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REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT (FOURTH SESSION)

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

.....

REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT
(AMENDMENT) (NO. 2) BILL (NATIONAL ASSEMBLY BILLS NO. 23 OF 2020)

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DIRECTORATE OF COMMITTEE SERVICES
PARLIAMENT BUILDINGS
NAIROBI

JULY, 2020

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CHAIRPERSON'S FOREWORD

This report contains the Committee's proceedings on the consideration of the Public Finance Management (Amendment) (No. 2) Bill (National Assembly Bills No. 23 of 2020) which was published on **Thursday, 9th July, 2020**. Despite the Bill not having been read a First Time as required by the National Assembly Standing Order Number 126, the House in its sitting held on Thursday, 2nd July, 2020 resolved that during the period of Short Recess of the Second Part of the Session, should any Bill be published, the Speaker shall refer the Bill to the relevant Committee pursuant to the provisions of Standing Order 127(3). Subsequently, the Bill was committed to the Departmental Committee on Finance and National Planning and submitted for public participation through newspaper adverts on Monday, 13th July, 2020 before it was read a First Time on Wednesday, 15th July, 2020.

Following the request for memoranda from members of the public through placement of adverts in the print media on Monday, 13th July, 2020 and the letter Ref.NA/DCS/F&NP/2020/36 dated 17th July, 2020 requesting for stakeholder's Comments on the Bill, the Committee received memoranda from six (6) stakeholders. The Committee put all the stakeholders' comments into consideration while preparing the proposed Committee's amendments and some of the proposals were adopted forming part of the proposed Committee's amendments.

The Bill has five clauses and seeks to amend the Public Finance Management Act, 2012 in order to provide for guarantees by the Cabinet Secretary for loans advanced to micro, small and medium enterprises (MSMEs). The MSMEs have been identified as pivotal in accelerating economic development, investment as well as creation of employment opportunities. However, most of these enterprises usually struggle with access to credit to boost their investment, partly because of stringent measures put in place by banks such as provision of security, lack of systematic data and clear understanding of the market niche, among other bottlenecks. Therefore, the amendments proposed in the Bill aim at introducing a reprieve to the sector, especially at this time when the sector has been heavily hit by the COVID-19 pandemic.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to provisions of Standing Order 199(6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Public Finance Management (Amendment) (No. 2) Bill (N.A. Bills No. 23 of 2020). The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank all the stakeholders who sent memoranda on the Bill. Finally, I wish to express my appreciation to the Honorable Members of the Committee who made useful contributions towards the preparation and production of this report.

It is my pleasure to report that the Committee has considered the Public Finance Management (Amendment) (No. 2) Bill (N.A. Bills No. 23 of 2020) and have the honour to report back to the National Assembly with the recommendation that the Bill should be **approved with amendments**.

Hon. Gladys Wanga, CBS, M.P.

Chairperson, Departmental Committee on Finance and National Planning

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates pursuant to the *Standing Order 216 (5)* are as follows:
 - a. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
 - b. To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
 - c. **To study and review all the legislation referred to it;**
 - d. To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
 - e. To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
 - f. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
 - g. To examine treaties, agreements and conventions;
 - h. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
 - i. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
 - j. To examine any questions raised by Members on a matter within its mandate.

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, public finance, monetary policies, public debt, financial institutions (excluding those in securities exchange), investment and divestiture policies, pricing policies, banking, insurance, population revenue policies including taxation and national planning and development.
3. In executing its mandate, the Committee oversees the following Government Ministries and Departments;
 - a. The National Treasury and Planning
 - b. State Department for Devolution
 - c. The Commission on Revenue Allocation (CRA)
 - d. Office of the Controller of Budget
 - e. Salaries and Remuneration Commission (SRC)

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was reconstituted by the House on Wednesday 15th July, 2020 and comprises of the following Members: -

Chairperson

Hon. Gladys Wanga, CBS, MP
MP for Homabay County

ODM Party

Vice-Chairperson

Hon. Isaac W. Ndirangu
M.P for Roysambu Constituency

Jubilee Party

Members

Hon. Jimmy O. Angwenyi, MP
MP for Kitutu Chache North Constituency

Jubilee Party

Hon. Christopher Omulele, MP
MP for Luanda Constituency

ODM Party

Hon. Shakeel Shabbir Ahmed, CBS, MP
MP for Kisumu Town East Constituency

Independent Member

Hon. Shakeel Shabbir Ahmed, MP
MP for Turkana West Constituency

Jubilee Party

Hon. Christine Ombaka, MP
MP for Siaya County

ODM Party

Hon. Andrew Adipo Okuome, MP
MP for Karachuonyo Constituency

ODM Party

Hon. David Mwalika Mboni, MP
MP for Kitui Rural Constituency

CCU Party

Hon. Francis Kuria Kimani, MP
MP for Molo Constituency

Jubilee Party

Hon. Joseph Maero Oyula, MP
M.P. for Butula Constituency

ODM Party

Hon. Joshua Chepyegon Kandie, MP
MP for Baringo Central Constituency

MCC Party

Hon. Stanley Muiruri Muthama, MP
MP for Lamu West Constituency

Jubilee Party

Hon. Edith Nyenze, MP
MP for Kitui West Constituency

WDM-K

Hon. Catherine Waruguru, MP
MP for Laikipia County

Jubilee Party

Hon. James Gichuhi Mwangi, MP
MP for Tetu Constituency

Jubilee Party

Hon. (Prof.) Mohamud S. Mohamed, MP
MP for Wajir South Constituency

Jubilee Party

Hon. Peter Lochakapong, MP
MP for Sigor Constituency

Jubilee Party

Hon. Qalicha Gufu Wario, MP
MP for Moyale Constituency

Jubilee Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Members of the Secretariat:-

Head of the Secretariat

Ms. Leah W. Mwaura

Senior Clerk Assistant

Ms. Jennifer Ndeto

Principal Legal Counsel I

Ms. Laureen Wesonga

Clerk Assistant II

Mr. Josephat Motonu

Fiscal Analyst I

Mr. Chelang'a Maiyo

Research Officer II

Mr. John Njoro

Serjeant-At-Arms

Ms. Euridice Nzioka

Audio Officer

2 OVERVIEW OF THE PUBLIC FINANCE (AMENDMENT) NO.2 BILL (NATIONAL ASSEMBLY BILLS NO. 23 OF 2020)

2.1 INTRODUCTION

6. Micro, Small and Medium Enterprises (MSMEs) play a major role in most economies, particularly in developing countries. They account for the majority of businesses worldwide and are important contributors to job creation and global economic development. It is estimated that this sector accounts for close to ninety percent (90%) of businesses and more than fifty percent (50%) of employment worldwide. While formal MSMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included.
7. According to a survey carried out in 2016 by Kenya National Bureau of Statistics, there are over 7.4 million MSMEs employing approximately 14.9 million Kenyans in various sectors of the economy with most operating informally and covering a wide range of establishments in almost all sectors of the economy. The role of MSMEs in promoting GDP growth and employment is clearly outlined in Kenya's Vision 2030 and the "Big Four" agenda under the manufacturing agenda.
8. In addition, a study carried out by International Finance Corporation indicated that MSMEs find it difficult to obtain commercial bank financing, due to market imperfections, including lack of credit security, difficulties in proving creditworthiness, small cash flows, inadequate credit history, high risk premiums, underdeveloped bank-borrower relationships and high transaction costs. These enterprises are less likely to be able to obtain bank loans as compared to large firms. This leaves them with only few and unreliable options such as internal funds (savings), or funds from friends and family. The situation is so dire especially if the economy is experiencing contraction due to unforeseeable circumstances such as COVID-19 pandemic. It is therefore important for the Government to improve MSMEs' access to finance and find innovative solutions to unlock sources of capital by creating an enabling legal framework by the introduction of the Public Finance Management (Amendment) (No. 2) Bill (National Assembly Bills No. 23 of 2020) which will roll out the *Credit Guarantee Scheme (CGSs)*.
9. A credit guarantee scheme (CGSs) is a financial product that can be bought as a partial substitute for collateral, where the guarantor (in this case the Government) promises to pay all or part of the loan if the borrower defaults. CGSs would ease the financial constraints of MSMEs by enabling them to access capital, which they would otherwise not get due to limited collateral, lack of credit history and inability to provide bankable documents, as is the case with most MSMEs in Kenya.

2.2 ANALYSIS OF THE BILL

10. The Public Finance Management (Amendment) (No. 2) Bill (National Assembly Bills No. 23 of 2020) seeks to amend the Public Finance Management Act, 2012 in order to provide a legal framework to facilitate the introduction and implementation of the credit guarantee scheme to the Micro, Small and Medium sized enterprises (MSMEs). The Bill has five (5) clauses proposing the following amendments:-
11. **Clause 1** provides for the short title of the Bill.
12. **Clause 2** introduces the definition of *Medium enterprises* as those with annual turnover not exceeding KSh. 100 million, employing between 51 and 250 employees, the total assets and financial to be determined by the Cabinet Secretary (the investment in plant and machinery in manufacturing sector does not exceed KSh. 250 million while the service sector and farming

enterprises does not exceed KSh. 125 million). It references the definitions of *Micro and Small enterprises* to those in the Micro and Small Enterprises Act, 2012.

13. **Clause 3** proposes amendment to Section 32 of the Act so as to provide for the submission of information, on request, to Parliament by the Cabinet Secretary regarding the credit guarantees given to private borrowers who are MSMEs.
14. **Clause 4** contains the main substance of the policy issue and proposes to amend Section 58 (2)(c) of the Act which provides for the guaranteeing of loans to private borrowers upon provision of sufficient security. The Bill provides relaxed requirements for loans to MSMEs to be guaranteed by the Cabinet Secretary such as; if the borrower is an MSME, is in compliance with the relevant tax laws, is registered by a county government and possesses a valid business permit or trade license and agrees in writing to adhere to the provisions of law and other conditions attendant to the guarantee. It also provides that the guarantee shall be for a portion of the credit within the established credit guarantee scheme and it shall be for partial mitigation of credit default risk. Additionally, the clause provides that regulations shall prescribe the modus operandi of the scheme such as the eligible institutions for providing credit, eligible enterprises, conditions for credit guarantee, the proportion of security required before the partial guarantee among others.
15. **Clause 5** provides for the submission to Parliament of the report and accompanying details on credit guaranteed to the Micro, Small and Medium Enterprises.
16. The Bill does not contain any provisions limiting any fundamental rights or freedom.
17. The Bill does not affect the functions of county governments as set out in the Fourth Schedule to the Constitution. Section 10 of Part 1 of the Fourth Schedule to the Constitution provides that monetary policy is a function of the National Government.
18. The enactment of the Bill may occasion additional expenditure of public funds as provided in Article 114 of the Constitution.

3 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

19. Following the call for memoranda from the public through the placement of adverts in the print media on **Monday, 13th July, 2020** and writing to stakeholders vide the letter Ref:NA/DCS/F&NP/2020/36 dated 17th July, 2020 requesting for their comments on the Bill, the Committee received memoranda from the following stakeholders: -
- i. The National Treasury
 - ii. African Women's Studies Centre
 - iii. Institute of Certified Public Accountants of Kenya (ICPAK)
 - iv. Kenya Association of Manufacturers (KAM)
 - v. Kenya Bankers Association (KBA)
 - vi. State Department for Trade and Enterprise Development & Micro and Small Enterprise Authority (MSEA)

The stakeholders submitted as follows: -

3.1 THE NATIONAL TREASURY

In their letter Ref:TNT/CONF/321/02“TY” dated 20th July, 2020, the National Treasury submitted that:-

20. They were in the process of rolling out a credit guarantee scheme to support micro, small and medium enterprises (MSMEs) in accessing credit for their operations and growth. MSMEs comprised of approximately 98% of all businesses in the country and created employment of up to 15 million persons as of 2019. Further, MSMEs contribute 94% of all new jobs created in Kenya.
21. In spite of their critical role in the economy, MSMEs have continued to be constrained by limited access to finance for their businesses, especially due to lack of sufficient collateral which makes them unattractive to lenders. The coronavirus (COVID-19) pandemic has worsened the condition for these enterprises. With reduced turnover and disruptions in the market and supply chains, many MSMEs are unlikely to attract affordable and quality credit under the traditional arrangements.
22. The importance of MSMEs in the economy and the impact that COVID-19 has had on their businesses, H.E. The President, in the eight (8) Point Economic Stimulus Programme, directed the National Treasury to allocate KSh. 3 billion as seed capital for a credit guarantee scheme to support MSMEs. The National Treasury allocated KSh. 3 billion in the FY 2020/21 budget and subsequently finalized the design aspects of the credit guarantee scheme. The main object of the scheme is to enable MSMEs affected by COVID-19 access finance to meet their operational cost as well as working capital thus, protect jobs and livelihoods of Kenyans in the pandemic period.
23. Many countries have successfully used credit guarantee as a policy tool to promote enterprise development through access to quality and affordable credit to MSMEs. Credit guarantee serves in lieu of collateral for credit products advanced to eligible MSMEs and thereby offers a partial mitigation of loss risk associated with MSME borrowers who have insufficient collateral.
24. Issuance of guarantees by the national Government is provided for in the Public Finance Management (PFM) Act of 2012. The PFM Act 2012 provides the conditions under which the Cabinet Secretary for the National Treasury may issue and report guarantees for private borrowers, including MSME borrowers. As is, the PFM Act 2012 poses a challenge with regard to implementing credit guarantee for MSMEs.

25. Section 58 (2) (a) and (c) provides that the loan to be guaranteed must be for capital project and, in case of a private borrower, there must be sufficient security for the loan. MSME borrowers will need financing for operational expenses and other growth needs which are not capital investment, and may be unable to provide sufficient or conventional collateral for their loans.
26. Sections 32 (2) and 59 also provide that the Cabinet Secretary for the National Treasury shall submit detailed reports of guarantees to Parliament, including details of parties to the loan, amount, interest chargeable and repayment terms. The reporting requirement on each individual guarantee is likely to pose a logistical challenge owing to the number of MSMEs expected to benefit from the scheme.
27. The proposed the amendments to the Public Finance Management Act, 2012 as contained in the Bill is supposed to address the foregoing issues and facilitate MSMEs through the proposed guarantee scheme. The legal framework will be critical in implementing the Government's agenda on credit guarantees for MSMEs in and Post COVID-19 recovery period.

3.2 AFRICAN WOMEN'S STUDIES CENTRE

In their memorandum dated 17th July, 2020, they proposed the following amendments to the Bill:-

Clause 2

28. The clause should be amended by adding definitions of the following; formal enterprise, informal business and women run businesses in order to ensure that women owned businesses will still be eligible for credit guarantees from the State, pursuant to such guidelines as shall be established together with the CS in charge of Gender.

Committee's comment

The above definitions should be contained in the regulations and not in the Bill.

Clause 4 should be amended:-

29. by adding a provision that the Cabinet Secretary for National Treasury shall in consultation with the Cabinet Secretary responsible for Gender develop mechanisms to assist women run businesses to meet the eligibility criteria. A provision should also be added to provide that at least 30% of credit guarantees will be earmarked for women run businesses. The Cabinet Secretary for National Treasury should develop regulations under this section in consultation with the Cabinet Secretary responsible for Gender in order to ensure that the gender dimensions of the targeted enterprises are taken into account.

Committee's comment

The proposal to include the Cabinet Secretary responsible for gender matters while developing mechanism to assist women run business to meet eligibility criteria is not possible since the responsibility of finances is vested by the principal act on the Cabinet Secretary for National Treasury. However, the Cabinet Secretary for National Treasury will be required to make regulations to ensure that affirmative action towards supporting women is taken into account.

30. to provide that at least 30% of such institutions shall be financial institutions that generally target women such as some micro finance institutions which work directly with women and support the growth of women run businesses to ensure that women also benefit. Institutions such as Women Enterprise Fund, Youth Enterprise Development Fund, Micro and Small Enterprises Authority, Uwezo Fund, NGAAF and women cooperatives such as United Women Sacco should be included as such institutions that shall be eligible to provide credit.

Committee's comment

The Committee was of the view that the CS National Treasury will develop regulations to provide the mechanisms for implementing the scheme including the institutions responsible to roll out the same.

31. by adding a provision that the number of women run businesses which are included are in line with the constitutional principles on gender equality and affirmative action. Thus, the proportion of women run businesses that are included should be less than 30% of the total number of enterprises included. A provision should be made that the CS Gender shall coordinate the credit guarantees going to women run businesses through the institutions that are eligible for the provision of such credit.

Committee's Comment

Mechanisms will be put in place through regulations to ensure that affirmative action is put in place. The Cabinet Secretary will be mandated to report to Parliament on the same through disaggregated data on the basis of a number of parameters including women, youth and persons with disabilities who mainly form the bulk of this underserved segment of the economy.

32. by giving provision that in determining the conditions for a grant of guarantee for credit to MSMEs, it is important to ensure that conditions which would necessarily lock out women run businesses are not included. Further, the types of credit and the period for which guarantees shall be applicable should also take into account the unique circumstances that women businesses may face.

Committee's Comment

Affirmative action will be adequately addressed through the regulations to be issued by the Cabinet Secretary responsible for Finance. It is clearly stated in the Committee's proposed Amendments that the Cabinet Secretary shall report to Parliament on the mechanisms put in place to ease access to credit to the women, youth and persons with disabilities.

33. by adding the following new sub-clause e(a), "*The proportion of the loan guaranteed for micro and small and medium enterprises owned by vulnerable groups including women and persons with disabilities including enterprises run by mothers or caregivers of persons with disabilities*".

Committee's Comment

This will be addressed under regulations by the Cabinet Secretary for the National Treasury.

Clause 5 should be amended by adding:-

34. a provision that the statement in this section shall be developed in consultation with the CS Gender. A provision should also be added detailing how women run businesses have been included and the specific measures that have been taken to ensure their inclusion in line with the constitutional principles of gender equality and affirmative action.

Committee's Comment

This will be addressed under regulations by the Cabinet Secretary for the National Treasury.

35. a gender disaggregated so as to read, "*under section 58(5) and a gender disaggregated summary thereon.....*". The report prepared by the Cabinet Secretary for submission to Parliament should be gender desegregated. Clause 5 should therefore be amended inserting the words "*gender desegregated*" between the words "*a*" and "*report*". The CS should monitor crises and their effects

on women run businesses. He should also provide sensitisation and training on gender dimensions of enterprises. **This proposal was adopted by the Committee.**

3.3 INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK)

In their letter dated Ref: ICPAK/PPR/CE/07-03/2020 dated 22nd July, 2020, they proposed the following amendments to the Bill:-

Clause 2 should be amended by:-

36. deleting the words “does not exceed one hundred million” in sub-clause 2(a) and deleting the words “two hundred and fifty” and replacing with the words “one hundred and fifty” in sub-clause 2(b). this is because the set thresholds are too high and may have large enterprises falling within medium size enterprises category;
37. amending the definition of ‘micro enterprise’ as follows, “*micro enterprise means a firm, trade, service, industry or a business activity; (a) whose annual turnover does not exceed one million shillings*”;
38. amending the definition of ‘small enterprise as follows, “*small enterprise means a firm, trade, service, indusrty or a business activity; (a) whose annual turnover ranges between one million and five million shillings*”.

Committee’s Comment

The Micro and Small Enterprises Act have already adopted the definitions of micro and small enterprises hence an attempt to amend will be interfering with the definitions provided for in the Principal Act.

39. Defining Credit Guarantee Scheme to mean guarantees on loans to MSMEs in which the national government covers a share of the default risk of the loan. This is for clarity and consistency.

Committee’s Comment

The definition of the term Credit Guarantee Scheme may not be necessary as there is no ambiguity and it is clear on how the Credit Guarantee Scheme operates.

Clause 3

40. Amend the Bill by deleting clause 3 in its entirety. This is because the provision is adequately covered under section 32(1) of the Principal Act.

Committee’s Comment

The introduction of the clause is in relation to ensuring that the Cabinet Secretary submits information to Parliament regarding the credit guarantees given to private borrowers who are MSMEs. This will ease access to information and promote accountability / oversight on the scheme.

Clause 4

41. There is need to develop a concrete policy framework with alternatives on how to finance MSMEs. The additional criteria should also include; Partial Credit Guarantee Schemes for such enterprises that comply with prudential regulation, have a good credit history and offer any enforceable collateral e.g. personal and third party guarantees and willing to assign such collaterals to the credit guarantee scheme.

42. Other alternatives to boost MSMEs is by; the introduction of leasing products into the market (hire purchase, finance lease, micro leasing and Agri leasing), Early Stage Innovation Finance provides equity and debt/quasi-debt to start up or high growth firms which may otherwise not be able to access bank financing, provide for the credit risk management tools and provide for a transparent process and limit the amount advanced to enterprises i.e. equal opportunity for all players.

Committee's Comment

There is need for behavioural market survey as soon as the credit Guarantee Scheme is rolled to allow for other forms of innovations and modifications.

43. Further additional details to be contained in the Regulations should be; the required information from an MSME to qualify for a credit guarantee, the extent of the National Government liability in case of a default, variation of the terms of the credit guarantee in circumstances where there is a breach with the provisions of the Act or terms of the scheme, the payment of the initial premium or annual premium by instalments, the preparation and maintenance of records, books of account and such other documentation as may be specified in a scheme, information sharing amongst the players, the audit and examination of accounts of qualifying enterprises, requirements in relation to the transfer of any rights and liabilities under a loan agreement, risks covered by the scheme against failure of the borrower to repay the guaranteed credit facility, duration of the scheme loan covered. Proposal to make it between 1-5 years as benchmarked against the Tanzania Credit Guarantee scheme and Maximum eligible guarantee and the extent of coverage.
44. Amend sub-clause 4(7) to read as follows, "A guarantee extended to a micro, small or medium enterprise shall be given under the Public Credit Guarantee Scheme as established by the Cabinet Secretary for the partial mitigation of default risks for credits extended to micro, small or medium enterprises". This because the President through the 2019 State of the Nation address established a Public Credit Guarantee Scheme for small and medium enterprises in Kenya. The Government also injected 3 billion as seed capital for the SME Credit Guarantee Scheme through the eight-point economic stimulus program. This confirms its existence although the roll out of the scheme by the National Treasury has not been expedited.
45. Amend sub-clause 4(8) by inserting the following new paragraph (h) immediately after (g), "*(h) Systematically evaluate the performance of the guaranteed enterprises and disclose findings including non-financial information periodically*". This because Access to information regarding the performance of these enterprises will enhance efficiency and effectiveness in running the Public Credit Guarantee Scheme to deepen access to credit for micro, small and medium enterprises. The Committee adopted the proposal with necessary modifications)

New Clause

46. Insert the following new clause, "*(1) Where MSMEs refuse to comply with the terms of a credit guarantee scheme, the Cabinet Secretary may withdraw any guarantee given by him; (2) Any term of a credit guarantee/loan agreement that permits MSMEs to— (a) alter a term or condition of such agreement upon the withdrawal of a guarantee in accordance with subsection (1) or (b) impose less favorable terms and conditions on the MSMEs upon the withdrawal of a guarantee in accordance with subsection (1), shall be null and void*". This is to provide clarity and outline the principles for withdrawal of a guarantee. This is a recourse mechanism for non-compliance. **This proposal was adopted by the Committee.**

3.4 KENYA ASSOCIATION OF MANUFACTURERS (KAM)

In their letter Ref:KAM/10/14/mb/jw/PW/2020 dated 22nd July, 2020, the Association proposed the following amendments:-

Clause 2 should be amended by:-

47. inserting the word “*net*” immediately before the word “*turnover*” in sub-clause 2(c)(i). This is to ensure that taxes are not part of the turnover amount of a company. This is because gross turnover usually includes the same. As the provisions stand, it is not clear if the company turnover includes Value Added Tax (VAT) and Excise duty.

Committee’s Comment

The Committee adopted the usage of the term annual turnover as it the one referenced to in the Principal Act.

48. introducing the word “*may*” immediately before the word “*employs*” under the proposed new definition of ‘medium enterprise’. This is to address uncertainty that arises in the qualification of a medium term enterprise.

Committee’s Comment

It is important to maintain the numbers as it will give guidance as to the number of employees an enterprise must employ to also enjoy the credit guarantee scheme. The word may is subject to manipulation. For a developing economy such as Kenya, the number of employees is a critical parameter in the determination of the size of an enterprise, this is in addition to other factors such as annual turnover. The MSMEs are expected to play a significant role in job creation as well as general economic development.

49. deleting the words “*five million*” and replacing with the words “*fifty million*” under the definition of “small enterprise”. This is because the upper threshold turnover of KSh. 5 million annually for small scale is too low.

Committee’s Comment

This proposal will lock out many small enterprises from the credit guarantee scheme.

Clause 4

50. Introducing the following new paragraph e, “*(e) The borrower demonstrates a viable sustainable business model and that the enterprise is an ongoing concern*”. The proposal seeks to ensure that an accountable system is put in place by including requirements for a borrower to demonstrate that they have been an ongoing concern. This is important because the funds to be used are public funds and should be facilitated in an open, transparent and efficient manner and due to limited resources, the funds should be prioritized for entities that can demonstrate they have been ongoing entities and show stability. **This proposal was adopted by the Committee.**

3.5 KENYA BANKERS ASSOCIATION (KBA)

51. In their memorandum, the Association supported the amendments that were proposed in the Public Finance Management (Amendment) (No. 2) Bill, 2020 to establish the Credit Guarantee Scheme to facilitate Government guarantees to credit extended to private sector businesses towards the recovery and promotion of the economy’s development.
52. They proposed that sub-clause 4(8) should be amended by inserting the words “in consultation with financial institutions” between the words “Cabinet Secretary” and “prescribe”. This is because the

particulars of sub-sections 4(8)(a) to (g) are undetermined in the Bill and left to the discretion of the Cabinet Secretary in development of the Regulations.

3.6 STATE DEPARTMENT FOR TRADE AND ENTERPRISE DEVELOPMENT & MICRO AND SMALL ENTERPRISE AUTHORITY (MSEA)

53. In their memorandum Ref:No/MOITED/SDT/A1/4/01/VOL1.P dated 23rd July, 2020, they proposed the following amendments:-

Clause 4 should be amended by:-

54. deleting sub-clause 4(5)(c) and replacing it with the following paragraph, “*(c) the borrower has been registered by the Registrar of Micro and Small Enterprises, a county government or any other relevant government body and holds a valid registration certificate, business permit or trade licence.*” This is because the requirement for a trade licence or business permit by county governments creates a licensing hurdle that may significantly curtail individual MSMEs’ access to the credit guarantee scheme. This is because not all businesses especially those in the informal sector maintain an office in the counties to warrant taking out trade licenses or business permits. (The proposal was adopted with necessary modifications).
55. Providing the apportionment percentages with particular consideration and incentives for guaranteeing loans to micro and small enterprises in sub-clause 4(6). This is because the sub-clause appears ambiguous on what proportion of credit can be guaranteed or who determines such apportionment.

Committee’s Comment

The matter will be adequately covered under the regulations.

4 COMMITTEE OBSERVATIONS

The Committee observed that if enacted, the Bill will:-

56. make it possible for MSMEs to access credit which has been one of the biggest challenges that the sector has been faced with;
57. encourage growth of the MSMEs which will in turn help in the quick revival of the Kenyan economy post COVID-19 as it will increase the amount of tax collected by the government;
58. increase employment opportunities for Kenyans and make it possible for people to remain in employment during and after the COVID-19 pandemic;
59. encourage self employment as opposed to the current scenario where most people scramble for the few employment opportunities;
60. encourage Kenyans to be innovative which will in turn encourage local manufacturing that will increase exports from the country and reduce imports; and
61. encourage value addition of raw products and this will raise the value of products exported by the country hence fetch more revenue to the country.

5 COMMITTEE RECOMMENDATION

62. The Committee having considered the Public Finance Management (Amendment) (No. 2) Bill (N.A. Bills No. 23 of 2020) recommends that the House approves the Bill with amendments as proposed in the schedule.

6 SCHEDULE OF PROPOSED AMENDMENTS

The Committees proposed the following amendments to be considered by the House in the Committee stage:-

Clause 2

63. **THAT**, the Bill be amended in clause 2 in the proposed definition of the phrase “medium enterprise” by deleting paragraph (a) and substituting therefor the following new paragraph -
“(a) whose annual turnover is between five million shillings and one hundred million shillings;”

Justification

The upper limit annual turnover for small enterprises under the Micro and Small Enterprises Act, 2012 is five million, the amendment is therefore to ensure that the limit turnover for medium enterprises is higher than that of small enterprises.

Clause 3

64. **THAT**, the Bill be amended in clause 3 in the proposed new subsection (3A) by deleting the word “Parliament” appearing immediately after the word “when” and substituting therefor the words “either House of Parliament”.

Justification

The amendment is a clean-up, to maintain consistency with the words used in sub-section (1).

Clause 4

65. **THAT**, the Bill be amended in clause 4 -
(a) by deleting the proposed sub-section (5) and substituting therefor the following new sub-sections-
(5) Notwithstanding the provisions of sub-section (1), the Cabinet Secretary may guarantee credit which is extended to a private borrower, for enterprise development or such other purpose as the Cabinet Secretary may prescribe, where the borrower does not have sufficient security.
(6a) The Cabinet Secretary may only guarantee credit which is extended to a borrower under sub-section (1), if the borrower-
(a) is a micro, small or medium enterprise;
(b) is registered as a business or company under the relevant laws;
(c) is a registered taxpayer and is in compliance with the relevant tax laws;
(d) is registered by a county government and holds a valid business permit or trade licence;
(e) is not part of any group or related to any enterprise which would otherwise not be eligible for credit guarantee under this section; and
(f) agrees in writing to comply with the provisions of this Act and any conditions that may be imposed by the Cabinet Secretary.

Justification

The amendment is to clean up the provision and to include additional conditions that the borrower must meet before the credit guarantee is granted. These include, formal registration, tax registration, and demonstrating that the enterprise is not part of a group or related enterprise.

(b) in sub-section (8) by –

- (i) inserting the words “or varied” immediately after the words “be liquidated” in paragraph (g);
- (ii) inserting the following new paragraphs immediately after paragraph (g) –
 - (ga) the maximum percentage of the scheme funds which may be used to guarantee any individual borrower;
 - (gb) mechanisms to ease access to credit guarantees by enterprises owned by women, youth and persons with disabilities;
 - (gb) mechanisms for recovering the money from the borrower where the credit guarantee is liquidated;
 - (gc) a limit on the period of default to a maximum of six months;

Justification

The amendment is to require that the Cabinet Secretary should provide for affirmative measures, measures for recovering the money where a credit guarantee is liquidated and provisions limiting the period of default when making regulations.

Clause 5

66. **THAT**, the Bill be amended in clause 5 in the proposed new section 59A (2) by inserting the following new paragraphs immediately after paragraph (d) –

- (da) information on the total value of credit guarantees disaggregated into the number of enterprises owned by women, youth and persons with disabilities guaranteed;
- (db) information on the total value of credit guarantees disaggregated into the number of micro, small and medium enterprises guaranteed and the respective regions;

Justification

The amendment is to require that the statement submitted to Parliament should contain disaggregated information for better analysis of the performance of the scheme.

SIGNED.......... DATE.....27/7/2020.....

THE HON. GLADYS WANGA, CBS, MP

CHAIRPERSON,

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 2) BILL (N.A. BILLS NO. 23 OF 2020)

The report on the consideration of the Public Finance Management (Amendment) (No. 2) Bill (N.A. Bills No. 23 of 2020) was adopted by the Committee having been proposed and seconded by Hon. Shakeel Shabbir Ahmed, CBS, MP and Hon. Francis Kuria Kimani, MP respectively. The following Members acceded to the amendments proposed in the report to be considered during the Committee Stage having been present in the meeting:-

- i. Hon. Gladys Wanga, CBS, MP – **Chairperson**
- ii. Hon. Isaac Waihenya Ndirangu, MP – **Vice-Chairperson**
- iii. Hon. Jimmy Nuru Angwenyi, MGH, MP
- iv. Hon. Christopher Omulele, MP
- v. Hon. Shakeel Shabbir, CBS, MP
- vi. Hon. Andrew Okuome, MP
- vii. Hon. David Mboni, MP
- viii. Hon. Francis Kuria Kimani, MP
- ix. Hon. Joshua Chepyegon Kandie, MP
- x. Hon. James Gichuhi Mwangi, MP
- xi. Hon. Peter Lochakapong, MP
- xii. Hon. Qalicha Gufu Wario, MP

MINUTES OF THE 40TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD VIRTUALLY ON THURSDAY, 23RD JULY, 2020 AT 2.30 PM

PRESENT

1. Hon. Gladys Wanga, CBS, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. David M. Mboni, MP
8. Hon. Francis K. Kimani, MP
9. Hon. Joshua C. Kandie, MP
10. Hon. James Gichuhi Mwangi, MP
11. Hon. Peter Lochakapong, MP
12. Hon. Qalicha Gufu Wario, MP

ABSENT WITH APOLOGY

1. Hon. Daniel E. Nanok, MP
2. Hon. Christine Ombaka, MP
3. Hon. Joseph M. Oyula, MP
4. Hon. Stanley M. Muthama, MP
5. Hon. Edith Nyenze, MP
6. Hon. Catherine Waruguru, MP
7. Hon. (Prof.) Mohamud Sheikh Muhamed, MP

INATTENDANCE

SECRETARIAT

1. Mr. Robert Nyaga - Deputy Director PBO
2. Ms. Leah Mwaura - Senior Clerk Assistant/Head of the Secretariat
3. Ms. Jennifer Ndeto - Principal Legal Counsel I
4. Ms. Laureen Wesonga - Clerk Assistant II
5. Mr. Josephat Motonu - Fiscal Analyst I
6. Mr. Chelang'a Maiyo - Research Officer II
7. Ms. Euridice Nzioka - Audio Officer

AGENDA

1. Prayers
2. Communication from the Committee Clerk
3. Confirmation of Minutes
4. Matters Arising
5. **Briefing on the Public Finance Management (Amendment) (No. 2) Bill, 2020**
6. **Clause by clause consideration of the Public Finance Management (Amendment) (No. 2) Bill, 2020**
7. **Adoption of the report on the consideration of the Public Finance Management (Amendment) (No. 2) Bill, 2020**
8. Adjournment/Date of the next meeting

MIN.NO.NA/F&NP/2020/187: COMMUNICATION FROM THE COMMITTEE CLERK

The meeting was called to order at 2.38 p.m. and a prayer was said. The Chairperson then welcomed the Fiscal Analyst to brief the Committee on the Public Finance Management (Amendment) (No. 2) Bill, 2020.

MIN.NO.NA/F&NP/2020/188: CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2020/189: BRIEFING ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 2) BILL, 2020

Mr. Josephat Mutonu informed the Committee that the Bill has five clauses and seeks to amend the Public Finance Management Act, 2012 in order to provide for guarantees by the Cabinet Secretary for loans advanced to micro, small and medium enterprises (MSMEs). He also explained to the Members the amendments proposed in each clause and their impact if enacted.

Members noted that the Bill was very timely because most Micro, Small and Medium Enterprises had been hard hit by the COVID-19 pandemic and the enactment of the Bill will enable the businesses access loans from banks which has been one of their biggest challenges.

MIN.NO.NA/F&NP/2020/190: CLAUSE BY CLAUSE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 2) BILL, 2020

Clause 2

Amend sub-clause 2(a) by deleting the words, “*does not exceed*” and replacing with the words, “*of between five million and*”.

Clause 3

Amend by inserting the words, “either House of” between the words “when” and “Parliament”.

Justification

For consistency with the Principal Act.

Clause 4

Amend sub-clause 4(5) by:-

- i. splitting the first part of the sub-clause into two sub-clauses;
- ii. providing that the borrower should be registered, have a KRA PIN and be tax compliant; and
- iii. inserting the following new sub-clause (e), “(e) *The borrower demonstrates a viable sustainable business model and that the enterprise is an ongoing concern*”.

Amend sub-clause 4(8) by adding the following to the list of items to be prescribed in the Regulations:-

- i. the required information from MSMEs to qualify for a credit guarantee;
- ii. amend sub-clause 4(8)(g) to provide terms under which the credit guarantee can be varied and mechanisms for the government to recover the money in case of default; and
- iii. the CS should consider the affirmative action for women, persons with disabilities and youths.

Clause 5

Amend by including in the report:-

- i. the regions from which the beneficiary MSMEs are from;
- ii. number of micro, small, and medium enterprises that have benefited from the scheme; and
- iii. the gender, youth and people living with disabilities aspects of the MSMEs.

MIN.NO.NA/F&NP/2020/191: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 2) BILL, 2020

The Committee adopted the report on the consideration of the Public Finance Management (Amendment) (No. 2) Bill, 2020 having been proposed and seconded by Hon. Shakeel Shabbir Ahmed, CBS, MP and Hon. Francis Kuria Kimani, MP respectively. The Committee agreed on the following amendments:-

Clause 2

THAT, the Bill be amended in clause 2 in the proposed definition of the phrase “medium enterprise” by deleting paragraph (a) and substituting therefor the following new paragraph -

- “(a) whose annual turnover is between five million shillings and one hundred million shillings;”

Justification

The upper limit annual turnover for small enterprises under the Micro and Small Enterprises Act, 2012 is five million, the amendment is therefore to ensure that the limit turnover for medium enterprises is higher than that of small enterprises.

Clause 3

THAT, the Bill be amended in clause 3 in the proposed new subsection (3A) by deleting the word “Parliament” appearing immediately after the word “when” and substituting therefor the words “either House of Parliament”.

Justification

The amendment is a clean-up, to maintain consistency with the words used in sub-section (1).

Clause 4

THAT, the Bill be amended in clause 4 -

- (a) by deleting the proposed sub-section (5) and substituting therefor the following new sub-sections-

(5) Notwithstanding the provisions of sub-section (1), the Cabinet Secretary may guarantee credit which is extended to a private borrower, for enterprise development or such other purpose as the Cabinet Secretary may prescribe, where the borrower does not have sufficient security.

(6a) The Cabinet Secretary may only guarantee credit which is extended to a borrower under sub-section (1), if the borrower-

- (a) is a micro, small or medium enterprise;
- (b) is registered as a business or company under the relevant laws;
- (c) is a registered taxpayer and is in compliance with the relevant tax laws;
- (d) is registered by a county government and holds a valid business permit or trade licence;
- (e) is not part of any group or related to any enterprise which would otherwise not be eligible for credit guarantee under this section; and

(f) agrees in writing to comply with the provisions of this Act and any conditions that may be imposed by the Cabinet Secretary.

Justification

The amendment is to clean up the provision and to include additional conditions that the borrower must meet before the credit guarantee is granted. These include, formal registration, tax registration and demonstrating that the enterprise is not part of a group or related enterprise.

(b) in sub-section (8) by –

- (i) inserting the words “or varied” immediately after the words “be liquidated” in paragraph (g);
- (ii) inserting the following new paragraphs immediately after paragraph (g) –
 - (ga) the maximum percentage of the scheme funds which may be used to guarantee any individual borrower;
 - (gb) mechanisms to ease access to credit guarantees by enterprises owned by women, youth and persons with disabilities;
 - (gb) mechanisms for recovering the money from the borrower where the credit guarantee is liquidated;
 - (gc) a limit on the period of default to a maximum of six months;

Justification

The amendment is to require that the Cabinet Secretary in making regulations should provide for affirmative measures, measures for recovering the money where a credit guarantee is liquidated and provisions limiting the period of default.

Clause 5

THAT, the Bill be amended in clause 5 in the proposed new section 59A (2) by inserting the following new paragraphs immediately after paragraph (d) –

- (da) information on the total value of credit guarantees disaggregated into the number of enterprises owned by women, youth and persons with disabilities guaranteed;
- (db) information on the total value of credit guarantees disaggregated into the number of micro, small and medium enterprises guaranteed and by the respective regions;


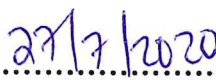
Justification

The amendment is to require that the statement submitted to Parliament should contain disaggregated information for better analysis of the performance of the scheme.

MIN.NO.NA/F&NP/2020/192: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 4.30 p.m. The next meeting will be held on notice.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED..........DATE..........

Ohangla > Her husky voice was an instant crowd puller

Lady Maureen is gone, but her legacy lives on



the 'queen' has left an indelible mark on the genre largely dominated by men

OSIAH MWANGI
AMOS NGAIRA

Since mid 2004, a young woman named the Kisumu Social Centre — then popular with Ohangla music — eager to be the centre of the action. She wanted to be incorporated into singing, which appeared in order in a predominantly male domain, with Ohangla music discarding traditional elements for modern ones. A newcomer was Mau-Achieng', who came to be known by her stage name, Lady Maureen, until her death last day. She persuaded David Ochieng' (right), better known as Idi Jamigori, to let her join the Olo Traditional Band, then popular in the lake region. He warmly welcomed her, albeit tentatively, until Lady Maureen came on stage after months with him. Her husky yet persuasive voice became an instant crowd puller to the genre, which was thought to be outdated and confined to the village. Her father, David Daudi, Lady Maureen was under pressure to do her part because of the rivalry of young musicians who were vying for the genre's glory. Her songs were Ouma Basement, Maud Alego, Onyango Jage, Ochieng' Wud Ojolla Onyango Papa Jey. In an interview with the *Nation* last week, Daudi — who has since moved from active music — recalled that Maureen participated in the Olo Band's album titled *Obarore* (Kisumu is Split) in 2006, before starting her own outfit in 2006, which performed at Ofafa Memorial Hall in Kisumu. "The first time I heard her sing, I knew she had great talent. She was surrounded by male musicians who were not of her crowd-pulling

Final journey

BURIAL TO BE HELD SATURDAY

Ohangla songbird Maureen Achieng', popularly known as Lady Maureen, will be buried in Kopanga village, Suna West, Migori County, on Saturday. The body is lying at Ojele Memorial Hospital in Migori town. Lady Maureen's mother, Ms Margaret Akinyi Onyango, said the family was told they could keep the body at the mortuary for just a week, as they make the burial plans. "We plan to collect the body on Friday evening for an overnight vigil, and then bury her on Saturday," Ms Onyango told the

Nation on phone. She said the home does not have adequate sanitation facilities for mourners and appealed to well-wishers for help.

Last Saturday, the family called on the Orange Democratic Movement party and the Gor Mahia FC fraternity to help them in funeral arrangements.

Lady Maureen's father, Mr Joanne's Odera, said the family was struggling to raise funds to secure a burial site for her because Luo tradition forbids them from burying her in their home.

— BY IAN BYRON AND RUSHDIE OUDIA



Ochieng', better known as Idi Jamigori, to let her join the Olo Traditional Band, then popular in the lake region.

Her first songs were *Okecha*, *Wach Love* and *Amollo Tinga*, recorded in 2005. After the failed referendum that created the Orange Democratic Movement, she released *Wang'ni Wabiro* (We are coming this time). The songs did quite well, because of the rising political temperatures.

She moved to Nairobi after the 2007 General Election to seek a new fan base, Kisumu having been dominated by male artistes.

Kisumu-based Benga musician Linet Aluoch Pamba yesterday told the *Nation* that Lady Maureen performed tirelessly, until she started ailing. "I spoke to her last month,

when her grandmother took her for a medical check-up in Kericho from Pap Onditi, Nyakach, in Kisumu County," she said.

Linet, who heads the Kisumu-based Karapul Jazz Band, first met Lady Maureen in 2006 while she (Linet) was still with the legendary DO Owino Misioni's DO 7 Shirati Jazz.

"Maureen was outstanding in anything she did, having excelled as one of the pioneer Ohangla women musicians," Linet said, adding that fans should support musicians as they go through the highs and lows in their careers.

Linet, who appears on the Luo Benga Live TV shows online, is among the few surviving female Benga stars. Others are Okinyo Black Currant and Grace Nyakindu. Ahead of the 2013 General Election, she rose to national fame when her two songs, *Raila Agwambo* and *On'geche Manigole Bungu* (The monkeys you rescued), became campaign hits for the Opposition.

Ohangla musician Joseph Ochieng', who is famous for her song *Raila Tibim*, says singing about Mr Odinga is an instant crowd puller.

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY TWELFTH PARLIAMENT - FOURTH SESSION

In the matter of consideration by the National Assembly:-
The Public Finance Management (Amendment) (No.2) Bill
(National Assembly Bill No. 23 of 2020)

INVITATION FOR PUBLIC PARTICIPATION AND SUBMISSION OF MEMORANDA

Article 118(1)(b) of the Constitution provides that, "Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees". The National Assembly Standing Order 127(3) provides that, "the Departmental Committee to which a Bill is committed shall facilitate public participation and take into account the views and recommendations of the public when the Committee makes its report to the House".

The Public Finance Management (Amendment) (No.2) Bill, (National Assembly Bill No. 23 of 2020) was published on Thursday, 9th July, 2020. Despite the Bill not having been read a First Time as required under the National Assembly Standing Order 126, the House in its sitting held on Thursday, 2nd July, 2020, resolved that during the period of the Short Recess of the Second Part of the Session, should a Bill be published, the Speaker shall, refer such Bill to the relevant Committee pursuant to the provisions of Standing Order 127(3).

The Public Finance Management (Amendment) (No.2) Bill, (National Assembly Bill No. 23 of 2020) proposes various amendments to the Act to cushion micro, small and medium enterprises against the economic effects of the COVID-19 pandemic as follows:-

1. The Bill seeks to amend the Act by inserting the definition of, "medium enterprises", "micro enterprise" and "small enterprise".
2. The Bill also makes provision for the information to be provided to Parliament with respect to credit guarantees extended to micro, small or medium enterprises by the national government. The Cabinet Secretary for matters relating to finance is required to submit an annual report on credit guarantees to micro, small and medium enterprises to Parliament. The report shall include the total value of credit guarantees, credit guarantees liquidated, outstanding credit guarantees and the risk assessment of the credit guarantees or classes of guarantees.
3. The Bill further outlines the circumstances under which the Cabinet Secretary can guarantee a loan issued to a private borrower who does not have sufficient security. It enables the Cabinet Secretary to prescribe regulations for the operation and establishment of schemes for the guarantee of credit extended to micro, small and medium enterprises.

Pursuant to Article 118 (1)(b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly invites interested members of the public, organisations and sector-specific stakeholder groups and associations, to submit any views or make representations regarding the Bill for consideration by the Departmental Committee on Finance and National Planning. The Bill can be accessed from the parliamentary website at www.parliament.go.ke/the-national-assembly/house-business/bills.

The representations or written submissions may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to clerk@parliament.go.ke; to be received on or before Monday, 20th July, 2020 at 5.00 pm.

MICHAEL R. SIALAI, EBS
CLERK OF THE NATIONAL ASSEMBLY

