makes appropriate recommendations to the Cabinet Secretary for the National Treasury and the Cabinet Secretary responsible for Agriculture and the Attorney General should take action, jointly and severally, to protect and preserve LR. No. 7545/3(IR. 21038), a public asset owned by Miwani Sugar Company (1989) Ltd.
2. Cause the Registrar of Persons and the Department of Immigration to investigate and report to the National Assembly on the existence or otherwise of a Mr Nagendra Saxena.
3. Provide a complete record of the outcome of investigations into alleged forgery and fraud by all parties charged under DPP/EACC (Kisumu Chief Magistrate Court) Criminal Case No. 429 of 2010.
4. Cause the Attorney-General to provide a written legal opinion and advisory to the National Assembly on the status of all court cases, whether decided or pending, relating to the ownership of ILR No. 7545/3 (IR 21038). In the case of decided cases, indicate whether they were appealable or appealed, and the actions being taken by the Attorney-General to protect and preserve public property and the public interest in the subject matter.

5. Investigate, in collaboration with the Business Registration Service, and determine the historical beneficial ownership of Crossley Holdings Limited and Kibos Sugar and Allied Industries Limited from the time of their incorporation.
6. Investigate the official conduct and actions of current and former public servants and state officers in the National Treasury, Ministry of Agriculture and State Law Office in relation to the subject matter and associated cases, to determine whether there has been dereliction of duty or conspiracy to defeat justice.
7. Make any other recommendations or take any other action it deems fit in addressing the plight of the Petitioners.

And your Petitioners will for ever pray.

With your indulgence, under Standing Orders 225, if one or two Members with an interest could comment, I would be very glad.

**Hon. Speaker:** Hon. Milemba.

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you, Hon. Speaker and thank you, Hon. Caroli, for bringing that Petition. It is good that this House recently passed a law on how former parastatals and other State-owned bodies can be handled if they are to transition from what they were to private entities. More important are those sugar factories in the sugar belt. That story will not end with Miwani. I grew up in the sugar belt, and I know Miwani. The mass of land involved is massive, and that easily extends to Chemelil, Muhoroni and other areas. Those large masses of land, previously owned by those sugar factories before they went under receivership, and the companies and other suppliers to whom they owed money, are now being targeted by people who are seeking to take those lands. The lands are too large and too valuable. This House must establish the true position of who owns those land masses, which are essentially public lands, because the Government has shares in Miwani, Chemelil and Muhoroni sugar factories. They must be safeguarded for public development and not appropriated by individuals. It is even worse when Kibos comes in. I am interested in this matter because we once dealt with this matter. Kibos, a neighbouring factory, has taken advantage of the situation to try to seize land that was owned by Miwani. Therefore, the committee that will be dealing with this must address those matters, which will also recur in other sugar factories that have gone under, such as Chemelil and Muhoroni.

Thank you.

**Hon. Speaker:** Yes, Hon. Oundo.

**Hon. (Dr) Ojiambo Oundo** (Funyula, ODM): Thank you, Hon. Speaker. Let me take this opportunity to commend my colleague for bringing this Petition before the Public Petitions Committee of the National Assembly. The issue of land fraud that is perpetrated by unknown hands, both in the Judiciary, the legal profession and my own profession, is becoming a thorn in the flesh and is raising ethical and professional concerns that must be addressed. Apart from dealing with the substance of the matter, I request that the Petitioner consider reframing the Petition to include issues of professional ethics in respect of the entire transaction. For a registrar of any court to have conspired with a conman to do what is alleged is professional misconduct, which should be investigated so that the rules and regulations are reinforced to avoid such cases in the future.

To even go to the extent of forging a court case or a court file strikes at the heart of the rule of law and the integrity of the Judiciary. I, therefore, request that the Public Petitions Committee expand its inquiry beyond the substance alone. It must also be on record, and courts have held this repeatedly, that a title fraudulently acquired is merely a piece of paper. As one minister said some years back, a title acquired fraudulently has no force in law. With those remarks, I second the Petition and hope we will receive a report as soon as possible.

Thank you.

**Hon. Speaker:** Thank you. I commit the Petition to the Departmental Committee on Lands, in view of the enormity of the matter, so that it can examine all the allegations raised, including forgery, fraud, acquisition of a fake title, a mock auction, and all issues in the Petition, and report back within the statutory period set out in the Standing Orders, which is 60 days excluding the recess period.

Yes, Hon. Julius Sunkuli.

**Hon. Julius Sunkuli** (Kilgoris, KANU): It is a request for guidance. I am delighted that you have referred this matter to the Departmental Committee on Lands, because there has been a practice of referring most matters to the Public Petitions Committee, even when they lack the capacity to deal with land issues. What will happen with the other land matters that are already before the Public Petitions Committee? Is it possible that sometimes they can be allowed to widen their scope, so that they can sit jointly with the Departmental Committee on Lands, so that justice can eventually be reached? Given that there is not even a lawyer in the Public Petitions Committee, it is becoming difficult when we appear before them.

**Hon. Speaker:** Do you want me to do so now, or on being moved by someone?

**Hon. Julius Sunkuli** (Kilgoris, KANU): I will move it on a particular issue.

**Hon. Speaker:** Yes, Hon. Owen Baya.

**Hon. Owen Baya** (Kilifi North, UDA): On the same matter, Hon. Speaker, with utmost respect to you, the question of whether petitions should only go to the Public Petitions Committee or may be directed to other committees was once debated here at length. The Deputy Speaker was in the Chair then, and we agreed to await a ruling of the Speaker on the matter. I have seen this...

**Hon. Speaker:** It has not been brought to my attention yet. The correct position is this: In the absence of any mitigating factors in the Speaker's view, a petition goes to the Public Petitions Committee. However, if the Speaker considers that a petition is sufficiently complex and requires scrutiny by a departmental committee that oversees the relevant department, then the petition may be directed accordingly. You have seen me refer some petitions to the Departmental Committee on Finance and National Planning, others to the Departmental Committee on Justice and Legal Affairs, and now this one to the Departmental Committee on Lands. If you want a comprehensive ruling, I will provide one.

**Hon. Owen Baya** (Kilifi North, UDA): I am guided and much obliged. I add that such a ruling would help to avoid claims that petitions are being discriminated against or deliberately redirected. A reasoned ruling would guide everyone.

Thank you.

**Hon. Speaker:** Thank you. Yes, Hon. Tongoyo Gabriel.

**Hon. Gabriel Tongoyo** (Narok West, UDA): Thank you, Hon. Speaker. On the same matter, the referral of this land petition to the Departmental Committee on Lands is a good idea. In particular, we had a case that went to the Departmental Committee on Lands regarding a parcel of land in Maasai Mara, known as Olkiombo.

Hon. Speaker, the Cabinet Secretary and the Principal Secretary appeared before the Committee. However, the Committee's investigation can only be complete, if they visit Maasai Mara National Reserve. Land issues are so emotive, particularly in Narok County. One of the biggest causes of conflict, including where Hon Sunkuli comes from, are land issues.

Hon. Speaker, it has taken about two months, and I do not know what is happening. I need your indulgence to compel the Committee to visit Maasai Mara National Reserve so that they can report on the same.

**Hon. Speaker:** I will look into the matter and advise you. Hon. Members, remember the Cabinet Secretary for Agriculture and Livestock Development is coming to the House. Hon. Owen, as soon as he arrives, let me know.

Next Order.

## PAPERS

**Hon. Speaker:** Leader of the Majority Party.

**Hon. Naomi Waqo** (Marsabit County, UDA): Hon. Speaker, I beg to lay the following Papers on the Table:

1. Reports of the Auditor-General and the financial statements for the year ended 30<sup>th</sup> June 2025, and the certificates therein in respect of:
  - (a) African Union and other International Organisations Subscription Fund.
  - (b) Business Registration Service.
  - (c) Consolidated Fund Services – Pensions and Gratuities.
  - (d) Contingencies Fund.
  - (e) East Africa Tourist Visa Fee Collection Account.
  - (f) Ewaso Ng’iro North River Basin Development Authority.
  - (g) Kenya Film Commission.
  - (h) Kenya Institute of Supplies Examination Board.
  - (i) Kenya National Entrepreneurs Savings Trust PLC.
  - (j) Nairobi National Polytechnic.
  - (k) National Assistance Trust Fund for Victims of Trafficking in Persons.
  - (l) National Defence University – Kenya.
  - (m) National Government Constituencies Development Fund.
  - (n) National Land Commission Staff Car Loan Scheme Fund.
  - (o) Office of the Controller of Budget.
  - (p) Office of the Registrar of Political Parties.
  - (q) Petroleum Training Levy Fund.
  - (r) Receiver of Revenue Statements.
  - (s) Registration of Certified Public Secretaries Board.
  - (t) Revenue Statements of the Pensions Department – The National Treasury.
  - (u) Roads Annuity Fund.
  - (v) Sacco Societies Regulatory Authority.
  - (w) Scrap Metal Council (SMC).
  - (x) Special Economic Zones Authority.
  - (y) Tourism Promotion Fund.
  - (z) Uwezo Fund Oversight Board.
2. Reports of the Auditor-General and financial statements for the year ended 30<sup>th</sup> June 2025, and the certificates therein in respect of the following constituencies:
  - (a) Buuri.
  - (b) Eldas.
  - (c) Igembe North.
  - (d) Kieni.
  - (e) Manyatta.
  - (f) Rongai.
  - (g) Sotik.
  - (h) Tharaka.
  - (i) Tigania East.
  - (j) Tigania West.
  - (k) Wajir East.
  - (l) Wajir South.

(m) Wajir West.

Thank you, Hon. Speaker.

**Hon. Speaker:** Leader of Delegation to the Pan-African Parliament (PAP), Hon. Esther Passaris, is not here. Chairperson, Select Committee on Implementation, Hon. Wanjala.

**Hon. Raphael Wanjala** (Budalangi, ODM): Hon. Speaker, I beg to lay the following Paper on the Table:

Fifth Report of the Committee on Implementation on the Implementation Status of the Report on Petitions and Resolutions Passed by the House.

Thank you.

**Hon. Speaker:** Chairperson, Special Funds Accounts Committee.

**Hon. Kivasu Nzioka** (Mbooni, WDM): Hon. Speaker, I beg to lay the following Papers on the Table:

Reports of the Special Funds Accounts Committee on its consideration of the following:

- (a) 17<sup>th</sup> Report on the audited accounts for the Director of Public Prosecutions Mortgage and Car Loan Scheme Fund for the financial years 2018/2019 to 2022/2023; Kenya Universities and Colleges Central Placement Staff Car Loan and Mortgage Scheme Fund for the financial years 2018/2019 to 2021/2022; Public Service Commission Staff Car Loan and Mortgage Scheme Fund for the financial years 2017/2018 to 2022/2023 and the National Land Commission Car Loan and Mortgage Scheme Fund for the financial years 2020/2021 to 2021/2022.
- (b) 18<sup>th</sup> Report on the audited accounts for the Co-operative Societies Liquidation Account Fund for the financial years 2018/2019 to 2022/2023 and the Management and Supervision Fund for the financial years 2018/2019 to 2022/2023.

Thank you.

**Hon. Speaker:** Chairperson, Public Petitions Committee.

**Hon. Janet Sitienei** (Turbo, UDA): Hon. Speaker, I beg to lay the following Papers on the Table:

Reports of the Public Petitions Committee on its consideration of:

- (a) Public Petition No.65 of 2023 by Mr Charles Ochola Osango regarding enactment of a Geophysical Professionals Bill.
- (b) Public Petition No.68 of 2023 by Hon. Robert Pukose regarding irregular and double allocation of land in Chepchoina Settlement Schemes in Trans Nzoia County.
- (c) Public Petition No.75 of 2023 by Mr Fred Ondiek Sagwe regarding enactment of the Proposed Kenya Robotics and Artificial Intelligence Society Bill.
- (d) Public Petition No.19 of 2024 by Hon. Martha Wangari regarding the settlement of residents of Oljorai Community in Oljorai Farm in Nakuru County.
- (e) Public Petition No.6 of 2025 by Hon. Ken Chonga regarding persistent harassment and unlawful eviction of people living on LR No. 176/111/MN.

Thank you, Hon. Speaker.

**Hon. Speaker:** Thank you, Hon. Janet. Vice-Chairperson, Departmental Committee on Defence, Intelligence and Foreign Relations, Hon. (Major) Bashir.

**Hon. Major (Rtd) Abdullahi Sheikh Bashir** (Mandera North, UDM): Hon. Speaker, I beg to lay the following Papers on the Table:

Reports of the Departmental Committee on Defence, Intelligence and Foreign Relations on:

- (a) An inspection visit to the Kenyan Diplomatic Missions in the United States of America from 14<sup>th</sup> to 23<sup>rd</sup> May 2025.
- (b) Participation in the 38<sup>th</sup> African Union Summit held in Addis Ababa, Ethiopia, from 12<sup>th</sup> to 17<sup>th</sup> February 2025.

I thank you.

**Hon. Speaker:** Chairperson, Departmental Committee on Energy.

**Hon. David Gikaria** (Nakuru Town East, UDA): Hon. Speaker, I beg to lay the following Paper on the Table:

Report of the Departmental Committee on Energy on its consideration of the Energy (Amendment) Bill, (Senate Bill No. 42 of 2023).

Thank you.

**Hon. Speaker:** Leader of the Delegation to Inter-Parliamentary Union (IPU), Hon. Cynthia Muge.

**Hon. Cynthia Muge** (Nandi County, UDA): Hon. Speaker, I beg to lay the following Paper on the Table:

Report of the 11<sup>th</sup> Inter-Parliamentary Union Global Conference of Young Parliamentarians held in Lima, Peru, from 11<sup>th</sup> to 13<sup>th</sup> September 2025.

Thank you.

**Hon. Speaker:** Leader of the delegation to IPU in the United States, Hon. Fred Kapondi. Hon. Muge, are you also concerned with this? Next is the Deputy Speaker, the leader of the delegation to the Sixth World Conference of Speakers of Parliaments (WCSP) in Geneva.

**Hon. Gladys Boss** (Uasin Gishu County, UDA): Thank you, Hon. Speaker. I beg to lay the following Paper on the Table:

Report of the Kenyan Delegation to the Sixth World Conference of Speakers of Parliament, held in Geneva, Switzerland from 29<sup>th</sup> to 31<sup>st</sup> July 2025.

Thank you.

## NOTICES OF MOTIONS

**Hon. Speaker:** Let us hear from the Chairperson of the Special Funds Accounts Committee.

**Hon. Kivasu Nzioka** (Mbooni, WDM): Thank you, Hon. Speaker. I beg to give notices of the following Motions:

### ADOPTION OF THE SEVENTEENTH REPORT ON AUDITED ACCOUNTS FOR VARIOUS INSTITUTIONS

THAT, this House adopts the Seventeenth Report on the Audited Accounts for the Director of Public Prosecutions Mortgage and Car Loan Scheme Fund for the financial years 2018/2019 to 2022/2023; the Kenya Universities and Colleges Central Placement Staff Car Loan and Mortgage Scheme Fund for the financial years 2018/2019 to 2021/2022; the Public Service Commission Staff Car Loan and Mortgage Scheme Fund for the financial years 2017/2018 to 2022/2023; and the National Land Commission Car Loan and Mortgage Scheme Fund for the financial years 2020/2021 to 2021/2022, laid on the Table of the House on Wednesday, 3<sup>rd</sup> December 2025.

ADOPTION OF THE EIGHTEENTH REPORT ON THE  
AUDITED ACCOUNTS FOR THE CO-OPERATIVE  
SOCIETIES LIQUIDATION ACCOUNT FUND

THAT, this House adopts the Eighteenth Report on the Audited Accounts for the Co-operative Societies Liquidation Account Fund for the financial years 2018/2019 to 2022/2023 and the Management and Supervision Fund for the financial years 2018/2019 to 2022/2023, laid on the Table of the House on Wednesday, 3<sup>rd</sup> December 2025.

Thank you.

**Hon. Speaker:** Next is Hon. Bashir.

ADOPTION OF REPORT ON INSPECTION VISIT TO KENYAN  
DIPLOMATIC MISSIONS IN THE UNITED STATES OF AMERICA

**Hon. Major (Rtd) Abdullahi Sheikh Bashir** (Mandera North, UDM): Thank you, Hon. Speaker. I beg to give notices of the following Motions:

THAT, this House adopts the Report of the Departmental Committee on Defence, Intelligence and Foreign Relations on its Inspection Visit to Kenyan Diplomatic Missions in the United States of America from 14<sup>th</sup> to 23<sup>rd</sup> May 2025, laid on the Table of the House on Wednesday, 3<sup>rd</sup> December 2025.

ADOPTION OF REPORT ON THE PARTICIPATION IN THE  
38<sup>TH</sup> AFRICAN UNION SUMMIT IN ADDIS ABABA

THAT, this House adopts the Report of the Departmental Committee on Defence, Intelligence and Foreign Relations on its participation in the 38<sup>th</sup> African Union Summit in Addis Ababa, Ethiopia from 12<sup>th</sup> to 17<sup>th</sup> February 2025, laid on the Table of the House on Wednesday, 3<sup>rd</sup> December 2025.

**Hon. Speaker:** Thank you. Hon. Wanjala.

ADOPTION OF 5<sup>TH</sup> REPORT ON THE IMPLEMENTATION  
STATUS OF REPORTS ON PETITIONS AND RESOLUTIONS

**Hon. Raphael Wanjala** (Budalangi, ODM): Thank you, Hon. Speaker. I beg to give notice of the following Motion:

THAT, this House adopts the Fifth Report of the Select Committee on Implementation on the Implementation status of Reports on Petitions and Resolutions passed by the House, laid on the Table of the House on Wednesday, 3<sup>rd</sup> December 2025.

**Hon. Speaker:** Hon. Owen Baya, as we call the next Order, if the Cabinet Secretary for Agriculture and Livestock Development is within the precincts, usher him in.

*[The Cabinet Secretary for Agriculture and Livestock  
Development was ushered into the Chamber]*

**QUESTIONS AND STATEMENTS**

**MEMBERS' GENERAL STATEMENTS**

COMMEMORATION OF THE INTERNATIONAL  
DAY OF PERSONS WITH DISABILITIES 2025

**Hon. Speaker:** Member for Westlands.

**Hon. Tim Wanyonyi** (Westlands, ODM): Thank you, Hon. Speaker. Pursuant to provisions of Standing Order 43 (1), I wish to make a general statement regarding the commemoration of the International Day of Persons with Disabilities 2025.

Today, Wednesday, 3<sup>rd</sup> December 2025, the global community marks the International Day of Persons with Disabilities under the theme: Fostering Disability Inclusive Societies for Advancing Social Progress. On this auspicious day, the Kenya Disability Parliamentary Association (KeDIPA), is pleased to join persons with disabilities, caregivers, organisations of persons with disabilities, and partners across the country and the world at large in affirming our shared commitment to building an inclusive, accessible, and just society for all.

Notably, this year's theme: Fostering Disability Inclusive Societies for Advancing Social Progress, is both a call to action and reflection of our national progress in advancing disability inclusion. An inclusive society is the foundation upon which genuine social and economic development is built. It is a society where every citizen, regardless of ability, can participate, contribute and thrive.

For the case of Kenya, this vision has been greatly advanced through the recent passage of the Persons with Disabilities Act 2025, a landmark legislation that modernises and devolves our national disability framework and aligns it with the Constitution and the United Nations Convention on the Rights of Persons with Disabilities.

Hon. Speaker, as KeDIPA, we proudly laud the steadfast leadership of Parliament in championing, shaping, and passing this transformative act. The commitment demonstrated by Members of Parliament, both in the National Assembly and Senate, affirms Kenya's dedication to equal rights, dignity, and expanded opportunities for persons with disabilities. The act is now in its initial phase of implementation, ushering in a renewed era of accessibility, inclusive governance, social protection, equity in employment, political participation, and strengthened institutions' accountability.

Conscious of the fact that true measure of this important legislation will be proven in full effective implementation, KeDIPA calls upon the House of Parliament to exercise its critical oversight role to ensure that all ministries, state departments, county governments and public institutions domesticate and operationalise the provisions of the Act without delay.

Equally, we urge this House to prioritise adequate budgetary allocations during the immediate cycle of national budgeting, including a supplementary budget in the first instance, so as to avail adequate funds for the full implementation of the Act.

As part of Parliament's progressive journey towards disability inclusion, KeDIPA also reiterates its long-standing recommendations that Parliament establishes a disability mainstream unit dedicated to championing inclusive practises within the parliamentary service and legislative processes. Among other benefits, such a committee will ensure full accessibility to parliamentary precincts and marshalling disability-responsive law-making across all sectors; championing systematic inclusion of persons with disabilities in parliamentary programmes, employment and public participation; and strengthening monitoring and reporting accountability mechanisms for disability rights of the national and county levels.

Hon. Speaker, on this International Day of Persons with Disabilities, KeDIPA reaffirms its unwavering commitment to working with Parliament, government agencies, development partners, civil society and communities to ensure that disability inclusion is not an after-thought but a foundational pillar in Kenya's development agenda. We believe that social progress

cannot be achieved if millions of Kenyans with disabilities remain excluded from national decision-making, economic participation and social services.

Hon. Speaker, I urge Members of this House to model the way as we move forward with unity, urgency and boldness in entrenching disability inclusivity. Let us foster a Kenya where every person is valued, supported and empowered to contribute to our shared prosperity. This is not merely our legal obligation; it is our moral duty. Together, we can and must build a society where inclusion defines politics, development and our national identity. I thank you.

**Hon. Speaker:** Thank you. Hon. Members, I join everybody...

*(Hon. Ali Raso spoke off record)*

You want to comment on this?

**Hon. Ali Raso** (Saku, UDA): Yes.

**Hon. Speaker:** Hon. Raso, a minute.

**Hon. Ali Raso** (Saku, UDA): Thank you very much, Hon. Speaker. I appreciate Hon. Tim Wanyonyi for bringing the Statement. Disability in the old days used to come as a result of natural causes. However, nowadays, it comes with development and accidents among other causes. There are Members who come to this House walking on their two feet but by circumstances, go back home on a wheelchair. What he has presented has called upon this House to stand up for people with disability, whether in schools or communities, so that they can enjoy equal opportunities.

Hon. Speaker, I must thank you. Nowadays, when you walk around Parliament to the offices coming to the Gallery and Chamber, a lot of improvements can be seen. A lot of thought has gone into ensuring that the premises are wheelchair-accessible. History will remember this and you will stand out.

As far as the law is concerned, we must stand up and be counted. Although many issues are yet to be dealt with, this is the starting point. We congratulate Hon. Tim Wanyonyi and many others because they have given leadership in this country and, sometimes, under challenging circumstances.

**Hon. Speaker:** Hon. Milemba, *dakika moja*.

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you, Hon. Speaker. I thank Hon. Tim Wanyonyi for that Statement regarding the International Day of Persons with Disabilities. The day is related and associated with United Nations (UN) since 1992. Today was that particular day. I thank him, and reiterate that there is need for the parent Ministry to work closely with Parliament and Parliamentarians, so that the celebrations can go deep to the constituencies or sub-counties and even lower. I know of a few counties who have celebrated this day but not all. Even in this House, not all the constituencies have celebrated this day. Partly because the sensitisation of the day is not done properly from the Ministry down to the other leadership. I ask that there should be a close working relation with the parent Ministry and the Parliamentarians so that we can celebrate those people come every 3<sup>rd</sup> December. We can include them and apply equity that they require.

One issue that affects the people living with disability is changing of membership cards. Every time, they need pay to be issued with a new card. This is an issue that the committee concerned or the Ministry must address so that we do not replicate the same card and...

**Hon. Speaker:** Time up. Hon. Hassan, *dakika moja*.

**Hon. Yusuf Hassan** (Kamukunji, JP): Thank you, Hon. Speaker. I would like to add my voice and thank Hon. Wanyonyi for bringing up the importance of this International Day of Persons with Disabilities. I support the points he has raised. We have made some progress as Parliament in making the premises accessible by people living with disabilities. However, I am hopeful that we will carry out some of the changes that would be required in this Chamber

to bring in Members of Parliament with disability closer so that they can be more visible and have easier access to participating in the deliberations of the House.

That aside, I am in the Committee on National Cohesion and Equal Opportunity and more importantly, more emphasis is put on the way Kenyan corporations and Government departments deal with people with disability. We have found out that, hardly, any Kenyan Government ministry or parastatal fulfils the constitutional requirement of having 5 per cent of their workers from people with disability. To some extent, the mentality of those agencies is that, people with disability are not capable to work. However much, disability is not an inability. Therefore, this House needs to do more to ensure this legislation is fulfilled and many of those organisations can provide more opportunities to the people with disability.

I also agree with the card issue.

**Hon. Speaker:** Time up. Hon. Harold Kipchumba. One minute.

**Hon. Harold Kimuge** (Nominated, ODM): Thank you, Hon. Speaker. I join my brother Hon. Tim and thank him for having issued this Statement. As I join other persons with disabilities in celebrating this day, we want to bring to the attention of the people that disability is no longer a charity affair but a developmental agenda.

I celebrate the many caregivers, specifically, mothers of children with cerebral palsy, autism and many other children who still lie at home unable to leave their beds and need care. Members of Parliament, the Executive and other agencies, specifically the Ministry of Health, needs to bring on board the drugs that are needed for life-long support of those children to be part of the essential drugs.

I call upon the insurance companies to bring in therapists, and pay for occupational therapists and physiotherapy which is life-long and very expensive. This is the day when persons with disabilities would stand up with a rallying call: "Nothing about us without us."

Thank you, Hon. Speaker.

**Hon. Speaker:** Thank you. We will end that debate there. Hon. Members, the entire House joins in commemoration of the International Day of Persons with disabilities, both in Kenya and worldwide.

Hon. Catherine Omanyo, make your Statement.

#### KENYA'S EXCELLENT PERFORMANCE IN THE DEAFOLYMPIC GAMES HELD IN TOKYO, JAPAN

**Hon. Catherine Omanyo** (Busia County, ODM): Thank you, Hon. Speaker. Pursuant to the provisions of Standing Order 259D(2)(b), I rise to extend hearty congratulations to our athletes for their exemplary performance in the Deaflympic Games that were held in Tokyo, Japan from 16<sup>th</sup> to 25<sup>th</sup> November 2025.

I had the privilege and honour to attend the Deaflympic Games held in Tokyo, Japan, where Kenya was well represented by a contingent of 166 individuals which included athletes, team officials, interpreters, delegates and medics. The Kenyan athletes participated in five disciplines which were athletics, women's basketball, men's handball, golf and swimming. Notably, the athletes performed splendidly, winning a total of 15 medals being five gold, six silver and four bronze. The medal winners were as follows—

#### Gold

- |                         |   |                            |
|-------------------------|---|----------------------------|
| 1. Ian Wambui Kahinga   | - | Men's 10,000m              |
| 2. James Mwanza Musembi | - | Men's 1,500m               |
| 3. Lucas Wanjiru Wandia | - | Men's 3,000m steeple chase |
| 4. Elikana Kiprop Rono  | - | Men's 800m                 |

5. Ian Wambui Kahinga - Men's 5,000m

### Silver

1. David Kiptum Kipkogei	-	Men's 10,000m
2. Simon Gona Menza	-	4x400m Mixed Relay
3. Linet Fwamba Nanjala	-	4x400m Mixed Relay
4. Isaac Tonhi Atima	-	4x400m Mixed Relay
5. Beryly Atieno Wamira	-	4x400m Mixed Relay
6. Elikana Kiprop Rono	-	Men's 1,500m
7. Jacob Kipkemtoi Kibet	-	Men's 3,000m
8. James Mwanza Musembi	-	Men's 5,000m
9. David Kiptum Kipkogei	-	Men's Marathon

### Bronze

1. Sharon Bitok Jeptarus	-	Women's 1,500m
2. Serah Wangari Kimani	-	Women's 10,000m
3. Nelson Rotich Kipkorir	-	Men's 5,000m
4. Viola Jelimo	-	Women's 5,000m

Notably, Mr Ian Wambui Kahinga one of the gold medalists not only broke the world record but also, the Deaflympics record in the 5,000 metres in a record time of 13 minutes 52.83 seconds. This outstanding performance further elevated Kenya's standing, firmly asserting the country's dominance at the 2025 Summer Deaflympics.

It is, however, concerning that as our athletes represented the country with dedication, they encountered logistical challenges, including delayed exchequer disbursements that led to late payments for accreditation and meals, necessitating alternative arrangements for accommodation, meals and transport. Meal allowances were also remitted in phases rather than in full, causing further inconvenience. To mitigate such issues going forward, I wish to urge the Ministry of Sports to ensure that they follow up and fully facilitate all teams that are representing the country internationally. Further, the Ministry should strengthen collaboration with the Kenya Sports Federation for the Deaf and support educational institutions serving deaf learners to enhance sports development and talent identification from an early age. I also urge this House to continue supporting our sportspersons, particularly those with disabilities.

I thank you, Hon. Speaker.

**Hon. Speaker:** Thank you, Hon. Omanyio. Clerk-at-the-Table, call out Order 8 so that we can dispose it off.

### MOTION

#### ADOPTION OF REPORT ON APPROVAL OF THE NATIONAL POLICY ON LABOUR MIGRATION

THAT, this House adopt the Joint Report of the Departmental Committee on Labour and Select Committee on Diaspora Affairs and Migrant Workers on the consideration of Sessional Paper No.5 of 2023 on The Policy on Labour Migration, laid on the Table of this House on Thursday, 9<sup>th</sup> October 2025 and, approves Sessional of Paper No.5 of 2023 on the National Policy on Labour Migration.

(Moved by Hon. Ken. Chonga on 2.12.2025)

(Debate concluded on 2.12.2025)

**Hon. Speaker:** Order! Members on their feet, take your seats. I will now put the Question at Order 8.

(Question put and agreed to)

## QUESTIONS AND STATEMENTS

**Hon. Speaker:** We now go back to Order 7. The Cabinet Secretary for Agriculture and Livestock Development, Hon. Mutahi Kagwe is in the House. Hon. Members, you recall that Hon. Kagwe was supposed to appear before this House on 19<sup>th</sup> November 2025, but he did not. The House was concerned about his non-appearance and the fact that a junior officer in his Ministry wrote to the Clerk explaining that the Cabinet Secretary was engaged elsewhere.

However, Hon. Kagwe has since written a letter dated 20<sup>th</sup> November 2025 to the Speaker, explaining the circumstances that led to his inability to appear on 19<sup>th</sup> November. The letter is copied to the Prime Cabinet Secretary, the Head of Public Service, the Leader of the Majority Party, the Principal Secretary for Parliamentary Affairs and the Clerk of the National Assembly. The Speaker has read the letter and appreciated the explanation. We forgive the Cabinet Secretary for not appearing, and we accept his explanation. That matter rests there.

We now move to the Questions of the day. Cabinet Secretary, Hon. Dorothy Ikiara has requested to ask Ordinary Question 82/2025 first because she has an urgent matter to attend to, together with Hon. Karitho, who will ask Question 84/2025. Hon. Dorothy Ikiara, proceed.

## ORDINARY QUESTIONS

Question 82/2025

### CRITERIA USED TO DETERMINE ANNUAL BONUSES PAID TO TEA FARMERS

**Hon. Dorothy Muthoni** (Nominated, UDA): Thank you, Hon. Speaker. I beg to ask the Cabinet Secretary for Agriculture and Livestock Development the following Question:

Could the Cabinet Secretary:

- (a) Explain the criteria that is used to determine the rates of annual bonuses paid to tea farmers across the different regions and factories in Kenya?
- (b) State the measures that are being taken by the Ministry to ensure that all tea farmers receive fair, uniform and transparent bonuses based on their production levels?
- (c) Provide a timeline within which the Ministry will address the disparity to ensure that tea farmers across the country are treated fairly?

**Hon. Speaker:** Cabinet Secretary.

(Technical Hitch)

The microphone has a problem. Clerk-at-the-Table, *wapi fundi wa mitambo?*

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**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you very much, Hon. Speaker. At the outset, I once again reiterate my apology for my absence when I was previously summoned. As I explained in my letter, first and foremost, nobody has more respect for this House than I do.

Hon. Speaker, you and I were here 22 years ago when I was a Member of this House and, subsequently also, a Member of the other House. The institution of Parliament is one for which I have the greatest respect. Disparaging or demeaning this House in any way would be tantamount to demeaning myself, and I have no intention of doing that.

In response to Hon. Dorothy Ikiara's Question, from the onset, tea is an extremely important crop for this nation. Tea is Kenya's chief export, and Mombasa is the largest tea auction centre in the world. Given the position of tea in the agricultural sector, we take all matters concerning tea very seriously.

The payment model used by small-holder tea factories to pay for green leaf supplied by farmers is structured into a monthly payment called the initial payment, and a second payment, popularly referred to as "tea bonus." The initial payment is an advance payment against farmers' green leaf deliveries for the month, as the proceeds from the sale of tea have not yet been realised at that time. In this regard, tea farmers are paid an initial amount ranging between Ksh23 and Ksh25 on a monthly basis, as determined by the boards of their respective tea factories.

The second payment, popularly known as the tea bonus, is the balance of the total sales less the total cost of production, including the monthly payment. However, the second payment is dependent on three major factors:

1. The price realised at the tea auction, which has its own functions.
2. The exchange rate of the United States Dollar (US\$), since tea is traded in US\$.
3. The cost of production, which varies from factory to factory and region to region.

Regarding auction price trends, during the Financial Year 2024/2025, the overall average auction price for small-holder tea factories dropped to an average of US\$2.41 from US\$2.54 in the previous year. Small-holder tea factories under the management of the Kenya Tea Development Agency (KTDA) account for nearly 50 per cent of the total tea produced in the country. The remaining proportion is accounted for as follows:

1. Private independent factories, which account for about 25 per cent.
2. Plantations and multi-national factories, which account for about 24.4 per cent.
3. The State-owned Nyayo Tea Zones, which account for about 0.7 per cent.

The decline in prices affected all tea producers not only in Kenya, but across the region. The drop in prices was due to challenges in key export markets such as Pakistan and Egypt, which had inadequate forex reserves for tea importation; conflicts in Sudan; and market access challenges in Iran, as you know. Those markets collectively account for about 70 per cent of Kenya's tea exports by quantity. You will also recall that Russia and Ukraine are destinations for our tea, and the two markets were effectively closed. Consequently, supply was higher than demand.

Small-holder tea factories West of the Rift recorded lower prices at an average of US\$1.78 per kilogramme of made tea, attributable to lower quality tea compared to market demand. Apart from the small-holder factories West of the Rift, other producers with lower quality tea include areas such as Michimikuru in the East of the Rift, private factories, and multi-national tea factories. It is worth noting that small-holder tea factories consistently produce higher-quality tea, irrespective of the region, compared to the larger plantations.

Buyers prefer tea with brighter liquors, good flavour, uniform grading and a blackish physical appearance. Those attributes are ascertained through organoleptic tea testing and visual methods, which constitute the conventional mode of testing tea across auction centres in

the world such as Sri Lanka, India and Mombasa. The method is also used for ascertaining the quality of other beverages such as coffee, and alcoholic beverages such as wine. Many international buyers prefer factory garden marks that suit their consumer taste preferences.

I will now turn to the weighted average auction prices for small tea factories by the region in different financial years.

1. In 2021/2022, East of the Rift fetched US\$2.87 against the West's US\$2.54, with a national average of US\$2.71.
2. In 2022/2023, East of the Rift fetched US\$2.84, West of the Rift US\$2.47, with an average price of US\$2.67.
3. In 2023/2024, East of the Rift recorded US\$3.02, West of the Rift US\$1.99, with an average of US\$2.54.
4. In 2024/2025, East of the Rift recorded US\$2.95, West of the Rift US\$1.79, with an overall average of US\$2.41.

The weighted average auction prices for private and multi-national tea factories during the same period were:

1. US\$2.05 in 2022.
2. US\$1.67 in 2023.
3. US\$1.46 in 2024.
4. US\$1.59 in 2025.

I had spoken about the exchange rate and the reason for that differential. During the Financial Year 2024/2025, the Kenya Shilling weakened against the US\$ to exchange at a rate of Ksh129.56 from Ksh144.10 in the previous year. For comparison, the exchange rate in 2021 was Ksh111, Ksh126 in 2022/2023, Ksh144 in 2023/2024, and Ksh129 in 2024/2025.

Besides tea quality and the exchange rate, the cost of production also affects how much money is eventually paid to farmers, particularly in the final payment – the bonus. In the Financial Year 2024/2025, the average cost of production rose to Ksh112.96 per kilogramme of made tea from Ksh104.93 in Financial Year 2023/2024. Production costs were higher in the West of the Rift at Ksh134.34 compared to Ksh102.26 in the East due to higher administrative costs occasioned by poor corporate governance practices such as high numbers of board meetings, over-employment in tea factories and operational inefficiencies.

The Report I have submitted includes the cost of production per kilogramme of made tea across both regions, as established from the averages that I have given. Therefore, payments to farmers in the Financial Year 2024/2025 dropped to an average of Ksh56 per kilogramme of green leaf, down from an average of Ksh64 per kilogramme in Financial Year 2023/2024 and Ksh59.02 in Financial Year 2022/2023. This drop of about 12.5 per cent in payments was attributable to the combined effects of lower prices, weaker exchange rates and higher production costs.

Regions	Total average per kilogram of green leaf			
	2024/25	2023/24	2022/23	2021/22
East Tea Block	69	78	65	56
West Tea Block	38	49	51	42
Average	56	64	59.02	50.18

The West factories received lower payments at an average of Ksh38 compared to Ksh69 for the East, due to the lower prices and a relatively higher cost of production. For tea farmers in the West getting higher prices on tea just like their counterparts in the East, or some factories like Momul Tea Factory in Kericho, which fetched higher than the prices in some of the factories in the East, they have to deliberately improve the quality of their green leaf.

The second issue was to state the measures being taken by the Ministry to ensure tea farmers receive fair, uniform and transparent bonuses based on production levels. We are cognizant that lower tea prices are due to quality of tea. The Government has initiated various

programmes to improve the livelihoods of small-holder tea farmers, which aims at improving the average payments to the small-holder tea farmers from Ksh50.18 per kilogramme of green leaf in 2022, to, at least, Ksh100 shillings by 2027, irrespective of the area, as enshrined under the Bottom-up Economic Transformation Agenda. Those measures include the following:

Firstly, given that the quality of tea is majorly determined by the quality of green leaf, the Ministry and other relevant industrial players have developed a guideline or standard on the quality of green leaf plucked and delivered for processing by tea farmers to the factories. A multi-agency committee comprising of the Ministry of Agriculture and Livestock Development, the Tea Board of Kenya (TBK), the Tea Research Foundation (TRF), tea factories and traders have finalised developing a draft guideline on the quality of green leaf to be adopted by tea factories across Kenya. The guideline prescribes the minimum standard on green leaf quality to be processed by all tea factories. Once implemented, it will bridge the quality and price differentials between the West and East blocks. The TBK, in collaboration with the counties, is currently sensitising tea farmers and factories on green leaf quality standards.

Secondly, over the years, the valuation of tea in Mombasa has been based of organoleptic tasting methods that have been adopted by tea brokers, buyers and exporters. Notably, organoleptic method of ascertaining the quality has been used for a long time by tea producers and tea buyers globally. However, this method has been subject to suspicion from some quarters, especially farmers who have been agitating for a more objective and verifiable method of tea valuation. In view of the above, the TBK is in the process of establishing a quality analysis laboratory facility in Mombasa to validate tea quality and safety of teas in three aspects:

1. The analytical testing of teas based on three sets of parameters; namely, the physical quality parameter, which I explained earlier, the microbiological parameters, heavy metal contaminants and pesticide residues, and emerging contaminants. These are the three analytical testing tea methods that will be used.
2. Scientific verification of teas offered for sale at the auction to determine the evaluation based on the quality by ascertaining the levels of nitrogen, polyphenols and ash content, which have scientifically been proven to be correlated with sensory attributes.
3. Sensory evaluation of tea. The TBK will eventually carry out sensory evaluation of teas as part of quality assurance activities, to complement the scientific testing of tea to be used in the determination of price.

Civil works for the laboratory are complete and equipping the lab is ongoing to facilitate its operationalisation. We request the National Assembly to support the allocation of funds that are necessary to fully operationalise the laboratory.

Thirdly, on strategic tea quality improvement programmes; this programme is aimed at assisting tea factories in the West to improve and meet the market requirements. It entails:

1. Conducting blind tasting of teas from all licenced tea factories for evaluation and ranking.
2. Selecting 15 lowest ranked tea factories in quality for inclusion in the Quality Improvement Programme.
3. Sensitising of the tea farmers and the factory management on the standards of the green leaf. This is a crucial part of that process.
4. Undertaking on-site capacity building trainings with tea makers for black Crush, Tear, Curl (CTC) and orthodox teas.

The programme has been running for two years now and it is expected that by the end of the five years, most tea factories producing plainer to medium quality teas will have transited

to above average or premium quality teas. Those teas are, in turn, expected to fetch better prices as has been the case with the performance of some tea factories in the West tea block. As I said earlier, Momul in Kericho County is an excellent example whose green leaf quality is strictly adhered to as a plucking and handling culture.

Fourthly, the reserve price introduced in July 2021 was meant to guarantee tea growers a minimum return. However, it was removed in September 2024 due to the challenges of the quality reserve price mismatch that created further challenges of depressed demand and accumulated of unsold stocks. Following the introduction of reserve price, farmers reverted to maximising on quality through plucking of substandard green leaf as opposed to observing green leaf standards. Since the removal of the reserve price, the absorption of teas offered for sale at the auction has increased, and has, therefore, significantly reduced the accumulated stocks from 103 million kilograms to the normal market levels of about 30 million kilogrammes. This has not only enhanced liquidity for the tea factories, but also reduced on financial borrowing, and has forced tea factories to revert to quality tea production.

The fifth issue was on modernisation of factories. In order to address the inefficiencies in various tea factories, the Government is providing Ksh3.7 billion loan facility at a concessionary rate of 5 per cent, from the Kenya Development Corporation to all small-holder tea factories that wish to modernise equipment and machinery in small tea factories in Kenya. It is also expected that the factories will use this facility to expand their production of orthodox teas which fetch higher prices in the niche markets in order to reduce reliance on CTC teas, which are currently facing challenges of over-supply in the global markets. The Kenya Tea Development Agency (KTDA) is also investing in factory modernisation and energy solutions to cut costs and improve competitiveness. In this regard, I hope that the Committee on Energy is going to assist us in fast-tracking the clearing of KTDA energy production areas, so that they can cut the costs.

The sixth issue was on green leaf diversion, that is hawking, and factories compliance. Compliance is a crucial part of this, and is aimed at improving quality. In the last one year, collaboration efforts between the Tea Board of Kenya (TBK) and the Ministry of Interior and National Administration have beefed up surveillance operations to curb green-leaf malpractices in tea growing areas. Consequently, the tea industry has experienced reduced levels of malpractices, especially green-leaf diversion by tea growers. In addition, TBK has enhanced compliance inspections, and most tea factories and producers have shown considerable improvement in complying with tea industry code of practice, what we popularly call KS2128, and with the terms and conditions of their manufacturing licenses. This has enabled them to continually improve in undertaking good agricultural practices at the production of green leaf and good manufacturing practices in processing tea. There has been remarkable reduction in cases of tea hawking and theft, evidenced in the number of complaints and cases reported.

Hon. Speaker, in terms of financial and governance audits, in order to mitigate against increasing costs of production at tea factories, the TBK has initiated financial and governance audits in various tea factories that are aimed at establishing the corporate governance practices in tea factories and any malpractices within the management or board that could negatively affect the interests of the tea farmers, particularly in their earnings. In the last one year, six factories have been audited, and the directors required to account for various malpractices that affect payments to tea farmers. However, there are limited provisions in the Tea Act, 2020 to ensure good corporate governance practices. In this regard, an amendment of the Tea Act to allow the Cabinet Secretary to prescribe corporate governance guidelines and the code of conduct of industry players mirrored along the WASREB Water Services Sector Governance Guidelines in 2024 that were passed by this House is required.

We are in the digital era and digital age. Digital marketing, e-commerce and B2B marketplace is the next place to go for us to increase the prices. As an alternative marketing

channel, the TBK will work jointly with the private sector partners to implement and promote an online trading platform, e-commerce to enhance market access for Kenya tea and tea products. The objective of e-commerce platform is to provide a direct link between the tea consumers and the tea producers, thus resulting to a short route to market and increase tea sales, both value-added and bulk teas, by providing the consumers with a variety of high-value teas to choose from, convenience to the consumer, and to create brand awareness of Kenyan teas.

We have also enhanced diplomacy and marketing initiatives. Under the Africa Continental Free Trade Area (AfCFTA), the Government, through the Executive, has spearheaded several efforts to promote Kenyan tea in Africa, which is primarily for value-added teas. This is a good thing. Such has been done in Egypt, where allocation of space at the free zone near Alexandria was negotiated to facilitate the distribution of value-added tea in Arab Maghreb Union and the Gulf region. The same applies to Ghana, where repeat orders have been made since the flagging off of initial order for value-added teas under the Guided Trade Initiative.

Inter-Africa Trade Fair has also helped in Algeria to promote tea amongst African nations under the same AfCFTA. This was followed by the formation of a Joint Commission of Co-operation between Kenya and Algeria. In Morocco, a Joint Commission of Co-operation has been formed with value-added teas as a flagship project to help opening up of markets for Kenya green tea. The Government has also formed a Joint Technical Committee to unlock the stalemate on Kenya tea trade with Iran. I would like to point to the House that last week, there was a team led by my Principal Secretary, which visited Iran to negotiate on this matter. In addition, linkages of Kenya tea exporters with major retail outlets such as Walmart in North America is also being made.

However, Hon. Speaker, we also need to have a sustainable funding of tea industry programmes. Since the abolishment of the Ad Valorem Levy in 2016, funding of industry programmes like research, promotion, development, regulation and infrastructure has been reliant on Exchequer funding. Consequently, notwithstanding the increase in earnings from tea in the last 10 years, very little resources have been ploughed back into the industry programmes that are critical in order to make the tea industry sustainable. For example, the budget for promotion, which was in excess of Ksh100 million in 2016, over the years has been reduced to Ksh30 million, which means that the tea industry has stagnated with respect to market development. With its current budget, the board may not be able to implement the global tea industry market development strategy, which is key in addressing the glut that currently exists, thus causing the increased levels of unsold teas in Mombasa.

Kenya mirrors the strategies being used by major competing producers such as Sri Lanka, which has recorded world success in market development and branding of tea. Why? As a tea-producing and exporting country, Sri Lanka charges a promotion levy of 1 per cent, approximately US\$2 million annually, for market research and development, and tea promotion. This gives our competitors an added advantage in the same markets we are all targeting. The development and gazettlement of the Tea (Registration and Licensing) Regulations, 2024 to operationalise Section 53 of the Tea Act, 2020 which provides for a levy that will be used to promote Kenya tea, research, development, among other programmes, is truly a game-changer.

In terms of regulation and control of costs, as I said earlier, to mitigate against higher cost of production, factories, through decisions made in their Annual General Meetings, should be encouraged to invest in cost mitigation measures. Factories have also signed new management agreements with KTDA which, amongst other issues, include a reduction of the management agency fee from 2.5 per cent to as low as 1.5 per cent of the gross sales value, and adoption of costs of seconded staff by managing agents. In addition, a Cost Driver Analysis

(CDA), should be undertaken on the differences between the cost of production for tea factories from the East and the West blocks, and action taken to address those gaps.

In order to address the governance challenges contributing to inefficiencies, high operational costs, and governance gaps in tea factories, the Draft Tea Industrial Corporate Governance and Code of Practice will soon be gazetted to pave way for implementation. In addition, KTB shall enhance the scope of the random audit of all factories to help in identifying wastages and malpractices by the boards and curb them.

Hon. Speaker, sometimes, we are at a loss to understand why some boards would be in opposition of an audit, while we believe that every factory board should welcome an audit so that they can truly establish that there are no malpractices in their factories. In terms of the finalisation of the tea industry regulations and to address a myriad of challenges that are negatively affecting the performance of the tea industry and impeding it from realising its full potential, the TBK, in collaboration with the Ministry, is finalising the following set of regulations:

1. Registration and Licensing Regulations to provide for the procedure, terms and conditions for licensing and registering of tea value chain players.
2. Tea Levy Regulations to provide for a sustainable model of funding tea industry programmes.
3. Tea General Regulations to provide for regulation of all activities undertaken by tea value chain players.
4. Tea Trading Regulations to ensure efficiency and effectiveness of tea auctions and competitiveness of Kenyan tea.

On the second payment model, referred to as the bonus, research by the Tea Board of Kenya has revealed that most small-scale tea farmers are highly dependent on loans and advances from saccos and other financial institutions, partly due to the payment model hat is adopted by KTDA-managed factories. To address liquidity challenges faced by tea farmers, quarterly second payments should be adopted, with the second payment made every three months instead of annually.

The Member has requested a timeline within which the Ministry will address those challenges and disparities. On green leaf quality guidelines, this is a continuous exercise. Regarding the establishment of a laboratory for quality analysis and tea testing, this is expected to be completed by June 2026. Strategic tea quality improvement programmes are ongoing. The removal of the tea reserve was completed in September 2024. Modernisation of factories is expected to be ongoing by June 2026. Green leaf diversion and hawking stoppages remain continuous exercises. Financial and governance audits will continue through June 2026 and beyond. Digital marketing and e-commerce initiatives are expected to be launched by June 2026.

Diplomacy and marketing initiatives, cost regulation, and governance oversight in small-holder tea factories are ongoing. Sustainable funding of the tea industry and programmes under the Tea Levy are expected to be ready by June 2026. Tea industry regulations will be finalised by June 2026, and the second payment model reviewed with a Gazette notice by the same date.

I submit.

**Hon. Speaker:** Hon. Ikiara.

**Hon. Dorothy Muthoni (Nominated, UDA):** Thank you, Hon. Speaker. I am satisfied with the measures that are being taken by the Ministry. However, I wish to reiterate that it should conduct proper follow-up, particularly on governance matters and ensure improvement in tea quality and reduction in production costs. This will prevent the House from revisiting the same issues next year. I am satisfied.

**Hon. Speaker:** Cabinet Secretary, in addition to that, there is a Committee. Most Members who raised the issue on tea bonuses are not here. The Committee, chaired by Hon. (Dr) Mutunga, is currently sitting. They indicated that the report will be ready in a week or two. Committee activities close on 15<sup>th</sup> December 2025. We will await the outcome of the Committee, share the report and, if necessary, call you back on that issue. But since the Questioner is satisfied, let us proceed to the Question by Hon. Karitho.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Hon. Speaker, let me confirm that we will emphasise on this exercise. Regarding the Committee, the Chairperson has been in touch with us, and we proposed a brief session to inform policy issues before the report is finalised.

**Hon. Speaker:** I will allow Members from the tea-growing areas, both East and West of the Rift, to meet with you and review the report together so that they can inform the House.

Let us have Question 84/2025 by Hon. Daniel Karitho, Member for Igembe Central.

*Question 84/2025*

QUANTITY OF *MIRAA* EXPORTED DAILY FROM KENYA TO SOMALIA

**Hon. Daniel Karitho (Igembe Central, JP):** Hon. Speaker. I rise to ask the Cabinet Secretary to:

- (a) Clarify the actual quantity of miraa exported daily from Kenya to Somalia, given that the Agricultural and Food Authority (AFA) reports an average of 15 tonnes per day, while the Nyambene Miraa Traders Association, a duly registered and most active association of miraa farmers and traders, reports exports of over 40 tonnes daily.
- (b) Explain why official data on miraa exports to Somalia remains inconsistent and unreliable, despite continuous exports since July 2022, and how this has affected trade negotiations and policy decisions between the two countries.
- (c) State the measures being undertaken by the Ministry to ensure accurate reporting of miraa export data, safeguard Government revenue, and promote equitable support for the *mira*a sector in terms of research, marketing, infrastructure, and budgetary allocation.

Thank you, Hon. Speaker.

**Hon. Speaker:** Cabinet Secretary, the response to that should be shorter than the previous one.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you, Hon. Speaker. Khat, popularly known in Kenya as *mira*a, is a major crop for trade and consumption for decades. There are about 110,000 farmers growing khat on approximately 360,000 acres, benefiting over 1.4 million people, either directly or indirectly. Annual production is estimated at about 32,000 metric tonnes, valued at approximately Ksh13 billion, based on the prevailing market price of Ksh400 per kilogramme. About 80 to 90 per cent is consumed locally, with the remainder exported to different destinations.

Somalia is the main export market, consuming over 95 per cent of the total export volume. Regarding the Member's Question, the average quantities of miraa exported daily to Somalia range between 13 and 17 tonnes as annexed in my Report according to the AFA Integrated Management Information System. Export volumes vary depending on orders placed by Somali importers. Following the EU and Netherlands bans in 2011 and 2012, Somalia has been the main export market. Since the opening of the Somalia market in July 2022, Kenya has exported a total of 17 million kilogrammes of fresh *mira*a by October 2025.

Hon. Speaker, there is a duplicity in the question. I will read the next one, which will answer the first one.

In response to the second question, why the official data in Miraa exports to Somalia remains inconsistent, the quantities of Miraa exported at any particular moment by exporters are dependent on market requirements, orders placed by the market, space available on the cargo airlines, and produce availability, among others. The Ministry, through the Agriculture and Food Authority (AFA) and other partner government agencies, facilitated trade by issuing required clearance documentation based on the volumes declared by miraa exporters. Export data obtained from AFA and KenTrade is consistent. All the three agencies have their systems integrated. The final volume airlifted is indicated in the air manifest that remains with the Kenya Civil Aviation Authority (KCAA). The export and clearance process from farm to aircraft loading is shown in Annex 2. The main entry point for miraa ferried by air from Kenya to Somalia is Mogadishu International Airport from where distribution to other towns and markets commences. Currently, no miraa export to Somalia from Kenya by road or sea has been recorded since the year 2022.

There are some planned interventions in response to what the honourable Member has asked. They include:

1. The Government will continue to engage the Government of Somalia with a view to additional landing rights outside Mogadishu.
2. Discussions are underway between my Ministry and the Ministry of Interior, together with other stakeholders, to explore possibilities of exports by road.
3. Government agencies, that is, the AFA and the Kenya Airports Authority (KAA), together with the miraa traders, are working on initiating and facilitating miraa cargo flights from Isiolo to Manda Island, from where traders can serve the external market by boat.

In terms of the third aspect of the question, the measures being taken by the Ministry to ensure accurate reporting, this ties up with the first question the honourable Member had asked.

The Ministry, through AFA, has automated all its licencing and export clearance processes and instituted system integration with the Government single window system, (Trade Facilitation Platform), and the Kenya Revenue Authority (KRA) Integrated Customs Management System (iCMS). This has aided in removing human intervention in data capture and verification.

The following additional measures must be implemented to ensure that data is synchronised and possible loopholes are sealed:

1. A set of all airway bills and flight manifests must be availed to the AFA and the Customs-KRA for export data reconciliation.
2. All miraa shipments for export will be inspected by KEPHIS so that they conform to good sanitary and phytosanitary standards before leaving the country, and the data captured thereof.
3. There shall be crop inspectors from the AFA to verify during packaging and weighing in for exports at the airport.
4. All miraa export data must be reported by the airline, which has not been the case, to the KAA every month, just like all other goods that are exported out of our airports.

In terms of the measures being undertaken by the Ministry to support the miraa sector in research, marketing and infrastructure:

Since the scheduling of miraa as a crop in 2016, the Ministry has continued to mainstream miraa as a commercial agricultural enterprise in Kenya and, in particular, in miraa growing regions of Meru, Embu, and Tharaka-Nithi. The Ministry has supported the

miraa/muguka value chain with infrastructure in Meru, Tharaka-Nithi and Embu counties as part of the implementation of the Miraa Task Force Report.

In Meru, for example, nine boreholes were constructed: two in Igembe South, three in Igembe Central, one in Buuri, two in Igembe North and one in Tigania East. Four small market sheds; two in Igembe South, one in Igembe Central, and one in Igembe North; and, three market sheds in Igembe Central, Igembe North and Igembe South were constructed and supported.

In Embu, two boreholes were constructed: One in Mbeere North and one in Mbeere South, and five earth dams: two in Mbeere North and three in Mbeere South. Six more market sheds were constructed.

In Tharaka Nithi County, earth dams and two boreholes were constructed in Tharaka Sub-county.

Those infrastructures are to address the main challenges of irrigation water to boost production and productivity, and markets to ensure food safety standards are met for local and international markets. The Ministry further injected seed capital to the tune of Ksh220 million to Miraa Farmers' Cooperative Societies in Meru and Embu counties.

The Ministry established the Miraa Research Institute (MRI) under the Kenya Agricultural and Livestock Research Organisation (KALRO), Act Cap 319, via Gazette Notice No. 9365 of 17<sup>th</sup> August 2021, to champion research in the miraa value chain. Currently, the Institute is housed in the Ruiru Coffee Research Institute. The Ministry has further spearheaded market access initiatives locally and internationally, for instance in Israel, Mozambique, Ethiopia, the Democratic Republic of Congo and Djibouti.

On the issue of budget allocation for development of the miraa sector, the Crops (Miraa) Regulations, 2023 came into force in April 2023, and levies and fees were effected in the 2023/2024 Financial Year. The Authority has since collected a total of some Ksh67 million in fees and levies. The revenues collected are utilised in the development and promotion of the miraa sub-sector through capacity building, supporting market access, and product development. Notably, part of the revenue generated was utilised in the trade missions in Djibouti, which culminated in the opening of the Djibouti market. Additionally, AFA supports miraa activities not only with revenues generated from the crop, but also from revenues generated from other scheduled crops.

The Government is committed to ensuring that miraa value chains receive the optimum support and attention that is required to enhance production and productivity, as well as market access.

Hon. Speaker, I submit.

**Hon. Speaker:** Hon. Karitho.

**Hon. Daniel Karitho** (Igembe Central, JP): Thank you, Hon. Speaker. The questions have not been adequately answered. First and foremost, I must make it clear to Hon. Waziri that on the issue of the tonnes supplied, they are saying it is 15 tonnes. We bring more than 50 pickups every day. Every pickup carries more than one tonne. The Cabinet Secretary needs to have some clarification and a well-done report, because the information he has is not true. Forty pickups, we should be talking about 40 tonnes, not 13 tonnes. We are denying the Government revenue, because whoever is talking whatever is above 15 tonnes is not known.

Second, I must make it clear to the Cabinet Secretary that the research institute established in Meru has not taken off, is not completed, and there is no ongoing activity there. Therefore, no research has been done.

Third, the Cabinet Secretary claimed that we have a market in Djibouti, but this is untrue. We do not have any market there. No Miraa is exported from Kenya to Djibouti. All the miraa that goes to Djibouti comes from Ethiopia. We have been denied the opportunity to supply miraa to Djibouti and yet, the report states that we are supplying miraa there. The Government revenue was used to create that market, which does not exist. The report is unclear,

and the Cabinet Secretary should review these facts, provide an accurate report, and present the true situation concerning all the issues related to the Miraa industry. Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Farah Maalim.

**Hon. Farah Maalim** (Dadaab, WDM): Hon. Speaker, I would like to draw the attention of the Cabinet Secretary to how the National Authority for the Campaign Against Drug Abuse (NACADA) has classified miraa. The study classified miraa and muguka as drugs containing the psychoactive substances, **cathinone** and **cathine**, which stimulate the central nervous system. When chewed, they have a euphoric effect.

Is the Cabinet Secretary aware that this drug is banned in the entire western world and other countries, including our neighbouring countries of Tanzania and Uganda? In Tanzania, for instance, if you are found with miraa, you will spend years and years in jail. Why does the Government allow a drug to destroy our people and some of our neighbours? Why can we not have an alternative to miraa? We should use those farms to plant coffee, tea, and other crops that can benefit this country and not destroy our people.

(*Hon. Daniel Karitho spoke off the record*)

**Hon. Speaker:** Hon. Karitho, what is it?

**Hon. Daniel Karitho** (Igembe Central, JP): Hon. Speaker, I want to make it very clear to the Member that miraa is not the only plant that has been identified by NACADA as a drug. Even coffee and beer have been classified by NACADA as drugs and yet, Kenya Breweries Limited (KBL) and British American Tobacco (BAT) run openly. It is not just miraa that has substances with drug effects. In addition, the **cathinone** and **cathine** in miraa are of less effect on human beings than whatever is in tobacco.

**Hon. Speaker:** Members, instead of asking the Cabinet Secretary questions, you are debating among yourselves.

**Hon. Daniel Karitho** (Igembe Central, JP): Hon. Speaker, I just wanted to make it clear to the Member that the effects of miraa on human beings are less than those of coffee, tea and cigarettes. So miraa is safe. I think that even my friend Hon. Farah, has been using miraa for many years. The Member is preaching water...

(*Laughter*)

(*Hon. Farah Maalim spoke off the record*)

**Hon. Speaker:** Yes, Hon. Farah.

**Hon. Farah Maalim** (Dadaab, WDM): Hon. Speaker, this young Member of Parliament from Meru is half-Somali, if you look at him very closely. I have never consumed miraa in my entire life. I will be turning 70 years old next year and I can assure you that I will never consume miraa. It is a drug not just in Kenya, but all over the world. Do you think that the Americans, British, Scandinavians and even Tanzanians, our next-door neighbours, do not know what they are doing? The Member needs to apologise.

**Hon. Speaker:** Order! This is not a tiff between the two of you.

Yes, Hon. Yusuf. Cabinet Secretary, note the questions that are being asked by Members.

**Hon. Yusuf Adan** (Madera West, UDM): Thank you, Hon. Speaker, for giving me this opportunity. I just want to add that the Kenya Medical Research Institute (KEMRI)...

**Hon. Speaker:** This is not a debate. Ask questions to the Cabinet Secretary.

(Laughter)

**Hon. Yusuf Adan** (Madera West, UDM): Hon. Speaker, before I ask my question, I would like to add that KEMRI has classified miraa as a drug. Could the Cabinet Secretary provide details on the nationwide animal vaccination campaign?

**Hon. Speaker:** Order, Hon. Yusuf. You are a senior Member of the House. I have given you an opportunity to joyride on Hon. Karitho's Question. You should not ask your own Question.

**Hon. Yusuf Adan** (Madera West, UDM): Hon. Speaker, on Hon. Karitho's Question, I just wanted to clarify that KEMRI has declared miraa as a dangerous drug.

Thank you, Hon. Speaker.

**Hon. Speaker:** Cabinet Secretary.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you very much, Hon. Speaker. On the first matter raised on the differentials in tonnage, as I said earlier, we are aware of some malpractices within that industry. I spelt out four specific measures that we will take to address the existing gap. There is no reason for me to say anything again because I would give the same measures that we have given. I am convinced that by the time we are done with this exercise, you will be satisfied. The data that the Member has will closely match with the data from the Agriculture and Food Authority (AFA). Therefore, I acknowledge that there are malpractices in the trade, but we are trying to address the issue using the measures that I have given.

On the question of Djibouti, I did not say that they are buying miraa from us. I said that the Government of Djibouti has allowed us to export miraa to their country. Some business people have approached AFA to be licensed to export miraa to Djibouti. It will be business-to-business. I have no doubt in my mind that there will be people who will do that business. There are also people from other countries, including Somaliland, that have proposed to export miraa from Kenya. But there are also limitations because of the geopolitical matters in that region, as you well know. For example, there is a challenge in the transportation of miraa from Kenya to Djibouti. We cannot export miraa via Ethiopian Airlines because the airline declined on grounds that Ethiopia grows miraa and, therefore, Djibouti should be their market. Those are some of the complications within the systems. But we are trying to address them amicably and diplomatically, in certain areas. We are also using force while demanding transparency in the other areas.

On the issue raised by Hon. Maalim, it is important to note that there is a Bill by the Deputy Speaker of the Senate to remove miraa from the NACADA list. This is a pretty emotive issue across board and I cannot resolve those particular differences. But for the moment, miraa is a scheduled crop in our laws. Consequently, until and unless something changes, we will continue to trade in miraa. We are also encouraging farmers in all regions to practise mixed farming. For example, AFA Directorate has been distributing avocado to areas where miraa is grown so that with time, farmers will have choices on what to export, whether miraa or avocado or macadamia.

I submit, Hon. Speaker.

**Hon. Speaker:** Thank you. Hon. Onyango K'Oyoo, ask Question 83/2025.

*Question 83/2025*

#### TERMS AND CONDITIONS OF THE LEASE OF STATE-OWNED SUGAR FIRMS

**Hon. James K'Oyoo** (Muhoroni, ODM): Thank you, Hon. Speaker. I would like the Cabinet Secretary to clarify the terms and conditions of the lease agreement of the State-owned sugar farms, including how the Government intends to invest or utilise the lease proceeds for the benefit of the local communities. This is as a result of the President's recent revelation that the Government intends to sell parastatals and ring-fence the money...

**Hon. Speaker:** Order, Hon. K'Oyoo. Read the Question as you framed it.

**Hon. James K'Oyoo** (Muhoroni, ODM): Hon. Speaker, I beg to ask the Cabinet Secretary for Agriculture and Livestock Development the following Question:

Could the Cabinet Secretary:

- (a) Clarify the terms and conditions of the lease agreements for the State-owned sugar firms, including how the Government intends to invest or utilise the lease proceeds for the benefit of the local communities?
- (b) State whether the lease rent payable took into account the value of the nucleus estate farming land and confirm whether a valuation of the sugar-cane within the nucleus was undertaken and, if so, indicate the total value?
- (c) Explain the measures that have been put in place by the Ministry and the Kenya Sugar Board to prevent the creation of monopolies, given that the leased state-owned sugar firms have been allocated to millers already operating within the same command zones?
- (d) Provide the current status of the legal disputes relating to the Miwani Sugar Company land and outline the steps being taken to safeguard the land from fraudulent transactions?

Thank you, Hon. Speaker.

**Hon. Speaker:** Excellent. Cabinet Secretary.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you very much, Hon. Speaker. On the first Question by Hon. K'Oyoo, the four State-owned sugar companies namely: South Nyanza Sugar Company, Nzoia Sugar Company, Chemelil Sugar Company and Muhoroni Sugar Company were leased out and handed over to private players on 10<sup>th</sup> May 2025 as follows. The first one is South Nyanza Sugar Company which was leased to Busia Sugar Industries Limited, Nzoia Sugar Company to West Kenya Sugar Company Limited, Chemelil Sugar Company to Kibos Sugar and Allied Industries Limited, Muhoroni Sugar Company to West Sugar Company Limited.

The terms of the lease included among others:

1. The lease rental Ksh40,000 per hectare per year for Chemelil, Muhoroni and Sony Sugar, and Ksh45,000 per hectare per year for Nzoia Sugar Company. Concessional fees, Ksh4,000 per tonne of sugar and Ksh3,000 per tonne of molasses produced. Goodwill was equivalent to one-year lease rental and paid once in the first year. Other conditions of the lease included the following, Hon. Speaker. The lessee shall not assign, transfer, pledge or make any other disposition of the lease or any part thereof.
2. The nuclear land shall only be used for cane development and not be used as collateral by the lessee.
3. The lessee to invest in cane development and modernisation of the sugar mill through rehabilitation, upgrading of the machines, adoption of new technologies to improve the operational efficiency of the factory.
4. The lessee to invest in diversification into co-generation of power production or bio-ethanol and allied products.
5. At the expiry of the term of the lease, all the initial and additional investments shall revert to the lessor.

6. The management and maintenance of nuclear estate and out-grower systems, the lessee proceeds will benefit the local communities through payment of bonuses to the farmers.

Second, on the state of whether the lessee rental payable took into account the value of the nuclear estate, the Ministry leased out all the land, buildings, plant and machinery. In other words, it is a complete package and the entire ecosystem. Only motor vehicles and livestock were exempted from the list of items leased. The nuclear estate and standing sugar-cane were not valued separately since these were considered in the leased asset portfolio that was already pre-determined.

Third is on the explanation of the measures that were put in place by the Ministry and the Kenya Sugar Board to prevent creation of monopolies. The operations of the leased State-owned sugar firms are regulated by the Kenya Sugar Board. The Board was established by the Sugar Act of 2024. The Act has several provisions that give the Kenya Sugar Board regulatory powers for market monitoring, regulation and control of unfair trade practices which are used to restrain monopolistic behaviour. The existing framework includes the regulatory oversight by the Kenya Sugar Board on compliance, cane harvesting and milling operations, and secondly, farmer protection and sugar-cane pricing frameworks under the Sugar Act of 2024.

Besides the Sugar Act of 2024, the leased sugar factories are managed in accordance with the provisions of the Competition Act. The Competition Act provides that a person or farm has a dominant position in the market if the person produces, supplies, distributes, or otherwise controls not less than one half of the total goods of any description that are produced, supplied, or distributed in Kenya or any substantial part. Number two is that it provides or otherwise controls not less than one half of the services that are rendered in Kenya or any substantial part.

Following the leasing of the four State-owned sugar mills, none of the sugar companies controls more than 50 per cent of the market and, therefore, the fear of monopolistic tendencies shall not arise. Again, it is good to note that we also trade in sugar within the Common Market for Eastern and Southern Africa (COMESA) region. So, it is not just our factories; there is also the COMESA production.

Number four is the status and the legal disputes related to the Miwani Sugar Company. This has been an on-going issue for a long time. In the parcel of land known as LR No.7545/3 IR No.21038, was initially the subject of litigation in Kisumu, the case being the HCCC/2025 of 1993, that is Nagendra Saxena versus Miwani Sugar Mills Limited and two others, where the plaintiff alleged that he obtained judgment against the defendant and was granted an order to attach and sell the said land to recover a decretal sum. Miwani Sugar Company 1989 Limited was not a party to the case and when they learnt about the sale, they applied to the court for the sale to be set aside.

The High Court set aside the proceedings that were used to purportedly sell to Crossley Holdings Limited and declared the case to be a nullity. Crossley Holdings Limited and Nagendra Saxena filed an appeal at the Court of Appeal in Civil Appeal 261 of the year 2008, which appeal was duly heard and dismissed.

**Hon. Speaker:** What was declared a nullity, the case or the sale?

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): The sale, Hon. Speaker, was declared a nullity in accordance with the report we have.

**Hon. Speaker:** So, it is not the case.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Following that, in 2008 the appeal was made and jury heard, but was also dismissed. The court also reiterated the position that the proceedings that were used to effect the sale were also null and void.

When the predecessor of the Kenya Sugar Board, Agricultural and Food Authority commenced measures to lease the land, Crossley Holdings Limited filed yet another suit at the Kisumu Environmental and Land Court, being Petition No.6 of 2020. Crossley Holdings Limited versus the Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries and others. Despite the court being notified that the issue regarding the legality of the arranged purchase had been settled by the Court of Appeal, the presiding Judge, Justice A.O. Ombwayo, delivered yet another judgment declaring Crossley Holdings Limited as the owner of the property. Miwani Sugar Company Limited and the Attorney-General have filed an appeal at the Court of Appeal being Civil Appeal No.E207 of 2021.

**Hon. Speaker:** How can a junior court override the Court of Appeal?

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Hon. Speaker, I claim no authority in law. As it stands, there are two conflicting judgments on the issue of ownership. One from an Environmental and Land Court and the other from the Court of Appeal.

The Cabinet issued a memo that directed the Ministry of Agriculture and Livestock and the Attorney General to enter into an amicable settlement with Crossley Holdings Limited and record a consent. This process is still ongoing. I submit.

The next Question is one for Igembe.

**Hon. Speaker:** Of course, Cabinet Secretary, there has been a Petition presented before the House this afternoon on the same matter and, at some point in time, your Ministry may be caught in the crossfire.

Hon. K'Oyoo?

**Hon. James K'Oyoo** (Muhoroni, ODM): Thank you, Hon. Speaker. I agree with the Cabinet Secretary on certain aspects. I only want to inform him that we will need valuation reports of the belongings for various factories before the lease was done. So, this will inform whether they were done properly or not.

If possible, we would want to know the workers' plight. What was pledged and agreed to during the leasing has not been done for workers and suppliers. We want those issues to be addressed properly.

I have very little to say when it comes to the elephant in the House. The Hon. Speaker has spoken. The Court of Appeal judged the matter you have read out. It was the Apex Court then. We cannot get the judgment of the Court of Appeal reviewed in the Environment and Land Court. Somebody is trying to subvert the law. We would want your Ministry to be as straightforward as you are. We are trying to address it from other quarters.

We also want to know the position of the law courts. When those factories were parastatals, the Government provided for directorship from the locals. But now, with the lease going on, I do not know how the interests of the locals are going to be taken care of. Are they going to get the usual known by-laws on people to represent the interests of the local community?

In supplementary, this House has passed the creation or the reconvention of the new Kenya Sugar Board, which is very useful to the farmer on the ground. However, due to a plethora of legal actions, I am unsure what steps your Ministry will take to ensure the Board is fully operational. I rest my case.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you very much.

**Hon. Speaker:** Hold on. Let us take *mwalimu* Milemba.

**Hon. Omboko Milemba** (Emuhaya, ANC): Thank you. I really got interested in the Cabinet Secretary's speech on Miwani. He explains how the Court of Appeal made a ruling and later, the Environment and Land Court also made a judgment.

**Hon. Speaker:** It never made a ruling. It made a judgment.

**Hon. Omboko Milemba** (Emuhaya, ANC): Allow me to use ordinary language because I am not a lawyer like yourself.

(*Laughter*)

Thank you for those corrections. Later on, the Environment and Land Court also came in to make new orders. In fact, that matter is disturbing us. As the Cabinet Secretary for Agriculture and Livestock Development, you should be very keen and interested in this land because it was originally Government land. What are you doing within your Ministry to make sure that, that land goes back to Miwani, the public, or the Government? Thank you.

**Hon. Speaker:** Hon. Oundo.

**Hon. (Dr) Ojiambo Oundo** (Funyula, ODM): Thank you, Hon. Speaker.

I have heard the Cabinet Secretary talk about monopoly and dominant players in the market. I want to bring to his attention that the entire Busia County and the neighbouring region have only one sugar company, Busia Sugar Company. They are indeed involved in some very mischievous and probably market-predator activities. They are leasing swathes of land to grow sugar-cane and paying the local owners of the land a very small amount of money.

Secondly, there is also a very interesting scenario, which probably may not be his, but one for him to note. On the other side of Uganda, there is an Indian company that has leased a large portion of land from Uganda and has tilled all the way to the Kenyan land. I will bring up a substantive matter on that. But I just wanted to bring to his attention that if he hears we have confiscated the sugar-cane from the area we believe is in Kenya, and take it to wherever we want to take it, he should not be surprised. It is not a diplomatic matter, but it would be self-defence. Thank you, Hon. Speaker.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Thank you very much, Hon. Speaker. On Hon. K'Oyoo's issue of the valuation, indeed, there were valuations that were done. As a matter of fact, I presented to the Departmental Committee on Agriculture and Livestock a document that had all those details, but I will be happy to provide the same. On the issue of employees, what we had agreed and did with the employees was to agree with the factories that, for a period of at least six months, nobody would be laid off. They had to assess who they would need and not need.

There are two circumstances here: There are people who are leaving the factories. Obviously, they are not very happy because of that, and I sympathise with the situation but there are also younger people now who are joining the factories. You will see it even in the newspaper advertisements.

As this modernisation process is taking place, you will find advertisements for Chemelil Sugar Factory and others who are looking for individuals, young engineers and technicians and so on, for hire. Even as some people are leaving, others are also going in. We have agreed with those people that we will try and treat them as humanely as possible.

Further, we are under instructions from not less than the President of the Republic, President Ruto, that no individual employee is going to be paid. Most of the debt that we had with the employees is actually Government debt, on the grounds that we were the shareholders. We are the ones who owed those people monies from NSSF and NHIF, and deductions as such to those people. It is a Government debt so the Government has to pay the employees who are staying and those being let go by the investors.

On the issue of the sugar board, you will recall that a while back, the Agricultural and Food Authority (AFA) experienced exactly the same thing. In its wisdom, this House passed an Act that included the selection or the election of people for the Sugar Board in certain zones. There is litigation galore on this matter. In the first instance, there are litigations regarding the

zones, where, for example, some people in Bunyala may not want to be in Miwani and so on, in terms of the regional makeup.

Secondly, even within the regional makeups themselves, there will be litigation regarding who is being selected. We might have no choice but to come back to this House and seek amendments to the Act to allow for faster implementation of the Act. It took five years for AFA to come back to the House and get those amendments. I hope it can be done faster for this. Otherwise, it is indeed quite feasible that it can be delayed for a long time, not because of the Ministry's fault, but the field's and how it is. We have already established a committee.

**Hon. Speaker:** Cabinet Secretary, the Bill passed and it is now the Sugar Act. I come from the sugar zone. There are people who have been campaigning continuously to be elected as directors of the Kenya Sugar Board for the last three years. It is not fair to those ordinary farmers. You know how expensive campaigns of any election in this country are. Something must be done. Approach Parliament through the leadership of the Majority Party if you want it to assist you.

**The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe):** Thank you, Hon. Speaker.

As proposed, I believe that the way out is to approach Parliament so that we make some amendments to allow faster appointment of board members. Just what you have said is, in itself, a problem, because that is what is happening there. You will still go through litigation when you eventually get somebody elected. We know our country is a pretty litigious nation.

On Miwani, yes, we in the Ministry are as concerned as the people of Miwani. As you can see, it is a litigation matter that has been going on for almost 30 years. I think the decision to try and resolve the matter through the existing Cabinet memo is probably the way out of it. Farmers and the people can decide whether they feel the settlement is fair once it is made.

Hon. Speaker, this is a matter I am continuously engaging with the Attorney-General as the legal mind of the Government.

On the issue of Busia Sugar Company, I am aware that there are two factories in Busia area. I also know the issue of Uganda in terms of transport. Let me make it clear that, as much as we have invested and leased sugar, we are not yet sugar-sufficient in Kenya. Let me clarify that so that you do not avoid acquiring sugar from Uganda when we might still need it. The four sugar factories we are talking about were downtrodden for many years. Even though the production of sugar went higher last year from about 500,000 metric tonnes to about 814,000 metric tonnes, our consumption is still over a million tonnes. The long and short of it is that we have been relying on Common Market for Eastern and Southern Africa (COMESA) sugar to fill the gap.

As we embark on the modernisation of the factories, we are likely to do two things:

1. Through Kenya Agricultural and Livestock Research Organisation (KALRO) and Kenya Sugar Board, we want to start implementing new sugar varieties. That means certain areas will probably plant sugar varieties that take a shorter period to mature.
2. We have to stop cane harvesting to allow it to mature. For a long time, farmers harvest quantities of sugar, but they do not get commensurate prices because of its quality.

Moving forward, we will not only focus on quantity but also quality. That means that next year, and probably the year after, there will be disruptions in production. After that, I believe that towards 2027, we will probably even begin exporting sugar. However, cane takes time to grow. The varieties we want to produce will take time to grow. If there is somebody from Uganda, please ensure they are authorised to export sugar. Do not ban them.

Thank you, Hon. Speaker.

**Hon. Speaker:** Is Hon. Adan Haji in the House?

**QUESTION BY PRIVATE NOTICE***QPN 18/2025***STATUS OF NATIONWIDE ANIMAL  
VACCINATION CAMPAIGN**

**Hon. Yusuf Adan** (Mandera West, UDM): Hon. Speaker, I beg to ask the Cabinet Secretary for Agriculture and Livestock Development Question 18/2025.

**Hon. Speaker:** Hold on, Hon. Haji.

**Hon. Yusuf Adan** (Mandera West, UDM): Yes.

**Hon. Speaker:** You filed this Question yesterday. Was it you or another Member?

**Hon. Yusuf Adan** (Mandera West, UDM): I did it.

**Hon. Speaker:** I thought it was Hon. Abdi Kadir.

**Hon. Yusuf Adan** (Mandera West, UDM): I am the one who filed it.

**Hon. Speaker:** Is it by private notice?

**Hon. Yusuf Adan** (Mandera West, UDM): Yes.

**Hon. Speaker:** I remember the Cabinet Secretary called me last evening to tell me he had received the Question. He was unable to assemble his team to assist him to put together the answers. Let him tell us if he is ready to answer it. If he is not, I will forgive him.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Hon. Speaker, indeed, I am not ready to answer this Question, but I would like to mention a few things.

**Hon. Speaker:** If you are ready to answer the Question, do it. It is a very simple one.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Let me explain the vaccination process that is currently going on in the country.

Firstly, as you will remember, there was resistance to the vaccination process in the Arid and Semi-Arid Lands (ASAL) regions and other parts of the country because it was politicised.

**Hon. Speaker:** It was politicised.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Vaccination is a crucial part of our progress, especially if we want to enter the export market and practise good standards for our people, in terms of meat consumption, and the health and economy of those in the ASAL region who practise livestock farming. Since then, we have started a very healthy vaccination process. We have started it via e-voucher and an electronic digital system called Anitrack. This is the system we are using so that we vaccinate the animal and put identification methods on it. This way, we know which animals have been vaccinated and which ones have not. This is what we are rolling out. The Anitrack system has been tested in Government farms and livestock. We are now rolling it out in some counties. We are happy because county governments have quickly adopted this method of vaccination.

The vaccination exercise is going on, particularly for two diseases: Foot and Mouth Disease (FMD) and PPP. We vaccinate in accordance with the measures identified by the Veterinary Department of the Ministry. We want mass vaccination. If we vaccinate our animals continuously for three years, we will be declared free of FMD. Many countries refuse to take our meat because they know FMD exists in our country. In fact, you will remember there was a President who visited us and was given some animals from Kenya by our President. However, our Veterinary Department did not allow them to leave because of FMD. So, it is crucial that the vaccination exercise is done scientifically. There is no point of vaccinating cows, if you

cannot identify the ones that have been vaccinated and the ones which are not vaccinated. Then, they mix, forcing us to start again.

I appeal to Members, especially from the ASAL region and other areas which keep cows and practise dairy farming, to accept this digital system we are going to use for animal identification, so that the exercise is scientifically implemented.

**Hon. Speaker:** Cabinet Secretary, that is a general policy statement. Do you have the numbers the Question is asking for?

**The Cabinet Secretary for Agriculture and Livestock Development (Hon. Mutahi Kagwe):** Hon. Speaker, I do not have the numbers. I pledge and accept to provide them to the Member.

**Hon. Speaker:** Hon. Yusuf.

**Hon. Yusuf Adan** (Mandera West, UDM): Thank you, Hon. Speaker. As we said earlier, the Cabinet Secretary is not ready with the answers. I request him to provide written answers. It is not the first time Kenya is vaccinating against FMD and PPP. When I was 21 years old, I joined the Department of Veterinary Services. We have been vaccinating animals. What is different now is the identification. Some of us are advocates of the vaccination process. When mass vaccination was declared on 30<sup>th</sup> January 2025 and it was politicised, some of us campaigned for it to take off. Unfortunately, it has not started in my constituency or county. That is why I asked this Question.

Please, give us written answers for this Question. If the vaccination has not started in the ASAL areas, we are ready to advocate for it. We are there to convince our communities. Please, let it start because we know the value of vaccinating those animals.

Thank you, Hon. Speaker.

**Hon. Speaker:** Yes, Hon. Raso and then Hon. Rindikiri.

**Hon. Ali Raso** (Saku, UDA): Thank you very much, Hon. Speaker. I think you have indulged us on this Question. The Cabinet Secretary has attempted to globally answer why disease-free zone is important in Kenya. However, I want to pose two general questions that are linked to the same issue: drought. The rains have failed in the ASAL areas. We might face the drought of 2019 to 2022 again.

First, what is it that you are planning so that we do not face the colossal losses that we experienced that time where we lost almost 3,500,000 livestock? Also, last year, there was the Livestock Board that was gazetted which will be helpful to your work in the livestock sector. We do not hear anything about it. Is it there? Is it active? Has it been operationalised? Please respond to us, as livestock keepers and people from Arid and Semi-Arid Land (ASAL) we are really concerned that the livestock board is not in place. Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Rindikiri.

**Hon. Mugambi Rindikiri** (Buuri, UDA): Thank you, Hon. Speaker, I come from Meru County but specifically we are concerned about what is defined as ASAL area. That is Laikipia North, Isiolo North and Laikipia East. In many cases, we fall victim to drought and diseases. My question first is when are we going to receive vaccination programme for each county or constituency because what the Cabinet Secretary is saying is that we will wait until they agree on certain things. I think the Cabinet Secretary should give us a deadline.

**Hon. Speaker** You are a joy rider. Just ask one question.

**Hon. Mugambi Rindikiri** (Buuri, UDA): It is very important because he knows where we come from and there is an issue. Vaccination is one issue, but I want to thank the Government for ensuring that the prices of vaccines have gone down. That is a plus but now the problem is the availability and the supply is a serious question. Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Oyula.

**Hon. Maero Oyula** (Butula, ODM): Thank you, Hon. Speaker. I just want to ask an additional question on vaccination. Can the Ministry extend vaccination to Busia County and

in particular Butula Constituency? Secondly, we have a lot of tsetse flies in our areas. Most animals die because of the East Coast Fever (ECF) that is caused by tsetse flies. What is the Ministry doing to eradicate tsetse flies in some of our areas? Thank you.

**Hon. Speaker:** Hon (Prof) Jaldesa.

**Hon (Prof.) Guyo Jaldesa** (Moyale, UPIA): Thank you. I think what the Cabinet Secretary confessed is that he has not educated farmers and given affirmative action to educate the farmers on the significance of vaccination and that it plays a major role in preventing avoidable deaths. Come January to March 2026, we are going to face an impending drought. Those farmers are going to lose hundreds of millions of their livestock. What are the mitigating measures the Cabinet Secretary has put in place to save those animals?

**Hon. Speaker:** Hon (Maj) Bashir.

**Hon (Major (Rtd) Abdullahi Sheikh** (Mandera North, UDM): Thank you Hon. Speaker. I think mine is just in line with what Professor has said. Hon. Cabinet Secretary, you mentioned that you have not yet started vaccinating in the region and I am sure probably you are rolling it out now. As you roll out, remember we have a drought that is ravaging parts of that region, Wajir, Mandera and Garissa. As you plan to vaccinate, what plans have you put in place to mitigate the current drought situation because it is affecting livestock in that region? Thank you.

**Hon. Speaker:** Cabinet Secretary, can you answer those?

(Inaudible)

Clerk, what has happened to the microphone? Have you muted it? Where is the other microphone? Is it working?

**The Cabinet Secretary Ministry of Agriculture and Livestock Development** (Hon (Sen.) Mutahi Kagwe): Yes, it is working. Thank you very much Hon. Speaker.

At the outset, as I said, I was not intending to respond to this particular question because I do not have the details that the Members would like to have. I do commit to giving all the details that have been asked for. Let me just say this in terms of policy, and policy establishment area. In terms of the drought, indeed, the Members are right, that there has been a debate year-in, year-out. The proposal that is there within the Ministry of Agriculture is as follows:

1. That we have to work with the county governments - and I would like to really emphasise this. That, it is not possible for the Ministry at headquarters to work on its own on drought mitigation. We need to work with the county governments and indeed, last weekend, we had a meeting in Naivasha on the same, and the issue of drought came up. The governors of the various counties attended the meeting.
2. Our proposal going forward is that, at least, from where I sit, we make food reserves for human beings. That is why we have got the National Cereals and Produce Board where we store foodstuffs. That is the only one way you can save somebody or an animal if there is a drought. There has to be foodstuffs or feeds that are saved and put aside for the animals. What we have established is feedlots but one of the weaknesses that I found in the Ministry is that the so-called feedlot can be described, yes, as a lot but not as a feed because there is no feed in where the animals are.
3. We have proposed to the county governments going forward, in each of the feedlots that we establish, let us also establish huge go-downs of hay and silage where we can keep feedstuffs because it is cheaper to buy feedstuffs and animal feeds during the high season. For example, during the rains, there is a lot of silage and feeds across the country and it all dries up together. Hon. Speaker, it

is cheaper to buy the hay and stock the hay than to buy animals - which is called restocking. It is cheaper to buy the food than to restock. In any case, even from a humanitarian perspective, the pain that a farmer will go through watching the animals die has to be calculated within the cost of ensuring that we can create sufficient silage and animal feeds and store them in our feedlots so that in a situation like this, we can bring them into a centre and have the feedlots.

4. The other one, of course, is the issue of supply of water during drought and ensuring that we have got sufficient water supply. A lot of those areas also, the water ponds dry. So, it is a question of using new methods, not just depending on a water pond that is likely to dry or a water pond that has got no proper care in terms of linings and so on so that it does not dry out as easily as they are doing now. So, it is a topic that is on the table. I would like to get assistance also from the Members of Parliament from those regions so that we can work together with the county governments to put priority on silages and feeds because that particular aspect is actually the role of the county governments. But we are pushing as a Ministry to make sure that they do so from a policy point.

On the issue of the Livestock Board, it is operational. Maybe not as active as it should be but, then, again, let us give them time to organise themselves because it is a new board. I remember actually it was appointed on the week - I think a few months after I joined the Ministry. It is on board but if you give them time, I am sure they will do what they are supposed to do. It has got some very good people in it, including a chair, who I think is committed to this cause.

On the issue from Meru on disease, vaccination and the programme that we ought to bring, again, we are working on this with the county governments and we have rolled it out. Hon. Bashir, we have actually rolled out the vaccination in certain counties. Maybe, we are not in your county yet, but we have rolled out the vaccination process. What was missing but is critical and important and must go together with the vaccination is this Animal Identification and Traceability (ANITRAC) digital system.

I, again, seek Members' indulgence because some areas in this country have been resistant to animal identification. As the Member rightly said, we must collectively educate farmers on the importance of animal identification in various forums. Going forward, this is the only way Kenya will be able to export beef. On our part, we have been working on this for the last one year, and we will embark on it viciously. Luckily for us, this is a home-grown system. We are not importing the Anitrack System. It has been locally developed in collaboration with our universities in Nairobi. We are also working to secure an adequate budgetary allocation, so that once the animal identification process begins, it does not stall. There is need for farmer education, which we shall do through the media and other channels. I also seek your support in doing so.

There is an issue of tsetse flies in Busia. We have established a parastatal to deal with tsetse flies and tripanosomiasis. We are introducing technology, including drones, to spray tsetse flies' breeding grounds, just as we did in malaria-prone areas. It may be difficult for humans to access certain terrains but drones can reach those breeding sites and spray the larvae. A meeting was recently held in Westlands, Nairobi, to discuss the control and elimination of tsetse flies.

**Hon. Speaker:** Cabinet Secretary, as a matter of personal interest, I am also a livestock farmer. I lose between six and 10 animals every year due to tsetse flies in Bungoma. Bungoma, Busia, Kakamega, Trans Nzoia, stretching down to Siaya are in the same ecosystem. We have not seen any activity in this area. Could you step up the control of tsetse flies and treatment facilities?

Hon. Charity Kathambi, you have just walked in and I see you raising your hand. Give her the microphone, and then we will close with Hon. Nabii.

**Hon. Charity Chepkwony** (Njoro, UDA): Thank you, Hon. Speaker. I wish to take advantage of the presence of the Cabinet Secretary for Agriculture and Livestock Development. Are Kenyans truly safe with the pesticides and insecticides currently being used on crops? A report before this House's Select Committee on Implementation Committee recommends the removal of 365 chemicals on the Kenyan market but so far, only 70 have been removed. With rising cases of cancer and other serious diseases, what is the Ministry doing to ensure that all harmful chemicals that are recommended for removal from the Kenyan market are actually removed?

**Hon. Nabii Nabwera** (Lugari, ODM): Thank you, Hon. Speaker. I want to pick up from where I left.

Last week, parts of Kakamega, including my constituency, and parts of Trans Nzoia reported cases of foot-and-mouth disease. The Cabinet Secretary is more promissory than practical. Under the Fourth Schedule of our Constitution, one of the functions of the Ministry of Agriculture and Livestock Development is to provide policy. I am disappointed that we are still talking about drafts. The Cabinet Secretary needs to get down to work, put pen to paper and send the paper to Parliament for us to approve. Uganda has eradicated tsetse flies. Why is Kenya still losing animals to tsetse flies 61 years after Independence?

**Hon. Speaker:** Point made. Cabinet Secretary, respond in less than three minutes.

**The Cabinet Secretary for Agriculture and Livestock Development** (Hon. Mutahi Kagwe): Hon. Speaker, I completely agree with the last speaker. More needs to be done in that area. We are quite practical. It is true that the Fourth Schedule is about policy. It also shares out agricultural responsibility between the two levels of government. The Fourth Schedule also provides that the national Government should be involved in sorting out national disease outbreaks. We do not have mass deaths of animals because of the work that we are doing. However, I agree that we should do more, and we will do more.

On the issue of pesticides as raised by Hon. Kathambi, one of the first policy directives I issued upon assuming office was that Kenya will not use any agricultural product that is not used in its country of origin. That was the first step. Secondly, based on those recommendations, we have already banned 77 products. We cannot ban all 365 products at once because some among them are not necessarily dangerous. No dangerous product will be used in Kenya's agricultural sector.

As part of our role under the Chairmanship of the Common Market for East and Southern Africa (COMESA) and the East African Community (EAC), we have proposed that a product banned in one country within our region should also be considered banned in all member countries. We can ban harmful products in Kenya, but if we still import tomatoes, onions and other produce from neighbouring countries which have not banned those harmful pesticides, our bans will be futile. Kenya has banned 77 pesticide products and limited the use of 230 others. The limited products may still be used under certain conditions and restrictions. We are not taking the matter lightly. It is a serious issue of the environment and health. We are taking action within and outside the country.

The Pest Control Products Board (PCPB) is aligned with those reforms. We have strengthened the Board's laboratories' testing capacity and benchmarking as far as pest control products are concerned. I am alive to the fact that the House, including the Deputy Speaker, has been insistent in advocating for the removal of many harmful agricultural products. It is not in anyone's interest to continue using them, and they will not be used.

I thank you, Hon. Speaker.

**Hon. Speaker:** Cabinet Secretary, we will end here with you. You can go back to your office.

*(Hon. James K'Oyoo spoke off the record)*

Yes, Hon. K'Oyoo. Cabinet Secretary, hold on there.

**Hon. James K'Oyoo** (Muhoroni, ODM): Thank you very much, Hon. Speaker. It came out from the Hon. Cabinet Secretary that what was leased was the factory, not the land. We want the title deeds to either be kept by you or by the governor since lands are devolved.

**Hon. Speaker:** He did not say that.

**Hon. James K'Oyoo** (Muhoroni, ODM): No, he said that they did not lease the land but the title deeds are in the hands of the lessees. As you know, some of them are manoeuvring to make use of the title deeds.

**Hon. Speaker:** He said, if I got him right, that they leased the land and the factory with conditions that whoever has taken the factory...

**Hon. James K'Oyoo** (Muhoroni, ODM): ... cannot be used as collateral.

**Hon. Speaker:** Yes.

**Hon. James K'Oyoo** (Muhoroni, ODM): Yes. I am pleading with him that, therefore, they should rush to get hold of the title deeds because we know the history of some of the lessees.

**Hon. Speaker:** To that extent, you are right.

**Hon. James K'Oyoo** (Muhoroni, ODM): Yes. Thank you.

**Hon. Speaker:** But it is not correct that they did not lease the land. They leased the land but there are restrictions on the use of the security.

**Hon. James K'Oyoo** (Muhoroni, ODM): Yes, thank you.

**Hon. Speaker:** Order, Hon. Charity. This is not how the House runs. Hon. Cabinet Secretary, you are released.

**Hon. Mutahi Kagwe** (Cabinet Secretary for Agriculture and Livestock Development): Thank you very much.

*(The Cabinet Secretary exited the Chamber)*

**Hon. Speaker:** As we go to Order No.9, I have a letter from Dr. Mutunga nominating Hon. Mathenge, who is in the House, to move the Motion.

## MOTION

### APPROVAL OF MEDIATE VERSION OF THE COFFEE BILL (Senate Bill No.10 of 2023)

*[The Speaker (Hon. Moses Wetang'ula) left the Chair]*

*[The Temporary Speaker (Hon. Farah Maalim) took the Chair]*

**Hon. Duncan Mathenge** (Nyeri Town, UDA): Hon. Temporary Speaker, I beg to move the following Motion:

THAT, pursuant to the provisions of Article 113(2) of the Constitution and Standing Order 150(3), this House adopts the Report of the Mediation Committee on the Coffee Bill, (Senate Bill No. 10 of 2023), laid on the table of the House on Tuesday, 2<sup>nd</sup> December 2025, and approves the Mediated version of the Coffee Bill, (Senate Bill No. 10 of 2023).

Traditionally, coffee has been one of the key crops that is grown in this country. It has been a key export earner. When the National Assembly considered the Senate Bill, about 50 clauses were amended. The Senate did not agree with the National Assembly Amendments, and we went to mediation. I want to thank the Mediation Committee that devoted an entire Monday, when traditionally the House does not sit, and sat up to 7.00 p.m. to ensure that we did justice to the Bill and arrived at a consensus.

About 8,000 small-holder farmers produce coffee in this country on an acreage of between 0.2 hectares and 3 hectares. These small-holder farmers account for up to 70 per cent of the coffee that is produced in this country. Small-scale and medium-size estates that are growing coffee on between 5 acres and 20 acres produce 20 per cent, and the large estates that grow coffee on more than 20 acres produce 10 per cent. However, the small-holder farmers have suffered so much due to failure to effectively regulate coffee production and marketing.

The Bill could not have come at a better time. The coffee sector has suffered with farmers being saddled with debts arising from financing programmes that have not benefited them. Subsequently, the Government has on several occasions had to step in and bail out the farmers. However, the cycle of debts has always recurred and as a result, coffee production in our country suffered, plummeting from a high of about 150,000 metric tonnes in the 1970s to less than 50,000 metric tonnes currently.

The Government came up with an ambitious plan that was aimed at increasing production in the period 2024-2029 to the pre-1970 production levels. However, the acreage under coffee production in the traditional coffee growing areas of Kiambu, Kirinyaga, Nyeri, Murang'a, Bungoma, Kisii and Kisumu has gone down.

The passage of the Bill brings back hope not only for our country, as coffee is a key exchange earner, but also to the livelihoods of the ordinary people in this country. The production of coffee is expanding to new growing areas in Kericho, Nandi and Mount Elgon. Therefore, there is a lot of hope that coffee will continue to give a viable alternative to rural households across the country.

In this Bill, we have sought to re-establish a national institution in the form of Coffee Board to oversee and become a competent authority on matters of coffee, take care of production and productivity, and embark on strategic and targeted marketing of Kenyan coffee, establish a Kenyan coffee brand in the global market, and ensure that farmers continue to enjoy better prices.

It is sad that today, despite the advances in technology, coffee buyers still have to be physically present in Nairobi to be able to bid for our coffee. It is envisaged that with the passage of this Bill, we will have a truly digital coffee exchange so that any lover of coffee across the globe, sitting in their homes and in their cities, in their own destinations, can bid for coffee that is on offer at a coffee exchange in Nairobi, allowing our farmers to have better access to markets globally.

Coffee production has also suffered due to lack of a dedicated research institution to take care of coffee development. The Bill is re-establishing the Coffee Research Institute, which will have a wider scope beyond the production of better varieties that are more climate resilient with better production – varieties which are resistant to diseases. They will also be responsible for disseminating research knowledge directly to farmers.

Small-scale coffee producers have also suffered in the hands of cartel-like tendencies, where we had entities previously holding multiple licences across the value chain and, therefore, they tended to hold the farmers captive. In the Bill, we are establishing three levels of licensing at the county governments on areas of production, primary processing and value addition. Marketing of coffee will be controlled by the Capital Markets Authority and export will be handled by the Agricultural and Food Authority. All the licensing bodies will have to

issue licences in consultation with each other to ensure that no single entity hold multiple licences across the different levels of the value chain.

Hon. Temporary Speaker, another area of opaqueness was the settlement of coffee proceeds, where money from sales would end up in the hands of one entity – the marketer – who would arbitrarily decide what to distribute. We are introducing a centralized settlement system that encourages transparency upstream and downstream, making all deductions visible to farmers and other players. Money will be distributed from the central system to the respective value chain players according to the contracted prices.

The co-operative movement is a key player in this country for pooling commodities and resources, and it is important not to disrupt its ability to leverage economies of scale. To address farmers' concerns regarding the direct settlement system, we have defined that for purposes of settling coffee proceeds, the grower will be either a coffee co-operative or a coffee estate. The power and ability of farmers to pool their resources will not be disrupted.

Coffee farmers are also receiving support from the national Government in the form of subsidized inputs, currently fertilizers. With the passage of this Bill, we hope to expand the scope of the subsidy to include other inputs such as agrochemicals and soil testing capabilities to help farmers to increase both production and quality of coffee.

It is imperative that farmers understand that the law we are making will allow them to access the global market within the segment where Kenyan coffee is positioned today as specialty coffee. This Bill will also encourage further direct sales, enabling farmers to engage with buyers directly and enhance their earnings.

Lastly, this Bill will help resolve outstanding debts that are owed by coffee farmers, particularly in the co-operative sector, thus relieving them of a burden that has been a prolonged issue of debate in different arenas.

With those remarks, I move and request the Majority Deputy Whip, Hon. Owen Baya, to second.

**The Temporary Speaker** (Hon. Farah Maalim): It is the Deputy Leader of the Majority Party. You must start with the word “deputy.”

**Hon. Duncan Mathenge** (Nyeri Town, UDA): Okay. I request the Deputy Leader of the Majority Party, Hon. Owen Baya, to second.

**The Temporary Speaker** (Hon. Farah Maalim): Give Hon. Owen the microphone.

**Hon. Owen Baya** (Kilifi North, UDA): Thank you, Hon. Temporary Speaker. I second the mediated version of the Coffee Bill, 2023, (Senate Bill No.10 of 2023).

The principal objective of this Bill is to provide for the development and regulation of the coffee industry in Kenya. This Bill proposes to re-organize the coffee industry by transitioning the regulatory and commercial roles currently undertaken by the Agricultural Food Authority (AFA) to the Coffee Board of Kenya. This is a very important point of departure that we must consider. When AFA was set up, it took all the crops, bundled them together and put them under one organization. Coffee Board of Kenya, Tea Board of Kenya and many other organizations that existed then were folded and put together under AFA. We have realized that this created a big problem. It led to the decline of some crops, including coffee, sugar-cane, tea, cashew nuts and coconuts. The people decided to dissolve those organizations, which affected those who had invested their lives heavily in them. But Parliament passed the law, nonetheless.

Today we are unbundling coffee, removing it from AFA and setting up the Coffee Board of Kenya. I hope this is just the beginning. Other crops will also be unbundled and placed properly to allow them to grow. I have seen the Tea Bill and the Sugar Bill. We need to unbundle coconut, cashew nuts, other oil crops and pyrethrum. We repealed the Pyrethrum Bill here because of issues with its management. The essence of the mediation was to remove coffee from AFA and establish the Coffee Board of Kenya.

The Bill further seeks to transition coffee research. There used to be a song that played on the defunct Voice of Kenya (VoK) radio when I was a young man – which advertised the Coffee Board of Kenya. Previously, the Coffee Board of Kenya managed research through the Coffee Research Foundation, which was removed by AFA. This Bill seeks to reintroduce the Coffee Research and Training Institute and remove research functions from the Kenya Agricultural and Livestock Research Organisation (KALRO). This is a major benefit for farmers.

The second key point is that the Coffee Research and Training Institute will now be led by a person with a PhD, thus ensuring that the team is headed by a qualified researcher. This is important because it sets a professional standard for the research team.

This Bill originated from the Senate. It was transmitted here and as Members of the National Assembly, we passed it with amendments. The Senate rejected those amendments and, as provided by law and the Constitution, mediation was necessary. I wish to thank the Mediation Committee profusely for their dedication and sacrifice. Many clauses were amended and the team resolved the issues through careful deliberations.

The Mediation Committee considered all contentious clauses and agreed on a mediated version of the Bill, which we are now reviewing. Key among the issues was the licensing of various actors in the coffee sector. There was contention between the National Assembly and the Senate on who should issue the licences: The national Government, the Coffee Board or the county government. The Second Schedule to the Bill now outlines 19 licences. Permits and certificates that are to be issued by the Coffee Board, county governments and the Capital Markets Authority.

The distribution of licences was a major point of contention. The Committee resolved those issues soberly and objectively, reaching an agreement in the best interest of farmers and the sector. The Committee also managed to successfully deliberate on the functions of the Coffee Board and the Institute, and the qualifications of Board members and senior officers. For instance, as I mentioned earlier, the Coffee Research and Training Institute should be led by a PhD holder. This matter was contentious, but it was agreed upon.

The other matter that was also successfully resolved was the manner in which the three licensing authorities – Coffee Board, county governments and Capital Markets Authority – will share information and undertake consultations in performing their functions. This matter was contentious, but there is now a seamless process of consultation among the three licensing authorities. That makes it easy for us to make progress.

*(Hon. Abdullahi Bashir spoke off the record)*

Hon. Bashir is telling me that my time is up, but he should know that I have one more hour to go.

As I was saying, the Committee also streamlined the Bill to ensure that all the licensing authorities and other stakeholders in the coffee sector consult and collaborate in the undertakings of their functions and duties. This was contentious, but it was resolved.

Another important thing that happened is that the Committee did commendable work in ensuring that the Coffee Bill, 2025 was mediated successfully within the legal timelines. Because of the issues with the Bill, it was very possible that it would have gone outside the constitutional timelines and, therefore, the Bill would have lapsed. I thank God that the Mediation Committee saved the Bill. We are here because of the selfless act by the Committee. On Monday, they worked up to 7.00 p.m. deliberating on this Bill. That sacrifice was important and meaningful. I thank Members for that dedication to save the coffee sector.

As I conclude, I would like to say that coffee was one of the foreign exchange earners that we were very proud of for many years. While I was in primary school, I know that tourism

and coffee were among Kenya's foreign exchange earners. We now only boast of remittances coming from people who work abroad and yet, we are still an agricultural country. It is agriculture that will get manufacturing and factories running in this country. This is the time we need to pitch tent in the agricultural sector and increase production of coffee, tea and sugar. That is the only way of ensuring that the dream of turning Kenya into a manufacturing country becomes a reality. While answering Questions in this House today, the Cabinet Secretary for Agriculture and Livestock Development said many things. The truth is that agriculture can help us move to value addition, manufacturing and create jobs in the country. Through agriculture, we can enjoy the productivity of the soil that God gave us.

I will stop at that to ensure that my friend, Hon. Bashir, has time to move his Bill. I request Members to support the mediated version of the Coffee Bill so that we set the coffee industry on the trajectory of growth.

With those remarks, I beg to second.

*(Question proposed)*

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Nabii Nabwera.

**Hon. Nabii Nabwera** (Lugari, ODM): Thank you, Hon. Temporary Speaker. I rise to support the mediated version of the Bill. I agree with the Seconder of the Bill that the biggest mistake that Parliament made was to pass the Agriculture and Food Authority (AFA) Act. It is an animal so moribund, dysfunctional, discriminating and disappointing to the farmer.

In the world today, other than oil, the second most traded commodity is coffee. The world has a shortfall of seven to three in the requirement of coffee. Between 1963 and 1987, Kenya was the largest producer of coffee in Africa. Because of this animal called AFA - the dysfunctional entity - even Uganda, which was number 10 then, is producing more coffee than Kenya.

The most disadvantaged farmer in this country has been the coffee farmer. He has lost money to brokers, AFA and Kenya Revenue Authority (KRA). The reason I rise to support the Bill is because, firstly, it seeks to regulate the sector and reintroduce the dignity of the farmer. Secondly, it puts the profit of the farmer at the centre. Thirdly, it seeks to deal with the biggest animal in this country - the broker. You may not know this but in the past four years, a few people have been holding coffee farmers hostage in this country. They are the processer....

**Hon. Ibrahim Saney** (Wajir North, UDA): On a point of order, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. Farah Maalim): What is your point of order?

**Hon. Ibrahim Saney** (Wajir North, UDA): Hon. Temporary Speaker, cartels are the problem. Brokerage is a world-recognised profession. It is a distinguished and well-paying job. Could he have made a better choice of words?

**The Temporary Speaker** (Hon. Farah Maalim): He means regulated brokerage with rules that ensure fair play.

Proceed, Hon. Nabii.

**Hon. Nabii Nabwera** (Lugari, ODM): Thank you, Hon. Temporary Speaker. Sometimes we differ on perspectives because of the different schools of English we went to. I bear with my colleague.

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Nabwera, Hon. Saney is one of the most eloquent and refined Queen's English speakers in this House. He has read a lot of Shakespeare. In any case, he has a First Class Honours Degree in his own field of study.

**Hon. Nabii Nabwera** (Lugari, ODM): Hon. Temporary Speaker, the Bible, in the Book of Elijah, it is very clear on knowledge. It presupposes that every day is a learning day. I was

saying that there are a few people in this country holding coffee farming hostage. I laud the Committee for realigning the issue of licensing, which includes brokerage.

My only advice is that where we have made a requirement that the Cabinet Secretary brings regulations to this House, there should be follow-up to ensure that they are brought as quickly as possible. We have seen people dilly-dally in bringing regulations to this House for scrutiny and approval. An example are the regulations that are required by the Sugar Act. The regulations that are supposed to operationalize the Act are being delayed.

Thank you, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Saney Ibarahim.

**Hon. Ibrahim Saney** (Wajir North, UDA): Hon. Temporary Speaker, I am not a coffee farmer. I do not come from an area where coffee is grown, but we consume coffee. As Members of the National Assembly, we represent the entire country. I cannot remain indifferent to any matter that affects Kenyans wherever they are. With that belief, I feel it is wise, however shallow it might be, to add my voice to the debate on this very important Mediated Bill.

We are talking of a crop that affects nearly 800,000 households in the country – about 75 per cent of coffee farmers being held hostage by a cartel that takes advantage of the largest swath of the process, from processing to the sale of the product. I am reminded of a court ruling on this aspect, too. The Direct Settlement System was declared unconstitutional by a court of law. Paying directly to value chain actors was declared illegal because of its exploitative nature. To that extent, the mediated version of this Bill is in tandem and in-synch with that court ruling, which declared that manner of dealing with coffee farmers unconstitutional. What has been bedevilling coffee farming is the fact that a single entity could hold multiple licences in the coffee value chain.

So, you can have one person mimicking many faces in the value chain and exploiting the real farmer who grows the crop. There is lack of transparency in the flow of money to farmers. It is the cartels that are getting a huge chunk of the profit. The Bill asks for full disclosure of cash flows to, at least, track who really benefits. This mediated Bill anchors the initiative of the Government to increase coffee production from 50 metric tonnes to 150 metric tonnes by 2029. It is a step towards realization of the Government dream. That will increase our earnings from Ksh35 billion to about Ksh100 billion. It will be a milestone achievement if the Bill sails through as mediated.

Comparatively, I have thought of northern Kenya. Well, a coffee farmer deserves all this supports and more. Where I come from, our crops are camels, goats, sheep and cattle. You know what that means when it comes to the supply chain. When shall we also come to that level given its huge contribution to this country's GDP and its untapped potential? In dryland farming, when shall we have an Act of Parliament for sorghum, millet and sesame? They are very important crops that are friendly to ASAL areas. This Bill is welcome. I entirely agree with it. However, it also reminds us from Northern Kenya to, quickly, come up with Bills like this to support what is doing well in our areas.

With those remarks, I support.

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Bashir Abdullahi, did you wish to contribute on this debate? You had enlisted your name earlier. How about Hon. David Mboni?

**Hon. David Mwalika** (Kitui Rural, WDM): Thank you, Hon. Temporary Speaker. Although I do not come from a coffee growing area, the issue of coffee is really disturbing. In 1975, this country experienced the highest growth in GDP of 8 -10 per cent that was driven by agriculture. One of the crops that brought that growth was coffee. That was the coffee boom time although the country wasted that time. That money was not well invested. Over time, coffee production and earnings, especially in foreign exchange, have gone down. Currently, we are talking about diaspora remittances from our children who are working out there. Some

of them are working in very bad conditions and yet, we have neglected agriculture. We have tea, horticulture and coffee, which used to be our number one foreign exchange earner. It is now number four. These are very serious concerns.

One of the problems we have is brokers. They have frustrated coffee farmers so much. Farmers have moved from growing coffee to other profitable crops, especially in coffee growing areas. People in Kiambu County have sub-divided all their land and sold the plots to real estate developers. That land used to be coffee farms. What we are seeing there is real estate. Most people have moved to real estate, which is more profitable than coffee, because of those kinds of frustrations.

It is best to note that our coffee is one of the best in the world. It is blended with other coffees from other countries to make it tastier. The proposal to hold the coffee auction online is a very innovative approach. In the past, people had to gather physically to see and buy coffee. That is no longer the best way to go, because the world has changed. I should be able to sell my coffee while seated at home, or buy coffee while seated somewhere. The idea of the online auction is, therefore, very innovative. This is one way of dealing with the brokers. This is because the auction will be held online, and you can see how much is being sold, at what price, and, therefore, what profit the farmers are expected to receive.

As we move to reforms, it is also very important to encourage investment in the value chain. Most of the time, we export our coffee in its raw form to other countries, then re-purchase it. Imagine selling a kilo of coffee for less than Ksh1,000 and then buying a processed quarter of a kilo, or less than a quarter for Ksh2,000. We have to move to the value chain. We need to process our coffee into the final product so that our farmers can earn maximum profit, and even this country can earn maximum profit from our sweat. Secondly, in doing that, we are also creating employment. The moment you export a product, you are exporting jobs to other countries. I am pleased with this Bill and I support it.

Thank you very much.

**The Temporary Speaker** (Hon. Farah Maalim): Is Hon. Abdul Haro in the House? No. There does not seem to be any more interest. I now call upon the Mover to reply.

**Hon. Duncan Mathenge** (Thika Town, UDA): Thank you, Hon. Temporary Speaker. Today, I am delighted to be in this House and to have participated in the mediation of this Bill. The coffee farmers have been waiting for the enactment of the Coffee Bill, (Senate Bill No. 10 of 2023). It gives them back their power to participate effectively in decision-making across the value chain. More importantly, it gives them a say in the sale, marketing and pricing of their coffee.

I thank the House for placing that onus on us and for accepting our support for the mediated version of the Bill. This is a great day for the coffee farmers in Kenya and for the coffee trade in this country.

Thank you, I reply.

**The Temporary Speaker** (Hon. Farah Maalim): Fair enough. Hon. Members, I now put the Question.

*(Question put and agreed to)*

Next Order.

## MOTION

### ADOPTION OF REPORT ON RATIFICATION OF THE AGREEMENT BETWEEN SINGAPORE AND KENYA FOR ELIMINATION OF DOUBLE TAXATION ON TAXES ON INCOME AND PREVENTION OF TAX EVASION AND AVOIDANCE

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**The Temporary Speaker** (Hon. Farah Maalim): Is the Chairperson of the Departmental Committee on Finance and National Planning in the House?

(*Hon. David Mwalika stood in his place*)

**The Temporary Speaker** (Hon. Farah Maalim): Are you moving this Motion on behalf of the Committee Chairman?

**Hon. David Mwalika** (Kitui Rural, WDM): Yes, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. Farah Maalim): Proceed.

**Hon. David Mwalika** (Kitui Rural, WDM): Thank you, Hon. Temporary Speaker. I am a ranking Member of the Committee.

Hon. Temporary Speaker, I beg to move the following Motion:

THAT, this House adopts the Report of the Departmental Committee on Finance and National Planning on its consideration of the Agreement between the Government of the Republic of Singapore and the Government of the Republic of Kenya for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance, laid on the Table of the House on Tuesday, 2<sup>nd</sup> December 2025, and pursuant to the provisions of Section 8(4) of the Treaty Making and Ratification Act, Cap 4D, approves the Ratification of the Agreement between the Government of the Republic of Singapore and the Government of the Republic of Kenya for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance.

Hon. Temporary Speaker, the National Treasury and Economic Planning, on behalf of the Government of Kenya, concluded the negotiation on the Agreement in June 2023. The Agreement was signed on the side-lines of the 79<sup>th</sup> Session of the United Nations General Assembly in New York by the Prime Cabinet Secretary and the Cabinet Secretary for Foreign and Diaspora Affairs on 23rd of December 2024, paving the way for ratification.

Subsequently, the Cabinet approved the ratification of the agreement in the First Special Cabinet Meeting of 2025, held on 11<sup>th</sup> February 2025. The agreement was published in the Kenya Gazette on 2<sup>nd</sup> May 2025, as Gazette Notice No. 5583 of 2025.

Hon. Temporary Speaker, the Agreement seeks to uphold relief from double taxation in relation to income tax and any rates of similar character imposed by the laws of Kenya. The agreement further seeks to develop the economic relationship between Kenya and Singapore, enhance their co-operation in tax matters, and seal loopholes for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements aimed at obtaining reliefs provided in this agreement for the indirect benefit of residents of third jurisdictions.

The Agreement contains 30 articles. It seeks to eliminate instances in which income earned between two countries may be subject to double taxation and to provide certainty to investors and businesses operating in both jurisdictions. This would enhance cross-border trade and investment and deepen economic co-operation.

Singapore is a prominent global financial and commercial hub. The Agreement is anticipated to boost investor confidence and attract foreign direct investment into the country, particularly in financial services, infrastructure, logistics and emerging digital sectors, while creating opportunities for Kenyan enterprises through a global value chain.

Hon. Temporary Speaker, this agreement is important because in 2024, Kenya and Singapore traded goods totalling approximately US\$149 million: Kenya's imports from Singapore and Kenya's exports to Singapore. Kenya's exports to Singapore were valued at US\$5.97 million, which reflects a modest share of Kenya's overall exports. Kenya's exports to

Singapore included coffee, tea, and spices at US\$1.47 million; ores, slag and ash at US\$0.99 million; edible nuts and fruits at US\$1.7 million; and plants and flowers at US\$0.68 million.

Kenya's imports from Singapore in 2024 amounted to US\$41.24 million and were mainly composed of plastics US\$6.4 million, man-made stable fibres US\$5.13 million, machinery and boilers US\$5.08 million, and chemicals US\$3.97 million.

On the other hand, Singapore's exports to Kenya in 2024 were valued at US\$108.2 million, composed mainly of machinery and nuclear reactors US\$3.34 million, plastics US\$14 million, man-made fabrics and other industrial goods US\$60 million.

Trade between Kenya and Singapore has grown substantially since 2017, when bilateral goods trade was much smaller, at around US\$85 million. By 2022, it was roughly at US\$212 million. Kenya is ranked among Singapore's top trading partners in Sub-Saharan Africa, at number nine. Beyond goods and services, trade also forms part of the relationship. In 2022, Singapore exported US\$272.5 million in services to Kenya and imported US\$46 million from Kenya.

A bilateral investment trade treaty and air services agreement exist to promote further economic ties and investments. The Agreement contains 30 Articles, consistent with international standards on tax treaties. It clarifies the taxation of income, including businesses' profits, dividends, interest, royalties, capital gains, and employment income, while ensuring that each country's taxing rights are well protected.

The Agreement also incorporates important provisions related to the exchange of tax information, co-operation between tax authorities, and measures to prevent treaty abuse, such as tax evasion and avoidance. These provisions support Kenya's domestic revenue mobilisation efforts and enhance the fairness of the tax system.

The Committee extends the Agreement in line with the Constitution, the Treaty-Making Ratification Act, and the national policy priorities, and is satisfied that it is in the public interest and supportive of Kenya's economic transformation agenda.

The Committee, in accordance with Article 118 of the Constitution, facilitated public participation through newspaper advertisements. While no memoranda were received, the Committee fully complied with all legal obligations regarding stakeholders engagement.

Hon. Temporary Speaker, the agreement does not in any way limit Kenya's superiority over taxation matters. Instead, it enhances productivity, transparency and administrative co-operation in applying tax rules between the two countries.

Considering the benefits outlined and having met all legal requirements, the Committee recommends that the House approve the ratification of this agreement in accordance with Section 8 of the Treaty Making and Ratification Act, Cap 4D.

Accordingly, I urge the House to adopt the Report of the Departmental Committee on Finance and National Planning and to approve the ratification of the Agreement between the Government of the Republic of Singapore and the Government of the Republic of Kenya to eliminate double taxation on income, prevent tax evasion, and address other matters.

With those few remarks, I request the Deputy Leader of the Majority Party, Hon. Baya, to second.

**Hon. Owen Baya** (Kilifi North, UDA): Thank you. That is a former mandarin of the National Treasury. He is my friend, and I enjoy working with him. That is why I take this opportunity to second not just him, but also the Motion he has just tabled.

The 2010 Constitution did a very fundamental shift. All bilateral agreements that are signed must come to this House of Representatives for review and consent. That is one of the fundamental principles we inherited from the 2010 Constitution. That is why we have this bilateral relationship between Kenya and Singapore on tax matters coming to the Floor of the House.

The Hon. Member's presentation focuses on eliminating double taxation on income and preventing tax evasion. The title of this bilateral Agreement conveys its importance. One, we will eliminate double taxation on income to avoid tax evasion. Those are keywords. These kinds of agreements allow us to get more money for the country. When we eliminate double taxation, we have the opportunity to generate more revenue by reducing tax evasion. The bilateral agreement between Kenya and Singapore is very important.

The trade balance between Kenya and Singapore is unfavourable to us. Our exports are around US\$5 billion, while theirs are US\$14 billion. As we work hard, we Kenyans hope and pray to reach Singapore. I love the dream the President has. Significantly, we can transform this country into a first-world country within our time. It is by ensuring we have more income from exports and investments coming into the country. That way, the dream of being a first-world is a reality. I believe we can be a Singapore in Africa and boast about it.

Nonetheless, we must do certain fundamental things. One is to enter into the bilateral agreements we are looking at here today and ensure that the balance of trade eventually favours Kenya. Kenya's exports to Singapore are at US\$5.97 million. Kenya's imports from Singapore are US\$41.25 million. The remainder reflects Singapore's exports to Kenya. Now, that disadvantages us. What do we send to Singapore? We send coffee, tea, spices, iron ore, slag, ash, edible preparations, and fruits, plants and flowers. Those are the things that we take to Singapore.

It is in those businesses that we find tax evasion. People want to cut here and there to evade taxes because they think there is double taxation. When someone feels that there is double taxation or is being overtaxed, the first thing he wants to do is to evade the tax. But once we enter into this bilateral agreement, we will eliminate double taxation and have only one form of taxation. That way, people will stop evading taxes, resulting in more revenue being collected. That is why this bilateral agreement is very important. That is why I second and support the Agreement. I also ask Members in this House to support it so that we can make progress and get more money to develop the country.

I second. Thank you, Hon. Temporary Speaker.

*(Question proposed)*

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Catherine Omanyoo.

**Hon. Catherine Omanyoo** (Busia County, ODM): Hon. Temporary Speaker, this is a Report by our Chair. Hon. Kivasu will read, then I second.

**The Temporary Speaker** (Hon. Farah Maalim): We are dealing with Order No. 10. Fair enough. As there is no further interest in this business, I will call upon the Mover to reply.

**Hon. David Mwalika** (Kitui Rural, WDM): Thank you, Hon. Temporary Speaker. I take the opportunity to thank the Members, especially the Deputy Leader of the Majority Party. He has struggled to say something on this Treaty. I am aware that he is not an economist. He has a degree in education. So, he has tried to talk about this Treaty.

Double taxation is a significant deterrent to investment. For example, suppose a company from Singapore starts a business in Kenya, and we tax the company when it repatriates profits to its home country. In that case, those profits are also taxed, and *vice versa*. So, this Treaty is supposed to encourage foreign direct investment in both countries. Kenya is fighting very hard to get foreign direct investment.

The other day, it was reported that we have improved. But suppose you compare Kenya to other East African countries, for example. In that case, when Uganda receives US\$3.5 billion annually in foreign direct investment, Kenya receives less than US\$1 billion, while Tanzania receives around US\$2 billion. We need to put in place measures to attract direct investment, thereby increasing jobs and reducing unemployment in this country.

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

*(Question put and agreed to)*

**The Temporary Speaker** (Hon. Farah Maalim): Next Order.

ADOPTION OF REPORT ON RATIFICATION OF THE AGREEMENT ESTABLISHING THE  
SHELTER AFRIQUE DEVELOPMENT BANK

**The Temporary Speaker** (Hon. Farah Maalim): The Departmental Committee on Finance and National Planning.

**Hon. David Mwalika** (Kitui Rural, WDM): Hon. Temporary Speaker, I beg to move the following Motion:

THAT, this House adopts the Report of the Departmental Committee on Finance and National Planning on its consideration of the Agreement for Establishing the Shelter Afrique Development Bank, laid on the Table of the House on Tuesday, 2<sup>nd</sup> December 2025, and pursuant to the provisions of Section 8(4) of the Treaty Making and Ratification Act (Cap. 4D), approves the ratification of the Agreement establishing the Shelter Afrique Development Bank.

Shelter Afrique Development Bank has a headquarters in Nairobi. It is a key institution supporting housing development across Africa since its establishment in 1981. Kenya is not only a founding member but also the largest shareholder, holding 16.23 per cent of the paid-up capital. The transformation of Shelter Afrique into a fully-fledged development bank is intended to re-position the entity to mobilise resources more effectively globally and to support governments in delivering affordable housing and urban development. The Cabinet approved Kenya's ratification of the Shelter Afrique Agreement during its meeting held on 11<sup>th</sup> February 2025.

On 4<sup>th</sup> September 1981, 17 African countries' member States, including Kenya, together with the African Development Bank and African Reinsurance Corporation, established the company for housing and habitat in Africa known as Shelter Afrique, through a Memorandum of Understanding at a meeting held in Arusha, Tanzania, on the same date.

Pursuant to Section 8(1) of the Treaty Making and Ratification Act (Cap.4D), the Cabinet Secretary for Foreign and Diaspora Affairs submitted the Parliamentary Memorandum on Kenya's accession to the Agreement establishing the European Bank for Reconstruction and Development to the Speaker of the National Assembly. It was laid on the Table of the House and committed to the Committee in line with Standing Order 170A(1).

This Agreement supports the Government's priority programmes under the Bottom-up Economic Transformation Agenda (BETA). The housing component is critical to addressing the current housing deficit and stimulating job creation in the construction sector. By ratifying the Agreement, Kenya will secure the following benefits:

1. Increased access to long-term and sustainable development financing.
2. Support for public and private sector housing developers.
3. Strengthened partnerships in delivering affordable housing and essential infrastructure.

Shelter Afrique has already financed over 135 housing-related projects in Kenya, valued at US\$319.5 million, including student accommodation, microfinance housing loans and Public–Private Partnerships (PPPs) such as the Everest Park Project and Karibu Homes Development in Athi River.

The Agreement introduces a new governance framework, including a Board of Directors with expanded decision-making powers, a nine-member Advisory Council

comprising finance ministers and finance experts, and clear obligations for members to participate in governance and the capital structure. The authorised capital under the agreement is USD\$1 billion, creating a stronger and more competitive institution capable of accessing international capital markets.

In reviewing the agreement, the Committee noted concerns raised by stakeholders, including the Law Society of Kenya (LSK), regarding provisions on immunity, taxation and suspension of funding. After careful analysis, the Committee found that those provisions are consistent with international law and practices governing multilateral financial institutions. They do not contradict the Constitution and are necessary to safeguard the institution's independence and financial integrity. Notably, the agreement does not require an amendment to the Constitution - only the Shelter-Afrique Act Cap. 493C and the host county agreement 1983 will require review and alignment once ratification is completed.

Through ratification, Kenya will:

1. Affirm its diplomatic commitment to coordinate development.
2. Secure financial opportunities to accelerate delivery of affordable housing.
3. Strengthen Nairobi's position as a regional hub for development, finance and multilateral co-operation.
4. Gain expanded technical support through the Centre for Excellence, including knowledge sharing, research and capacity building.
5. Enhance Kenya's relationship as the host headquarters and ensure continued economic and strategic benefits from its membership.

The agreement presents a significant opportunity for Kenya to expand its access to housing finance and unlock economic growth. The Committee is satisfied that the Agreement aligns with the Constitution and promotes national development priorities. I, therefore, request this honourable House to approve the ratification of the agreement established by Shelter Afrique Development Bank, and adopt the Report of the Departmental Committee on Finance and National Planning.

With those few remarks, I beg to move. I request the Deputy Leader of the Minority Party to second.

**Hon. Owen Baya** (Kilifi North, UDA): Hon. Temporary Speaker, I second this Motion on the consideration of the Agreement for Establishing the Shelter Afrique Development Bank, ably moved by the Hon. Member.

As we have heard from the Mover of the Motion, this is one way of establishing a bank that will help us finance housing in this country. This is one of the key components of the Bottom-Up Economic Transformation Agenda (BETA) plan. Shelter Afrique was established sometime in 1981, as has been elucidated. Kenya is actually a founding member. Interestingly, Kenya owns 16.23 per cent of the shares of Shelter Afrique Development Bank. This is a multilateral organisation, and many other countries are members, including the African Development Bank. Kenya has put a lot of money into Shelter Afrique Development Bank.

We, therefore, need to ratify this so that Shelter Afrique Bank becomes a development bank capable of financing many of our programmes. Notably, Shelter Afrique Development Bank has already funded over 135 projects in this country, yet it is not a bank. But if we ratify this, we shall establish it as a bank, a bank from which we can borrow money. The European Union and many other investors can invest in this bank, enabling it to access resources and financing for housing.

One of the key components of the BETA through which we have seen transformation in various regions, including my constituency. I have an affordable housing programme coming up at Tezo, Watamu, Bofa in Kilifi County, and two other programmes are also coming up. Employment has been created for many people. Apart from that, materials have been bought from hardware stores, construction is underway, and jobs have been created. Investing in

Shelter Afrique and establishing the Shelter Afrique Development Bank (SADB) is intended to ensure the perpetuity and continuity of the projects we already have.

Therefore, I sincerely request that this House support the establishment of Shelter Afrique as a development bank, like many other development banks worldwide. The beauty of this is that it is a bank that Kenya will control, as it is the majority shareholder. It is also a Kenyan-born bank that will be headquartered here. Some of the benefits include increased access to long-term development financing. That is one of the benefits that we have. Secondly, it will support public and private sector housing developers. This bank will not only help the public or the Government, but also private developers. Today, if Hon. Temporary Speaker wants to become a developer and has a plot in Muthaiga or Kilifi, he can go to SADB and get some money.

**The Temporary Speaker** (Hon. Farah Maalim): I thought you would say Eastleigh.

(Laughter)

**Hon. Owen Baya** (Kilifi North, UDA): Eastleigh is too full. However, I want to welcome you to Kilifi County. Vipingo is an area where you should invest heavily in development. You can get money from SADB.

The third benefit is a centred partnership in delivering affordable housing and essential infrastructure. This bank will do that. However, what is in it for Kenya as a nation, State and Democracy when we establish this bank? First, it affirms Kenya's diplomatic commitment to continental development. We are the centre of it. The UNEP and UN-Habitat in Gigiri and all the other international offices being situated here and now, having this bank, we stand tall in terms of diplomacy.

Secondly, we secure financing opportunities to accelerate the delivery of affordable housing. We also strengthen Nairobi's position as a centre and regional hub for development financing and Multi-National Corporations (MNCs). These are important considerations that will be achieved just by ensuring that we have established this SADB. Lastly, we gain expanded technical support through the centre of excellence, including knowledge sharing, research and capacity building. Apart from that, this bank will be out there giving out money. It will be a major employer, international expertise will come to these countries, and Kenya will continue to develop as a regional hub for development and diplomacy, attracting additional investment.

Establishing a SADB positions Kenya in development. Apart from housing and all other programmes. We will become the regional giant in multilateral diplomacy.

With those remarks, I second.

#### QUORUM

**Hon. Ibrahim Saney** (Wajir North, UDA): On a point of order, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Saney, do you want to raise a point of order?

**Hon. Ibrahim Saney** (Wajir North, UDA): Yes, Hon. Temporary Speaker.

**The Temporary Speaker** (Hon. Farah Maalim): What is out of order?

**Hon. Ibrahim Saney** (Wajir North, UDA): Hon. Temporary Speaker, I rise under Standing Order 35. Looking at the quorum in the House, and given that we have serious critical matters lined up for debate and, more so, the Motion on the British Army Training Unit in Kenya, which is a very serious and damning Report.

**The Temporary Speaker** (Hon. Farah Maalim): Fair enough.

**Hon. Ibrahim Saney** (Wajir North, UDA): I would request that this debate be deferred to tomorrow's sitting so that...

**The Temporary Speaker** (Hon. Farah Maalim): Order, Hon. Member. You have raised a Quorum issue, and, understandably, the Chair is also convinced that we do not have Quorum. I direct that the Quorum Bell be rung for 10 minutes.

*(The Quorum Bell was rung)*

**The Temporary Speaker** (Hon. Farah Maalim): Where are the Whips of the Majority and Minority Parties? Deputy Leader of the Majority Party, take the lead and bring Members into the House. Order, Hon Members. The Quorum Bell is now ringing. Please ensure Members come into the Chamber.

*(The Quorum Bell was rung)*

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Members, as a matter of fact, for all the other businesses except the one concerning the military, the Chairpersons are not around. I think there has to be strong communication for them to be available here to perform their jobs and maintain a working House.

## ADJOURNMENT

**The Temporary Speaker** (Hon. Farah Maalim): Hon. Members, the time being 7.01 p.m., the House stands adjourned until Thursday, 4<sup>th</sup> December 2025, at 2.30 p.m.

The House rose at 7.01 p.m.

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