

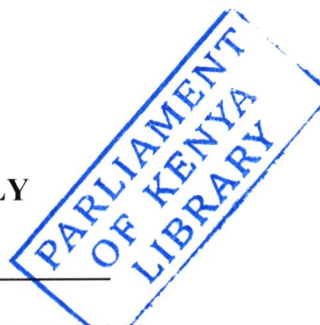
Approved for tabling.

~~Pat~~ SWA
10/8/2021

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

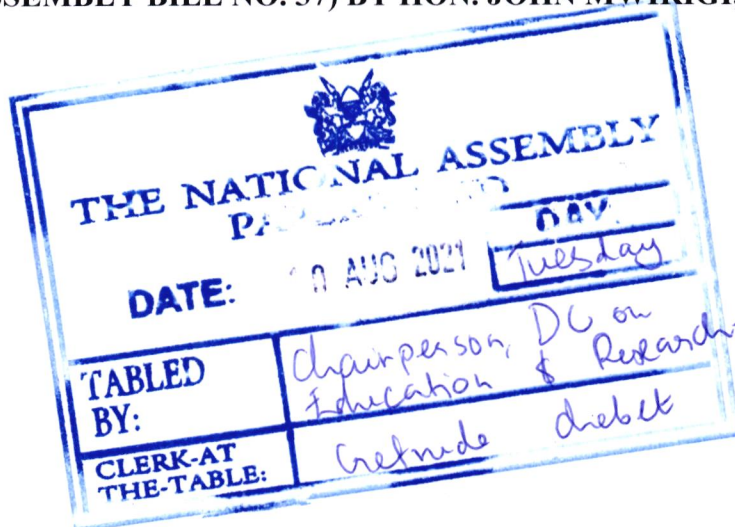


TWELFTH PARLIAMENT – FIFTH SESSION

DEPARTMENTAL COMMITTEE ON EDUCATION AND RESEARCH

REPORT ON-

THE HIGHER EDUCATION LOANS BOARD (AMENDMENT) BILL, 2020
(NATIONAL ASSEMBLY BILL NO. 37) BY HON. JOHN MWIRIGI, MP



Published by: -
Directorate of Departmental Committees
Clerk's Chambers
Parliament Buildings
NAIROBI

August, 2021

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CHAIRPERSON'S FOREWORD

The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37) by the Hon. John Mwirigi, MP was read a First Time on Thursday 8th October, 2020 and committed to the Departmental Committee on Education and Research for consideration and reporting to the House in line with the provisions of Standing Order 127.

The principal object of the Bill is to amend the Higher Education Loans Board Act, No. 3 of 1995 (in this Act, referred to as, principal Act) in order to provide that a loanee shall commence the repayment of his or her loan once he or she secures employment.

The current position is that the loanee is to begin repayment of the loan within one year of completing his or her studies; prevailing statistics reveal that a relatively small percentage of graduates are able to secure employment within one year of graduation yet interest on their loans start accruing immediately after graduation

The amendment seeks to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

Pursuant to Article 118(1) (b) of the Constitution and Standing Orders 127(3), the Committee placed adverts in the "Daily Nation" and "Standard" newspapers of 14th October, 2020 inviting the public to submit representations they may have on the Bill. The Committee received representations from the Principal Secretary for University Education and Research and the Chief Executive Officer for Higher Education Loans Board which were taken into account while making recommendations.

The Committee having considered the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 37), clause by clause and taking into consideration views and recommendations of the stakeholders pursuant to Standing Order 127(3A), made observations and recommendations contained in section 3.0 and 4.0 of this report.

The Committee is thankful to the Office of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee is also grateful to the Principal Secretary for the State Department for University Education and Research, Ministry of Education and the Chief Executive Officer for Higher Education Loans Board who presented their views on the Bill.

On behalf of the Committee, and pursuant to Standing Order 127(4), it is my pleasant duty to table the Report of the Departmental Committee on Education and Research on its consideration of the Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37) pursuant to Standing Order No. 199.

HON. FLORENCE MUTUA, CBS, MP

1.0 PREFACE

Hon. Speaker

1. The Departmental Committee on Education and Research was constituted pursuant to the provisions of Standing Order No. 216(1) of the National Assembly Standing Orders.

1.1 Mandate of the Committee

2. Pursuant to the Standing Order 216 (5) read together with the Second Schedule to the Standing Orders, the functions of the Committee are to: -
 - (i) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the Ministry of Education (in this report, referred to as “the relevant Ministry”);
 - (ii) study the programme and policy objectives of Ministry and the Departments of the Ministry, and the effectiveness of the implementation Training;
 - (iii) study, assess and analyze the relative success of the relevant Ministry as measured by the results obtained as compared with their stated objectives and,
 - (iv) investigate and inquire into all matters relating to the as may be necessary, and as may be referred to the Committee by the House
 - (v) to vet and report on all appointments where the Constitution or any law requires the National Assembly and by extension, the Committee to approve;
 - (vi) make reports and recommendations relating to the functions of the relevant Ministry to the House as often as possible, including recommendation of proposed legislation;
 - (vii) consider reports of the relevant commissions and independent offices submitted to the House pursuant to the provisions of Article 254 of the Constitution;
 - (viii) examine any questions raised by Members on a matter within the mandate of the Committee.

1.2 Subjects

3. The Committee oversees the following government entities: -
 - (a) Ministry of Education comprising the following State Departments:
 - (i) Early Learning and Basic Education
 - (ii) University Education
 - (iii) Vocational and Technical Training
 - (iv) Implementation of Curriculum Reforms
 - (v) Post Training and Skills Development
 - (b) The Teachers Service Commission

1.3 Committee Membership

4. The Committee comprises of the following Members: -

Chairperson

Hon. Florence Mutua, CBS, MP
Busia County

Orange Democratic Movement Party

Vice Chairperson

Hon. Ngunjiri Wambugu
Nyeri Town Constituency

Jubilee Party

Hon. Geoffrey Makokha Odanga, MP
Matayos Constituency
Orange Democratic Movement Party

Hon. Joseph Tonui, MP
Kuresoi South Constituency
Jubilee Party

Hon. (Dr.) Pamela Ochieng, MP
Migori County
Orange Democratic Movement Party

Hon. Omboko Milemba, MP
Emuhuya Constituency
Amani National Congress

Hon. (Eng.) Nzambia Kithua, MP
Kilome Constituency
Wiper Democratic Movement Kenya

Hon. Peter Lochakapong, MP
Sigor Constituency
Jubilee Party

Hon. (Prof.) Zadoc Abel Ogutu, MP
Bomachoge Borabu Constituency
Independent

Hon. Wilson Sossion, MP
Nominated Member

Hon. Eric Muchangi Njiru, MP
Runyenjes Constituency
Jubilee Party

Hon. Wilson Kogo, MP
Chesumei Constituency
Jubilee Party

Hon. Eve Obara, MBS, MP
Kabondo Kasipul Constituency
Orange Democratic Movement Party

Hon. (Dr.) Daniel K Tuitoek, MP
Mogotio Constituency
Jubilee Party

Hon. Jackson Lekumontare, MP
Samburu East Constituency
KANU Party

Hon. Gichuki Mugambi, MP
Othaya Constituency
Jubilee Party

Hon. Jerusha Momanyi, MP
Nyamira County
Jubilee Party

Hon. John Mwirigi, MP
Igembe South Constituency
Independent

1.4 Committee Secretariat

5. The Committee secretariat comprise of: -

Mr. Philip Lekarkar
Clerk Assistant II
Lead Clerk

Ms. Grace Wahu
Clerk Assistant III

Mr. Peter Mwaura
Senior Legal Counsel

Mr. Eric Kanyi
Fiscal Analyst II

Ms. Deborah Mupusi
Media Relations Officer

Ms. Catherine Mukunyi
Serjeant-At-Arms

Mr. Collins Mahamba
Audio Recording Officer

1.5 Committal of the Bill

6. The Higher Education Loans Board (Amendment) Bill, 2021 (*National Assembly Bill No. 37*) by the Hon. John Mwirigi, MP was read a First Time on Thursday 8th October, 2020 and committed to the Departmental Committee on Education and Research for consideration and reporting to the House, pursuant to Standing Order 127(1).
7. The principal object of the Bill is to amend the Higher Education Loans Board Act, No. 3 of 1995 (in this Act, referred to as, principal Act) in order to provide that a loanee shall commence the repayment of his or her loan once he or she secures employment.
8. The current position is that the loanee is to begin repayment of the loan within one year of completing his or her studies; prevailing statistics reveal that a relatively small percentage of graduates are able to secure employment within one year of graduation yet interest on their loans start accruing immediately after graduation
9. The amendment seeks to cushion unemployed graduates from being charged interest on the loan before they have secured employment.
10. Pursuant to Article 118(1) (b) of the Constitution and Standing Orders 127(3), the Clerk of the National Assembly placed adverts in “Daily Nation” and the “Standard” newspapers on 14th October, 2020 inviting interested members of the public to submit any representations they may have on the Bill. (Annex 1).
11. The Committee received representation from the Principal Secretary for University Education and Research and the Chief Executive Officer for Higher Education Loans Board which were considered by the Committee.
12. The Committee held five meetings a total of five meetings in its consideration of the Bill in which it met with the sponsor of the Bill, the Principal Secretary for University Education and the Chief Executive Officer for Higher Education Loans Board who presented their submissions on the Bill.

2.0 COMMITTEE CONSIDERATION BILL

2.1 Memorandum of Objects and Reasons for the Bill

13. The principal object of the Bill is to amend the Higher Education Loans Board Act (in order to provide that a loanee shall commence the repayment of his or her loan once he or she secure employment.
14. The current position is that the loanee is to begin servicing the loan within one year of completing his or her studies. Only a relatively small percentage of graduate's secure employment within one year of graduation yet interest on the loans starts accruing immediately upon graduation. The amendment is meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.
15. The proposed amendments are: -

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill proposes to amend to amend section 15 of the Higher Education Loans Board Act, *No. 3 of 1995* subsection (1) by deleting the words "completion of his studies" appearing immediately after the words "year of" and substituting therefore the word "securing employment".

Statement of how the Bill concerns County Governments

16. The Bill does not concern county governments in terms of Article 110 (a) of the Constitution.

Statement of delegation of legislative powers and limitation of fundamental rights and freedoms

17. The Bill does not contain any provision limiting any fundamental rights or freedoms.

Statement that the Bill is a money bill, within the meaning of Article 114 of the Constitution

18. The enactment of the bill may occasional additional expenditure.

2.2 Committee Analysis of the Bill

19. The Committee scrutinized the Bill as follows: -

Clause	Provision in Act	Provision after amendment	Effect
1	-	This Act may be cited as the Higher Education Loans Board (Amendment) Act, 2019.	Short Title.
2	<p>15. Obligations of the loanees</p> <p>(1) A loanee shall be required, subject to and in accordance with this Act or any regulations made thereunder, within one year of completion of his studies or within such a period as the Board decides to recall its loan whichever is the earlier—</p> <p>(a) to inform the Board of his contact address;</p> <p>(b) to begin repayment of his loan together with any interest accrued thereon;</p> <p>(c) if he is in formal employment, to authorize his employer to deduct the loan repayment and to remit it to the Board in such manner as the Board may direct.</p> <p>(2) Any loanee who fails or neglects to satisfy the requirements of subsection (1) within the stipulated time shall, in addition to any other action that the Board may take against him, be guilty of an offence and liable to a fine of not less than five thousand shillings in respect of each loan deduction that remains unpaid in accordance with provisions of subsection (1), and such fine shall be payable to the Board.</p>	<p>15. Obligations of the loanees</p> <p>(1) A loanee shall be required, subject to and in accordance with this Act or any regulations made thereunder, within one year of securing employment or within such a period as the Board decides to recall its loan whichever is the earlier—</p> <p>(a) to inform the Board of his contact address;</p> <p>(b) to begin repayment of his loan together with any interest accrued thereon;</p> <p>(c) if he is in formal employment, to authorize his employer to deduct the loan repayment and to remit it to the Board in such manner as the Board may direct.</p> <p>(2) Any loanee who fails or neglects to satisfy the requirements of subsection (1) within the stipulated time shall, in addition to any other action that the Board may take against him, be guilty of an offence and liable to a fine of not less than five thousand shillings in respect of each loan deduction that remains unpaid in accordance with provisions of subsection (1), and such fine shall be payable to the Board.</p>	<p>The amendment seeks to ensure that a person who benefits from a HELB loan shall not be compelled to start repayment of the loan within one year after he or she completes his studies. Instead, such a person will only begin to repay the loan within one year after he or she has secured employment.</p>

2.3 Public Participation on the Bill

20. Pursuant to Article 118(1) (b) of the Constitution and Standing Orders 127(3), the Clerk of the National Assembly placed adverts in “Daily Nation” and the “Standard” newspapers of 14th October, 2020 inviting the public to submit representations they may have on the Bill.
21. The Committee received representation from the Principal Secretary for University Education and Research and the Chief Executive Officer for Higher Education Loans Board which were considered by the Committee.
22. The Committee also invited the Sponsor of the Bill, the Hon. John Mwirigi, MP to give his submissions regarding the Bill.

2.4 Submission by Hon. John Mwirigi, MP

23. Hon. John Mwirigi, MP appeared before the Committee and submitted as follows:
24. He proposed to amend section 15 of the Higher Education Loans Board Act, 1995 subsection (1) by deleting the words “completion of his studies” appearing immediately after the words “year of” and substituting therefore the word “securing employment”.
25. His justification for the amendment is that a relatively small percentage of graduates secure employment within one year of graduation yet the interest already start accruing. The amendment is therefore meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

2.5 Submission by the Principal Secretary for State Department for University Education and Research and the Chief Executive Officer Higher Education Loans Board

26. The Principal Secretary for University Education and Research Amb. Simon Nabukwesi accompanied by Chief Executive Officer Higher Education Loans Board Mr. Charles Ringera made the following submissions on the Bill.
27. The proposal seeks to have the words “completion of studies” under section 15 (1) of HELB Act deleted and replaced with “securing employment.”
28. If this proposal is effected, the new section 15 (1) will read:
“A loanee shall be required subject to and in accordance with this Act or any regulation made thereunder, within one year of securing employment or within such a period as the Board decides to recall his loan whichever is earlier.”
29. In effect, the amendment will stop HELB from pursuing loanees who are self-employed on account that the loanee has not secured a formal job. This will be against the very essence of why HELB started financing TVET programme for the purposes of skills development for self-employment and job creation. HELB has no mechanism of determining who has secured employment, it purely relies on goodwill. The amendment also removes responsibility from the loanee to repay hence affecting HELB’s revenue which directly impacts on funding of the students.
30. In 2015, Hon. Irungu Kangata proposed an amendment which had the effect of preventing HELB from charging penalties unless a loanee had secured employment. His proposed amendment was: -

“Where within one year of completion of his studies a loanee has not secured a source of income, the loanee shall notify the Board in writing, supported by an affidavit and the Board shall not levy penalty on the loan.”

31. Parliament passed the amendment, but the President declined to assent to it on account of the following-
 - i) Under the current HELB legal framework, loanees are required to commence repayment of their loans within one year of completing studies, or within such a longer period as HELB may deem appropriate to recall the loan. Repayment periods are spread out over a maximum period of 48 to 120 months depending on the nature and amount of the loan and the circumstances of the loanee.
 - ii) The law then empowers HELB to impose penalties to deter laxity or default in loan repayment. This greatly enhanced loan recovery by HELB in the last decade.
32. Viewed against this background, the proposed amendment is objectionable as it will weaken HELB’s loan recovery mechanisms. This is because loanees will no longer feel pressured to complete their studies and enter into gainful employment so they can start servicing their loans.
33. Further, the proposal which simply requires a loanee to notify HELB that he/she is in gainful employment to avoid the imposition of penalties, shifts the burden of verifying the loanee’s assertion to HELB especially in cases of loanees who are in the informal sector or self-employed or those who live or work out of the country and this is likely to cost HELB a lot of valuable income. This state of affairs may also scare away alternative fund providers who might consider investing in HELB too risky.
34. In light of the above, HELB and the State Department for University Education and Research objects to the proposed amendments by Hon. John Mwirigi, MP.

3.0 COMMITTEE OBSERVATIONS

35. The Committee observed as follows: -
 1. The amendment seeks to cushion unemployed graduate loanees who benefitted from HELB loans from being charged interest on the loan before they have secured employment. Loanees will only begin to repay the loan within one year after securing employment.
 2. The amendment removes responsibility from the loanee to repay his or her loan within the first year of completion of studies. This will weaken the Board’s ability to mobilize funds to become a self-sustaining organization in the long term to serve the ever-increasing number of students joining institutions of higher learning in the wake of reducing government financing.
 3. HELB has no mechanism of determining who has secured employment, it relies on goodwill from loanees and employers who may not always be willing to notify HELB on the loanees’ employment status.

4.0 COMMITTEE RECOMMENDATIONS


36. The Committee considered all clauses of the Bill and recommended as follows: -

Clause 1 - Not agreed to

Clause 2 – Not agreed to

39. The Committee having considered the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 37), clause by clause and taking into consideration views and recommendations of the stakeholders pursuant to Standing Order 127(3A), **recommends that the Bill should not be proceeded with and its Sponsor should consider withdrawing it pursuant to Standing Order 140(1).**

SIGNED



DATE

10/08/2021

HON. FLORENCE MUTUA, CBS, MP

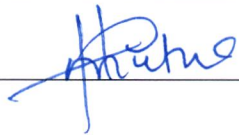
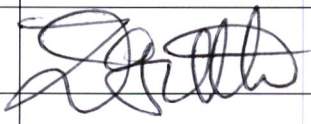
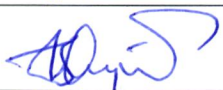






CHAIRPERSON, DEPARTMENTAL COMMITTEE ON EDUCATION & RESEARCH

KENYA NATIONAL ASSEMBLY
COMMITTEE ON EDUCATION AND RESEARCH

REPORT ADOPTION LIST

Adoption of the Committee on Education and Research Report on
Consideration of the Higher Education Loans Board (Amendment) Bill, 2020 (National
Assembly Bills No. 37) by the Hon. John Mwirigi, MP

Date 7/7/2021

	NAME	SIGNATURE
1.	Hon. Florence Mutua, MP - Chairperson	
2.	Hon. Ngunjiri Wambugu, MP - Vice Chairperson	
3.	Hon. Geoffrey Odanga, MP	
4.	Hon. (Dr.) Pamela Ochieng, MP	
5.	Hon. (Eng.) Nzambia Kithua, MP	
6.	Hon. (Prof.) Zadoc Ogutu, MP	
7.	Hon. Eric Muchangi, MP	
8.	Hon. Eve Obara, MBS, MP	Virtual
9.	Hon. Jackson Lekumontare, MP	
10.	Hon. Jerusha Momanyi,	
11.	Hon. Joseph Tonui, MP	Jk
12.	Hon. Omboko Milemba, MP	
13.	Hon. Peter Lochakapong, MP	
14.	Hon. Wilson Sossion, MP	
15.	Hon. (Dr.) Wilson Kogo, MP	
16.	Hon. (Dr.) Daniel Kamuren Tuitoek, MP	
17.	Hon. James Gichuki Mugambi, MP	
18.	Hon. John Paul Mwirigi, MP	

THE NYERI NATIONAL POLYTECHNIC (NNP)

P.O. BOX 918, 10100 - NYERI, KENYA
ALONG NJURU ROAD
TELEPHONE: +254 081 2022310, +254 0724 477 842 FAX: +254 081 2022852 The Nyeri National
Email: nyernnp@gmail.com Website: www.thenyernnp.ac.ke

PHASED RE-OPENING DATES

- The Nyeri National Polytechnic (NNP) wishes to inform all the trainees about the following:
- OCTOBER 2020 KNEC EXAMINATION**
The KNEC examination started on 12th October 2020 to 26th October 2020
 - JANUARY 2021 KNEC EXAMINATION**
January 2021 KNEC Examination write date to have been done on July 2020. It has been moved to January 2021 and will start on 18th to 26th January 2021
Therefore the affected students should report on 27th October 2020 for in-person learning
 - REGISTRATION OF JANUARY 2021 KNEC EXAMINATION SERIES**
Trainees are informed that KNEC portal is open. Students who have not completed registration for the KNEC Examination should do so between 8th October to 18th October 2020
 - AUGUST 2021 KNEC EXAMINATION SERIES CANDIDATES**
This category includes May 2020 and September 2020 intake
Trainees should report on 18th February 2021 for in-person learning and make for the KNEC Examination
The KNEC examination will be held from 2nd August to 13th August 2021
 - NITA TRADE TEST** Reporting date will be 27th October 2020. April and August 2020 Trade Tests have been rescheduled to 16th place from 23rd November to December 2020
 - CBET COURSE AT CBET** Trainees should report on 27th October 2020
 - LEASER EXAMINATIONS** Reporting date will be 27th October 2020. May and November 2020 examination series will be held from 27th to 30th November 2020
 - 2021 ADMISSIONS**
The capacity of trainees includes MUCC20 programme, NYS and regular trainees. These trainees will be informed on reporting date and will be required to download their admission letter at the Nyeri National Polytechnic website.
- MANDATORY REQUIREMENTS**
- All trainees are advised to adhere to the reporting schedule as specified.
 - Trainees are required to report with at least THREE (3) H-1000 or equivalent face masks and ensure wearing of the same properly at all times.
 - Trainees are advised to adhere to Health protocols and regulations as continuously directed by the Polytechnic.
 - The training certificates will be provided by respective Heads of Department. **TRAINERS WILL BE EXPECTED TO ADHERE TO THE SET TIMETABLE**
- NOTES**
- All trainees reporting on 27th October 2020 are required to report online by logging into their Students portal: <http://portal.thenyernnp.ac.ke/>. Details of the facilities or services the trainees can access through the portal include: Student's Fee structure, Fee statement, Hostel booking, Online reporting, Examination cards among others.
 - The procedure of logging is outlined at The Nyeri National Polytechnic website: <https://thenyernnp.ac.ke/>
 - Trainees are required to pay their school fees. The fee structure is available on the individual's student portal.
 - The deadline for online reporting is 23rd October 2020.
 - The Trainees are encouraged to keep on checking their student's portal and the NNP website for additional information and updates.
- ENQUIRIES AND INFORMATION**
THE REGISTRAR POLICE 465 10100 NYERI
TEL: 0724 477 842
Email: registrar@thenyernnp.ac.ke

REPUBLIC OF KENYA



**THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT - FOURTH SESSION**

In the matter of consideration by the National Assembly:-
**The Higher Education Loans Board (Amendment) Bill
(National Assembly Bill No. 29 of 2020)**

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". Further, 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 Higher Education Loans Board (Amendment) Bill (National Assembly Bill No. 29 of 2020) introduced by Hon. Gideon Kater, MP (nominated), has undergone First Reading pursuant to Standing Order 127(1) and stand committed to the Departmental Committee on Education and Research for consideration and thereafter report to the House.

The Higher Education Loans Board (Amendment) Bill (National Assembly Bill No. 29 of 2020) seeks to amend the Higher Education Loans Board (Amendment) Act with a view to:-

- Waiving imposition of interest on the principal amount of a loan advanced to the youth and person with disabilities until such a time as they have secured their first employment; and,
- Setting the percentage of interest that may be charged on the loan advanced at the rate of three per cent.

Pursuant to the provisions of Article 118(1)(b) of the Constitution and Standing Order 127(3), the Committee invites interested members of the public to submit any representations they may have on the said Bill. 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 Friday, 23rd October 2020 at 5.00 pm.

**MICHAEL R. SIALABI, EBS
CLERK OF THE NATIONAL ASSEMBLY**

UN-Habitat and UNDP, with funding from DFID, jointly partner to build GIS Capacity of County Planners and Surveyors

Kenya's National Spatial Plan (NSP 2015-2045) seeks to provide a spatial structure that defines how national space is going to be utilized for the realization of optimal and sustainable use of land and a spatial framework upon which various sectoral plans and policies will be anchored and is a basis for preparation of all other lower tier plans. The National Spatial Plan provides a framework for

efficient, productive and sustainable use of land as advocated for in both the Constitution and the National Land Policy. This broad national spatial vision also provides strategies to facilitate sustainable exploitation of agricultural, tourism, energy, water, fishing and forestry resources for local economic growth and development. It is expected that the NSP should be operationalized

through the preparation of lower tier plans such as the County Spatial Plans (CSPs) and Integrated Strategic Urban Development Plans (ISUDPs). Section 104 of the County Governments Act (No 17 of 2012) requires that counties should have planning frameworks that integrate economic, physical, social, environmental and spatial planning and section 107 of the Act further requires

counties to prepare a five-year County Integrated Development Plan (CIDP) with clear programmatic goals and objectives; implementation plan with clear outcomes; provisions for monitoring and evaluation; and clear reporting mechanisms, as basis for appropriation of public funds. Additionally, each county is required to prepare County Sectoral Plans, County

Spatial Plans and cities and urban areas plans as basis for guiding, harmonizing and facilitating development in counties. Further, the Urban Areas and Cities Act (UACA 2011) provides an additional framework through which urban areas such as cities, municipalities, towns and market centres shall be managed and governed including through preparation of plans. While most counties have prepared second generation CIDPs with sectoral plans currently under review, there is inadequate capacity in counties to prepare GIS-based spatial and integrated city or urban areas development plans that could guide urban and rural settlement development, spur local economic growth and enhance investment opportunities.

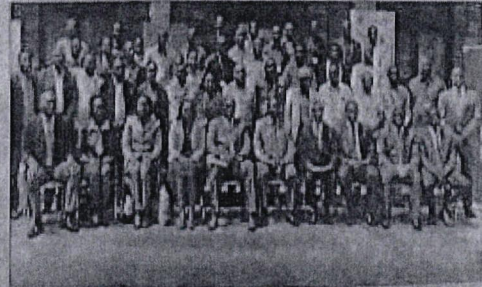
iii. Establishment of a community expert promoting continuous peer learning in counties
iv. Increase understanding of GIS planning & decision making for sustainable human settlements.

There is inadequate capacity in counties to prepare GIS-based spatial and integrated city or urban areas development plans that could guide urban and rural settlement development, spur local economic growth and enhance investment opportunities.

The Training Faculty drew from leading experts based at UN-Habitat, Physical Planners Registration Board (PPRB) in the State Department of Physical Planning, Regional Centre for Mapping of Resources for Development (RCMRD), African Institute for Capacity Development (AICAD), Civil Society Urban Development Platform (CSUDP), National Land Commission (NLC) and the Council of Governors



Ms. Mandisa Mashologu, UNDP Deputy Resident Representative for Kenya and Ms Jacqueline Mogeni, CEO of the Council of Governors, with County Planners and Surveyors during the training



Mr. Con Osendo, DFID Governance Adviser and Hon. Wilburforce Ottilillo, Governor of Vihiga County, with UNDP, AICAD and UN-Habitat staff and the Course participants

MINUTES OF THE 27TH SITTING OF THE DEPARTMENTAL COMMITTEE ON EDUCATION AND RESEARCH HELD ON WEDNESDAY, 7TH JULY 2021, AT CONTINENTAL HOUSE, 4TH FLOOR COMMITTEE ROOM AT 11.00AM

PRESENT

1. Hon. Florence M. Mutua, CBS, MP – **Chairperson**
2. Hon. (Prof.) Zadoc Ogutu, MP
3. Hon. Eve Obara, MBS, MP
4. Hon. Jackson Lekumontare, MP
5. Hon. Jerusha Momanyi, MP
6. Hon. Wilson Sossion, MP
7. Hon. (Dr.) Wilson Kogo, MP
8. Hon. (Dr.) Daniel Kamuren Tuitoek, MP
9. Hon. John Paul Mwirigi, MP

ABSENT WITH APOLOGY

1. Hon. Wambugu Ngunjiri, MP – **Vice- Chairperson**
2. Hon. Geoffrey Odanga, MP
3. Hon. (Dr.) Pamela Ochieng, MP
4. Hon. (Eng.) Nzambia Kithua, MP
5. Hon. Eric Muchangi, MP
6. Hon. Joseph Tonui, MP
7. Hon. Omboko Milemba, MP
8. Hon. Peter Lochakapong, MP
9. Hon. Gichuki Mugambi, MP

NATIONAL ASSEMBLY SECRETARIAT

1. Mr. Philip Lekarkar – Clerk Assistant II
2. Mr. Peter Mwaura – Senior Legal Counsel
3. Ms. Neema Wahu – Clerk Assistant III
4. Ms. Catherine Mukunyi – Sergeant at Arms
5. Mr. Collins Mahamba – Audio Officer

MIN. NO. EDUC/2021/131: PRELIMINARIES

The meeting was called to order at 11.25 am. A word of prayer was said by Hon. (Prof.) Zadoc Ogutu, MP. The Agenda of the meeting was adopted having been proposed by Hon. Jerusha Momanyi, MP, and seconded by Hon. (Dr.) Daniel Kamuren Tuitoek, MP

MIN. NO. EDUC/2021/132: CONFIRMATION OF MINUTES

Confirmation of minutes was deferred to the next sitting

MIN. NO. EDUC/2021/133: CONSIDERATION OF THE REPORTS ON THE HIGHER EDUCATION LOANS BOARD (AMENDMENT) BILL, 2020 (NATIONAL ASSEMBLY BILL NO. 29) BY HON. GIDEON KETER, MP AND THE HIGHER EDUCATION LOANS BOARD (AMENDMENT) BILL, 2020 (NATIONAL ASSEMBLY BILL NO. 37) BY HON. JOHN MWIRIGI, MP

Report on Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 29) by Hon Gideon Keter, MP

The Members considered the Report on the Bill as follows:-

The principal object of the Bill is to amend the Higher Education Loans Board Act No. 3 of 1995 to waive imposition of interest on the principal amount of a loan advanced to the youth and person with disabilities until such a time as they have secured their first employment.

Secondly, it sets the percentage of interest that may be charged on the loan advanced at the rate of three per cent. It also provides that the penalty charged on defaulting of the loan shall be charged after securing employment or five years after completion of studies.

The aim of this proposals is to reduce the financial burden on recent graduates who are expected to pay large sums of money to the Higher Education Loans Board even before securing employment of becoming financially stable.

The proposed amendments are:

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill provides for amendment of section 2 of the Act to insert the definitions of the terms “disability” and “youth” which are used in the proposed amendments.

Clause 3 of the Bill provides for the amendment of section 6 of the Act to remove the function of setting the rate of rate of interest from the Board.

Clause 4 of the Bill provides for the amendment of section 15 of the Act by inserting a new subsection that provides that interest in the case of youth and people with disabilities shall become due upon them securing employment after completion of studies.

Clause 5 of the Bill provides for insertion of a new section that sets the rate of interest charged on the loans at a maximum of three per cent per annum. It also provides that the penalty charged on defaulting the loan shall be charged after securing employment or five years after completion of studies.

Committee Observations

The Committee observed as follows: -

1. That the proposed amendment to the definition of the term “disability” is not necessary because the reference law with regards to persons with disabilities (PWDs) is the Persons with Disability Act, 2003 which gives the definition to mean a “physical, sensory, mental or other impairment, including any visual hearing, learning or physical incapability, which impacts adversely on social, economic or environmental participation”. This should be the only definition applicable.

2. That the proposed amendment to the definition of the term “youth” is not necessary. The definition of the term youth is provided in Article 260 of the Constitution which defines “youth” as the collectivity of all individuals in the Republic who— (a) have attained the age of eighteen years; but (b) have not attained the age of thirty-five years. This should be adopted as the principal definition of the term “youth”.
3. That the proposed amendment to cap interest rate to be charged to the higher education loans granted under the Act at a rate that shall not exceed three per cent per annum, will adversely affect resource mobilization/AIA for the Higher Education Loans Board as a revolving fund and consequently its financial capacity to fund students in university and tertiary institutions.
4. That currently, undergraduate loans are charged interest at a rate of 4% per annum. This interest rate is lower than the annual average inflation in Kenya which was at an average of 4.69 % in 2018, 5,2 % in 2019 and 5.41 % in 2020. Hence the actual value of the amounts disbursed has been eroded overtime since the annual interest rate charged is lower than inflation rate. Economically, the resultant real value of monies disbursed is reducing with time.
5. That it is not clear to whom the power to set interest on HELB loans will be vested and how it will be exercised. Subjecting applicants interest rate approval to a third party creates a risk of reducing HELB’s revenue in the event that interest rate is varied downwards.
6. That loan recovery has been a major component of resource mobilization and Appropriation-In-Aid for HELB to sustain the revolving fund. The recoveries have immensely contributed to annual students funding budget reaching a high Kshs. 4.5 B in 2019/2020. Consequently, it has been instrumental in HELB’s pursuit to create national sustainable revolving fund from where future generations can borrow for tertiary education financing even with minimal exchequer support.

Committee Recommendations

The Committee considered all clauses of the Bill and recommended as follows: -

- Clause 1 - Not agreed to
- Clause 2 – Not agreed to
- Clause 3 – Not agreed to
- Clause 4 - Not agreed to
- Clause 4 - Not agreed to

The Committee having considered the Having considered the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 29), clause by clause and taking into consideration views and recommendations of the public pursuant to Standing Order 127(3A), **the Committee recommends that the Bill should not be proceeded with, and the Sponsor of the Bill consider withdrawing the Bill pursuant to Standing Order 140(1).**

The Report on the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 29), by the Hon. Gideon Keter, MP was unanimously adopted having been proposed by Hon. Eve Obara, MBS, MP and seconded by Hon. Jackson Lekumontare, MP

Report on Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 37) by Hon John Mwirigi, MP

The Members considered the Report on the Bill as follows:-

The principal object of the Bill is to amend the Higher Education Loans Board Act (in order to provide that a loanee shall commence the repayment of his or her loan once he or she secure employment.

The current position is that the loanee is to begin repayment of the loan within one year of completing his or her studies. Only a relatively small percentage of graduates secure employment within one year of graduation yet interest on the loans starts accruing immediately upon graduation. The amendment is meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

The proposed amendments are:-

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill proposes to amend to amend section 15 of the Higher Education Loans Board Act, *No. 3 of 1995* subsection (1) by deleting the words “completion of his studies” appearing immediately after the words “year of” and substituting therefore the word “securing employment”.

COMMITTEE OBSERVATIONS

The Committee observed as follows: -

1. The amendment seeks to cushion unemployed graduate loanees who benefitted from HELB loans from being charged interest on the loan before they have secured employment. Loanees will only begin to repay the loan within one year after securing employment.
2. The amendment removes responsibility from the loanee to repay his or her loan within the first year of completion of studies. This will weaken the Board’s ability to mobilize funds to become a self-sustaining organization in the long term to serve the ever-increasing number of students joining institutions of higher learning in the wake of reducing government financing.
3. HELB has no mechanism of determining who has secured employment, it relies on goodwill from loanees and employers who may not always be willing to notify HELB on the loanees’ employment status.

COMMITTEE RECOMMENDATIONS

The Committee considered the two clauses of the Bill and recommended as follows: -

Clause 1 - Not agreed to

Clause 2 – Not agreed to

The Committee having considered the Having considered the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 37), clause by clause and taking into consideration views and recommendations of the public pursuant to Standing Order 127(3A), **the Committee recommends that the Bill should not be proceeded with, and the Sponsor of the Bill consider withdrawing the Bill pursuant to Standing Order 140(1).**

The Report on the Higher Education Loans Board (Amendment) Act, 2020 (National Assembly Bill No. 37, by the Hon. John Mwirigi, MP was unanimously adopted having been proposed by Hon. Jerusha Momanyi, MP and seconded by Hon. (Dr.) Daniel Kamuren Tuitoek, MP

MIN. NO. EDUC/2021/135: ANY OTHER BUSINESS

No other business arose.

MIN. NO. EDUC/2021/136: ADJOURNMENT

There being no other business, the meeting was adjourned at 12.30pm. The next meeting will be held on notice.

SIGN _____



DATE _____

10/08/2021

HON. FLORENCE MUTUA, MP

CHAIRPERSON, COMMITTEE ON EDUCATION AND RESEARCH