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REPUBLIC OF KENYA

13TH PARLIAMENT – SECOND SESSION 2023

THE NATIONAL ASSEMBLY

DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING

REPORT

ON

THE APPROVAL HEARING OF DR. KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT TO THE POSITION OF GOVERNOR OF THE CENTRAL
BANK OF KENYA

CLERKS' CHAMBERS

PARLIAMENT BUILDINGS

NAIROBI

JUNE 2023

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 JUN 2023	
DAY: Tuesday	
TABLED BY:	Hon. CPA Kimani Njiru (Chairperson, Finance and National Planning Committee)
CLERK-AT THE-TABLE:	Inzafu Mwale

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LIST OF ABBREVIATIONS AND ACRONYMS

DCI	-	Directorate of Criminal Investigations
EACC	-	Ethics and Anti-Corruption Commission
H.E.	-	His Excellency
HELB	-	Higher Education Loans Board
KRA	-	Kenya Revenue Authority
ODPP	-	Office of the Director of Public Prosecutions
ORPP	-	Office of the Registrar of Political Parties
CBK	-	Central Bank of Kenya

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CHAIRPERSON'S FOREWORD

Article 231(1) of the Constitution sets out the establishment of the Central Bank of Kenya, which is responsible for formulating monetary policy, promoting price stability, issuing currency and performing other functions conferred on it by an Act of Parliament.

Section 13 of the Central Bank of Kenya Act, Cap. 491, establishes the Office of the Governor, who shall be appointed by the President through a transparent and competitive process and with the approval of the National Assembly. The Governor shall be the principal representative of the Bank.

The Speaker of the National Assembly received a message from H.E. the President on the nomination of **Dr. Kamau Thugge, CBS** for the position of the Governor of the Central Bank of Kenya on 15th May 2023. The matter was committed to the Departmental Committee on Finance and National Planning to conduct an approval hearing of the nominee as required by the Central Bank of Kenya Act, Cap.491 Laws of Kenya.

The name of the nominee and his curriculum vitae were referred by the Speaker of the National Assembly to the Departmental Committee on Finance and National Planning. The Committee held a preliminary sitting on Tuesday, 30th February, 2023 at 10.00 am, to prepare for the approval hearing and thereafter held the approval hearing at 11.00 am on the same day.

The Committee complied with the constitutional and legal requirements and established procedures for the approval hearing. The Committee adhered to the provisions of Article 118 of the Constitution on public participation and openness in carrying out the approval process. Notifications inviting the public to submit memoranda were placed in the mainstream print media on Saturday, 19th May, 2023 as required by Section 6(4) of the Public Appointments (Parliamentary Approval) Act, 2011. In conducting the approval hearing, the Committee was guided by the provisions of the Constitution, the Central Bank of Kenya Act, Cap. 491, the Public Appointments (Parliamentary Approval) Act, 2011 and the Standing Orders.

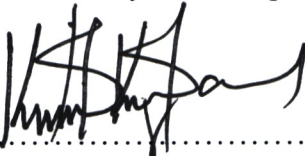
The Committee made observations, contained in this Report, based on constitutional and legal requirements as well as submissions of the nominee during the approval hearing.

Further, the Committee was guided by the provisions of Article 231 of the Constitution as read together with sections 13 of the Central Bank of Kenya Act, Cap. 491.

The Committee's recommendation is based on the evidence and information from the proceedings during the approval hearing. The Committee recommends that, having considered the suitability, capacity and integrity of the nominee, and pursuant to Article 231 of the Constitution, section 13(1) of the Central Bank Act and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act No. 33 of 2011, the National Assembly **APPROVES the nomination of Dr. Kamau Thugge, CBS for appointment to the position of Governor of the Central Bank of Kenya.**

The Committee wishes to thank the Speaker of the National Assembly and the Office of the Clerk for the technical and logistical support accorded to it during the approval hearing.

On behalf of the Committee, and pursuant to Article 231 of the Constitution, sections 13(1) and 13C of the Central Bank of Kenya Act, Cap. 491, sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, 2011, it is my pleasant duty to table the Report of the Departmental Committee on Finance and National Planning on the approval hearings of **Dr. Kamau Thugge, CBS** for appointment to the position of Governor of the Central Bank of Kenya for adoption by the House.

Signed.......... Date: 06/06/2023

HON. CPA. KURIA KIMANI, MP
(CHAIRPERSON)

DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING

1.0 PREFACE

1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. Article 124 (1) of the Constitution provides that each House of Parliament may establish Committee and shall make Standing Orders for the orderly conduct of its proceedings, including the proceedings of its committee.
2. The Departmental Committee on Finance and National Planning is established under Standing Order 216 with the following mandate -
 - (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 the implementation;
 - (c) on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;
 - (d) To study and review all legislation referred to it;
 - (e) To study, assess and analyze the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;
 - (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 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 recommendations 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 MEMBERSHIP OF THE COMMITTEE

3. The Departmental Committee on Finance and National Planning comprises the following Members:-

Chairperson

Hon. CPA Kimani Kuria, MP
Molo Constituency

UDA Party

Vice-Chairperson

Hon. Amb. CPA. Benjamin Langat, CBS, MP
Ainamoi Constituency

UDA Party

Hon. Dr. Adan Keynan, CBS, MP
Eldas Constituency

Jubilee Party

Hon. David Mboni, MP
Kitui Rural Constituency

Wiper Party

Hon. Joseph Kipkoros Makilap, MP
Baringo North Constituency

UDA Party

Hon. CPA Julius Rutto, MP
Kesses Constituency

UDA Party

Hon. Paul Biego, MP
Chesumei Constituency

UDA Party

Hon. Dr. CPA. John Ariko, MP
Turkana South Constituency

ODM Party

Hon. George Sunkuya, MP
Kajiado West Constituency

UDA Party

Hon Andrew Okuome, MP
Karachuonyo Constituency

ODM Party

Hon. CPA. Joseph Oyula, MP
Butula Constituency

ODM Party

Hon. Umul Ker Kassim, MP
Mandera County

UDM Party

Hon. Shadrack Ithinji, MP
South Imenti Constituency

Jubilee Party

Hon. Joseph Munyoro, MP
Kigumo Constituency

UDA Party

Hon. Soud Machele, MP
Mvita Constituency

ODM Party

1.2.1 COMMITTEE SECRETARIAT

4. The Committee is facilitated by the following Secretariat staff

Mr. Benjamin Magut
Senior Clerk Assistant /Head of Secretariat

Mr. Joshua Ondari
Clerk Assistant II

Mr. Benson Kamande
Clerk Assistant III

Mr. Salem Lorot
Legal Counsel I

Mr. Josephat Motonu
Senior Fiscal Analyst

Mr. George Ndenjeshe
Fiscal Analyst III

Ms. Terry Ondiko
Fiscal Analyst III

Mr. Andrew Jumanne Shangarai
Principal Serjeant-At-Arms

Mr. Simon Ouko
Assistant Serjeant-At-Arms

Ms. Shamsa A. Abdi
Research Officer III

Ms. Nelly W.N Ondieki
Research Officer III

CHAPTER ONE

2.0 BACKGROUND

2.1 The Central Bank of Kenya

5. Article 231(1) of the Constitution establishes the Central Bank of Kenya. The objects and functions of the Central Bank of Kenya are set out in Article 231(2) of the Constitution, read together with Sections 4 and 4A of the Central Bank of Kenya Act.
6. The Bank shall be responsible for formulating monetary policy, promoting price stability, issuing currency and performing other functions conferred on it by the Central Bank of Kenya Act, Cap. 491.
7. Section 13 of the Central Bank of Kenya Act, Cap. 491, establishes the Office of the Governor, who shall be appointed by the President through a transparent and competitive process and with the approval of the National Assembly. The Governor shall be the principal representative of the Bank.

2.2 Report of the Selection Panel on the Nomination of Governor of the Central Bank of Kenya

8. Pursuant to Section 13 of the Central Bank Act, the Public Service Commission invited applications from suitably qualified persons for the position of Governor of the Central Bank of Kenya. The advertisement was published in the print media and the Commission's website on 30th March, 2023. The application period closed on 19th April 2023 with a total of twenty-four persons submitting their applications for consideration.
9. Six (6) candidates were shortlisted on 28th April 2023 and the names of the shortlisted candidates were published in the print media and Commission's website on 3rd May 2023. The advertisement included an interview schedule and an invitation to the shortlisted candidates to attend interviews. The Commission conducted the interviews on 9th May 2023. The Chairperson of the Public Service Commission submitted the

names of three candidates, in order of merit, for consideration for appointment to the position of Governor of the Central Bank of Kenya.

2.3 Message from H.E. the President

10. Pursuant to Standing Order 42(1) of the National Assembly Standing Orders, the Speaker of the National Assembly conveyed a message to the House from His Excellency the President on his nomination of Dr. Kamau Thugge, CBS for appointment as the Governor of the Central Bank of Kenya.

2.4 Referral of nomination to the Committee

11. In accordance with the provision of Standing Order 42(3)(c) of the National Assembly, the Speaker referred the Message to the Departmental Committee on Finance and National Planning for consideration.

2.5 Notification to the Public

12. The Clerk of the National Assembly placed an advertisement in the local dailies on Friday 19th May, 2023, notifying and inviting the nominee and the public of the approval hearing on Tuesday 30th May, 2023 in accordance with Section 6(3) of the Act.

13. Further, the notification invited members of the public to submit any information on the suitability of the nominee in accordance with Section 6(9) of the Public Appointments (Parliamentary Approval) Act.

CHAPTER TWO

3.0 LEGAL FRAMEWORK

3.1 The Office of the Governor of the Central Bank of Kenya

14. Section 13 of the Central Bank of Kenya Act provides for the establishment of the Office of the Governor of the Central Bank of Kenya. It provides that there shall be a Governor who shall be appointed by the President through a transparent and competitive process and with the approval of the National Assembly.
15. The appointment of the Governor of the Central Bank of Kenya shall take into consideration the provisions of Section 13C (1) of the Central Bank of Kenya Act. This Section provides that the Governors shall be fit and proper persons of recognized professional standing and over ten (10) years of experience at the senior management level in the field of economics, banking, finance, law or other fields relevant to the functions of the Central Bank.
16. Pursuant to Standing Order 42(1) of the National Assembly Standing Orders, the Speaker of the National Assembly on Tuesday, 16th May 2023 conveyed a message to the respective House from His Excellency the President on the nomination of Dr. Kamau Thugge, CBS for appointment to the position of the Governor of the Central Bank of Kenya.
17. The procedure of engagement for the Committee is set out in the Standing Orders of the National Assembly and the provisions of the Public Appointments (Parliamentary Approval) Act, No 33 of 2011.

3.2 Constitutional and statutory requirements in Parliamentary Approval of Public Appointments

18. The Constitution and various statutes provide a clear framework for the conduct of parliamentary approval of public appointments. They are listed below:

- (a) The Public Appointments (Parliamentary Approval) Act (No. 33 of 2011);
- (b) Chapter 6 of the Constitution (leadership and integrity); Article 10 of the Constitution (*national values and principles of governance*); Article 124(4) of the Constitution (*parliamentary approval of public appointments*); Article 118 of the Constitution (*public access and participation*); Article 232 of the Constitution (*values and principles of public service*);
- (c) The Leadership and Integrity Act (Cap. 182);
- (d) The Central Bank of Kenya Act (Cap 491);
- (e) The Public Service (Values and Principles) Act (No. 1A of 2015); and
- (f) The Public Officer Ethics Act (Cap. 183).

3.3 The Public Appointments (Parliamentary Approval) Act (No. 33 of 2011)

19. Section 7 of the Public Appointments (Parliamentary Approval) Act provides for issues which the National Assembly is supposed to consider in relation to any nomination. These are:

- (a) the procedure used to arrive at the nominee;
- (b) any constitutional or statutory requirements relating to the office in question; and
- (c) the suitability of the nominee for the appointment proposed having regard to whether the nominee's abilities, experience and qualities meet the needs of the body to which the nomination is being made.

20. Section 6 of the Public Appointments (Parliamentary Approval) Act provides direction on the conduct of approval hearings. These are:

- (a) An approval hearing shall focus on a candidate's academic credentials, professional training and experience, personal integrity and background (section 6(7));
- (b) The criteria specified in the Schedule shall be used by a Committee during an approval hearing for the purposes of vetting a candidate (section 6(8));

- (c) Any person may, prior to the approval hearing, and by written statement on oath, provide the Clerk(s) with evidence contesting the suitability of a candidate to hold the office to which the candidate has been nominated (section 6(9);
 - (d) A candidate may, at any time, by notice in writing addressed to the Clerk(s), withdraw from the approval process and the candidate's nomination shall end (section 6(10)).
21. The period for consideration of nomination is spelled out in the Act. Section 8(1) of the Public Appointments (Parliamentary Approval) Act provides that the Committee shall consider the nomination and table their report to the House for debate and decision within twenty-eight (28) days from the date on which the notification of nomination was given. Section 9 of the Act stipulates that where the House(s) does not meet the prescribed timelines, the nominee shall be deemed to have been approved.
22. Pursuant to Section 6(8) of the Act, the criteria for vetting is comprehensively contained in the Questionnaire in the Schedule to the Act. The Questionnaire allows the Committee to obtain information on, among other things—
- (a) Name of the nominee to enable the Committee to ascertain the regional background and ethnicity of the nominee.
 - (b) Gender of the nominee to enable the Committee to ascertain the gender of the nominee. This is to ensure compliance with Article 27(8) that requires the State to take measures to ensure that not more than two-thirds of members of appointive bodies shall be of the same gender;
 - (c) Age of the nominee to enable the Committee to ascertain compliance with the provisions of Article 55 of the Constitution on the inclusion of the youth in public appointments;
 - (d) Nationality of the nominee to enable the Committee to ascertain the nationality of the nominee. This is to ensure compliance with Article 78 of the Constitution which requires certain State officers to be Kenyan Citizens;

- (e) Educational background of the nominee;
- (f) The employment record of the nominee;
- (g) Honours or awards given to the nominees;
- (h) Membership of the nominee to professional bodies;
- (i) Public office and political affiliations held by the nominee —to enable the Committee to ascertain whether the nominee holds office in a political party. This is to ensure compliance with Article 77(2) of the Constitution which precludes appointed State officers from holding office in a political party;
- (j) Information on whether the nominee has been removed from office under Article 75 of the Constitution which prohibits a State officer who has been removed from office under Article 75 (3) of the Constitution from holding any other State office;
- (k) Nominee's finances;
- (l) Outside commitments that the nominee intends to undertake while in office (if appointed). Article 77(1) of the Constitution prohibits a full-time State officer from participating in any other gainful employment;
- (m) Tax compliance status of the nominee;
- (n) Potential conflict of interest—Article 75(1) of the Constitution bars State officers from engagements or associations that may give rise to conflict between official or public duties and personal interests;
- (o) Whether a nominee has been charged in a court of law in the past three years;
and
- (p) Whether a nominee has been adversely mentioned in a report of Parliament or a Commission of Inquiry in the past three years.

23. The Questionnaire is largely formulated based on Constitutional and statutory requirements for State Officers and other considerations that are of importance to make a determination on the suitability of a nominee.

3.4 Constitutional Provisions

24. The Constitution, in addition, sets out certain requirements regarding the appointment of persons to public office which include:

Chapter Six on Leadership and Integrity

25. The Committee, in determining the suitability of the nominees, took into consideration the provisions on leadership and integrity as outlined under Chapter Six of the Constitution. In particular, the Committee took cognizance of the following provisions-

- i. Article 73(2) of the Constitution provides that the guiding principles of leadership and integrity include-
 - (a) selection on the basis of personal integrity, competence and suitability, or election in free and fair elections;
 - (b) objectivity and impartiality in decision making, and in ensuring that decisions are not influenced by nepotism, favoritism, other improper motives or corrupt practices;
 - (c) selfless service based solely on the public interest, demonstrated by —
 - (i) honesty in the execution of public duties; and
 - (ii) the declaration of any personal interest that may conflict with public duties;
 - (d) accountability to the public for decisions and actions; and
 - (e) discipline and commitment to service to the people.
- ii. Article 75(1) of the Constitution requires a State officer, whether in public or private life, to behave in a manner that avoids conflict between personal interest and public official duties and Article 75(3) of the Constitution prohibits a State

officer who has been removed from office under that Article from holding any other State office.

- iii. Article 77(1) of the Constitution prohibits a full-time State officer from participating in any other gainful employment.
- iv. Article 77(2) of the Constitution prohibits an appointed State officer from holding office in a political party.
- v. Article 78 (1) of the Constitution disqualifies persons who are not Kenyan citizens and persons holding dual citizenship from appointment as State officers.

Article 10(2) of the Constitution on national values and principles of governance

26. Article 10(2) of the Constitution provides for the national values and principles of governance which include patriotism, national unity, sharing and devolution of power, the rule of law, democracy and participation of the people; human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalised; good governance, integrity, transparency and accountability; and sustainable development.

Article 118 of the Constitution

27. Article 118 of the Constitution obligates Parliament to conduct its business openly, and that its sittings and those of its committee shall be in public; and that Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its committee. It also provides that Parliament may not exclude the public, or any media, from any sitting unless in exceptional circumstances the relevant Speaker has determined that there are justifiable reasons for the exclusion.

Article 124(4) of the Constitution on parliamentary approval of public appointments

28. Article 124(4) of the Constitution provides that when a House of Parliament considers any appointment for which its approval is required under the Constitution or an Act of

Parliament, the appointment shall be considered by a committee of the relevant House; the committee's recommendation shall be tabled in the House for approval; and the proceedings of the committee and the House shall be in public.

Article 232 of the Constitution on Values and Principles of Public Service

29. Article 232 of the Constitution provides for the values and principles of public service which include high standards of professional ethics; efficient, effective and economic use of resources; responsive, prompt, effective, impartial and equitable provision of services; involvement of the people in the process of policy making; accountability for administrative acts; transparency and provision to the public of timely, accurate information; fair competition and merit as the basis of appointments and promotions; representation of Kenya's diverse communities; and affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service of men and women; the members of all ethnic groups; and persons with disabilities.

3.5 The Leadership and Integrity Act

30. The Leadership and Integrity Act provides a number of obligations to a State officer. These are, among others: to respect and abide by the Constitution and the law, public trust, performance of duties in an honest and accountable manner, professionalism, financial integrity, not to engage in activities that amount to an abuse of office, not to misuse public resources, accepting gifts that may compromise the officer's duties, wrongful or unlawful acquisition of property, and conflict of interest.

31. In addition, section 10 of the Leadership and Integrity Act, 2012 in particular provides that a State officer shall, to the best of their ability—

- (a) carry out the duties of the office efficiently and honestly;
- (b) carry out the duties in a transparent and accountable manner;
- (c) keep accurate records and documents relating to the functions of the office; and

(d) report truthfully on all matters of the organization which they represent.

3.6 The Central Bank Act, Cap 491

32. Section 13C of the Central Bank Act provides for the qualifications for Governor and Deputy Governor of the Bank in the following terms—

(1) The Governor and Deputy Governors shall be fit and proper persons of recognized professional standing and over ten years of experience at the senior management level in the field of economics, banking, finance, law or other fields relevant to the functions of the Central Bank.

(2) For the purposes of this section, “fit and proper” means possessing all the attributes to be taken into account in determining the suitability of a person to be appointed as Governor, including the person's general probity, competence and soundness of judgment for the fulfillment of the responsibilities of the office and the diligence with which the person is likely to fulfill those responsibilities.

3.7 The Public Service (Values and Principles) Act

33. Section 5 of the Public Service (Values and Principles) Act provides that a public officer shall maintain high standards of professional ethics, including, being honest; displaying high standards of integrity, transparency, accountability, respect to others, objectivity, patriotism, and observance of rule of law.

3.8 The Public Officer Ethics Act

34. The Public Officer Ethics Act provides for obligations to be carried out by a public officer. These include professionalism, carrying out duties in accordance with the law, prohibition from unjust enrichment, avoiding conflict of interest, not using the office as a venue for soliciting or collecting harambees; not acting for foreigners; care of property; political neutrality, not practicing nepotism or favoritisms, giving impartial advice, conducting private affairs in a way that maintains public confidence, bar from sexual harassment, and submission of the declaration of income, assets and liabilities once every two years.

CHAPTER THREE

4.0 THE APPROVAL HEARING PROCESS

35. Pursuant to Standing Order 45(1) of the National Assembly Standing, the Speaker referred the matter on the approval hearing of Dr. Kamau Thugge, CBS, nominee to the position of Governor of the Central Bank of Kenya to the Departmental Committee on Finance and National Planning..

4.1 Notification to the Nominee

36. By a letter dated Tuesday, 23rd May 2023 Ref: *NA/DDC/F&NP/2023/046*, the Clerk of the National Assembly and pursuant to section 6(3) of the Public Appointments (Parliamentary Approval), 2011, notified the nominee of the date, time and venue for the approval hearing.

37. The nominee was required to present his original identity card, academic and professional certificates and other relevant testimonials. Additionally, the nominee was requested to bring clearances from the Ethics and Anti-Corruption Commission, Kenya Revenue Authority, Higher Education Loans Board and Directorate of Criminal Investigations and the Office of the Registrar of Political Parties.

38. Further, the nominee was required to fill and present to the Committee the questionnaire in the Schedule to the Public Appointments (Parliamentary Approval) Act, 2011.

4.2 Notification to the Public

39. Section 6(9) of the Public Appointments (Parliamentary Approval), 2011, provides that *“any person may, prior to the approval hearing, and by written statement on oath, provide the Clerk with evidence contesting the suitability of a candidate to hold the office to which the candidates have been nominated”*.

40. On Friday, 19th May, 2023, the Clerk of the National Assembly published an advertisement in the print media inviting members of the public to present written statements on oath referred to in Section 6(9) of the Public Appointments (Parliamentary Approval) Act No. 33 of 2011. The written statements were to be submitted on or before Friday, 26th May 2023 at 5:00 pm.

41. Pursuant to Article 118(1)(a)(b) and (2) of the Constitution, and section 6(4) of the Public Appointments (Parliamentary Approval) Act, 2011 and provisions of Standing Orders 198(1) of the National Assembly Standing Orders, the same advertisement notified the public that the Departmental Committee on Finance and National Planning would conduct approval hearing on Tuesday, 30th May, 2023.

4.3 Clearance Requirements

42. Following the referral of the nomination to the Committee, the Clerk of the National Assembly requested information on the nominee from the following statutory agencies-

	Institution	Nature of the information sought
1.	Ethics & Anti-Corruption Commission	Compliance with Chapter 6 of the Constitution
2.	Kenya Revenue Authority	Tax compliance
3.	Higher Education Loans Board	Loans obligation
4.	Directorate of Criminal Investigations	Any criminal charge or conviction
5.	Office of the Registrar of Political Parties	Membership in any political party

43. The Clerk of the National Assembly received responses from various State agencies as follows-

- (a) by a letter dated 29th May, 2023, Ref: *KRA/5/1002/5(8569)*, the Kenya Revenue Authority indicated that the nominee was tax compliant;
- (b) by a letter dated 30th May, 2023, Ref: *HELB/RR/112009/V/243*, the Higher Education Loans Board indicated that the nominee was not a beneficiary of a GOK/ HELB loan.
- (c) by a letter dated 29th May 2023, Ref: *EACC.7/10/5 VOL XXII(114)*, the Ethics and Anti-Corruption Commission indicated that the nominee is not under any investigation nor has he been recommended for any prosecution
- (d) by a letter dated 25th May 2023, Ref: *RPP/ORG/34 VOL VII(7)*, the Office of the Registrar of Political Parties indicated that the nominee is not a member of any registered political party.

44. Additionally, the nominee also presented before the Committee clearances from the Directorate of Criminal Investigations, the Higher Education Loans Board, the Ethics and Anti-Corruption Commission, the Kenya Revenue Authority and the Office of the Registrar of Political Parties.

4.4 Committee's Meeting

45. Prior to the approval hearing on Tuesday, 30th May 2023, the Committee held a pre-vetting sitting to agree on the conduct of the approval hearing.

4.5 The Approval Hearing

46. **Dr. Kamau Thugge, CBS** the nominee for appointment to the position of Governor Central Bank of Kenya, appeared before Departmental Committee on Finance and National Planning on Tuesday, 30th May, 2023 at 11.00 a.m for the approval hearing.

47. In conducting the approval hearing, the Committee was guided by the Constitution, the Central Bank Act (Cap. 491), the Public Appointments (Parliamentary Approval), 2011, the Leadership and Integrity Act and the Standing Orders of the National Assembly.

48. The Committee considered the nominee's academic qualifications, employment record and work experience, membership to relevant professional associations, public office, political activities and affiliations, a potential conflict of interest, suitability to the position, tax compliance, integrity and other thematic areas relevant to the duties and responsibilities of a Governor of the Central Bank of Kenya.

4.6 The Nominee's background

49. The nominee informed the Committee that he is a Kenyan citizen by birth with ID No 27645149. He was born on 1st August 1957 in Kiambu County and does not hold any dual citizenship.

4.7 Academic and Professional qualifications

50. Dr. Thugge informed the Committee that he holds a Doctorate Degree in Economics and a Master's degree in Economics from Johns Hopkins University, Maryland USA, having graduated in 1990 and 1982 respectively. He is also a holder of a Bachelor of Arts in Economics degree from Colorado College, Colorado USA, (1980).

4.8 Employment Record and Work Experience

51. The nominee informed the Committee that he had been a practicing economist since 1985, starting at the International Monetary Fund (IMF) for over 20 years and working at the Kenya National Treasury for 12 years. His specialization was in designing macro-economic policies (fiscal/monetary/exchange rate) and financial programming. The model was critical in ensuring that the macro-economic framework involving the real sector, fiscal and monetary sectors and the balance of payments were internally consistent to serve as a platform for rapid economic growth, poverty reduction and wealth creation.

52. Dr. Kamau Thugge informed the Committee that currently he holds the position of the Senior Advisor to the President, Head of Fiscal and Budget Affairs having been

appointed in 2022. He served as the Principal Secretary, the National Treasury between 2013-201, a Senior Economic Advisor in the Ministry of Finance between 2010—2013, Deputy Division Chief of the International Monetary Fund between 2008-2010, Economic Secretary and Head of Economic Affairs Department in the National Treasury (Kenya): 2005-2008, Head of Fiscal and Monetary Affairs Department, Treasury (Kenya): 2004-2005, Economist/Senior Economist, IMF: 1985-2004 and lecturer in Franklin and Marshall College, Pennsylvania between 1984-85.

53. The nominee informed the Committee that he is an accomplished professional in the areas of macro-economics and public service which has given him the requisite knowledge, skills and competence in the financial service sector suitable for the position being nominated to serve.

4.9 Integrity and Leadership

54. Dr. Kamau Thugge informed the Committee that in 2019 while serving as the Principal Secretary for the National Treasury, the ODPP preferred charges against him and his Cabinet Secretary in the National Treasury in relation to the construction of the Aror and Kimwarer dams under the State Department for Regional Development. However, in 2021 the ODPP terminated the charges against him while turning him into a state witness. The matter was pending in court and he has been attending court when needed.

55. The nominee also indicated that he has never been adversely mentioned in an investigatory report of Parliament or any other Commission of Inquiry in the last three years.

4.10 Financial Net Worth

56. The nominee stated that, his net worth was estimated at four hundred and fifty million Kenya shillings (Kshs. 450M) which comprises a plot of land in Ridgeways Kiambu

Road and in Thika Greens, an apartment in Westlands, a house in Mombasa, shares and cash equivalent.

4.11 Conflict of Interest

57. The nominee indicated to the Committee that he does not foresee any situation that could cause a conflict of interest in the execution of his duties. However, in the event of any conflict of interest, he would recuse himself. He further submitted that he has never been dismissed from office due to conflict of interest or has been associated with practices that promote bias and nepotism

4.12 Public Office, Political Activities and Affiliations

58. The nominee indicated to the Committee that he has never been a member of a political party or held any position in a political party.

4.13 The vision of the Nominee

59. Regarding his vision for the Bank, he noted that his vision is to ensure the banking supervision is on a real-time basis since the Digital Credit providers were already on board. Secondly, submit to Parliament the Micro-Finance Act amendments done by CBK for enactment, expand the credit to the private sector and undertook to ensure the implementation of the Pan-African Payment System.

Key Issues Arising from the Vetting Process

60. The nominee informed the Committee that, if appointed to the position of Governor of the Central Bank of Kenya, he would endeavor to deal with key issues in the following broad areas.

4.14 Nominee's Most Significant Achievement

61. He informed the Committee that his significant achievement is when he was accorded an opportunity to work in Government as an Economic Secretary and Principal Secretary for National Treasury where he assisted in implementing key policies.

4.15 Fiscal Policy and Inflation Rate

62. The nominee informed the Committee that, if approved, he would focus on reducing the fiscal deficit which was increased and had gone high by borrowing to finance major infrastructural projects such as roads. He would also ensure increasing revenue mobilization by Kenya Revenue Authority (KRA) to finance the budget deficit.
63. He further noted that local revenue mobilization had reduced over the years and the ongoing infrastructural development had increased external borrowing. If approved, he would look into reducing the budgetary deficit to 4% of GDP and it would help in addressing the debt issue the government was facing.
64. He also gave an undertaking that if approved he would ensure that government adopts the Public Private Partnership framework for the construction of dams, subsidies to agricultural inputs such as fertilizers, timely cash transfers for the elderly, school feeding programmes, among others.

4.16 Stability of Kenyan Shilling

65. The nominee noted that shilling depreciation was a result of increased inflation globally as well as the performance of the United States Economy. There was a need for consultation with the banking sector to understand the apparent reasons for the hoarding of foreign currency deposits.

4.17 Prudential Guidelines by Central Bank

66. The nominee stated that the maximum amount one could withdraw from the bank was guided by the international financial reporting guidelines and it was an international standard applicable everywhere. He noted that, if approved he would benchmark with other jurisdictions on the best practices.

4.18 Diaspora Remittances and Diaspora Bond

67. The nominee informed the Committee that he would advise the National Treasury to float the local dollar-denominated bond which the people in the diaspora would be notified through the State Department for Diaspora Affairs to subscribe. The process would increase foreign exchange and would also encourage foreign investment.

4.19 Government to Government on the Oil Supply

68. The nominee informed the Committee that the arrangement had worked and had reduced dollar demand by five hundred million dollars. However, without the deal Kenya shilling's value would have depreciated further.

4.20 On Financial Service Innovations

69. The nominee said that the failure of CBK to recognize digital currencies as currencies was not in bad faith but only that the CBK felt that the risks were high and that the volatility were equally high. In the future, they might recognize digital currencies since they had been studying them and were more informed to regulate them.

4.21 The Banking Sector

70. The nominee informed the Committee that, if approved, he would ensure more realization of mergers and acquisitions in the banking sector. This would be a solution to ensure efficiency and stability in the banking industry. He also said that if approved he would ensure commercial banks are provided with the credit facilities.

71. He further noted that if approved he would ensure real-time banking since the Digital Credit providers were already on board. The supervision would also ascertain the challenges the banks were facing.

4.22 On credit risks on high volumes of non-performing loans

72. The nominee informed the Committee that the high volume of non-performing loans was as a result of the manufacturing and real estate sectors performing poorly and were having an impact on credit due to a lack of paying pending bills by the Government which was contributing to non-performing loans (NPLs).
73. He also informed the Committee that credit to the private sector had reduced from 33% to 24%. If approved, he hoped to help the increase credit to the private sector while not destabilizing the economy.

4.23 On the Housing Development Fund Levy

74. Regarding the proposed housing levy, the nominee informed the Committee that he supported the proposed Housing Levy in the Finance Bill, 2023, because contributions to the National Housing Development Fund as proposed in clause 76 of the Finance Bill is the only programme that would lead to job employment and spur more spending.

4.24 Independence of the Central Bank of Kenya (CBK) and operationalization of the East Africa Community

75. In relation to the independence of the Central Bank, the nominee noted that, there was the need for the Central Bank of Kenya to be independent so that it could make independent decisions. Additionally, it was imperative that the Bank work with other institutions such as the National Treasury in ensuring fiscal consolidations.
76. The nominee noted that the Community had made significant progress by establishing some institutions such as East Africa Legislative Assembly (EALA), East Africa Monetary Institute, East Africa Statistic Bureau, Finance Commission and he would fast-track what has not been implemented.

4.25 Economic Growth Prospects

77. Regarding the prospect of economic growth, the nominee informed the Committee that the economic growth had been declining because of a decline in the agricultural sector due to the prolonged drought that had been experienced in the country. However, there was a projected economic growth because there was expected due to value addition to agricultural products.

78. He also informed the Committee that the manufacturing sector has been dwindling over the years. However, it was projected to increase since the proposed budget estimate for 2023/24 FY had identified value chains in the areas such as textile, milk, rice, tea, edible oil, mining, building materials, and the blue economy.

4.26 Internal Borrowing

79. In relation to internal borrowing, the nominee informed the Committee that factors such as infrastructure projects expenditures escalated the public debt stock and these expenditures and accumulated pending bills have led to the current debt distress.

CHAPTER FOUR

5.0 COMMITTEE'S OBSERVATIONS AND FINDINGS

5.1 COMMITTEE'S OBSERVATIONS

80. The Committee, having considered the nominee's filled questionnaire pursuant to section 6(8) of the Public Appointments (Parliamentary Approval) Act, 2011, curriculum vitae and oral submissions during the approval hearing, made the following observations regarding the suitability of Dr. Kamau Thugge, CBS for appointment as the Governor of the Central Bank of Kenya–

- a) **THAT**, the nominee has extensive experience in finance having served in the International Monetary Fund (IMF) and the National Treasury for over 20 years and 12 years respectively. His specialization was in designing macro-economic policies (fiscal/monetary/exchange rate) and financial programming.
- b) **THAT**, the nominee has served as Principal Secretary Principal, National Treasury from 2013 to 2019. The nominee possesses continuous service and experience spanning 30 years in both the public and private sectors.
- c) **THAT**, in accordance with Article 78(1) and (2) of the Constitution, Dr. Kamau Thugge, CBS is a Kenyan citizen and holds no dual citizenship.
- d) **THAT**, the nominee is a fit and proper person of recognized professional standing as per section 13C (2) of the Central Bank of Kenya Act.
- e) **THAT**, the nominee holds a Doctorate Degree in Economics from Johns Hopkins University, Maryland USA, having graduated in 1990. He is a holder of a Master's degree in Economics from Johns Hopkins University, Maryland USA having graduated in 1982 and a Bachelor of Arts in Economics degree from Colorado College, Colorado USA, (1980).
- f) **THAT**, during the approval hearing he exhibited knowledge and competency in monetary policy, fiscal policy, finance and economic matters.

- g) **THAT**, the nominee demonstrated in-depth knowledge of the state of financial development in Kenya and the linkages within different economic sectors as well as across the region.
- h) **THAT**, Dr. Kamau Thugge while serving as the Principal Secretary for the National Treasury was charged by ODPP in relation to the construction of the Aror and Kimwarer dams under the State Department for Regional Development. However, in 2021 the ODPP terminated the charges against him while turning him into a state witness.
- i) **THAT**, the nominee has never been adversely mentioned in an investigatory report of Parliament or any other Commission of Inquiry in the last three years.

CHAPTER FIVE

5.2 COMMITTEE'S OBSERVATIONS

81. The Committee, having considered the nominee's filled questionnaire pursuant to section 6(8) of the Public Appointments (Parliamentary Approval) Act, 2011, curriculum vitae and oral submissions during the approval hearing, made the following observations on the suitability of Dr. Kamau Thugge, CBS for appointment as Governor of the Central Bank of Kenya-

- a) **THAT**, the nominee's academic qualifications and experience comply with the requirements of section 6(7) of the Public Appointments (Parliamentary Approval) Act, No. 33 of 2011 and Section 13C(1) of the Central Bank of Kenya Act, Cap.491.
- b) **THAT**, as stipulated in Article 75(1) of the Constitution, he has not shown any actual or potential conflict of interest.
- c) **THAT**, the nominee does not hold office in any political party and hence satisfies the provisions of Article 77(2) of the Constitution. This was confirmed by the Office of the Registrar of Political Parties.
- d) **THAT**, the nominee satisfies the requirements of Article 77(1) of the Constitution and section 15 of the Central Bank of Kenya Act as he does not intend to participate in any other gainful employment during his tenure as the Governor of the Central Bank of Kenya
- e) **THAT**, the nominee meets the requirements as per Chapter 6 of the Constitution on leadership and integrity having been issued with clearance certificates by the relevant statutory agencies such as EACC, KRA, DCI, ORPP and HELB.
- f) **THAT**, no memorandum was presented to the Committee contesting the suitability or otherwise of the nominee for appointment as Governor of the Central Bank of Kenya.

6.0 COMMITTEE'S RECOMMENDATION

82. Having considered the suitability, capacity and integrity of the nominee, and pursuant to sections 13(1) and 13C of the Central Bank Act, sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011), and Standing Order 216(5) (f) of the National Assembly Standing Orders, the Departmental Committee of Finance and National Planning recommends that the National Assembly **APPROVES** the nomination of **Dr. Kamau Thugge, CBS** as Governor of the Central Bank of Kenya.

Signed...  Date: 06/06/2023

HON. CPA. KURIA KIMANI, MP
(CHAIRPERSON)

DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING



THE NATIONAL ASSEMBLY
13TH PARLIAMENT - SECOND SESSION (2023)
COMMITTEE ON FINANCE & NATIONAL PLANNING
ATTENDANCE REGISTER

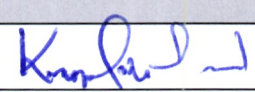
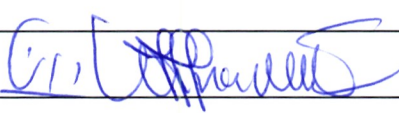
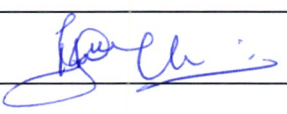
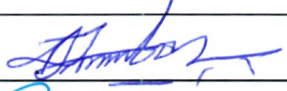
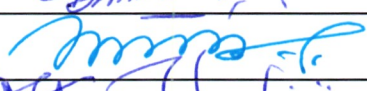
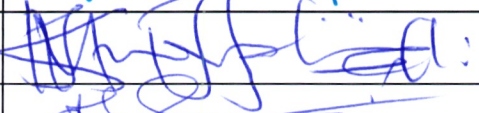
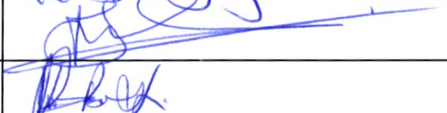
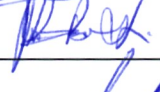
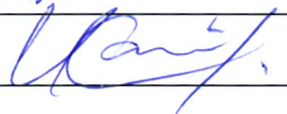
Date: 05/06/2023

Venue: Hilton Garden Inn

Time Started: 4:00 PM

Time Ended: _____

AGENDA: Adoption of the Report on the Voting of CBK Governor

No.	NAME	SIGNATURE
1.	Hon. (CPA). Kuria Kimani, MP - Chairperson	
2.	Hon. (Amb). Benjamin Kipkirui Langat, MP – Vice Chairperson	
3.	Hon. Dr. Adan Keynan Wehliye, MP	
4.	Hon. George Sunkuyia Risa, MP	
5.	Hon. (CPA) Joseph Maero Oyula, MP	
6.	Hon. Andrew Adipo Okuome, MP	
7.	Hon. David Mwalika Mboni, MP	
8.	Hon. Joseph Makilap Kipkoros, MP	
9.	Hon. Joseph Kamau Munyoro, MP	
10.	Hon. (CPA) Julius Kipletting Rutto, MP	
11.	Hon. Paul Kibichiy Biego, MP	
12.	Hon. Umul Ker Sheikh Kassim, MP	
13.	Hon. Dr. Shadrack Mwiti Ithinji, MP	
14.	Hon. Dr. John Ariko Namoit, MP	
15.	Hon. Mohamed Soud Machele, MP	

Submitted by: _____ Signature: _____ Date: _____

Approved by: _____ Date: _____

DIRECTOR – DEPARTMENTAL COMMITTEES

**MINUTES OF THE 42ND SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD ON MONDAY, 5TH JUNE 2023 AT
2.00 PM AT HILTON GARDEN INN, MACHAKOS COUNTY**

PRESENT

1. Hon. Francis Kuria Kimani, MP - Chairperson
2. Hon. Adan Keynan Wehliye, MP
3. Hon. Joseph Maero Oyula, MP
4. Hon. David Mwalika Mboni, MP
5. Hon. Joseph Makilap Kipkoros, MP
6. Hon. Paul Kibichiy Biego, MP
7. Hon. Julius Kipletting Ruto, MP
8. Hon. Umul Ker Sheikh Kassim, MP
9. Hon. Joseph Kamau Munyoro, MP

ABSENT WITH APOLOGY

1. Hon. Benjamin Kipkirui Langat, MP - Vice- Chairperson
2. Hon. Andrew Adipo Okuome, MP
3. Hon. George Sunkuiya Risa, MP
4. Hon. Mohamed Soud Machele, MP
5. Hon. Dr. Shadrack Mwiti Ithinji, MP
6. Hon. (Dr.) John Ariko Namoit, MP

IN-ATTENDANCE

SECRETARIAT

1. Mr. Benjamin Magut - Senior Clerk Assistant/Head of Secretariat
2. Mr. Joshua Ondari - Clerk Assistant
3. Mr. Benson Kamande - Clerk Assistant III
4. Mr. Salem Lorot - Legal Counsel
5. Mr. Simon Ouko - Assistant Sargent-at-arms

MIN. NO. 95/2023: PRELIMINARIES

The Chairperson called the meeting to order at 2.30 pm and said a word of prayer.

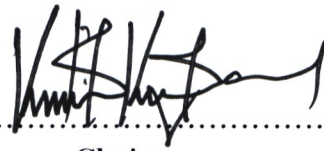
**MIN No. 96/2023: ADOPTION OF THE REPORT ON VETTING OF DR. KAMAU
THUGGE, NOMINEE FOR APPOINTMENT AS FOR CENTRAL
BANK GOVERNOR**

The Report was adopted after being proposed and seconded by Hon. Joseph Makilap Kipkoros, MP and Hon. CPA. Joseph Maero Oyula, MP respectively.

MIN. NO. 97/2023: ADJOURNMENT

There being no other business, the meeting was adjourned at 4.15 pm. The next meeting will be held on notice.

Signed.....

A handwritten signature in black ink, appearing to be 'V. H. H.', written over a dotted line.

Chairperson

Date.....

06/06/2023

**MINUTES OF THE 40TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD ON TUESDAY, 30TH MAY 2023 AT
10.00 AM IN THE MINI-CHAMBER, COUNTY HALL.**

PRESENT

- | | |
|---|---------------------|
| 1. Hon. Francis Kuria Kimani, MP | - Chairperson |
| 2. Hon. Benjamin Kipkirui Langat, MP | - Vice- Chairperson |
| 3. Hon. Adan Keynan Wehliye, MP | |
| 4. Hon. George Sunkuiya Risa, MP | |
| 5. Hon. Joseph Maero Oyula, MP | |
| 6. Hon. Andrew Adipo Okuome, MP | |
| 7. Hon. David Mwalika Mboni, MP | |
| 8. Hon. Joseph Makilap Kipkoros, MP | |
| 9. Hon. Paul Kibichiy Biego, MP | |
| 10. Hon. (Dr.) John Ariko Namoit, MP | |
| 11. Hon. Dr. Shadrack Mwiti Ithinji, MP | |

ABSENT WITH APOLOGY

1. Hon. Joseph Kamau Munyoro, MP
2. Hon. Julius Kipletting Ruto, MP
3. Hon. Umul Ker Sheikh Kassim, MP
4. Hon. Mohamed Soud Machele, MP

IN-ATTENDANCE

SECRETARIAT

- | | | |
|-------------------------|---|--|
| 1. Mr. Benjamin Magut | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Mr. Joshua Ondari | - | Clerk Assistant |
| 3. Mr. Benson Kamande | - | Clerk Assistant III |
| 4. Mr. Salem Lorot | - | Legal Counsel |
| 5. Ms. Peninnah Simiren | - | Legal Counsel |
| 6. Mr. Chelang'a Maiyo | - | Researcher Officer |
| 7. Ms. Samsha Abdi | - | Researcher Officer |
| 8. Mr. Simon Ouko | - | Assistant Sargent-at-arms |

WITNESS

Dr. Kamau Thugge

MIN. NO. 89/2023: PRELIMINARIES

The Chairperson called the meeting to order at 10.30 am and said a word of prayer followed by a round of introductions.

MIN No. 90/2023: BRIEFING ON THE VETTING OF DR. KAMAU THUGGE, NOMINEE FOR APPOINTMENT AS FOR CENTRAL BANK GOVERNOR

The Committees considered the brief on the process of parliamentary approval of appointment to Governor of the Central Bank of Kenya.

MIN No. 91/2023: VETTING OF DR. KAMAU THUGGE, NOMINEE FOR APPOINTMENT AS FOR CENTRAL BANK GOVERNOR

The Nominee's background

The nominee informed the Committee that he is a Kenyan citizen by birth with ID No 27645149. He was born on 1st August 1957 in Kiambu County and does not hold any dual citizenship.

Academic and Professional qualifications

Dr. Thugge informed the Committee that he holds a Doctorate Degree in Economics and a Master's degree in Economics from Johns Hopkins University, Maryland USA, having graduated in 1990 and 1982 respectively. He is also a holder of a Bachelor of Arts in Economics degree from Colorado College, Colorado USA, (1980).

Employment Record and Work Experience

- a) The nominee informed the Committee that he had been a practicing economist since 1985, starting at the International Monetary Fund (IMF) for over 20 years and working at the Kenya National Treasury for 12 years. His specialization was in designing macro-economic policies (fiscal/monetary/exchange rate) and financial programming. The model was critical in ensuring that the macro-economic framework involving the real sector, fiscal and monetary sectors and the balance of payments were internally consistent to serve as a platform for rapid economic growth, poverty reduction and wealth creation.
- b) Dr. Kamau Thugge informed the Committee that currently he holds the position of the Senior Advisor to the President, Head of Fiscal and Budget Affairs having been appointed in 2022. He served as the Principal Secretary, the National Treasury between 2013-201, a Senior Economic Advisor in the Ministry of Finance between 2010—2013, Deputy Division Chief of the International Monetary Fund between 2008-2010, Economic Secretary and Head of Economic Affairs Department in the National Treasury (Kenya): 2005-2008, Head of Fiscal and Monetary Affairs Department, Treasury (Kenya): 2004-2005, Economist/Senior Economist, IMF: 1985-2004 and lecturer in Franklin and Marshall College, Pennsylvania between 1984-85.
- c) The nominee informed the Committee that he is an accomplished professional in the areas of macro-economics and public service which has given him the requisite knowledge, skills and competence in the financial service sector suitable for the position being nominated to serve.

Integrity and Leadership

- a) The nominee informed the Committee that in 2019 while serving as the Principal Secretary for the National Treasury, the ODP preferred charges against him and his

Cabinet Secretary in the National Treasury in relation to the construction of the Aror and Kimwarer dams under the State Department for Regional Development. However, in 2021 the ODPP terminated the charges against him while turning him into a state witness. The matter was pending in court and he has been attending court when needed.

- b) The nominee also indicated that he has never been adversely mentioned in an investigatory report of Parliament or any other Commission of Inquiry in the last three years.

Financial Net Worth

The nominee stated that, his net worth was estimated at four hundred and fifty million Kenya shillings (Kshs. 450M) which comprises a plot of land in Ridgeways Kiambu Road and in Thika Greens, an apartment in Westlands, a house in Mombasa, shares and cash equivalent.

Conflict of Interest

The nominee indicated to the Committee that he does not foresee any situation that could cause a conflict of interest in the execution of his duties. However, in the event of any conflict of interest, he would recuse himself. He further submitted that he has never been dismissed from office due to conflict of interest or has been associated with practices that promote bias and nepotism

Public Office, Political Activities and Affiliations

The nominee indicated to the Committee that he has never been a member of a political party or held any position in a political party.

The Vision of the Nominee

Regarding his vision for the Bank, he noted that his vision is to ensure the banking supervision is on a real-time basis since the Digital Credit providers were already on board. Secondly, submit to Parliament the Micro-Finance Act amendments done by CBK for enactment, expand the credit to the private sector and undertook to ensure the implementation of the Pan-African Payment System.

Nominee's Most Significant Achievement.

He informed the Committee that his significant achievement is when he was accorded an opportunity to work in Government as an Economic Secretary and Principal Secretary for National Treasury where he assisted in implementing key policies.

Fiscal Policy and Inflation Rate

- a) The nominee informed the Committee that, if approved, he would focus on reducing the fiscal deficit which was increased and had gone high by borrowing to finance major infrastructural projects such as roads. He would also ensure increasing revenue mobilization by Kenya Revenue Authority (KRA) to finance the budget deficit.
- b) He further noted that local revenue mobilization had reduced over the years and the ongoing infrastructural development had increased external borrowing. If approved, he would look into reducing the budgetary deficit to 4% of GDP and it would help in addressing the debt issue the government was facing.

- c) He also gave an undertaking that if approved he would ensure that government adopts the Public Private Partnership framework for the construction of dams, subsidies to agricultural inputs such as fertilizers, timely cash transfers for the elderly, school feeding programmes, among others.

Stability of Kenyan Shilling

The nominee noted that shilling depreciation was a result of increased inflation globally as well as the performance of the United States Economy. There was a need for consultation with the banking sector to understand the apparent reasons for the hoarding of foreign currency deposits.

Prudential Guidelines by Central Bank

The nominee stated that the maximum amount one could withdraw from the bank was guided by the international financial reporting guidelines and it was an international standard applicable everywhere. He noted that, if approved he would benchmark with other jurisdictions on the best practices.

Diaspora Remittances and Diaspora Bond

The nominee informed the Committee that he would advise the National Treasury to float the local dollar-denominated bond which the people in the diaspora would be notified through the State Department for Diaspora Affairs to subscribe. The process would increase foreign exchange and would also encourage foreign investment.

Government to Government on the Oil Supply

The nominee informed the Committee that the arrangement had worked and had reduced dollar demand by five hundred million dollars. However, without the deal Kenya shilling's value would have depreciated further.

On Financial Service Innovations

The nominee said that the failure of CBK to recognize digital currencies as currencies was not in bad faith but only that the CBK felt that the risks were high and that the volatility were equally high. In the future, they might recognize digital currencies since they had been studying them and were more informed to regulate them.

The Banking Sector

- a) The nominee informed the Committee that, if approved, he would ensure more realization of mergers and acquisitions in the banking sector. This would be a solution to ensure efficiency and stability in the banking industry. He also said that if approved he would ensure commercial banks are provided with the credit facilities.
- b) He further noted that if approved he would ensure real-time banking since the Digital Credit providers were already on board. The supervision would also ascertain the challenges the banks were facing.

On credit risks on high volumes of non-performing loans

- a) The nominee informed the Committee that the high volume of non-performing loans was as a result of the manufacturing and real estate sectors performing poorly and were having an impact on credit due to a lack of paying pending bills by the Government which was contributing to non-performing loans (NPLs).
- b) He also informed the Committee that credit to the private sector had reduced from 33% to 24%. If approved, he hoped to help the increase credit to the private sector while not destabilizing the economy.

On the Housing Development Fund Levy

Regarding the proposed housing levy, the nominee informed the Committee that he supported the proposed Housing Levy in the Finance Bill, 2023, because contributions to the National Housing Development Fund as proposed in clause 76 of the Finance Bill is the only programme that would lead to job employment and spur more spending.

Independence of the Central Bank of Kenya (CBK) and operationalization of the East Africa Community

- a) In relation to the independence of the Central Bank, the nominee noted that, there was the need for the Central Bank of Kenya to be independent so that it could make independent decisions. Additionally, it was imperative that the Bank work with other institutions such as the National Treasury in ensuring fiscal consolidations.
- b) The nominee noted that the Community had made significant progress by establishing some institutions such as East Africa Legislative Assembly (EALA), East Africa Monetary Institute, East Africa Statistic Bureau, Finance Commission and he would fast-track what has not been implemented.

Economic Growth Prospects

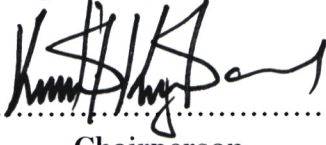
- a) Regarding the prospect of economic growth, the nominee informed the Committee that the economic growth had been declining because of a decline in the agricultural sector due to the prolonged drought that had been experienced in the country. However, there was a projected economic growth because there was expected due to value addition to agricultural products.
- b) He also informed the Committee that the manufacturing sector has been dwindling over the years. However, it was projected to increase since the proposed budget estimate for 2023/24 FY had identified value chains in the areas such as textile, milk, rice, tea, edible oil, mining, building materials, and the blue economy.

Internal Borrowing

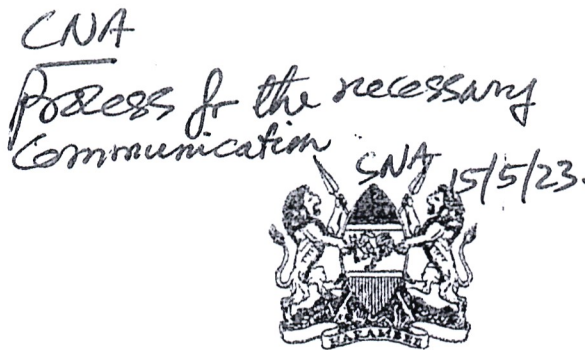
In relation to internal borrowing, the nominee informed the Committee that factors such as infrastructure projects expenditures escalated the public debt stock and these expenditures and accumulated pending bills have led to the current debt distress.

MIN. NO. 92/2023: ADJOURNMENT

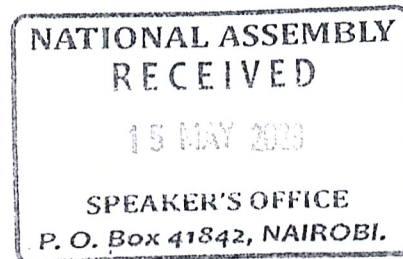
There being no other business, the meeting was adjourned at 2.15 pm. The next meeting will be held on notice.

Signed.....
Chairperson

Date.....06/06/2023.....



ANNEX 2



EXECUTIVE OFFICE OF THE PRESIDENT
CHIEF OF STAFF AND HEAD OF THE PUBLIC SERVICE

Telegraphic Address
Telephone: +254-20-2227436
When replying please quote

OP/CAB.26/4A VOL.I/(83)

Ref. No.
and date

CONFIDENTIAL

STATE HOUSE
P.O. Box 40530-00100
Nairobi, Kenya

15th May, 2023

....., 20.....

Hon. Moses F. M. Wetangula, EGH

Speaker
The National Assembly
Parliament of Kenya
Parliament Building
NAIROBI

Dear *Speaker*

DL & P
Please see SNA's
directions and act.
15/05/2023

TRANSMITTAL

NOMINATION FOR APPOINTMENT TO THE POSITION OF GOVERNOR OF THE CENTRAL BANK OF KENYA

You are most graciously notified that **His Excellency Hon. William Samoei Ruto PhD., C.G.H., President and Commander-in-Chief of the Kenya Defence Forces**, has, on the recommendation of the Public Service Commission, nominated a candidate for appointment as the Governor of the Central Bank of Kenya.

It is noted that Section 13(1) of the Central Bank of Kenya Act (Cap. 491 of the Laws of Kenya) sets out the process of appointment of the Governor of the Central Bank of Kenya thusly:

*"There shall be a Governor who shall be appointed by the President through a transparent and competitive process and with the **approval of the National Assembly.**" [Emphasis]*

In that regard, and in accordance with the procedure set out in Sections 3 and 5 of the Public Appointments (Parliamentary Approval) Act (Act No. 33 of 2011) as read together with Section 13 (1) of the Central Bank of Kenya Act, we submit to the National Assembly the Presidential Nomination of **DR. KAMAU THUGGE, CBS** for appointment as the tenth holder of the position of Governor of the Central Bank of Kenya.

To aid Parliament in its consideration and approval processes, we have the pleasure to forward herewith the Certificate of Presidential Nomination No. 10 of 2023,

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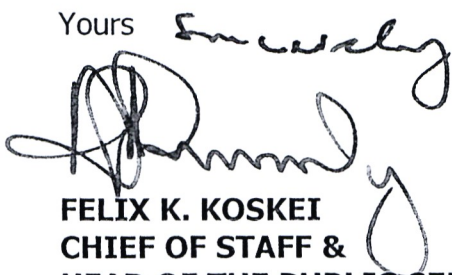
CONFIDENTIAL

together with the Nominee's Curriculum Vitae and Testimonials and the report of the Public Service Commission on the recruitment of the Nominee.

In recognition of the unique role of the Governor of the Central Bank of Kenya in formulating monetary policy, controlling inflation, managing our foreign currency reserves, and promoting the stability of the Kenya Shilling; the National Assembly is most kindly requested to consider **His Excellency's** nominee on a priority basis.

We thank you for the support that the National Assembly continues to offer to the Head of State and Government in steering Government business into law.

Yours



FELIX K. KOSKEI
CHIEF OF STAFF &
HEAD OF THE PUBLIC SERVICE

Copy to: **Hon. Ichungwa A. Kimani, MP, MGH**
Majority Leader
The National Assembly
Parliament Building
NAIROBI

Mr. Samuel J. Njoroge
Clerk
The National Assembly
Parliament Building
NAIROBI

Mr. Arthur A. Osiya, EBS
Principal Administrative Secretary
Executive Office of the President
NAIROBI

Mr. Jasper Mbiuki, CBS
Head of Cabinet Secretariat
Executive Office of the President
NAIROBI

CONFIDENTIAL



SECRET

REPORT ON THE RECRUITMENT OF THE GOVERNOR

CENTRAL BANK OF KENYA

1.0 Advertisement of Vacancy

Pursuant to the provisions of Section 13 of the Central Bank of Kenya Act, the Public Service Commission advertised the position of the Governor in the print media and on the Commission's website on 30th March, 2023.

2.0 Receipt and processing of applications

By closure of the advertisement period on 19th April, 2023, Twenty four (24) applications were received as indicated below:

S/No.	Name	Gender	ID/No.	County
1	Kennedy Mwita Mohochi	M	10176377	Migori
2	Peter Macharia Kamau	M	10403995	Kajiado
3	Dr. Kamau Thugge	M	27645149	Kiambu
4	Dr. Haron Sirima	M	4199601	Samburu
5	Mohamud Ahmed Mohamud	M	0289157	Samburu
6	Dr. Edward C. Sambili	M	2302601	Baringo
7	Allan Ekweny Omachar, PhD	M	22703287	Busia
8	Patrick Muraya Githaiga	M	28556143	Kajiado
9	Dr. Nancy Asiko Onyango	F	5598006	Nairobi
10	Onchera George Maiko	M	32145358	Kisii
11	Fredrick Muchiri Karuri	M	27034362	Kirinyaga
12	Adan Abdulla Mohamed	M	2112090	Mandera
13	Daniel Otieno-Olela	M	Not Indicated	Not Indicated
14	Nelson Kiogora Gituma	M	29293493	Meru
15	Kenneth Kiplimo Kemboi	M	24998473	E/Marakwet
16	Arnold Mangi Mwabili	M	9079695	Taita Taveta
17	Eric Nakitari Kuloba	M	Not Indicated	Not Indicated
18	Julius Kipkoech Langat	M	Not Indicated	Not Indicated

SECRET

SECRET

S/N	Name	Gender	ID No.	County
19	Dennis Kiprotich Kirui	M	29173694	Bomet
20	Dr. Richard Kiplangat Siele	M	11637977	Kericho
21	Timothy Njonjo Nyambura	M	14641615	Kiambu
22	Benson Mwangi Mutungi	M	Not Indicated	Not Indicated
23	Dorcas Muthoni Mutonyi	F	14422577	Nairobi
24	Dr. Ezekiel Kibett Tanui	M	3444439	Nandi

3.0 Shortlisting

Shortlisting for the position was carried out on Friday 28th April, 2023

3.1 Shortlisting Criteria

The Shortlisting Panel considered the following:

- (a) The requirements of the advertisement as appended below:
 - (i) be a citizen of Kenya;
 - (ii) be a fit and proper person of recognized professional standing;
 - (iii) have a Bachelors and a Masters degree in any of the following fields: Economics, Banking, Finance or Law;
 - (iv) have over ten (10) years' experience at senior management level in the field of economics, banking, finance, law or other fields relevant to the functions of the Central Bank;
 - (v) have knowledge or experience in monetary, financial, banking and economic matters or other disciplines relevant to the functions of the Central Bank;
 - (vi) have a deep understanding of global financial sector trends; and
 - (vii) be a person of integrity and meet the requirements of Chapter Six of the Constitution.
- (b) Gender
- (c) Regional distribution/spread

SECRET

3.2 Shortlisted Candidates

Out of the Twenty Four (24) applicants, the panel shortlisted Six (6) candidates as indicated in the table below:

S/No.	Name	Gender	ID	County
1.	Dorcas Muthoni Mutonyi	F	14422577	Nairobi
2.	Haron Sirima	M	4199601	Samburu
3.	Edward Sambili	M	2302601	Baringo
4.	Nancy Onyango	F	5598006	Nairobi
5.	Adan Abdulla Mohamed	M	2112090	Mandera
6.	Kamau Thugge	M	27645149	Kiambu

3.2 Publishing of the names of shortlisted candidates and Invitation to Interviews

Names of all the applicants were published on the Commission's website on 2nd May, 2023. The advertisement for the shortlisted candidates was publishing in the print media and the Commission's website on 3rd May, 2023. The advertisement included an interviews schedule and an invitation of the shortlisted candidates to attend the interviews. It also asked members of the public to submit any adverse information on any of the candidates before the interviews.

3.3 Interviews

The Commission conducted the interviews on the shortlisted candidates on 9th May, 2023 at the Commission House. All the candidates turned up for the interviews as scheduled and were rated as follows:

SECRET

SCORES SUMMARY - THE GOVERNOR- CBK

No	Name	G	ID No.	County	Av
1	Kamau Thugge	M	27645149	Kiambu	86.2
2	Nancy Asiko Onyango	F	5598006	Nairobi	82.7
3	Adan Abdulla Mohamed	M	2112090	Mandera	80.9
4	Haron Sirima	M	4199601	Samburu	78.2
5	Edward Cherutich Sambili	M	2302601	Baringo	76.3
6	Dorcas Muthoni Mutonyi	F	14422577	Nairobi	65.2

4.0 Recommendation.

Following the conclusion of the interviews for the position of the Governor Central Bank of Kenya, the Commission recommends that based on the performance shortlisted candidates, the following names be submitted to His Excellency the President:

1. Dr. Kamau Thugge, ID/No.27645149, Kiambu County
2. Dr. Nancy Asiko Onyango, ID/No.5598006, Nairobi County
3. Mr. Adan Abdulla Mohamed, ID/No.2112090, Mandera County

SECRET



**REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - SECOND SESSION- 2023**

**IN THE MATTER OF APPROVAL BY THE NATIONAL ASSEMBLY OF
THE PERSON NOMINATED FOR APPOINTMENT AS GOVERNOR OF
THE CENTRAL BANK OF KENYA**

**NOTIFICATION TO THE GENERAL PUBLIC ON THE APPROVAL
HEARING AND SUBMISSION OF MEMORANDA**

WHEREAS, pursuant to the provisions of Section 13(1) of the Central Bank of Kenya Act (Cap.491) and Sections 3 and 5(1) of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011), H.E. the President notified the National Assembly of the nomination of **Dr. Kamau Thugge, CBS**, for appointment as **Governor of the Central Bank of Kenya (CBK)**;

IT IS NOTIFIED to the general public that pursuant to the provisions of **Article 118(1)(b), Section 13(1) of the Central Bank of Kenya Act (Cap. 491) and Section 6(4) of the Public Appointments (Parliamentary Approval) Act, 2011**, the **Departmental Committee on Finance and National Planning of the National Assembly** shall conduct approval hearing (vetting) of the nominee for appointment as Governor of the Central Bank of Kenya on **Tuesday, 30th May 2023** in the **Mini Chamber, County Hall, Parliament Buildings** at **11.00 a.m.**;

AND WHEREAS, Article 118(1)(b) of the Constitution requires Parliament to facilitate public participation in the legislative and other business of Parliament and its Committees and Section 6(9) of the Parliamentary Appointments (Parliamentary Approval) Act, 2011 provides that *"any person may prior to the approval hearing and by written statement on oath, provide the Clerk with evidence contesting the suitability of a candidate to hold the office to which the candidate has been nominated"*;

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution and Section 6(9) of the Public Appointments (Parliamentary Approval) Act, 2011, the Departmental Committee on Finance and National Planning hereby invites members of the public to submit any representations they may have, by way of written statements on oath (*affidavits*) with supporting evidence contesting the suitability of the nominee for appointment as Governor of the Central Bank of Kenya.

The memoranda 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 **cna@parliament.go.ke**; to be received **on or before Friday, 26th May, 2023 by 5.00 pm.**

IT IS FURTHER NOTIFIED THAT, the nominee is required to: -

1. appear for the approval hearing with the original identity cards, academic and professional certificates and other relevant testimonials; and
2. obtain letters/certificates of compliance from the following institutions: -
 - a. **Ethics and Anti-Corruption Commission;**
 - b. **Kenya Revenue Authority;**
 - c. **Higher Education Loans Board;**
 - d. **Directorate of Criminal Investigations; and,**
 - e. **Office of the Registrar of Political Parties.**

**S. NJOROGE
CLERK OF THE NATIONAL ASSEMBLY
19th May, 2023**

"For the Welfare of Society and the just Government of the People"



ANNEX 6

THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: ena@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote
Ref: NA/DDC/F&NP/2023/046

23rd May 2023

Mr. Twalib Mbarak, CBS
Chief Executive Officer
Ethics and Anti-Corruption Commission
P.O. Box 61130-00200
NAIROBI

Dear Sir

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

The National Assembly is in receipt of notification of the nomination of Dr. Kamau Thugge, CBS, for appointment as Governor, Central Bank of Kenya by H.E. the President. As you are aware, the National Assembly is required to vet the nominee for appointment in accordance with provisions of Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Sections 3 and 5 of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011).

In view of the foregoing and in accordance with Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Standing Order 216(5)(f) of the National Assembly, the Departmental Committee on Finance and National Planning is mandated to consider, for approval of the nominee for appointment under Section 13(1) of Central Bank of Kenya Act (CAP 491). The matter has since been committed to the Departmental Committee by the Hon. Speaker for consideration.

Pursuant to Section 7(b) of the Public Appointments (Parliamentary Approval) Act, the Committee is mandated to consider whether the nominee meets all Constitutional and Statutory requirements relating to the office in question.

The purpose of this letter is to request you to provide a report touching on the integrity of the nominee as set out in Chapter Six of the Constitution that may be in the possession of the Commission. The information should reach the Office of the Clerk of the National Assembly, on or before **Monday, 29th May, 2023**. A soft copy of the report may be emailed to ena@parliament.go.ke.

The officers responsible for facilitating this matter are **Mr. Benjamin Magut** who may be contacted on Tel. No. 0712974966 or email address benjamin.magut@parliament.go.ke and **Mr. Joshua Ondari**, Tel. No. 0726058443 or email address joshua.ondari@parliament.go.ke.

Yours Sincerely,

GEORGE GAZEMBA, ACI Arb, CPM
For: CLERK OF THE NATIONAL ASSEMBLY

Jaeger

**REPUBLIC OF KENYA****THIRTEENTH PARLIAMENT – (SECOND SESSION)****THE NATIONAL ASSEMBLY****NOTIFICATION FROM THE SPEAKER***[Pursuant to Standing Order 42(2)]**(No. 002 of 2023)***ON NOMINATION OF A PERSON FOR APPOINTMENT AS
GOVERNOR OF THE CENTRAL BANK OF KENYA**

WHEREAS, Article 231(1) of the Constitution establishes the Central Bank of Kenya and section 13(1) of the Central Bank of Kenya Act (Cap. 491) provides that *'there shall be a Governor who shall be appointed by the President through a transparent and competitive process and with the approval of the National Assembly'*;

FURTHER WHEREAS, pursuant to the said provisions as read together with sections (3) and (5) of the Public Appointments (Parliamentary Approval) Act, 2011, on 15th May 2023, being a period during the long recess, His Excellency the President submitted to the National Assembly the name of a nominee, **Dr. Kamau Thugge, CBS**, for appointment as the Governor of the Central Bank of Kenya, following the recommendation of the Public Service Commission;

NOTING THAT, the unique role of the Governor of the Central Bank of Kenya in formulating Kenya's monetary policy, controlling inflation, managing foreign currency reserves and promoting the stability of the Kenya shilling necessitates consideration of a nominee to this position on a **priority** basis;

FURTHER NOTING THAT, section 8 of the Public Appointments (Parliamentary Approval) Act, 2011 states that 'unless otherwise provided in any law, a Committee shall consider a nomination and table its report in the relevant House for debate and decision **within twenty-eight days** from the date on which the notification of nomination was given in accordance with section 5';

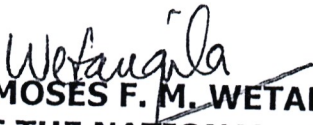
RECALLING THAT, by a Resolution made on 15th February 2023 pursuant to the provisions of Standing Orders 41 and 42, the House ordered that during the Short and Long Recesses of the Second Session, upon receipt of any Message from the Senate, or upon receipt of any **name of a person nominated for appointment to a state or public office from the President** or any other office in the National Executive, the Speaker shall forthwith refer such Message to the relevant Committee for consideration, without having to recall the House, and report such fact to the House upon resumption;

NOW THEREFORE, IT IS NOTIFIED to all Members of the National Assembly and the general public –

- 1. THAT,** pursuant to the provisions of Standing Order 42 and the Resolution of the House of 15th February 2023, I hereby refer the Message from the President on the nomination of Dr. Kamau Thugge, CBS for appointment as Governor of the Central Bank of Kenya, together with the curriculum vitae of the nominee and the Report of the Public Service Commission thereof, to the Departmental Committee on Finance and National Planning for consideration;

- 2. THAT,** the Committee is required to expeditiously commence the approval hearings in accordance with the provisions of the Public Appointments (Parliamentary Approval) Act, 2011 and report to the House within the given statutory timelines;
- 3. THAT,** the Clerk is directed to circulate this Notification to all Members of the National Assembly, accordingly facilitate the Committee to undertake the exercise and prepare the Message for formal conveyance to the House upon resumption of its Regular Sittings on Tuesday, 6th June, 2023.

I thank you.


THE RT. HON. (Dr.) MOSES F. M. WETANG'ULA, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Tuesday, 16th May 2023



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote
Ref: NA/DDC/F&NP/2023/049

23rd May 2023

Ms. Anne N. Nderitu, MBS
Registrar
Office of the Registrar of Political Parties
Lions Place, Waiyaki Way
P.O. Box 1131-00600
NAIROBI

Dear *Madam,*

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

The National Assembly is in receipt of notification of the nomination of Dr. Kamau Thugge, CBS, for appointment as Governor, Central Bank of Kenya by H.E. the President. As you are aware, the National Assembly is required to vet the nominee for appointment in accordance with provisions of Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Sections 3 and 5 of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011).

In view of the foregoing and in accordance with Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Standing Order 216(5)(f) of the National Assembly, the Departmental Committee on Finance and National Planning is mandated to consider, for approval of the nominee for appointment under Section 13(1) of Central Bank of Kenya Act (CAP 491). The matter has since been committed to the Departmental Committee by the Hon. Speaker for consideration.

Pursuant to Section 7(b) of the Public Appointments (Parliamentary Approval) Act, the Committee is mandated to consider whether the nominee meets all Constitutional and Statutory requirements relating to the office in question.

The purpose of this letter is to request you to provide a report on whether the nominee holds an office in any political party in Kenya. The information should reach the Office of the Clerk of the National Assembly, on or before **Monday, 29th May, 2023**. A soft copy of the report may be emailed to cna@parliament.go.ke.

The officers responsible for facilitating this matter are **Mr. Benjamin Magut** who may be contacted on Tel. No. 0712974966 or email address benjamin.magut@parliament.go.ke and **Mr. Joshua Ondari**, Tel. No. 0726058443 or email address joshua.ondari@parliament.go.ke.

Yours

Sincerely,

GEORGE GAZEMBA, ACIarb, CPM
For: CLERK OF THE NATIONAL ASSEMBLY



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote
Ref: NA/DDC/F&NP/2023/047

23rd May 2023

FCPA Rispah Simiyu
Ag. Commissioner General
Kenya Revenue Authority
NAIROBI

Dear *Madam*,

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

The National Assembly is in receipt of notification of the nomination of Dr. Kamau Thugge, CBS, for appointment as Governor, Central Bank of Kenya by H.E. the President. As you are aware, the National Assembly is required to vet the nominee for appointment in accordance with provisions of Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Sections 3 and 5 of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011).

In view of the foregoing and in accordance with Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Standing Order 216(5)(f) of the National Assembly, the Departmental Committee on Finance and National Planning is mandated to consider, for approval of the nominee for appointment under Section 13(1) of Central Bank of Kenya Act (CAP 491). The matter has since been committed to the Departmental Committee by the Hon. Speaker for consideration.

Pursuant to Section 7(b) of the Public Appointments (Parliamentary Approval) Act, the Committee is mandated to consider whether the nominee meets all Constitutional and Statutory requirements relating to the office in question.

The purpose of this letter is to request you provide a report on tax compliance by the nominee. The information should reach the Office of the Clerk of the National Assembly, on or before **Monday, 29th May, 2023**. A soft copy of the report may be emailed to cna@parliament.go.ke.

The officers responsible for facilitating this matter are **Mr. Benjamin Magut** who may be contacted on Tel. No. 0712974966 or email address benjamin.magut@parliament.go.ke and **Mr. Joshua Ondari**, Tel. No. 0726058443 or email address joshua.ondari@parliament.go.ke.

Yours *Sincerely*

GEORGE GAZEMBA, ACI Arb, CPM
For: CLERK OF THE NATIONAL ASSEMBLY



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote
Ref: NA/DDC/F&NP/2023/048

23rd May 2023

Mr. Charles Ringera
Chief Executive Officer
High Education Loans Board
P.O. Box 69489-00400
NAIROBI

Dear Sir,

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

The National Assembly is in receipt of notification of the nomination of Dr. Kamau Thugge, CBS, for appointment as Governor, Central Bank of Kenya by H.E. the President. As you are aware, the National Assembly is required to vet the nominee for appointment in accordance with provisions of Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Sections 3 and 5 of the Public Appointments (Parliamentary Approval) Act (No. 33 of 2011).

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Pursuant to Section 7(b) of the Public Appointments (Parliamentary Approval) Act, the Committee is mandated to consider whether the nominee meets all Constitutional and Statutory requirements relating to the office in question.

The purpose of this letter is to request you to provide a report on the repayment of any loans that may have been advanced by the Board to the nominee. The information should reach the Office of the Clerk of the National Assembly, on or before Monday, 29th May, 2023. A soft copy of the report may be emailed to cna@parliament.go.ke.

The officers responsible for facilitating this matter are Mr. Benjamin Magut who may be contacted on Tel. No. 0712974966 or email address benjamin.magut@parliament.go.ke and Mr. Joshua Ondari, Tel. No. 0726058443 or email address joshua.ondari@parliament.go.ke.

Yours

Sincerely

GEORGE GAZEMBA, ACIArb, CPM
For: CLERK OF THE NATIONAL ASSEMBLY



THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote
Ref: NA/DDC/F&NP/2023/045

23rd May 2023

Mr. Amin Mohamed Ibrahim
The Director
Directorate of Criminal Investigations
P.O. Box 30036-00100
NAIROBI

Dear 

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

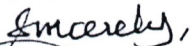
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In view of the foregoing and in accordance with Section 13(1) of the Central Bank of Kenya Act (CAP 491) and Standing Order 216(5)(f) of the National Assembly, the Departmental Committee on Finance and National Planning is mandated to consider, for approval of the nominee for appointment under Section 13(1) of Central Bank of Kenya Act (CAP 491). The matter has since been committed to the Departmental Committee by the Hon. Speaker for consideration.

Pursuant to Section 7(b) of the Public Appointments (Parliamentary Approval) Act, the Committee is mandated to consider whether the nominee meets all Constitutional and Statutory requirements relating to the office in question.

In this regard, the Committee requests you to provide information on whether the nominees has been adversely mentioned in any investigations in possession of the Directorate of Criminal Investigations in the course of discharging its mandate. The information should reach the Office of the Clerk of the National Assembly on or before Monday, 29th May 2023. A soft copy of the report may be emailed to cna@parliament.go.ke.

The officers responsible for facilitating this matter are **Mr. Benjamin Magut** who may be contacted on Tel. No. 0712974966 or email address benjamin.magut@parliament.go.ke and **Mr. Joshua Ondari**, Tel. No. 0726058443 or email address joshua.ondari@parliament.go.ke.

Yours 


GEORGE GAZEMBA, ACI Arb, CPM
For: CLERK OF THE NATIONAL ASSEMBLY

NATIONAL POLICE SERVICE

Telegrams: "CRIMINAL", Nairobi
Email: director@cid.go.ke
Telephone: 0202603724, 020343312



Directorate of Criminal Investigations,
Mazingira House Kiambu Road
P.O. Box 30063-00100,
NAIROBI

DIRECTORATE OF CRIMINAL INVESTIGATIONS

DCI/CRO/SEC/6/7/2/A/VOL.XII/149

31st May, 2023

Clerk of the National Assembly
P O Box 41842-00100
NAIROBI

Attn: Mr. George Gazemba, ACI Arb, CPM

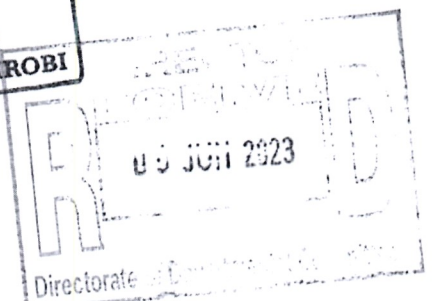
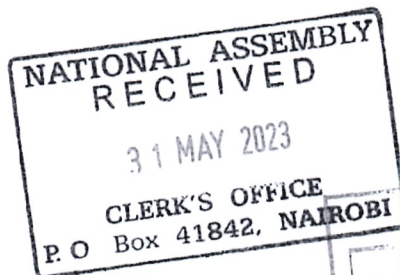
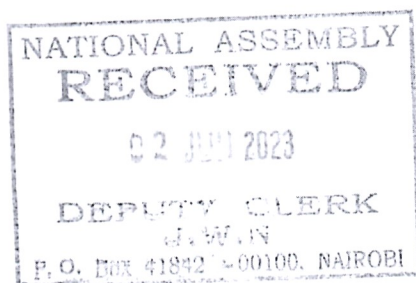
APPROVAL HEARING FOR DR. KAMAU THUGGE, CBS, NOMINEE FOR APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA

Further to our letter Ref. DCI/CRO/SEC/6/7/2/A/VOL.XII/141 dated 26th May, 2023 on the above subject, we confirm that the below listed person applied the Police Clearance certificate and **was genuinely** issued as follows:

S/NO.	NAME	ID NO.	DCI REF. NO.	DATE OF ISSUE
1.	Dr. Kamau Thugge, CBS	27645149	PCC-MOTK6J3P	18/09/2022

It is deemed that as at the date of issuance of the police clearance certificate to the applicant, there **was negative result** from both our nominal index and criminal database.

Mohamed I. Amin, EBS, OGW, 'ndc' (K)
DIRECTOR OF CRIMINAL INVESTIGATIONS





REPUBLIC OF KENYA
Telephone: +254(0)204022000
Mobile: 0772281357
Email: info@orpp.or.ke
Website: www.orpp.or.ke
When replying please quote



Lion Place, 1st & 4th Floor
Off Waiyaki Way
P.O. Box 1131-00606
Sarit Centre, Nairobi.

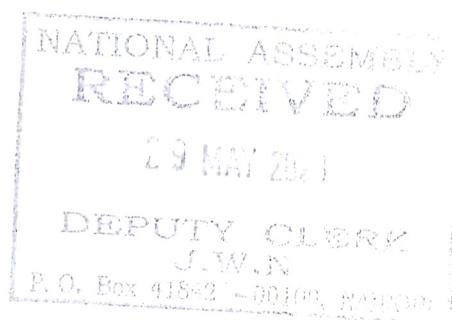
Ref: RPP/ORG/34 VOL. VII (7)

Date: 25th May, 2023

Clerk of the National Assembly,
Main Parliament Buildings,
P.O. Box 41842 – 00100,
NAIROBI.

Attn: George Gazemba, ACI Arb, CPM

Dear Sir,



RE: APPROVAL HEARING FOR DR. KAMAU THUGGE, CBS, NOMINEE FOR APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA

Reference is made to letter Ref No. NA/DDC/F&NP/2023/049 dated 23rd May, 2023 on the above subject matter.

Pursuant to Article 77 (2) and according to the records held by this Office as at 25th May 2023, **Dr. Kamau Thugge** of ID No. **27645149** is **NOT** an official of any registered political party in Kenya.

Yours faithfully,

Ann N. Nderitu, CBS
Registrar of Political Parties/CEO

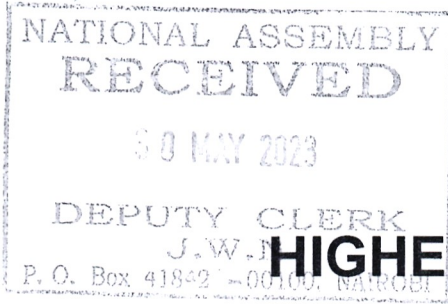


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ORPPKenya



HIGHER EDUCATION LOANS BOARD

Tel: 0711052000
E-mail: contactcentre@helb.co.ke
Website: www.helb.co.ke

Anniversary Towers
University Way
P.O Box 69489-00400
Nairobi, Kenya

HELB/RR/112009/V/243

30th May 2023

*Director
8/5/23*

Mr. Samuel Njoroge, MBS
Clerk of the National Assembly
Parliament Buildings
P.O Box 41842-00100
NAIROBI

*Benjamin Njoroge
to facilitate
up to 4/6/23*

Dear 

CLEARANCE FOR NOMINEE APPOINTED AS GOVERNOR, CENTRAL BANK OF KENYA-DR. KAMAU THUGGE.

We acknowledge with appreciation receipt of your letter Ref. No. NA/DDC/F&NP/2023/048 dated **24th May 2023** requesting the Higher Education Loans Board to provide a report on repayment of HELB loans that may have been advanced to Dr. Kamau Thugge for purposes of vetting for appointment to the position of Governor, Central Bank of Kenya.

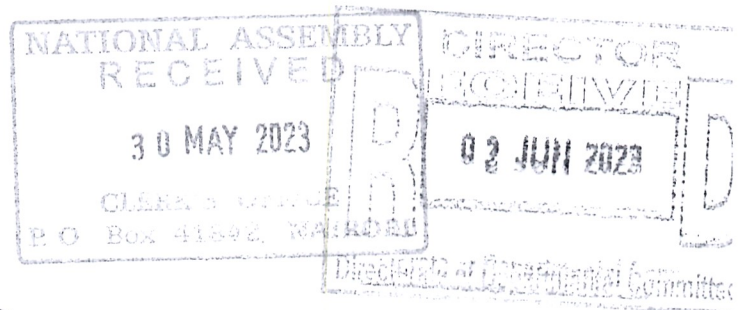
The Higher Education Loans Board wishes to inform you that **Dr. Kamau Thugge (ID No. 27645149)** was not a beneficiary of GOK/HELB University Loan.

We kindly urge you to continue encouraging applicants to seek their compliance certificate from HELB as part of testimonials and conformity to Chapter Six of the Constitution of Kenya.

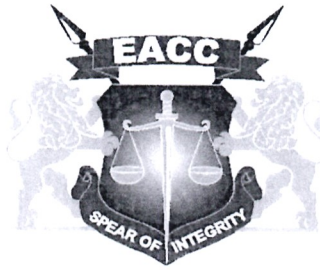
We to thank you most sincerely for allowing us provide you this information. This kind of collaboration goes a long way in assisting HELB finance needy Kenyans pursuing higher education now and in the future.

Yours 

FCPA CHARLES RINGERA
CHIEF EXECUTIVE OFFICER



ISO 9001:2015 Certified.



ETHICS AND ANTI-CORRUPTION COMMISSION

INTEGRITY CENTRE (Jakaya Kikwete/Valley Road Junction) P.O. Box 61130 – 00200, NAIROBI, Kenya

TEL.: 254 (020) 4997000, MOBILE: 0709 781000; 0
730 997000

FAX: 254 (020) 2240954 EMAIL: eacc@integrity.go.ke WEBSITE: www.eacc.go.ke

When replying please quote:

Our Ref: EACC.7/10/5 VOL XXIII (114)

29th May 2023

Mr. Samuel Njoroge

Clerk of the National Assembly

Clerk's Chambers

Main Parliament Buildings

P O Box 41842 - 00100

NAIROBI

Dear

Mr. Njoroge,

**RE: APPROVAL HEARING FOR DR KAMAU THUGGE, CBS, NOMINEE FOR
APPOINTMENT AS GOVERNOR, CENTRAL BANK OF KENYA**

Your letter referenced NA/DDC/F&NP/2023/046 dated 23rd May 2023, on the above subject matter refers.

Please note that the Commission has not undertaken any investigations pursuant to its mandate nor has it recommended prosecution against **Dr. Kamau Thugge, CBS of ID No. 27645149.**

The information provided herein is based on records available as at **29th May 2023.**

Yours

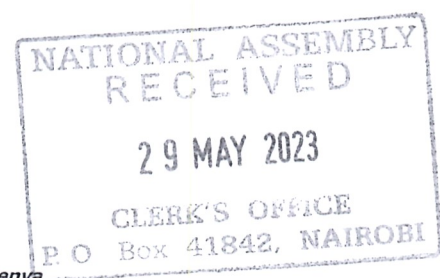
Sincerely.

Abdi A. Mohamud, MBS

Deputy Chief Executive Officer

FOR: SECRETARY/CHIEF EXECUTIVE OFFICER

LK/rk



Tuagamize Ufisadi, Tuijenge Kenya



KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

Office of the Commissioner General

KRA/5/1002/5(9038)

30th May, 2023

Mr. Samuel Njoroge
Clerk of the National Assembly
P. O. Box 41842 – 00100
Parliament Buildings
NAIROBI

Dear *Clerk,*

*Benjamin magut
to facilitate
up to 2/6/23*

APPROVAL HEARING FOR DR. KAMAU THUGGE, CBS, NOMINEE FOR APPOINTMENT AS GOVERNOR OF THE CENTRAL BANK OF KENYA

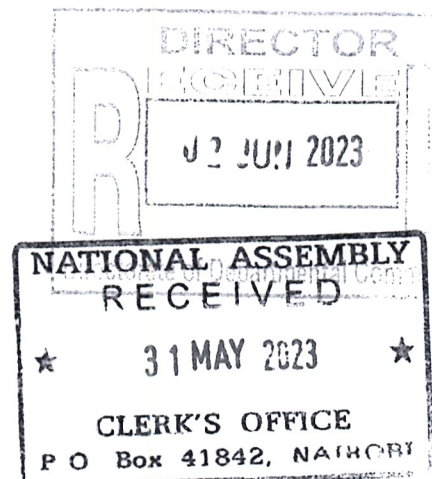
Reference is made to your letter Ref. No. NA/DDC/F&NP/2023/047 dated 23th May 2023 on the tax compliance status of Dr. Kamau Thugge, CBS shortlisted for the position of Governor of the Central Bank of Kenya.

The compliance status of the candidate is as follows.

S/No.	Name.	ID/ Passport Number.	Pin number.	Compliance Status.
1.	Dr. Kamau Thugge, CBS	27645149	A004642852X	Compliant

Yours sincerely,

[Signature]
**FCCA, CS Rispah Simiyu (Mrs.) Advocate, EBS
AG. COMMISSIONER GENERAL**



Tulipe Ushuru, Tujitegemee!



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
COMMITTEE ON FINANCE & NATIONAL PLANNING
CRITERIA FOR VETTING/APPROVAL OF NOMINEES FOR
APPOINTMENT TO PUBLIC OFFICE BY PARLIAMENT
QUESTIONNAIRE

Notes:

- a) This questionnaire applies to appointments to public office arising by or under the Constitution or any other law where parliamentary approval is required.
- b) The questionnaire shall be used by the relevant parliamentary committee to vet a nominee appearing before the committee in the process of parliamentary approval.
- c) The questionnaire shall be filled and submitted by the nominee to the relevant parliamentary committee through the Clerk of the relevant House of Parliament on or before a date set by the committee.
- d) The submission of false information in the questionnaire is an offence and may result in prosecution.
- e) Any form of canvassing by a nominee shall lead to disqualification.
- f) The nominee must answer all the questions.

1. **Name:** (State full name) DR. KAMAU THUGGE
2. **Position:** (State office to which you have been nominated).
GOVERNOR, CENTRAL BANK OF KENYA
3. **Sex** MALE
4. **Date of Birth:** (State year and place of birth) 1957, NAIROBI
5. **Marital Status:** MARRIED
6. **Daytime phone number:** N/A
7. **Mobile phone number:** 0723 222 468
8. **Email Address:** Kthugge@gmail.com
9. **ID Number:** 27645149
10. **PIN Number:** A004642852X
11. **Nationality:** KENYAN

12. Postal Address: 35191-00200

13. Town/City: NAIROBI

14. Knowledge of Languages: (Specify Languages): ENGLISH, KIKUYU, SWAHILI

15. Education: (List, in reverse chronological order, each university, college, or any other institution of higher education attended and indicate, in respect of each, the dates of attendance, academic award obtained, whether a degree was awarded, and the dates on which each such degree was awarded).

- 1) JOHNS HOPKINS UNIVERSITY (1982-84); DOCTOR OF PHILOSOPHY (PHD), ECONOMICS (MAY 24th, 1990)
- 2) JOHNS HOPKINS UNIVERSITY (1980-82); MASTER'S DEGREE (MA), ECONOMICS (MAY 27th, 1982)
- 3) COLORADO COLLEGE, COLORADO (1976-80); BACHELOR OF ARTS (BA), ECONOMICS (MAY, 1980).

Employment Record: (List in reverse chronological order all government agencies, business or professional corporations, companies, firms or other enterprises with which you have been affiliated as an officer, director, partner, proprietor, employee or consultant)

- 1) SENIOR ADVISOR, OFFICE OF FISCAL AFFAIRS AND BUDGET POLICY, OFFICE OF THE PRESIDENT
- 2) PRINCIPLE SECRETARY, NATIONAL TREASURY
- 3) SENIOR ECONOMIC ADVISOR, MINISTRY FINANCE
- 4) DEPUTY DIVISION CHIEF, INTERNATIONAL MONETARY FUND (IMF)
- 5) ECONOMIC SECRETARY, MINISTRY FINANCE (MOF)
- 6) HEAD OF FISCAL / MONETARY AFFAIRS DEPT. MOF
- 7) ECONOMIST / SENIOR ECONOMIST, IMF
- 8) LECTURER, FRANKLIN AND MARSHALL COLLEGE, PA

16. **Honours and Awards:** (List any scholarships, fellowships, honorary degrees, academic or professional honours, honorary society memberships, military awards and any other special recognition for outstanding service or achievement and in respect of each, state the date of award and the institution or organization that made the award).

1/ C.B.S. - CHIEF OF THE ORDER OF THE BURNING SPEAR
2/ E.B.S. - ELDER OF THE ORDER OF THE BURNING SPEAR
3/ M.B.S. - MODERATOR OF THE ORDER OF THE BURNING SPEAR

17. **Professional Association** (where applicable): (List all professional associations of which you are or have a member and give any positions held and the respective dates when each such position was held).

N/A

18. **Memberships:** (List all professional, business, fraternal, scholarly, civic, and charitable or other organizations, (other than those listed in response to Question 16) to which you belong or have belonged).

N/A

19. **Published Writings:**

(a) List the titles, publishers and dates of books, articles, reports, letters to the editor, editorial pieces or other published materials you have authored or edited.

- 1/ AN OPEN ECONOMY MACRO MODEL FOR KENYA (1990)
- 2/ DEBT RELIEF FOR LOW-INCOME COUNTRIES, HIPC-I (1997/99)
- 3/ RESOLVING REMAINING DEBT ISSUES FOR LOW-INCOME COUNTRIES THROUGH INNOVATIVE APPROACHES (2000)
- 4/ INTERNATIONAL TRADE AND POVERTY ALLEVIATION, ISSUES 2001-2004
- 5/ THE CROSS-BORDER INITIATIVE IN EASTERN/SOUTHERN AFRICA-1999
- 6/ FISCAL POLICY IN KENYA: LOOKING TOWARD THE MEDIUM-TO-LONG TERM
- 7/ UNLOCKING THE FUTURE POTENTIAL FOR KENYA - VISION 2030
- 8/ OFFICIAL FINANCING FOR DEVELOPING COUNTRIES (1995)
- 9/ VARIOUS GOK REPORTS: BPS; BROF; DORA; CARA; MTDS ETC.

(b) Supply four (4) copies of any reports, memoranda or policy statements you prepared or contributed in the preparation of any bar association, committee, conference or organization of which you were a member.

N/A

20. Public Office, Political Activities and Affiliations:

(a) List chronologically any public offices you have held or are currently holding, including the terms of service and whether such positions were elected or appointed.

N/A

(b) List all memberships and offices held in and services rendered, whether compensated or not, to any political party or election committee. If you have ever held a position or played a role in a political campaign, identify the particulars of the campaign, including the candidate, dates of the campaign, your title and responsibilities. Also include any linkage you have to a political party at present.

N/A

(c) Have you ever been dismissed or otherwise removed from office for a contravention of the provisions of Article 75 of the Constitution?

N/A; NO

(d) Have you ever been adversely associated with practices that depict bias, favoritism or nepotism in the discharge of public duties?

NO

21. **Deferred Income/Future Benefits:** (List the sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock, options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, etc).

NONE

22. **Outside commitment during service in office:** (Do you have any plans, commitments or agreements to pursue outside employment with or without compensation during your service in office? If so explain).

NONE

23. **Sources of Income:** (List sources and mounts of all income received during the calendar year preceding your nomination and in the current calendar year).

2022: Pension (sh. 17,000,000); SALARY (sh. 9,182,256)
2023 (April) Pension (sh. 6,450,000); SALARY (3,696,000)

24. **Tax Status:** (State whether you have fully complied with your tax obligations to the State up to the end of the financial year immediately preceding the nomination for appointment).

FULLY COMPLIED

25. **Statement of Net Worth:** (State your financial net worth)

NET WORTH: Sh. ~~4~~50 Mn. = Sh. 450 Mn.

26. Potential Conflict of Interest:

(a) Identify the family members or other persons, parties, categories of litigation or financial arrangements that are likely to present potential conflicts-of-interest when you first assume the position to which you have been nominated. Explain how you would address any such conflict if it were to rise.

NO SUCH PERSONS.

(b) Explain how you will resolve any potential conflict of interest, including the procedure you will follow in determining these areas of concern.

IN THE EVENT OF ANY CONFLICT OF INTEREST,
I'D EXCUSE MYSELF FROM DISCUSSING
THE MATTER IMMEDIATELY.

27. Pro-Bono/Charity Work/donation to charity: (Describe what you have done by way of pro bono or charity work, listing specific instances, the amount contributed and the amount of time devoted to each).

N/A

28. Have you ever been charged in a court or law in the last three years? If so, specify the nature of the charge, where the matter is ongoing, the present status of the matter, or where the matter is concluded, the judgment of the court, or otherwise, how the case was concluded.

ABOUT 4-YEARS AGO, I WAS CHARGED IN RELATION TO

THE ARBOR/KIMWARER DAMS. ALL CHARGES WERE
SUBSEQUENTLY DROPPED BY THE DIRECTOR OF
PUBLIC PROSECUTIONS (DPP) IN JANUARY 2021.

29. Have you ever been adversely mentioned in an investigatory report of Parliament or any other Commission of inquiry in the last three years?

NO

30. Have you any objection to the making of enquiries with your present employer/referees in the course of consideration of your nomination?

NO

31. References:

(List three persons who are not your relatives who are familiar with your character, qualification and work).

- 1) DR. GLADWELL KIARIE, 0724 053501
- 2) MS. ESTHER KOIMETT, 0720 886722
- 3) MR. WANYAMBURA MWAMBIA, 0720 948161

DR. KAMAU THUGGE, E.B.S., M.B.S., CBS

CARRICULUM VITAE

I have been a practicing economist since 1985, starting at the International Monetary Fund (IMF) for over 20 years and working at the Kenya National Treasury for 12 years. My specialization is in designing macro-economic policies (fiscal/monetary/exchange rate) and financial programming. The latter is critical in ensuring that the macro-economic framework involving the real sector, fiscal and monetary sectors and the balance of payments are internally consistent to serve as a platform for rapid economic growth, poverty reduction and wealth creation.

I. WORK EXPERIENCE:

- a. Senior Advisor to the President, Head of Fiscal and Budget Affairs : 2022-Present
- b. Principal Secretary, National Treasury: 2013-2019
- c. Senior Economic Advisor in the Ministry of Finance: 2010--2013
- d. Deputy Division Chief, International Monetary Fund: 2008-2010
- e. Economic Secretary and Head of Economic Affairs Department, Treasury (Kenya): 2005-2008
- f. Head of Fiscal and Monetary Affairs Department, Treasury (Kenya): 2004-2005
- g. Economist/Senior Economist, IMF: 1985-2004.
- h. Franklin and Marshall College, Pennsylvania: 1984-85.

II. ACADEMIC EXPERIENCE

- a. Lenana High School (1976):
- b. Colorado College, Colorado USA, for Bachelors of Arts in Economics (1980):

c. Johns Hopkins University, Maryland, USA, for Master in Economics (1982):

d. Johns Hopkins University, Maryland USA, for Doctor of Philosophy (PhD) in Economics (1990):

III. WORK EXPERIENCE IN THE U.S.A./IMF, 1984-2004:

1. FRANKLIN AND MARSHALL COLLEGE, PENNSYLVANIA:

- Teaching advance Micro-and Macro-economics—1984-85

2. INTERNATIONAL MONETARY FUND (IMF): 1985-2004

- I have worked in both the policy making Departments and non-policy making Departments (area Departments) of the IMF.

A. POLICY DEPARTMENT:

I worked in the Policy Review and Development Department. This involved:

- Designing and reviewing IMF financial programs supporting developing countries e.g. Enhanced Structural Adjustment Facility (ESAF) and Stand-by arrangements (SBA);
- Designing the Highly Indebted Poor Countries Initiative (HIPC) to deal with poor countries' unsustainable debt positions (see publications at the end). In the process I gained a lot of knowledge on a wide spectrum of debt issues ranging from;
 - the whole process of Paris Club rescheduling (concessional and non-concessional) and its relation to a sustainable fiscal and macro-economic framework; and

- The various debt thresholds (related to the net present value of debt in relation to GDP and Revenues, and the debt service ratios in relation to revenues and exports of goods and non-factor services) that help in assessing the sustainability of a country's debt position.
- Working in the Trade Policy Division and reviewing IMF supported programs to ensure that the agreed trade policies between the IMF mission staff and the relevant country Authorities were consistent with the guidelines of the World Trade Organization (WTO).

B. AREA DEPARTMENTS:

My work in the area Departments involved visiting countries, as part of an IMF team, to analyze and make recommendations on their macro-economic, structural and financial policies (Article IV Consultations). These visits did not involve any financial support from the IMF.

The type of work involved negotiations for economic programs that would be supported with Funding from the IMF, other multilateral institutions and bilateral partners—and where necessary debt rescheduling. The visits focused on areas such as:

- a. Fiscal policy assessing revenue and expenditure policies; whether the fiscal position was sustainable and how deficits would be financed;
- b. The real sector involving production, consumer prices and inflation, employments, and overall GDP growth;
- c. The balance of payments involving whether the current account was sustainable and whether capital inflows were sufficient to cover the

current account deficit and the implication of various policy decisions on the exchange rate;

- d. Monetary sector involving the design of a monetary program which would address inflation concerns, the level of international reserves while at the same time providing enough credit to the private sector to meet growth objectives.

Having experience in working on all these sectors meant building up expertise for financial programming which is an indispensable framework for formulating an internally consistent macro-economic framework covering the four sectors, namely: the budget, real output, monetary and the external sectors.

During the course of my work, I visited the following regions/countries.

- **Africa:**
 - Uganda
 - Sudan
 - Tanzania
 - Zambia
 - Botswana
 - Lesotho
- **Latin/Central America:**
 - Paraguay
 - Costa Rica
 - Guatemala
 - El Salvador
 - Honduras
- **Caribbean:**
 - Antigua and Barbuda
 - Dominica
 - Grenada

- St. Kitts and Nevis
- St. Lucia
- St. Vincent and Grenadines
- **Central Asia:**
 - Kazakhstan

IV. WORK EXPERIENCE IN KENYA 2004-2008

I was appointed in the Ministry of Finance, Kenya in 2004 as the Director of Fiscal and Monetary Affairs Department (later renamed Economic Affairs department). In 2005 I was given more responsibilities as the Economic Secretary for the Ministry of Finance but I also retained the Directorship of the Economic Affairs Department in 2005-2008.

Some key highlights and achievements:

- Responsible for designing the national budgets from 2005/06—2007/08;
- Re-oriented the budgets for 2004/5-2007/08 to provide for more development expenditure and less recurrent expenditure; also instrumental in the significant shift in the composition of the budget towards more spending on infrastructure, health and education.
- Advised on maintaining a sustainable debt position throughout which helped lower interest rates and spur economic growth.
- The design and implementation of macro-economic policies during this time resulted in lower inflation, lower and stable interest rates, a stable exchange rate which together with significant structural reforms resulted in Kenya achieving its most rapid and sustained period of economic growth in decades reaching a high of 7.1 percent in 2007.
- Most notable achievement was being able to persuade the Minister for Finance not to factor donor budgetary support in the budget—this policy has been followed to date and has resulted in reducing Kenya's dependency on donor support.
- Structural reforms: was instrumental in the sharp (“guillotine”) reduction of licenses from over 1,400 to less than 600. The improvement in the investment climate while I was the Economic

Secretary resulted in Kenya receiving an award from the World Bank as one of the ten fastest reformers in the world (see World Bank Doing Business Indicators 2007). As a result of the reforms introduced during this period Kenya's ranking in the DBIs declined to its lowest level of 73 out of 183 countries. The current ranking for 2013 is 121 out of 183 countries demonstrating the need to re-invigorate structural reforms to reduce the cost of doing business.

- Given the ensuing good economic performance, I persuaded the then Minister for Finance to agree to get Kenya rated by Standards and Poor and later on by Fitch Ratings. My main intention was to bring international discipline in formulating and implementing our economic policies (especially macro-economic policies) as these ratings would provide an independent assessment of our economic performance; and, secondly to start the process of issuing a sovereign bond so as to diversifying the sources of funding the budget and further reduce Kenya's reliance on donor support. We were poised to issue the first sovereign bond in the region in late 2007, and hired international lawyers as well as the lead transactions managers only for the post election violence to set back the calendar for the issuance. It was not until 2014 that the bond was issued.

I participated in the following Boards on behalf of the then Permanent Secretary, Finance:

- The Central Bank of Kenya
- The Monetary Policy Advisory Committee of the Central Bank (CBK)
- The Monetary Policy Committee of the CBK
- The Kenya Revenue Authority
- The Capital Markets Authorities.

V. WORK EXPERIENCE IN IMF 2008-2010

After concluding my leave of absence from the IMF, I returned to Washington DC in 2008 and was immediately put in charge of heading IMF missions to Botswana and to Lesotho, at a time of the global financial crisis

which affected virtually all countries. In particular, the two countries, which are part of the South African Customs Union (SACU), were experiencing unprecedented revenue shortfalls from sharp declines in imports as well as a collapse in prices of exports (especially diamonds). In the case of Lesotho, I negotiated the Extended Credit Facility (ECF) which was intended to help in re-establishing macro-economic stability in light of the shocks to the budget and the balance of payments. The IMF Board approved funding for the program. Fortunately for Botswana, it had accumulated a large level of international reserves (equivalent to 24 months of import cover) and could therefore weather the external shocks. Discussion with Botswana, therefore, focused on how to address the shocks even without funding from the IMF.

VI. WORK EXPERIENCE IN KENYA 2010-2013

In 2010, following the promulgation of the new constitution, the Kenya Government once again requested the IMF that I return to Kenya and assist in the area of fiscal decentralization. As the Senior Economic Advisor in the Ministry of Finance, and the Chair of the Working Committee on Fiscal Decentralization, I advised on matters regarding fiscal decentralization and coordinated the drafting of the following laws that were critical for devolution to take off smoothly:

- The Public Finance Management Act, 2012
- The Commission on Revenue Allocation Act, 2011
- The Independent Officers (Appointment) Act, 2011
- The County Government PFM Transition Act, 2013
- The County Government Appropriations Act, 2013
- The Transition County Allocation of Revenue Act, 2013
- The County Allocation of Revenue Bill, 2013
- The Division of Revenue Bill 2013/14
- The Controller of Budget Bill, 2013
- The regulations for the PFM Act, 2012.
- The Public Audit Bill
- The Public Procurement and Disposal of Assets Bill

I also represented the Permanent Secretary, Ministry of Finance in the following institutions:

- The Transition Authority; and
- The Commission on Revenue Allocation

VII. PRINCIPAL SECRETARY/NATIONAL TREASURY: 2013-PRESENT

- As the Accounting officer at the National Treasury responsible for a wide range of economic issues; including:
 - Formulating, implementing and monitoring macro-economic policies (e.g. budgeting, taxation)
 - Managing the levels and composition of public debt (Sovereign bond issuance, domestic infrastructure bonds, bonds and T-bills)
 - Mobilizing domestic and external resources;
 - Implementing an efficient public financial management system at both levels of government (e.g. IFMIS);
 - Strengthening relation between county and national governments by, inter alia, assisting county government to develop their capacity for efficient, effective and transparent financial management system.
 - Developing policies to strengthen, deepen, stabilize the Financial markets (RBA, CBK, CMA, and IRA);
 - Negotiations with the IMF for the Stand-by Arrangement/Credit.
- Some specific action completed over the past few years include:
 - Participated in the issuance of Kenya's first Sovereign/Euro Bond.
 - As Chair of the Railway Development Levy Fund, ensured timely disbursement of the Government's contribution to the building of the Standard gauge railway.

- Have facilitated police vehicle leasing program. This program has doubled the number of vehicles available to the security services and has resulted in improving security throughout the country.
- Since being appointed as the Accounting Officer, total revenue has increased from Ksh. 1 trillion to over Ksh 1.5 trillion per year. This has enabled the Government to fund such key programs as:
 - The free primary education as well as free secondary day education;
 - Support to County governments to improve health outcomes, including funding the free maternity care and the leasing of essential hospital equipment under the Managed Equipment Services (MES), among others
 - Strengthen devolution by disbursing more than Ksh.1trillion to Counties on a timely basis in the past four years.
- In sum, Treasury has guided the budget process and macro-economic management appropriately and this has resulted in a stable macro-economic environment, with key macro-prices such as interest rates, inflation and the exchange rate remaining broadly stable throughout the last four years. This has in turn led to increased jobs (from an annual average of about 600,000 in 2012/13 to over 800,000 currently) and lower un-employment, lowered poverty by increasing the per capita income by about 100% which resulted in Kenya being classified as a lower-Middle Income country.

VIII. PUBLICATIONS/REPORTS:

1. An open economy macro model for Kenya: a "dependent economy model" framework (Print, Dissertation/Thesis in English)

by Kamau Thugge. — 1989 Johns Hopkins University— Dissertations and essays (Economics)

(see executive summary).

<http://www.researchkenya.org/?ID=2359&search=Just-in-time+system>

(see for Ph. D commencement announcement)

http://www02.us.archive.org/stream/commencement1990/commencement1990_djvu.txt

**An open economy macro model for Kenya :
a "Dependent Economy Model" framework.**

Author Name: Thugge, Kamau

The object of this thesis is threefold: first, to establish an open economy macro model for Kenya within the framework of the dependent economy model; second, to estimate the structural equations of this model using observed annual data for Kenya; and third, to perform dynamic simulations to determine the sensitivity of key macroeconomic variables to changes in fiscal, monetary and exchange rate policies. The first chapter provides a brief historical outline of macroeconomic developments in Kenya, and summarizes the use of major policy tools during the period 1965-85. The chapter highlights the institutional attributes that are specific to Kenya and thus serves as a backdrop for developing a model with characteristics that are unique to Kenya. A short description of the literature on current account models, focusing primarily on the elasticities and absorption approaches, is provided in order to set the historical context for the dependent economy. In addition, a survey of the literature which has applied the dependent economy structure to analyze the effects of stabilization policies in Kenya is presented. The chapter concludes by pointing out the differences and similarities between two earlier models which had utilized this type of framework for Kenya, and the model developed for purposes of this dissertation. The second chapter formulates a small open economy model with a fixed exchange rate system for Kenya. The model is reduced to a system of four equations, two of which determine the momentary equilibrium, and the other two are dynamic equations which describe the path of the economy over time. It is shown that the Routh-Hurwitz conditions for dynamic stability are met. The third chapter analyzes the model's properties during three stages of adjustment, namely, the short run, the long run, and the dynamic adjustment process from one steady state

equilibrium to the next. Algebraic solutions of the effects of fiscal, monetary, exchange rate policies and externally generated shocks on real output, change in foreign reserves and the inflation rate are presented. The fourth chapter estimates the coefficients of the structural equations of the model using observed data for Kenya during the period 1969-85. The fifth chapter first verifies the goodness-of-fit of the estimated model with an in-sample dynamic simulation of the principal endogenous variables, and then tests for the model's dynamic stability. After concluding these tests, the model is then used to perform dynamic simulations to trace the effects of fiscal, monetary and exchange rate (nominal and real) policies on key macroeconomic aggregates, namely, real output, the trade account, and the rate of inflation.

Level of Degree: PhD: Degree Year: 1990

Awarding University: Johns Hopkins University, USA

Holding Library: "University Microfilms International, Publication Order Number: 9018634 Database ID: DAI-A 51/02, p. 593, Aug 10"

2. Debt Relief for Low-Income Countries: The HPIC Initiative (Rev.'97) (Reprint'99)

By Anthony R. Boote, Kamau Thugge

3. Debt Relief for low income countries and the HIPC Initiative

By Antony Boote, Fred Kilby, Kamau Thugge, and Axel Van Trotsenburg

4. Debt Relief for Low-Income Countries: The Enhanced HIPC Initiative (PDF Download)

Author/Editor: Anthony R. Boote, Kamau Thugge. **Release Date:** March, 2000

5. Resolving remaining debt issues for low-income countries through innovative approaches: Anthony Boote and Kamau Thugge

6. International Trade and Poverty Alleviation, Issues 2001-2054

By Geoffrey J. Bannister, Kamau Thugge

7. The Cross-Border Initiative in Eastern and Southern Africa

Jose Fajgenbaum, Robert Sharer, Kamau Thugge, and Hema DeZoysa: July 14, 1999

8. Fiscal Policy in Kenya: Looking Toward the Medium-to Long-Term

By Kamau Thugge, Peter S Heller, and Jane Kiringai

9. Unlocking the Future Potential for Kenya – The Vision 2030

Kamau Thugge, Njuguna Ndung'u, R. Owino Otieno

10. Official Financing for Developing Countries

Author/Editor: International Monetary Fund. Policy Development and Review Department:

Published: December 1, 1995: Kamau Thugge et al.

Others:

1. Vision 2030: Supervised the Chapters on the financial sector and the macro-framework.
2. Initiated the key budget documents “Budget Policy Statements” and the “Budget Outlook Paper” in 2005.
3. I supervise the following reports:
 - a. Annual budgets—2013/14-2017/18
 - b. The Finance Act—2013/14-2017/18
 - c. Division of Revenue Act—2013/14-2017/18
 - d. County Allocation of Revenue Act—2013/14-2017/18
 - e. Medium-Term Debt Strategy—2013/14—2017/18
 - f. The Budget Review and Outlook Paper—2013/14—2017/18
 - g. The Budget Policy Statement—2013/14—2017/18.

The Johns Hopkins University

Upon the recommendation of the Faculty of

Arts and Sciences

has conferred upon

Kamau Thugye

the degree of

Master of Arts

*with all the rights, honors and privileges appertaining thereto.
Given under the seal of the University at Baltimore, Maryland
on May twenty-seventh, nineteen hundred and eighty-two.*



Rogers R. Quirk
Dean

Stevenson Miller

President

Rogers R. Quirk
Dean

The Johns Hopkins University

*Upon the recommendation of the Faculty of
The School of Arts and Sciences
has conferred upon*

Kamau Thugge

the degree of

Doctor of Philosophy

*with all the rights, honors and privileges appertaining thereto.
Given under the seal of the University at Baltimore, Maryland
on May twenty-fourth, nineteen hundred and ninety.*



Lyd Austin Dean

Seron Muller Recorder

George A. Rockiff
Chairman of the Faculty

